

ASX RELEASE

16 February 2023

CODAN ACQUIRES GEOCONEX

Zetron, Inc. (**Zetron**), a wholly owned subsidiary of Codan Limited (ASX:CDA) announces it has executed an agreement to acquire 100% of the shares of GeoConex, LLC, (**GeoConex**) from its founders, both of whom have joined Zetron and will remain in the GeoConex business. Completion has occurred and funds are currently in transit. GeoConex is a leading integrator of US Public Safety and Homeland Security systems. This acquisition is consistent with Codan's inorganic growth strategy to acquire technology and capability through bolt-on acquisitions that will accelerate growth in its core Communications segment.

Consideration will consist of an upfront cash payment of \$6.0 million and three equal deferred payments aggregating to a total of a further \$2.4 million over the next three years, plus the possibility of additional earn out payments of up to a further \$14.3 million if significant growth targets are achieved over the next 3 years. The acquisition will be funded from Codan's existing debt facility.

GeoConex's technology portfolio consists of Computer Aided Dispatch (**CAD**) and Mapping solutions. These systems are utilised by dispatchers, call-takers and phone operators in emergency call centres, to prioritise and record incident calls, identify the status and location of responders in the field and effectively dispatch responder personnel.

Scott French, Zetron President, said:

"GeoConex and Zetron's partnership spans over 13 years in delivering integrated call taking, CAD and mapping solutions. This acquisition continues to extend Zetron's end-to-end solutions, expands our recurring support services, and increases our value to our end customers and distribution channels. It is also consistent with Zetron's growth strategy to continue to diversify and grow by broadening its solutions offering in the public safety sector and communications markets in North America."

Craig Dotson, CEO of GeoConex said:

“We are excited to join Zetron and the Codan Group. Zetron and GeoConex have a long-standing history of collaborating in the market and we look forward to building upon Zetron’s market leading presence in North America and accelerate growth in the combined business.”

The combined business is well positioned to capitalise on the future US Government NG911 funding to upgrade emergency response communications across the US. This government funding represents a significant growth opportunity for the business as it aligns with Zetron’s technology roadmap.

The acquisition will be immediately earnings-per-share accretive, given that GeoConex achieved an EBIT of approximately \$1.4 million in the financial year ended 31 December 2022. This implies an acquisition EBIT multiple of 6 times the fixed acquisition consideration of \$8.4 million. If earn out targets are achieved, and additional consideration becomes payable, the acquisition EBIT multiple will reduce significantly below a 6 times multiple for this acquisition.

Codan welcomes and looks forward to working with all GeoConex staff to effect a seamless integration into the 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.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:-

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