

1 April 2021

COMPANY ANNOUNCEMENTS PLATFORM**AUSTRALIAN SECURITIES EXCHANGE****CODAN TO ACQUIRE ZETRON, INC.**

Codan Limited (ASX: "CDA") has entered into an agreement to acquire 100% of the shares in US-based company, Zetron, Inc. (Zetron), from JVCKENWOOD Corporation. Established 40 years ago, Zetron is a leading US based company providing mission critical communications and interoperability solutions for public safety, transportation, utilities, healthcare and natural resources customers. Zetron operates from locations in the US, Australia and the UK, with more than 200 employees.

The acquisition comprises an upfront cash payment of USD45 million (approximately AUD59 million), which will be funded through a combination of existing cash and a recently approved banking facility of AUD100 million. The acquisition is on a cash free, debt free basis and is expected to complete by 30 April 2021, subject to obtaining change of control consents and other conditions precedent standard for transactions of this nature.

Zetron is expected to contribute approximately AUD67 million of sales and AUD8 million in EBITDA under Codan's ownership in FY22 and therefore it will be earnings-per-share accretive.

Chief Executive, Donald McGurk, said "The acquisition of Zetron is in line with Codan's well-publicised strategy to transform our Communications businesses from products to solutions. This acquisition allows us to capitalise on Zetron's extensive distribution network, brand strength and customer loyalty."

Zetron offers a suite of integrated emergency response technologies which are complementary to Codan's existing products. These include voice dispatch, emergency call taking including Next Generation 911 (NG911), mapping, computer aided dispatch and fire station alerting. An infrastructure bill which includes USD15 Billion in NG911 funding is currently under consideration by the US Government. If passed, this will enhance emergency number services to allow voice, photos, videos and text messages to flow seamlessly from the public to the 911 network.

Zetron has an exceptionally strong brand in North America with an extensive network of more than 300 distribution partners and has made sales into more than 100 countries. Zetron will add to Codan's existing North American presence, growing our current employee base from 140 to 320 as a result of this acquisition. Codan will merge our Critical Communications and Zetron businesses to create a single mission critical communications company trading under the stronger Zetron brand.

Codan's President for Critical Communications, Scott French, said "Zetron and Codan have a proud history of providing mission critical communications and the combination of the two companies will enable us to better meet our customers demand for integrated solutions. By combining Codan's Land Mobile Radio products and solutions with Zetron's Command & Control capability, we will be in a position to better serve the growing NG911 market, whilst maximising value and choice for our customers."

Codan's philosophy of funding R&D projects to create unique market leading IP will apply to this acquisition and to the other recently announced acquisition of Domo Tactical Communications. Over time we expect to increase R&D funding in order to achieve a market leading position across both businesses.

Codan looks forward to working with Zetron staff to effect a seamless integration and transition into the Codan group.

On behalf of the Board

A handwritten signature in blue ink, appearing to read 'M Barton'.

Michael Barton

Company Secretary

This announcement was authorised by the Board of Directors.

Codan is a technology company that develops robust technology solutions to solve customers' communications, safety, security and productivity problems in some of the harshest environments around the world.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:-

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