

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.

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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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Company Secretary & CFO  
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(08) 8305 0392

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**CODAN**  
FY22 INVESTOR DAY

# AGENDA

➤ BUSINESS REVIEW & STRATEGY

➤  **CODAN**  
TACTICAL COMMUNICATIONS

➤   
a Codan Company

➤   
**MINELAB**

➤ PRODUCT DISPLAYS

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# CODAN LIMITED OVERVIEW



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# GLOBAL OVERVIEW

Continuing to build a global technology business



Sell to over 150 countries around the world



**\$0.5 Bn**

Annual Sales



**20%**

Net profit after tax margins



**700+**

Employees around the world



**200+**

Engineers globally

10 sites across the globe:



AUSTRALIA



BRAZIL



CANADA



DENMARK



IRELAND



MEXICO



SINGAPORE



UAE



UK



USA

● CODAN LOCATION

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60+ year culture and spirit of innovation and success



Invest \$40+ million per annum into future product development



Intellectual property is electronics based and specifically radio frequency focussed



Strong balance sheet and cash flow generation



Generate 20% NPAT of sales and pay out 50% of profits as fully franked dividends

Innovative technology for global markets



# STRATEGIC GROWTH PLAN

Transforming lives through innovation, wherever you are

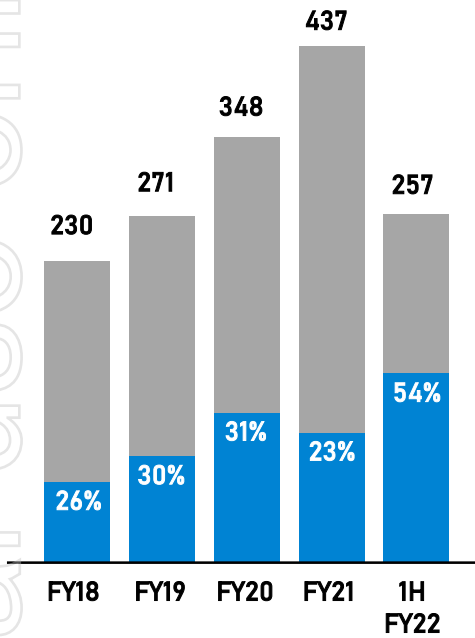


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# FINANCIAL KPI'S

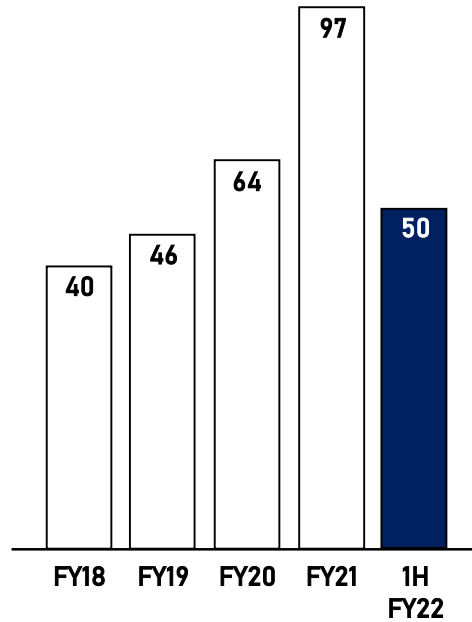
 Sales (\$m)



Strategy to diversify sales

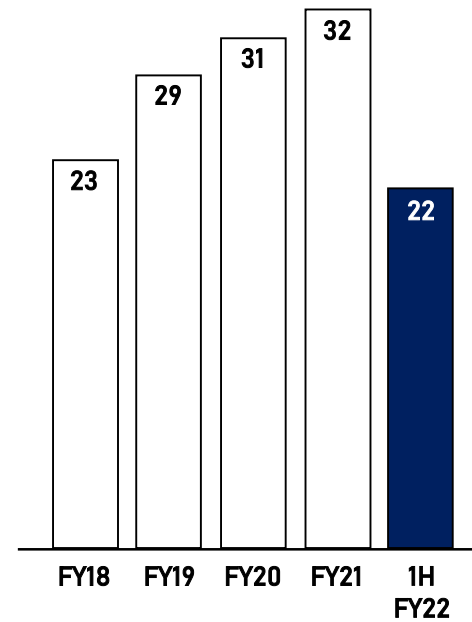
- Metal Detection
- Communications

 Underlying NPAT (\$m)



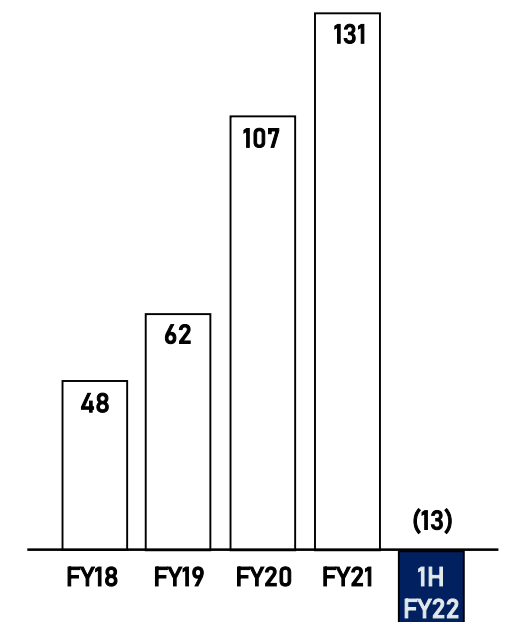
NPAT 20% of sales

 Engineering Investment (\$m)



Continual investment into product development

 Operating Cashflow (\$m)



Return to strong cash generation

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# KEY OBSERVATIONS

First 5 Months as Managing Director & CEO

The strategy is sound and will deliver future growth opportunities

Business fundamentals are very strong

World class technology

Strong acquisition program

DTC and Zetron are good acquisitions

Exceptional people and culture



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“The business will deliver record profits, despite operating under very challenging circumstances.”

- Continuity of supply, despite **global supply chain shortages** and long lead times on key components
- Ability to respond to **inflation by increased prices**
- **Freight** expenses reduced in a disrupted global freight environment
- **Challenging business conditions** in Sudan for the Minelab business
- **Ukraine conflict** impact

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Q&A





**CODAN**

**TACTICAL COMMUNICATIONS**

## **Tactical Communications Panel Discussion**

**Presented By**

Paul Sangster, Executive General Manager

Neil McSparron, Chief Technical Officer

Gene McConville, VP Business Development & Government Relations

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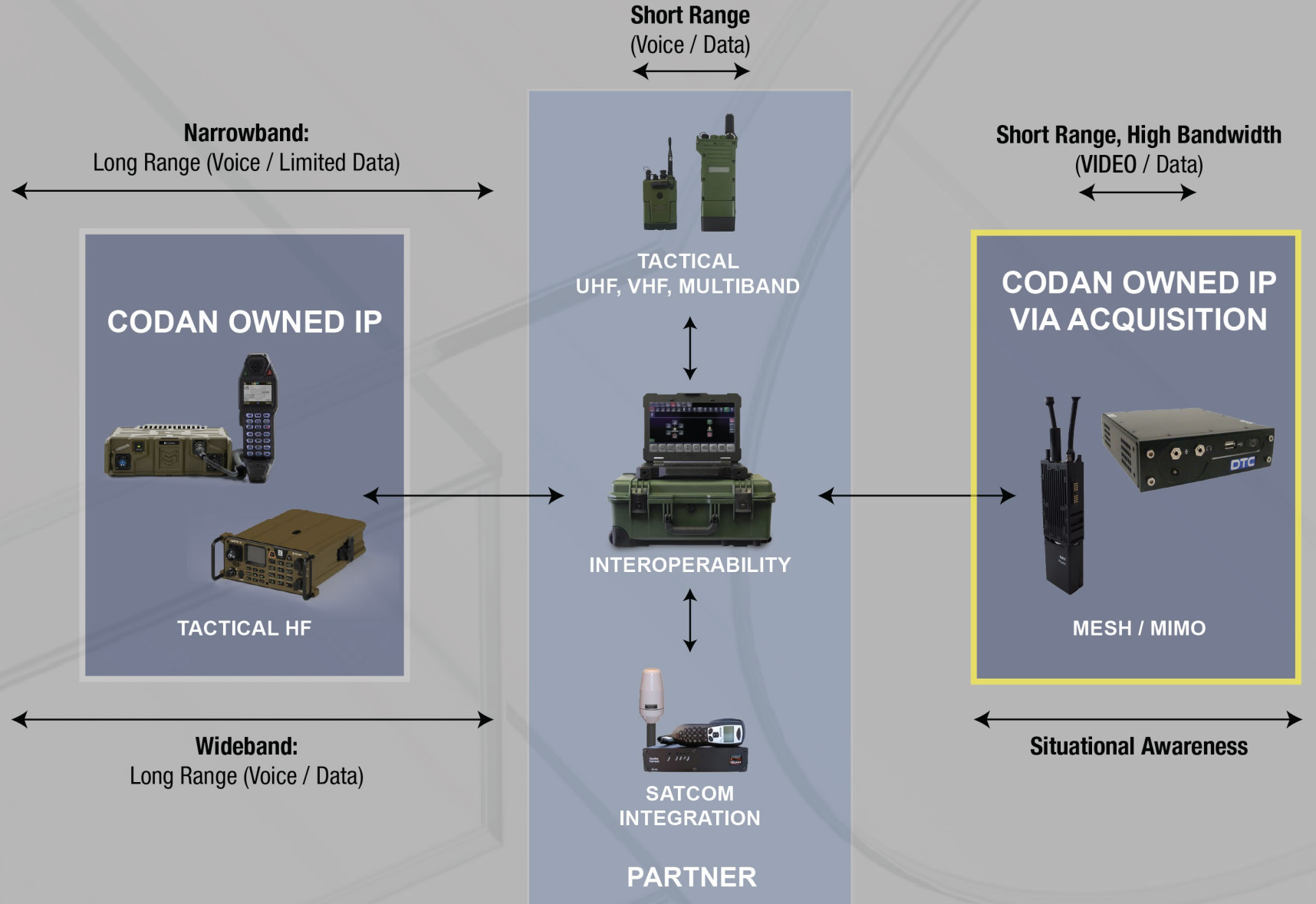


# COMPLETE TACTICAL COMMUNICATIONS SOLUTIONS PROVIDER

## Tactical Communications

- Modern tactical battlefield communication includes voice, data & **VIDEO**, & increasing demand for high quality infrastructure-less comms

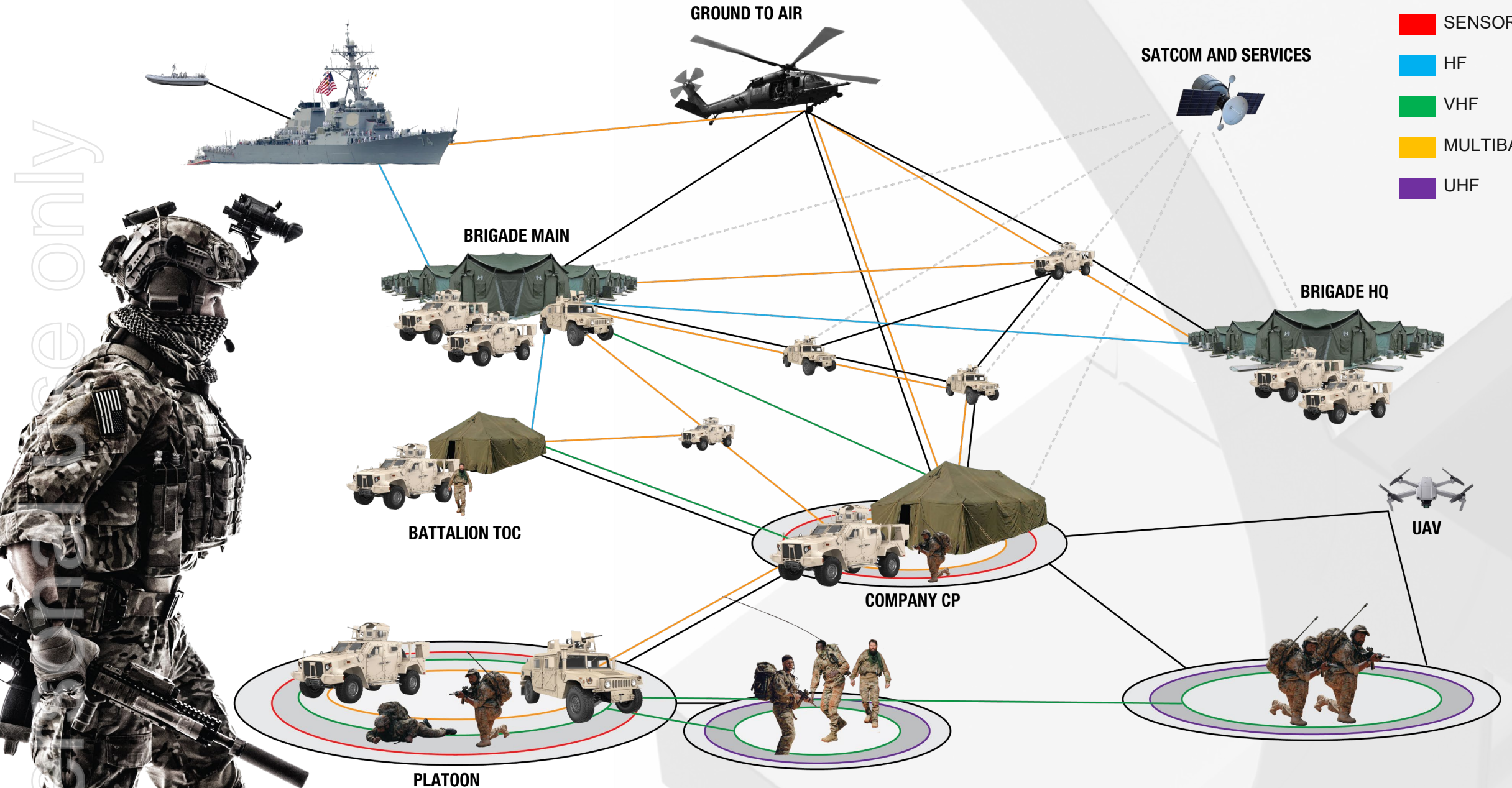
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# SUPPORTING THE INTEGRATED BATTLEFIELD

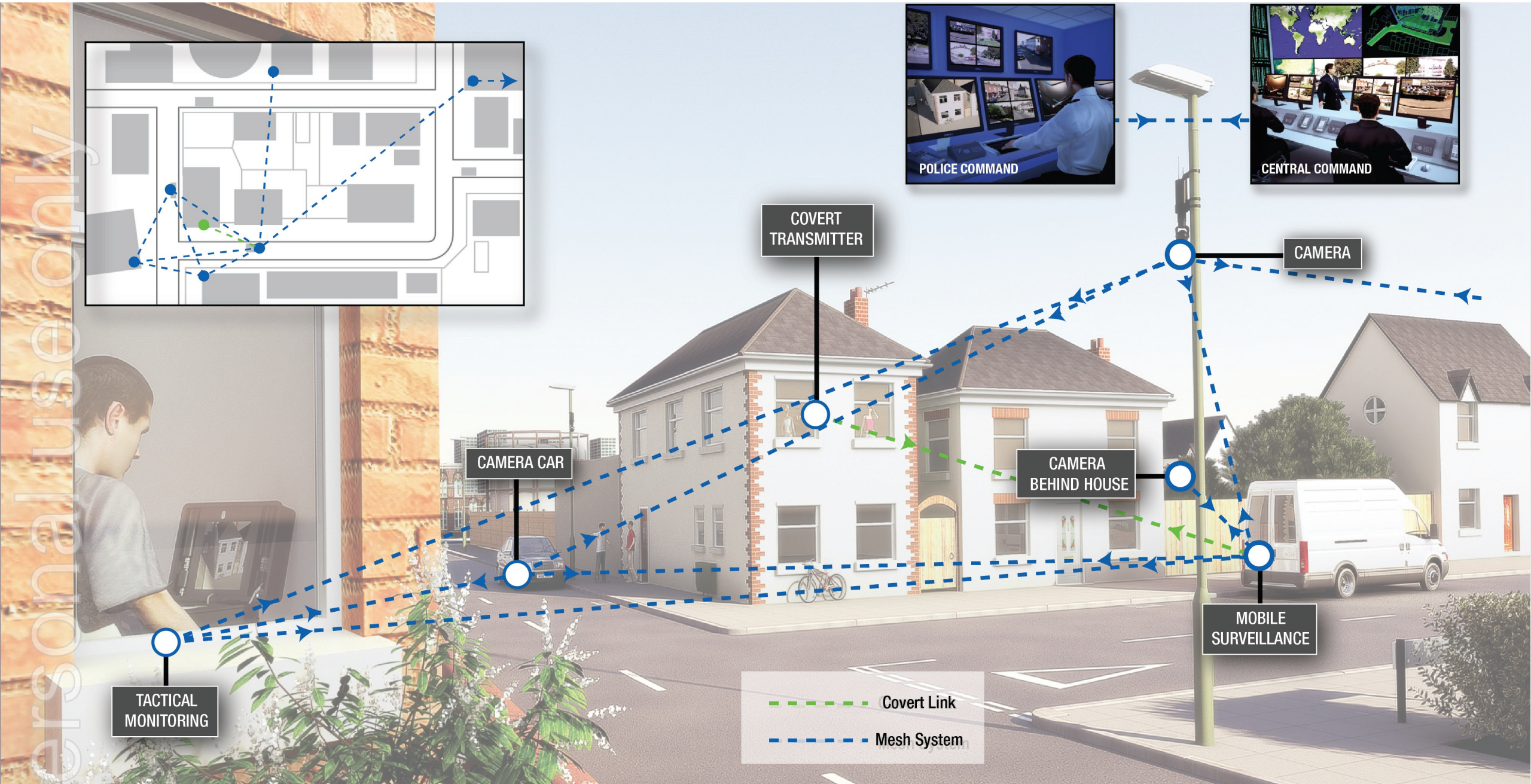
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- MIMO MESH
- SENSORS
- HF
- VHF
- MULTIBAND
- UHF

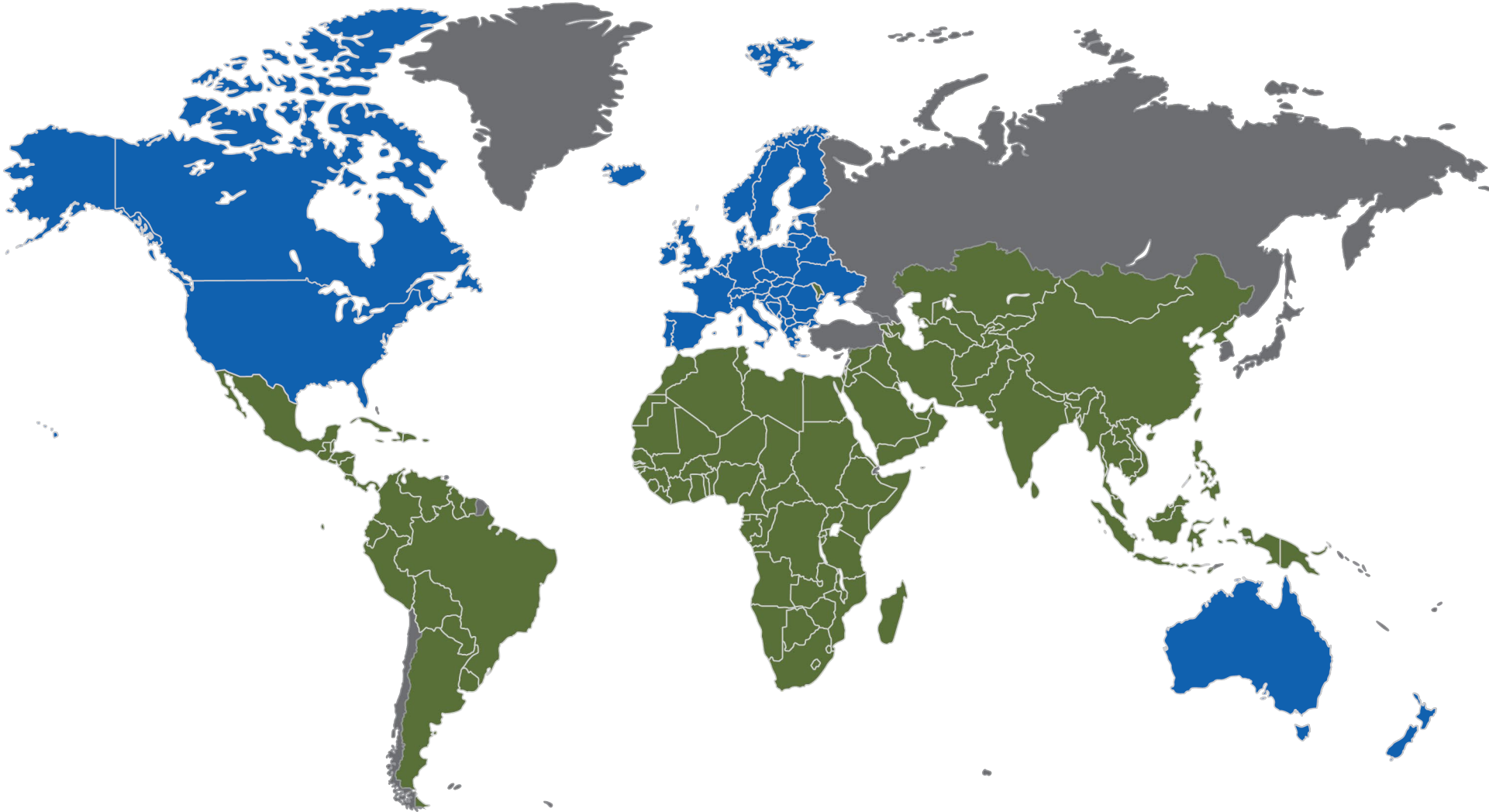




# LAW ENFORCEMENT: CASE STUDY



# ACQUISITION OF DTC HAS SIGNIFICANTLY EXPANDED OUR ADDRESSABLE MARKETS



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# MARKET DIVERSITY ENSURES REVENUE STABILITY AND GROWTH



## MILITARY

### Market Segment

- Army
- Navy
- Airforce

### Customer Type

- Defence
- Para Military
- Special Forces



## LAW ENFORCEMENT & INTELLIGENCE

### Market Segment

- Safe Cities
- Domestic Security

### Customer Type

- Intelligence Community
- Public Safety
- Homeland Security



## UNCREWED

### Market Segment

- Air
- Ground
- Surface

### Customer Type

- Military
- Law Enforcement
- Commercial



## BROADCAST

### Market Segment

- Wireless Camera
- Remote Production

### Customer Type

- Sports
- News
- Entertainment



## COMMERCIAL / NGO

### Market Segment

- NGO
- Commercial
- Oil & Gas

### Customer Type

- Humanitarian
- Peacekeeping
- Transport

# MILITARY / DEFENCE MARKET

- **Paradigm shift in battlefield information requirements**
  - Consider Ukraine as an unfortunate 'live' example
    - Dynamic Situational Awareness is a key success factor
    - Live Troop positions, Video footage from Drones for situational awareness
    - >10 times the information traffic is required
- **How is Codan | DTC technology applicable?**
  - **Software Defined Radio is a Core Technology within Codan & DTC**
    - Waveform enhancement is decoupled from Hardware change
    - Multiple waveforms can be implemented in one platform
    - Each waveform targeting different military applications
  - **Codan | DTC Mesh offers**
    - Mobility, IP, Video, Voice and Position Data from one radio
    - Product offerings with MIL-STD compliance



# LAW ENFORCEMENT AND INTELLIGENCE TECHNOLOGY

- Market now demands 'IP streams' for all Surveillance streams with evidence recording moving to the 'Cloud'
- How is Codan | DTC technology applicable?
  - Tailored Waveforms providing Non-Line-Of-Sight communications
  - Ultra reliable products (dependable solution)
  - Size, Weight and Power advantages easing deployment
  - 'Spectrum Sensing' capability
- Deep Domain knowledge (especially in Spectronic)
  - Product design and functionality is tailored for the application
  - Accredited Encryption and 'court tested' evidential integrity
- Comprehensive Solutions with the Portfolio
  - Tactical stand-alone deployments
  - Wide area collection systems using deployed 'base-stations'
  - Integrated software solutions collecting and managing the data

# UNCREWED TECHNOLOGY

- “Uncrewed Robotics are an efficient technology in any conflict” \*
  - Nagorno-Karabakh Conflict (Sep – Nov 2020)
  - Ukraine (Feb 2022 ongoing)
- Growing Opportunities exists in the Military, Law Enforcement /Intel & Commercial sectors

## How is Codan | DTC technology applicable?

- **Size Weight and Power (SWAP)**
  - DTC possesses a ‘sweet spot’ in power, weight and size .v. capability
  - Enables future ‘Swarm Drone’ applications
- **Low and Consistent Transmission Latency**
  - DTC Mesh technology offers a consistent ‘low latency’ link that is ideal for Video streaming from a UAV
  - The radio link can be combined with DTC low latency digital video codec providing a powerful capability in a credit card sized package

\* *Unmanned Ground Forces: The Emergence of a New Industry in Europe & its Future Implications*, Source: FINABLE, 8<sup>th</sup> December 2020

# BROADCAST TECHNOLOGY

- **Broadcast Customers are now demanding ‘remote production’ rather than production at the ‘venue’**
- **How is Codan | DTC technology applicable?**
  - **Highest Quality Video Encoding**
    - **Ultra High Def (UHD) 4k Video** encoding and decoding
    - **Low latency Video Codec solutions** (HEVC and H.264)
  - **Robust Non-Line-Of-Sight Wireless links**
    - Highest performing RF links in the market
    - DBS offers both ‘COFDM Point-to-Point’ & ‘Mesh’ Technology
  - **Remote Production and Systems Integration**
    - Ultra High Definition Video over IP links enabling the ‘Production’ to be mixed, editing and produced and distributed remotely

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# COMMERCIAL / NGO TECHNOLOGY

- How is Codan | DTC technology applicable?
- Customers such as International Aid Agencies require reliable voice communications independent of local infrastructure and IP Data networking

Codan's waveform technology provides the best end-user experience through innovations such as:

## Digital Voice Waveforms

- Eliminates the hiss and crackle associated with legacy radio comms
- Clearest possible voice in difficult conditions

## Automatic Link Establishment (ALE)

- Implemented to global standards for agency / partner interoperability
- Codan unique enhancements dramatically simplify operations and remove the requirement for specialist radio operators

## DTC Mesh

- The IP distribution and the comprehensive 'Talk groups' play into this sector
- DTC Mesh sells into natural resources markets sharing machinery metadata





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# Q&A

 **CODAN**  
TACTICAL COMMUNICATIONS

**DTC**

Spectronic  


**CORP TEN**  
INTERNATIONAL

**DOMO**  
BROADCAST SYSTEMS [www.domo.com](http://www.domo.com)

# ZETRON®



a Codan Company

**Scott French**

President & Executive General Manager



a Codan Company

Victoria, B.C (CAN)

Redmond, WA (USA)  
Worldwide Headquarters

Hampshire, England (UK)  
EMEA Headquarters

Brisbane, QLD (AUS)  
APAC Headquarters

# Who We Are

Technology solutions that optimize critical communications



**GLOBAL CUSTOMERS**

**90/7**

Countries/Continents



**QUALITY PROCESS**

**20+**

Years of ISO 9001 Certification



**INNOVATION**

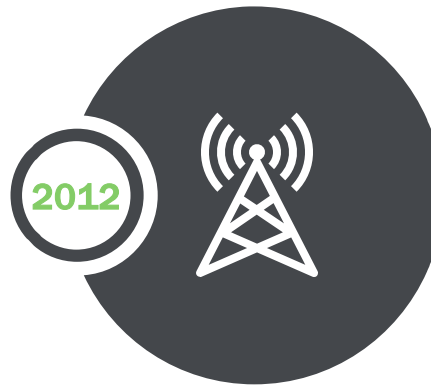
**3 World Class**

Engineering Centers of Excellence

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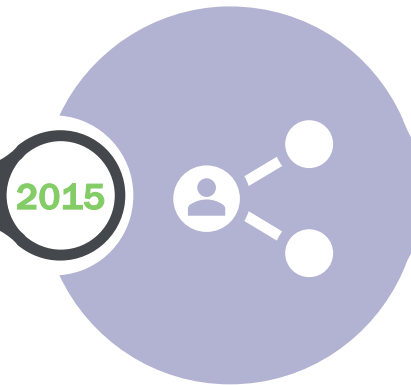
# Our Critical Communications Evolution

## Niche Products



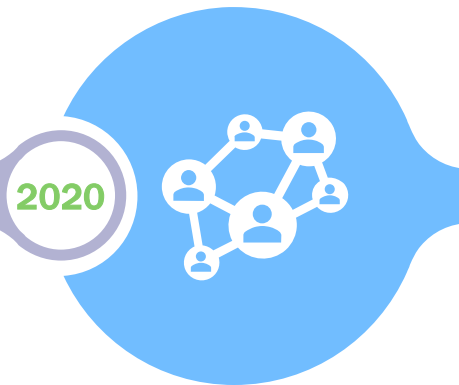
- Market leading fixed mountain top radio products

## Basic Systems



- Transition to standards-based Land Mobile Radio (LMR) systems

## Advanced Systems



- Develop and launch more sophisticated networked system capabilities

## End-to-End Solutions



- Evolve to end-to-end mission critical communications solutions/platform

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# EMERGENCY RESPONSE LIFECYCLE

## INCIDENT/CALL



9-1-1?  
PLEASE HELP!



## CALL HANDLING/TRIAGE



9-1-1 Pre-Answer  
Map Viewer



Call Taking



Management  
Information System



9-1-1 Logging  
Recorder



## COORDINATION



Response Teams  
Location/Status



CAD  
(Computer Aided Dispatch)



Emergency Medical  
Dispatch



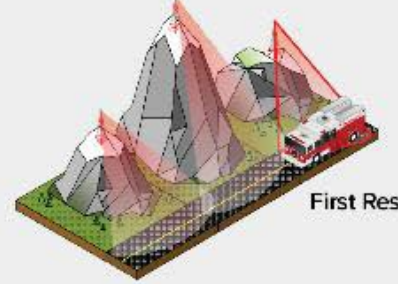
Mobile Computer Aided Dispatch



Fire Station Alerting  
Text to Speech Paging



## RESPONSE

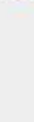


First Responder

Connection to Radio Network



Dispatch



Fire Station Alerting  
@ Fire House



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END-TO-END INTEROPERABILITY & DEDICATED SUPPORT

# Zetron Services

Zetron's legendary product quality is backed by world class customer care and supporting services for every phase of the customer lifecycle

**On-Site Services**



**Project Management**



**Maintenance Contracts**



**Training**



**Technical Support**



**Hosted and 'as a Service'**

## Services as a Recurring Revenue Stream

- 30% of total revenue
- 90% multi-year contracts
- >90% renewal rate

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# Markets We Serve

Primary Markets



## Public Safety

Emergency Communications Centers | Police | Fire | EMS

Integrated systems that streamline emergency response and management



## Transportation

Air | Rail | Maritime | DOT

Command & Control solutions powering the most complex control room environments in the world



## Utilities

Electric | Natural Gas | Water | Waste

Communications that help keep the lights on and restore vital services when they're down



## Domestic Security

Quickly deployed transportable communications wherever the motorcade, rally or event goes



## Natural Resources

Oil & Gas | Mining | Forestry | Land Management

Reliable communications connecting HQ with land, sea or underground field operations



## Institutional

Higher Education | Healthcare | Corrections

Campus communications for staff, student, patient and population efficiency and safety

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# Public Safety Market

- Market segmentation:
  - Urban – agencies serving large, densely populated regions
  - Suburban/Rural – agencies serving less populated and/or remote regions
- Motorola - market share leader in urban systems
- Zetron - traditionally strong in suburban/rural systems
- Motorola and Zetron only end-to-end mission critical communications solution platform providers





# Public Safety Markets

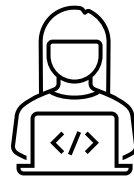
## Why We Win

- Interoperability = seamless communications regardless of technology
- Brand reputation for quality and reliability
- Untapped market share drivers...

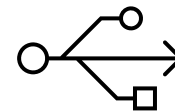
**Land Mobile Radio Systems  
Into Zetron Command &  
Control Base**



**Command & Control  
Systems Into Land Mobile  
Radio Base**



**Investment in New  
Technologies**



**Next Gen 911 Readiness &  
Funding**



# Case Study



“The shared services really provides 911 answering points the reliability, ease of use, and financial incentive to bring their center into next generation 911.”

*Blake Derouchey*, Iowa State 911 Program Manager

## Iowa Department of Homeland Security & Emergency Management (USA)

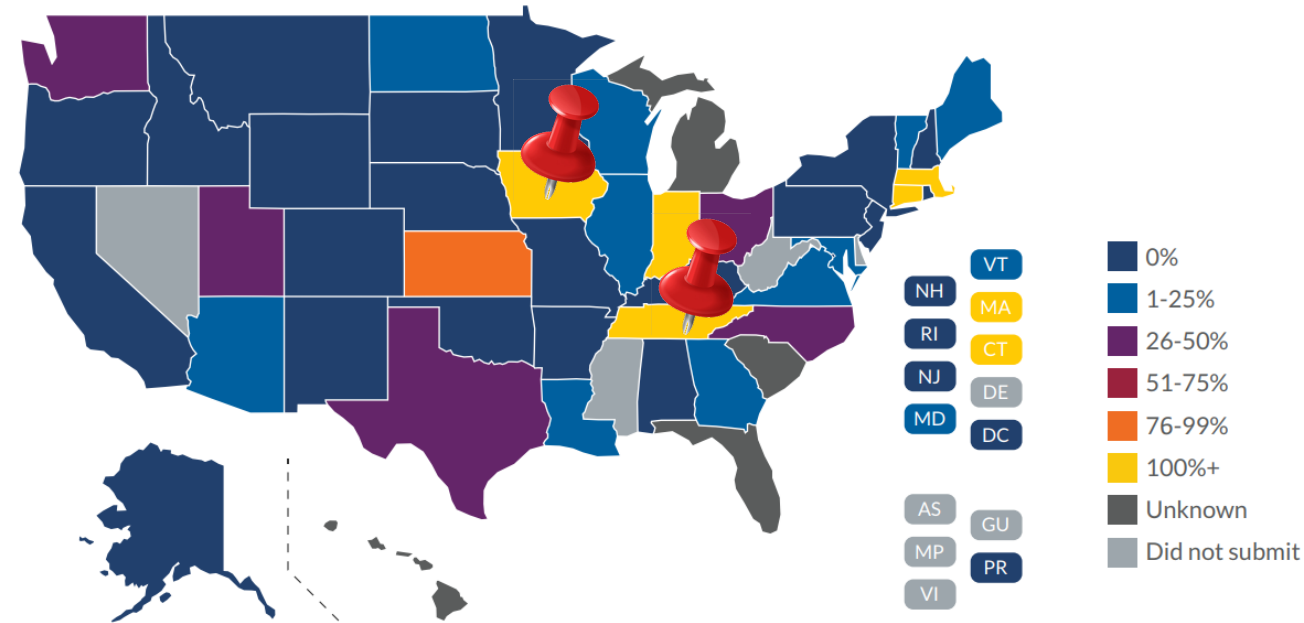
- **Challenge:** 99 counties operating independent, premise-based public safety answering point communications systems, many with outdated and obsolete technology
- **Solution:** A virtually consolidated, statewide hosted next generation 911 technology platform, geographically diverse and with FirstNet network backup, available to all counties and funded by the state
- **Benefits:** The latest in next generation 911, superior reliability and quality, with significant cost savings to the state and local agencies

# Federal Next Generation 911 Funding

## Modernization of 911 Networks – IP-Based Unified Communications

- Funding Sources Available and Growing

- 911 mobile phone tax: \$2 billion annually
- Funding required: \$10 to \$14 billion
- Build Back Better Act: proposed \$470 million US appropriated (FY23-25)



Sources: Next Generation 911 Cost Estimate Report to Congress (2018), On State Collection and Distribution of 911 and Enhanced 911 Fees and Charges (2020), H.R.5376 - Build Back Better Act

# Transportation Markets

## Why We Win

- Interoperability through technology convergence
- Customization and configurability to manage complex requirements
- Application diversity: Rail, Transit, Maritime, Airports, Airlines

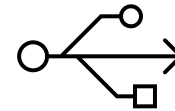
Shift to LTE presents opportunity



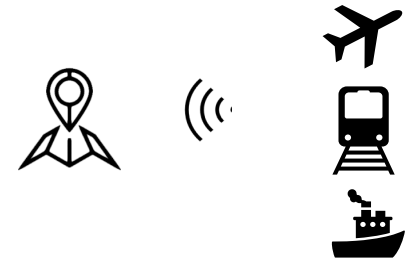
Command & Control (ACOM) combines Radio & Telephone for ideal customer fit



Investment in New Technologies



Asset Tracking & Mapping Integration



# Case Study – Transportation

The logo for Yarra Trams, featuring the word "yarra" in white on a blue background and "trams" in white on a green background.

## Yarra Trams (Australia)

- **Challenge:** Analog dispatch system used to communicate with trams was approaching end of life and could not be expanded or made future proof.
- **Solution:** Two ACOM Command & Control systems – one installed at the operations center and another at the DR center. 28 console positions – 16 at the new OC, 11 in the DR operations room that would replicate the consoles at the OC, and one administrator's console in the maintenance facility.
- **Benefits:** A cost effective, efficient and future proof system providing interoperability with all other radio technologies and existing transceivers, as well as scalability to meet future needs.

“ACOM’s IP architecture will allow us to expand and upgrade easily when the time comes to support additional transceivers and digital radio technologies.”

*Darren Young, Team Manager, Operational Control System*

# Public Utilities & Energy Markets

## Why We Win

- Technology convergence
- Scalability to meet population and coverage area expansion
- Market expansion: Industry Consolidation, Renewables and Smart Grid

Shift to DMR & Private LTE radio presents opportunity



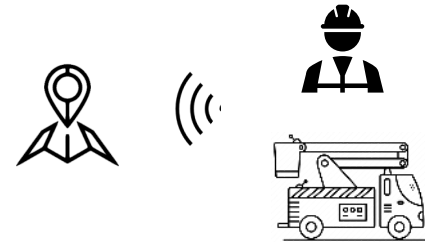
Command & Control (ACOM) combines Radio & Telephone for ideal customer fit



Multi-Site Wide-Area Interconnectivity



Asset Tracking & Mapping Integration



# Case Study – Utilities

“ Powerco now has coverage in some remote parts of New Zealand that no other provider of mobile or radio has. We are set up for the future. ”

*Phil Marsh, Network Operations Manager, Powerco*



## Powerco (New Zealand)

- **Challenge:** Current system didn't have enough reach for staff to contact the control room from many remote areas.
- **Solution:** ACOM Command & Control System – Driving the company's 32-position console system that also complements its new fleet of Hytera DMR 3 VHF radios.
- **Benefits:** A highly customizable touch screen display with support for multiple simultaneous active calls. Included visual and audio alerts. The ability to leverage advanced features, such as Bluetooth, encrypted messaging and SIP gateways, in addition to Request-to-Talk and Press-to-Talk communications.

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Q&A

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**MINELAB**

Presented by Peter Charlesworth



# 7 Offices in Strategic Locations



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# Minelab Growth Strategy

## Recreational Markets

**Uniting Purpose** - To Develop Innovative Technology and Exceptional Service To All Detectorists the World Over

**Core Focus** - Technology, Distribution and Marketing

General Growth Opportunities	North America	Europe	ANZEA	APAC	LATAM
Market Share	↑	↑			↑
Market Development				↑	↑
New Territories			↑	↑	↑
New Products	↑	↑	↑		
eCommerce	↑	↑	↑	↑	↑
Retail	↑	↑			↑
Distribution		↑		↑	↑



Countermine
↑
↑
↑

# Minelab Growth Strategy

## Gold Markets

**Uniting Purpose** - To Develop Innovative Technology and Exceptional Service To All Detectorists the World Over

**Core Focus** - Developing Existing Markets and New Markets

General Growth Opportunities	MEA	APAC	LATAM
Market Share			
Market Development	⬆️	⬆️	⬆️
New Territories	⬆️	⬆️	⬆️
New Products	⬆️		
eCommerce		⬆️	⬆️
Retail			
Distribution	⬆️	⬆️	⬆️



# Product Range

## Gold Prospecting/Mining

وليش الذهب 1000  
GOLD MONSTER 1000



SDC 2300



GPX 5000



GPX 6000



GPZ 7000



Surface Detection  
Gold Recovery

## Recreational / Professional

GO\*FIND SERIES



VANQUISH



EQUINOX Series



E-TRAC



CTX 3030



EXCALIBUR



Fun & Adventure  
Treasures to Monetise

## Countermine

F3



F3ci



F3COMPACT



MF5



MDS-10



Mines & Triggers  
Tactical/MIL & Demining

# Core Detector Technologies



Zero Voltage Technology

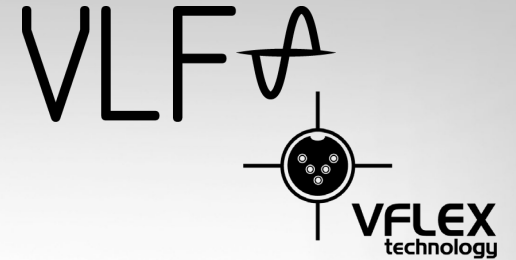
MPS MPF



Pulse Induction



Simultaneous  
Multi-Frequency



Very Low Frequency

GPZ 7000

SDC 2300

EQUINOX Series

وليش الذهب 1000  
GOLD MONSTER 1000

GPX 5000

VANQUISH

GO\*FIND SERIES

GPX 6000

MDS-10

F3Ci

F3

MF5

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# African Status

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**FY2010**

Minelab started in Sudan

**FY2014**

Counterfeits

**FY2021**

Covid and Covid related 'rush'

**FY2023**

Recovery in North-East Africa anticipated

'Rush' Sales

**FY2013**

Steady Growth

**FY15 - FY20**

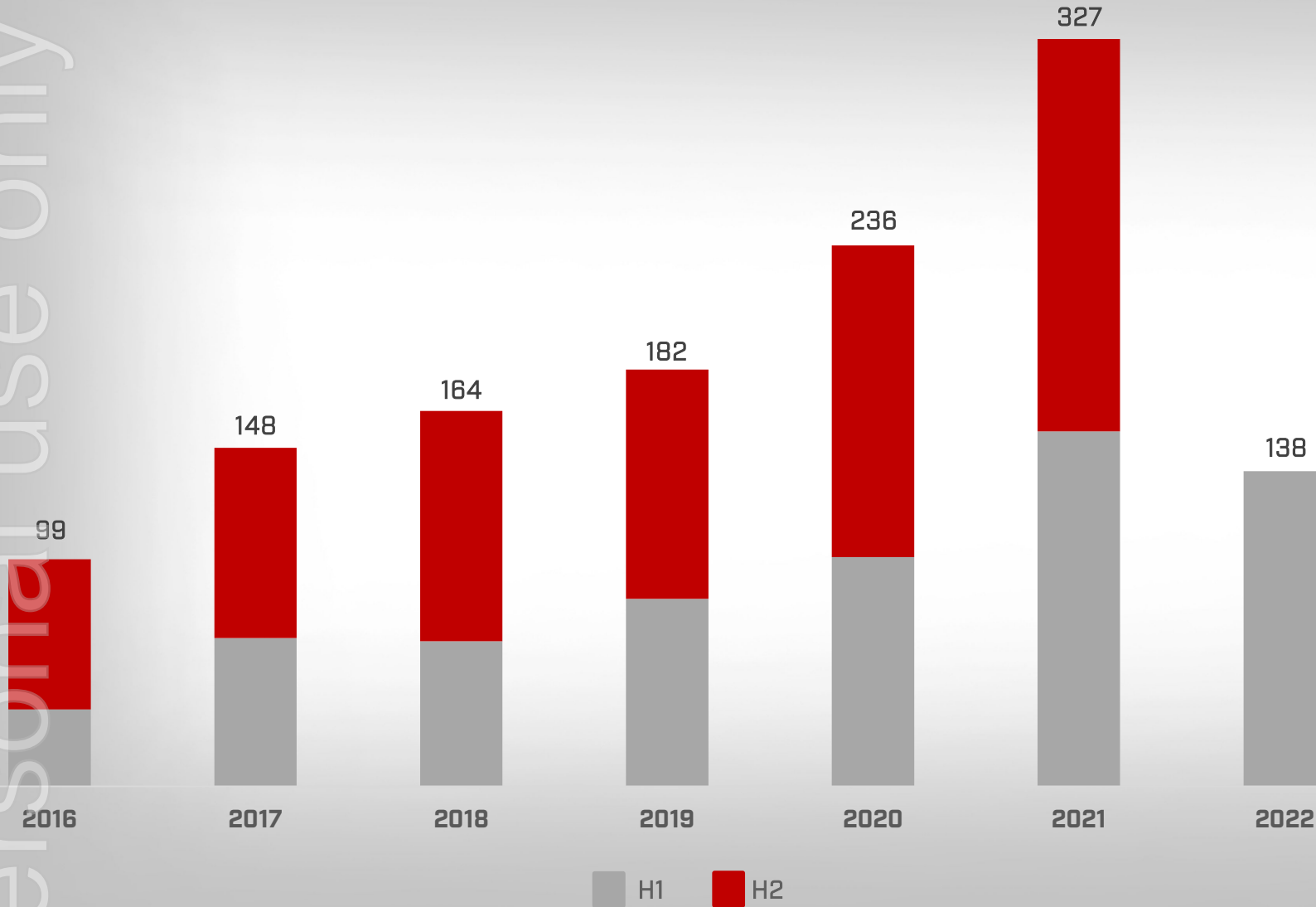
**FY2022**

- Carry over supply from record FY21 & Second Hand market, primarily Gold Monster
- Market disruptions



# Minelab Historical Sales | \$M's

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- 5 Year CAGR to FY22  
Recreation ~18% pa  
Gold ~12% pa
- Will have 2<sup>nd</sup> best year ever, despite headwinds of supply and market disruptors
- Clear Global Strategy to be executed over the next 3 years post-Covid restrictions



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وليش الذهب 1000  
GOLD MONSTER 1000

GOLD EVERYDAY



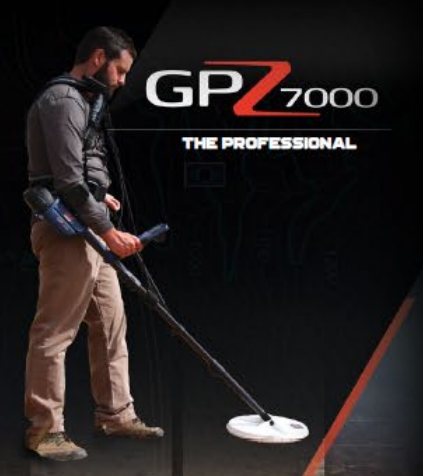
SDC 2300

EXTREME DETECTING



GPX 6000

THE PATCH HUNTER



GPZ 7000

THE PROFESSIONAL

RELATIVE DETECTOR DEPTH

Mineralization Meter



GOLD TOOLBOX / DEPTH COMPARISON

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**ولدت الذهب 1000**  
**GOLD MONSTER 1000**

**GOLD EVERYDAY**

Find gold every day from your mines



**SDC 2300**

**EXTREME DETECTING**

Find gold in extreme conditions



**GPX 6000**

**THE PATCH HUNTER**

The gold mine finder



**GPZ 7000**

**THE PROFESSIONAL**

Deep gold extraction for professional miners

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# Q&A



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FY22 INVESTOR DAY