

2 June 2021

COMPANY ANNOUNCEMENTS PLATFORM**AUSTRALIAN SECURITIES EXCHANGE****CODAN TO SELL MINETEC PTY LTD TO CATERPILLAR HOLDINGS AUSTRALIA PTY. LTD.**

Codan Limited (ASX: "CDA") has entered into an agreement to sell 100% of the shares in its wholly-owned subsidiary Minetec Pty Ltd (Minetec) to Caterpillar Holdings Australia Pty. Ltd. (Caterpillar), for approximately \$US14 million (inclusive of working capital) and a volume-based earn out over the next five years.

Following completion, Codan will provide manufacturing services to Caterpillar for up to five years, to ensure a successful transition and continuous supply to Caterpillar customers.

The sale is subject to a number of conditions typical for transactions of this nature and is expected to complete in July 2021.

Minetec provides unique high-precision tracking, productivity and safety solutions for underground hard-rock mines. Minetec's technology enables real-time monitoring and control of mining operations, allowing miners to visualise the whole mine in order to optimise productivity and enhance safety.

In February 2018, Minetec entered into a master development and marketing agreement with Caterpillar Inc. (Agreement). Since the inception of the Agreement, Minetec's technology has been integrated into the Caterpillar Inc. Minestar® for underground solution and has been made available to customers through the Caterpillar Inc. global dealer network.

Under Codan's ownership, the Minetec business has not scaled to a level that supports the ongoing investment required for a technology-based business. As a result, the Board undertook a strategic review of the business. While the technology developed by Minetec is world class, the Board concluded that Codan was not the best owner and therefore the decision was made to sell the business to Caterpillar.

Codan's Managing Director, Donald McGurk, said "as we evaluated our strategic options, we concluded that the best outcome for Minetec to achieve its potential was to discuss the transfer of the business to Caterpillar, this being seen as a logical progression following the partnership agreement put in place in 2018. We believe that Caterpillar is the more appropriate owner, as they continue to be the market leading supplier to the mining industry, with an extensive global dealer network covering 172 dealers across 190 countries. Caterpillar embraced this thinking, leading to today's announcement. In particular, Caterpillar saw the benefits of an integrated business under their ownership".

Based on the expected \$US14 million sale price, this will result in a one-off gain before tax in the order of \$AU3 million. The funds received by Codan from the sale will be used to pay down its loan facility, following Codan's recently announced acquisitions.

The sale of Minetec will allow Codan to focus on continuing to grow its core businesses and, in particular, maximise the performance of the recently announced acquisitions of Domo Tactical Communications and Zetron.

Codan would like to thank all Minetec employees for their contribution over the past nine years and look forward to working closely with Caterpillar in order to maximise the performance of the Minetec business to ensure both Codan and Caterpillar benefit from its ongoing relationship.

On behalf of the Board



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:-

Michael Barton
Company Secretary & CFO
Codan Limited
(08) 8305 0392

Kayi Li
Manager, Investor Relations
Codan Limited
(08) 8305 0392