

ASX RELEASE

29 November 2023

CODAN EXPANDS ITS DOMO TACTICAL BROADCAST BUSINESS IN NORTH AMERICA THROUGH THE ACQUISITION OF WAVE CENTRAL LLC

The Codan Group (**Codan**) (ASX:CDA) is pleased to announce that, through its wholly owned subsidiary, Domo Broadcast Holdings LLC, it has entered into a binding agreement to acquire 100% of the shares of Wave Central LLC (**Wave Central**), with completion to occur on 1 December 2023. Wave Central's founders and senior management have all joined Codan's Tactical Communications Broadcast division, Domo Broadcast, and will remain in the Wave Central business.

Wave Central is a leading North American systems integrator of wireless broadcast equipment and creates industry specific products integrated with Domo Broadcast's technology for sports, cinema and broadcast applications. Their product portfolio consists primarily of wireless video camera links and high-quality broadcast products using core Domo Broadcast technology. Wave Central has been Domo Broadcast's primary distribution channel into the North American market for 15 years.

Codan's Tactical Communications radio and wireless communications technologies have application across the core target markets of military, law enforcement, unmanned systems, humanitarian and broadcast. The acquisition of Wave Central is consistent with Codan's growth strategy to acquire complementary businesses and to leverage our radio and wireless technology to build scale in the markets we target. Domo Broadcast has a dominant presence in wireless camera links in the European broadcast market and this acquisition will allow the business to leverage Wave Central's strong reputation and market leading system integration capability, to drive growth in North America. The combined strengths of Domo Broadcast and Wave Central will increase opportunities in news coverage for live events, college and professional sports, film production and unmanned applications in the growing global remote broadcast market.

Consideration consists of an upfront cash payment of \$9.1 million plus additional payments of up to \$12.2 million if certain earn-out targets are achieved over the next 3 years. The acquisition consideration will be funded from Codan's existing debt facility.

Wave Central is expected to achieve revenues of approximately \$16 million and a proforma EBITDA of approximately \$4 million for the financial year ending 31 December 2023 and therefore will be earnings-per-share accretive immediately. Using current year financial performance (that excludes any revenue or cost synergies or future growth opportunities), the acquisition (including estimated earn-out payments that would be triggered if the current year performance is maintained during the earn-out period) has been priced at approximately 4 times EBITDA.

Paul Sangster, Tactical Communications President and Executive General Manager, said:

“The Wave Central and Domo Broadcast partnership spans over 15 years in delivering integrated broadcast solutions. In recent years, through the acquisition of Broadcast Wireless Systems Limited and organic growth, Tactical Communications has grown its Domo Broadcast business revenues to circa \$20 million. The acquisition of Wave Central strengthens Domo Broadcast to be a truly global broadcast business, with strong market share within North America. It will also provide direct access to the North American market for Domo Broadcast’s recently launched Onyx and Quartz product lines, which deliver 4k streaming and mesh technology for intercom, robotics and camera control. We are excited to welcome the Wave Central team to Domo Tactical Communications and look forward to expanding our presence and operational capability across North America.”

Codan welcomes and looks forward to working with all Wave Central staff and customers to effect a seamless integration with Domo Broadcast and the broader Codan group.

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.



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