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**ASX ANNOUNCEMENT
2019 ANNUAL GENERAL MEETING
30 OCTOBER 2019**

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

Good morning ladies and gentlemen, and welcome to our fourth AGM at Mawson Lakes in this, our 60th, year of operation. Sometimes I do not think that we celebrate success enough, or put another way, I think it is really important to celebrate successes and milestones. So, today, we should celebrate the fact that on 1 October your company was valued in excess of \$1b for the first time, based on our closing price on that day (compared to \$570m on 1 October 2018). As I mentioned in the annual report, our stock has slowly been re-rated over the last 12 months as the market has better understood the quality of our earnings. Our inclusion in the ASX300 index last month has reinforced this re-rating. So, today, let us celebrate that milestone and then we will get on with making sure that we deliver another successful year in FY20.

Donald will talk in some detail about the year that was, but perhaps more importantly, how we see this year unfolding. While there is a long way to go in the current year, we have gotten off to a great start in the first four months, including a record sales month in October.

You will be aware that our messaging to the market over the last few years has spoken about a base (consistently achievable) level of sales and profitability. This messaging has served us well and has meant that earnings expectations have been moderated for gold surges in Africa and large projects in Tactical Communications. We have backed this messaging with a policy of declaring special dividends to reward shareholders for outperformance against our declared base-level earnings. Your Board has decided to slightly change the emphasis in our future reporting. We will no longer focus on base-level earnings; rather, we will from time to time advise the market if we believe earnings expectations need to be moderated due to the impact of such events. As we grow, the impact of these events will become less of an issue due to the more balanced and diversified nature of our business. Our dividend policy of paying shareholders in the order of 50% of our after-tax profits remains unchanged.

As Codan Communications (in both Land Mobile Radio (LMR) and Tactical Communications) transforms from a products to a solutions business, our opportunity to participate in larger, more complex projects has increased. We will also win business in new markets and new countries. This will change our risk profile due to systems complexity and the size of potential awards. Mitigating changing risks is a key responsibility of the Board and the management team, and to this end, we have good processes in place. Of particular importance is the imperative to have policies and procedures in place to ensure the safety of all employees, but particularly for those working in challenging environments.

In a moment, I will ask Donald to talk about some of the exciting initiatives that he is pursuing with his management team. As part of his presentation, Donald will introduce two of our key executives, Peter Charlesworth and Paul Sangster. Peter runs Minelab, and Paul runs Tactical Communications. Minelab's consistent results over the last four years have provided the profit and cash that have bought us the time to invest in ourselves and, in doing so, broaden our product range and market opportunities. Peter will talk about our most recent Minelab product release, the VANQUISH™ coin and treasure machine, and Paul will give us a firsthand insight into how we go about doing business in a market like Afghanistan.

Your Board remains focused on achieving sustainable profit growth. We will continue to invest in all of our existing businesses whilst remaining vigilant in relation to technology investment or acquisition opportunities.

Thank you for your interest and investment in Codan. As mentioned, we are off to a strong start, as Donald will now explain. I should also mention that Donald intends to sell some shares from late November this year through to June next year in order to meet some personal tax liabilities. Please now welcome your Managing Director, Donald McGurk.

David Simmons
Chairman

CHIEF EXECUTIVE OFFICER'S ADDRESS TO SHAREHOLDERS

Good morning and welcome to our facility. I would like to expand and build on David's comments, update you on the progress made across the business and talk more about our plans for the future.

FY19 was a record year for your company as we increased sales and profitability across both Metal Detection and Communications. We continue to invest heavily in new product development and plan to release a number of exciting new products to the market during FY20 across each of these businesses.

Minelab had a record year, surpassing the previous high achieved in 2013. I am pleased to report Minelab is again off to a strong start in FY20 and is on track to match the near-record performance achieved in the first half of FY19.

This business has world-leading, handheld metal detection technologies for recreational, gold mining and demining markets, and our strategy is to continue investing in new, innovative products. This will enable us to maintain our competitive advantage and provide a more balanced revenue stream, while expanding our international footprint and distribution, and gaining market share from competitors.

We have continued to grow and diversify our gold detector sales into Africa and are no longer heavily reliant on a single detector in that market. We have also significantly increased the run rate of our Consumer metal detecting business on the back of a very successful year for the revolutionary new Equinox® coin and treasure detector. This detector incorporates the world-leading Multi IQ® technology and enables coin and treasure detectorists to find "all targets, in all soils, all of the time".

While the Minelab business as a whole performed well in FY19, the outperformance was evenly spread between sales of GPZ 7000®, Gold Monster® and SDC 2300® gold detectors into Africa, strongly supplemented by sales of the Equinox® coin and treasure detector.

We have just released The Vanquish™, another consumer detector, which also incorporates Multi IQ® technology. This detector will sell at a lower price point into a segment of the consumer market that is larger in terms of volume potential than the segment for the higher priced Equinox®. We are confident that our Consumer detector business will perform well again this year, with the formidable combination of both Equinox® and Vanquish™ available to the international consumer detector market.

Minelab also delivered the first significant sales of our new dual-sensor landmine detector, which incorporates metal detection with ground penetrating radar to locate and identify minimal-metal landmines and improvised explosive devices. This product will help strengthen our position in the countermine market and enable us to bid for larger, multi-year military projects.

Turning to the Communications business, our strategy for growth is to further penetrate the global HF military market with our tactical radio products and continue the transition to a full communications solutions provider in Land Mobile Radio (LMR).

We are literally weeks away from launching the new Sentry-H™ Manpack High Frequency (HF) radio, which is a ruggedised, man-portable radio platform. This radio will supplement the extensive suite of products and solutions already available in our Tactical Communications business and further strengthens our position in the military and security markets.

Tactical Communications is specifically targeting the global military market, with a focus on developing-world militaries in Africa, the Middle East, Asia, Eastern Europe and Latin America. As previously announced, the division recently won an AUD15 million contract to supply a tactical communications network incorporating Codan radios and interoperability solution, along with a suite of third-party products, which we have now delivered.

Good progress has been made during the past twelve months by our Canadian engineering team in Victoria, British Columbia working on the development of our new Cascade™ land mobile radio platform. Cascade™ is a fully interoperable, first-responder communications solution with excellent performance and reliability, and will enable us to grow our North American sales from an already strong base during the next few years.

The LMR sales team has won a number of systems projects during the past few months, which has increased our confidence that the new Cascade™ platform will deliver greater value to our existing customer base and will enable our customers to implement a wider range of more complex systems in future years. The LMR business will also record a strong first-half result.

Codan Communications will post a record first half in FY20, with sales in the order of \$60 million, primarily due to a number of large tactical radio projects delivered in the period. Included in that number will be the AUD15 million Kenyan Police project.

On a less positive note, our tracking solutions business experienced a disruption to the sales momentum that had been building in previous years. As we work through the details associated with transitioning from a traditional Minetec-led sales model to a Caterpillar-led front end, we have encountered a number of frustrations with the speed of progress and integration into their dealer network.

Codan and Caterpillar remain fully committed to the partnership and to scaling this business, which builds upon the successful technology transfer and integration into the Caterpillar Minestar® product. New sales targets and initiatives have been agreed and established to take the combined solution to market.

Codan Defence Electronics continues to pursue a number of large defence contracts with various defence primes; however, due to the long sales cycles, we have not planned for significant sales in FY20.

Our balance sheet is strong, and we remain focused on further strengthening and growing the business by investing in new product development and assessing technology partnerships or acquisitions that leverage our core competencies, offer scale and deliver diversity of earnings for your company.

We have established a Technology Council, which will operate as the vehicle to identify and assess new and emerging technologies to ensure we remain relevant and find opportunities to grow our businesses.

By progressively delivering on our strategy, we have grown our addressable markets, and we continue to focus on diversifying our sales revenue in order to minimise volatility to your company's earnings. We have made an excellent start to the year, delivering a strong first-quarter result, and while gold detector sales are difficult to predict, the company is well positioned to deliver a net profit after tax of around \$26 million for the first half. Large projects like the one for Tactical Communications in Kenya may not be repeated in the second half. Consistent with previous years, we are not yet in a position to provide a full-year forecast to the market. We will continue to keep shareholders updated as the year progresses.

Finally, on behalf of the Board, I would like to acknowledge the significant efforts of our people and thank them for their contribution to the outstanding results achieved again last year.

I would now like to introduce Peter Charlesworth and Paul Sangster who manage our Minelab and Tactical Communications businesses respectively, to address the meeting and provide some more perspective around new product releases and our markets.

Donald McGurk
Managing Director & CEO