

23 May 2022

COMPANY ANNOUNCEMENTS PLATFORM**AUSTRALIAN SECURITIES EXCHANGE****Institutional investors presentation and market update**

We are pleased to lodge the presentation pack for our Institutional Investors on campus tour of Codan's facilities in Adelaide today.

Although we will not be commenting in detail on our financial results during the presentation, we believe it is important to provide a brief update to all shareholders at this time, given the many uncertainties across global markets.

While the timing of project sales or unforeseen challenges in supply chains could still impact revenues and profitability as we approach the end of the financial year, the Board is expecting the record FY22 first half profit of \$50 million to be matched in the second half of FY22. This will result in a record FY22 full year profit.

Codan's strategy to diversify revenues and profitability continues to deliver results, with the increased profitability of the Communications division continuing in the second half of FY22. The DTC and Zetron businesses have been excellent acquisitions, with integration of both businesses and their expanding opportunity pipelines tracking ahead of schedule. Both businesses are expected to deliver a strong second half result consistent with the first half performance.

In terms of revenues and profit, FY22 will be Minelab's second best year ever, and we expect it to form a new base from which the business will grow in future years. The growth will come from continued penetration of new geographic markets and new product releases that will drive further market share increases. Minelab's excellent profit margins have continued in the second half, so while sales into Russia have ceased and consumer demand has normalised post-Covid in our recreational markets, the profit contribution from Minelab is expected to be comparable to the first half.

Our decision to invest in inventory rather than let customers down has proven to be the correct one. Notwithstanding this investment in inventory, \$41 million of cash has been generated from operating activities so far in the second half of FY22, this is a significant improvement over the first half, which had an operating cash outflow of \$13 million.

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:

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