

1 September 2025

ASX Listings Compliance
ASX Limited
20 Bridge Street
Sydney NSW 2000

RE: Response to Price and Volume Query – Codan Limited (Codan or CDA)

We refer to your letter dated 26 August 2025 requesting information in relation to a significant movement in the price and trading volume of Codan securities on the day of Codan's full year FY25 results release.

We provide the following information in response to your questions.

1. Does CDA consider that any measure of its statutory or underlying earnings for the financial year ended 30 June 2025 as disclosed in the Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):

- 1.1. If CDA had published earnings guidance, that guidance.

At the Codan Group level, Codan did not publish earnings guidance for FY25. However, noting section 7.2 of Guidance Note 8, we acknowledge the statement made in the HY presentation in February 2025 regarding the expected revenue growth of the Communications division is de facto earnings guidance given the significance of this division to CDA.

The statement made in our HY release was as follows: "Communications continues to target organic revenue growth in a 10 to 15% range. Including the benefit of Kägwerks, acquired during FY25, Communications overall revenue growth is expected to exceed 15% for the full year."

- 1.2. If CDA is covered by sell-side analysts, the earnings forecasts for those analysts.

Codan is currently covered by 8 sell-side analysts. The most recent average consensus forecasts from these analysts for FY25 was:

- ***Revenue: \$642 million***
- ***EBIT: \$141 million***
- ***NPAT: \$99 million***

- 1.3. If paragraphs 1.1 and 1.2 are not applicable, CDA's earnings for the prior corresponding period, being the financial year ended 30 June 2024.

Not applicable.

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how CDA determined market expectations in relation to each relevant measure of its earnings, including:

- 2.1. If CDA had published earnings guidance, details of:

- 2.1.1. That guidance and when it was released to the market.

Please refer to the commentary at 1.1 which contains the information regarding the Communications division, which Codan released to the market in its half year results on 21 February 2025.

The guidance for the Communications division's organic revenue growth of between 10% and 15% for H2 versus pcp was for an organic revenue range of \$190 million to \$199 million. The actual organic revenue for the Communications division in H2 FY25 was \$202 million, approximately 1.5% above the top end of the range.

With the inclusion of Kägwerks revenues of \$24 million in H2, the Communications division's total growth (organic and inorganic) for the full year exceeded 15%, as expected. Kägwerks' actual revenue contribution in FY25 was materially in line with the estimate provided to the market on 25 September 2024 that Kägwerks (which was acquired in December 2024) was expected to achieve revenue in the range of \$49 million to \$57 million during the first 12 months of ownership.

- 2.1.2. The date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.

Throughout the period between 21 February 2025 and 21 August 2025 (when CDA's full year results were released) CDA had a reasonable degree of certainty that expected earnings would be materially in line with guidance, reasons set out above at 2.1.1.

- 2.2. If CDA used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:

- 2.2.1. The method that CDA used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not CDA used a 'consensus estimate' or an 'adjusted consensus estimate' or a different specified approach for determining this estimate.

Codan's approach is to calculate a consensus forecast estimate based on the most recent earnings forecasts from sell-side analysts who formally cover the company.

This involves collecting the latest available forecasts for each relevant earnings measure (if available, e.g., revenue, EBIT, NPAT) and calculating the average of

these figures. We do not apply any company specific adjustments to create an 'adjusted consensus estimate'.

2.2.2.CDA's estimate of market expectations using that method.

As set out at 1.2 above.

2.2.3.The date when CDA first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.

Codan's FY25 financial results were within 5% of the average consensus estimates across each metric, and approximately 1.5% above the range provided for organic revenue growth in H2 from the Communications division. Accordingly, there was no material variance between Codan's actual FY25 results and market expectations prior to the release of Codan's FY25 results.

2.3. If paragraphs 2.1 and 2.2 are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, CDA's earnings for the prior corresponding period.

Not applicable.

3. Does CDA consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of CDA's securities?

No. Codan does not consider that, at any point prior to the release of the FY25 Results Announcement, there was a material variance between its expected financial performance and its estimate of market expectations of such a magnitude that a reasonable person would expect the variance to have a material effect on the price of CDA's securities.

Please answer separately for each measure of earnings referred to in Earnings Information.

The published FY25 results for the Codan Group did not materially vary from consensus expectations or earnings guidance across each earnings metric. Specifically:

- ***Revenue: 5% variance to consensus***
- ***EBIT: 4% variance to consensus***
- ***NPAT: 5% variance to consensus***
- ***Organic Communications Revenue Growth v pcg: 1.5% variance to guidance***

Accordingly, Codan determined that no material variance existed that would have required disclosure prior to release.

4. If the answer to question 3 is 'no', please provide a basis for that view.

Codan Group's FY25 results were within 5% of consensus expectations and earnings guidance provided, which is within thresholds generally regarded by market practice and ASX Guidance Note 8 as a material variance in the circumstances.

Codan acknowledges its current share price may be benefiting from favourable macroeconomic factors, such as increased defence spending, a high gold price, and ongoing geopolitical unrest.

5. If the entity first became aware of the variance before the release of the Results Announcements, did CDA make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CDA was obliged to release the information under Listing Rules 3.1 and 3.1A, and what steps were taken to ensure the information was released promptly and without delay.

Codan did not identify any material variance from consensus expectations or earnings guidance that would have required disclosure prior to the release of the Results Announcement.

6. Please provide details of any other explanation CDA may have for the trading in its securities following the release of the Results Announcements.

Codan is not aware of any other explanation for the trading in its securities following the release of the Results Announcements.

7. Please confirm that CDA is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Confirmed.

8. Please confirm that CDA's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer with delegated authority to respond to ASX on disclosure matters.

Confirmed.

Yours Sincerely



Daniel Widera

General Counsel & Company Secretary

Codan Limited | 2 Second Ave, Mawson Lakes, South Australia 5095

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26 August 2025

Reference: 112016

Mr Daniel Widera
Company Secretary
Codan Limited

By email: daniel.widera@codan.com.au

Dear Mr Widera

Codan Limited ('CDA'): ASX Aware Letter

ASX refers to the following:

- A. CDA's announcements released on the ASX Market Announcements Platform on 21 August 2025 in connection with its full year results for the financial year ended 30 June 2025 ('Results Announcements'), being:
- 1.1 'CDA Statutory Accounts for Full Year ended 30 June 2025', released at 9:08 AM AEST.
- 1.2 'CDA Full Year Results Announcement FY25', released at 9:10 AM AEST.
- 1.3 'CDA Full Year Results Investor Presentation FY25, released at 9:18 AM AEST.
- 1.4 'Dividend/Distribution – CDA', released at 9:24 AM AEST.
- B. The change in the price of CDA's securities from \$23.67 immediately prior to the release of the Results Announcements to a high of \$26.20 following the release of the Results Announcements.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of 'aware' in Chapter 19 of the Listing Rules, which states that:
- an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.*
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled 'When does an entity become aware of information?'
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

3.1A *Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

3.1A.1 *One or more of the following 5 situations applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.*

G. ASX's policy position on 'market sensitive earnings surprises', which is detailed in section 7.3 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular:

...If an entity becomes aware that its earnings for the current reporting period will differ materially (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact....

...An earnings surprise will need to be disclosed to the market under Listing Rule 3.1 if it is market sensitive – that is, it is of such a magnitude that a reasonable person would expect information about the earnings surprise to have a material effect on the price or value of the entity's securities...

Request for information

Having regard to the above, ASX asks CDA to respond separately to each of the following questions and requests for information:

1. Does CDA consider that any measure of its statutory or underlying earnings for the financial year ended 30 June 2025 as disclosed in the Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):
 - 1.1 If CDA had published earnings guidance, that guidance.
 - 1.2 If CDA is covered by sell-side analysts, the earnings forecasts of those analysts.
 - 1.3 If paragraphs 1.1 and 1.2 are not applicable, CDA's earnings for the prior corresponding period, being the financial year ended 30 June 2024.

Please answer separately for each measure of earnings referred to in the Earnings Information. In your response, please have regard to ASX's commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how CDA determined the market's expectations in relation to each relevant measure of its earnings, including:
 - 2.1 If CDA had published earnings guidance, details of:
 - 2.1.1 that guidance and when it was released to the market; and
 - 2.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.
 - 2.2 If CDA used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:
 - 2.2.1 the method that CDA used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in

particular, whether or not CDA used a 'consensus estimate' or an 'adjusted consensus estimate' or a different specified approach for determining this estimate;

2.2.2 the entity's estimate of market expectations using that method; and

2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.

2.3 If paragraphs 2.1 and 2.2 are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, CDA's earnings for the prior corresponding period.

3. Does CDA consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of CDA's securities?

Please answer separately for each measure of earnings referred to in the Earnings Information.

4. If the answer to question 3 is 'no', please provide the basis for that view.
5. If the entity first became aware of the variance before the release of Results Announcements, did CDA make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CDA was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CDA took to ensure that the information was released promptly and without delay.
6. Please provide details of any other explanation CDA may have for the trading in its securities following the release of the Results Announcements.
7. Please confirm that CDA is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that CDA's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CDA with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST Friday, 29 August 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CDA's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require CDA to request a trading halt immediately if trading in CDA's securities is not already halted or suspended.

Your response should be sent by e-mail to ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CDA's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CDA's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CDA's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance