IMDEX FY23 HALF YEAR RESULTS PRESENTATION

COVER

Slide 2
Forward Looking Statements

Slide 3
IMDEX is a Leading Global Mining-Tech Company

Good morning, everyone and welcome to the IMDEX FY23 first half results presentation.

Joining me on the call today is Paul Evans, our Chief Financial Officer and Kym Clements, our Head of Investor Relations.

As always, we like to begin by outlining how we distinguish our mining-tech business, from the broader mining services arena:

- We place technical leadership at the core of our growth strategy.
- We build that technical leadership through consistent and disciplined investment in R&D, to deliver patented technologies to the market.

  Our recently proposed acquisition of Devico and investment in Krux Analytics, speak directly to these themes, and we will be pleased to elaborate on these later in the presentation.

- Our mining-tech business model is neither capital intensive, nor people intensive.
- We are truly global, with limited geographical risk, contract risk, or commodity risk.
- Finally, we are developing an integrated solution set that works together, rather than as individual products, to build a high-quality revenue base, with increasing EBITDA margins.

IMDEX technologies enable resource companies and drilling contractors, to find, define and mine orebodies – with precision, confidence and at speed.

This message, our purpose at IMDEX, is highly aligned to that of Devico's. In our announcement on January 19, we highlighted that Devico's purpose, and the addition of their core technologies to ours, directly enhances our combined capability to find, define and mine orebodies.

Slide 4
Presentation Overview

Today's presentation agenda is set out on slide 4.

While we have already shared our unaudited results with the market on January 19, we are delighted to:

- Expand upon our performance for the first half, which Paul Evans will do;
- Discuss the outlook for the industry and our business in-particular; and
- Provide an overview of our recent proposed investments in Devico and Krux and how they support our growth strategy.

Following the presentation, Paul and I are happy to take any questions.

Slide 5
1H23 Financial Highlights

Turning now to slide 5 and our financial highlights.

1H23 was a juxtaposition of strong client demand during a period of significant market uncertainty. Macro-economic concerns regarding rising inflation, geo-political tensions, fluctuating commodity prices and declining capital raisings by juniors. At IMDEX we regarded that as uncertainty, rather than cyclicality, and we have been clear that it should not impact our ability to grow our business. We are most pleased to report that we did indeed rise above that noise, to achieve above average industry growth for the period.

We generated revenue of $198.8m, which was an uplift of 18.4% and a record half year result. This result again demonstrates the strength of our core business and our objective to outperform in all operating conditions.

The uplift in earnings continued to be supported by our higher-margin sensors and software business, together with our transition to next generation cloud connected sensors. At the close of 1H23, rentals and software represented 58% of revenue and our ARPU was up 8.8% on the pcp.

The normalised EBITDA growth of 22% highlights the leverage in our operating model, achieved whilst continuing to fund our strategic initiatives.

Significantly, the resultant normalised EBITDA margin of 32%, represents our fifth consecutive year of margin expansion.

I'd like to draw your attention to the footnote on this slide that explains the normalisation. As we had previously informed the market, we undertook legal action during 1H23, over and above our ordinary course of business. This action took place in both Australia and the USA, to protect our intellectual property from infringement.

The positive outcome was the successful defence of our unique IP, in both Australia and the USA, the former by way of court judgement and the latter by way of settlement. It will result in the withdrawal of the infringing tools from those markets and the opportunity for our business to support that demand. The award of costs and damages, including additional damages as highlighted in the judgement, are still to be determined by the court.

We do not expect these exceptional legal costs to recur in 2H23. Paul will expand upon our operating cost base and outlook, when he discusses the financial performance in more detail.

Finally, our directors declared a 1.5cps interim dividend. This is within our well-established 30% NPAT payout ratio.

Slide 6
1H23 Operational Highlights

As always, our financial performance is an outworking of our operational achievements as identified on slide 6. Once again, I'd like to commend our global teams for their focus and their delivery during the half.

The total wellbeing of our people is always our key concern. Pleasingly, we saw an increase in safety engagement, our leading indicator of HSE behaviour. In turn, our LTIFR for the year was 1.56 and our TRIFR was 3.11. These equate to a 9% and a 10% improvement on the pcp respectively.

Our teams should be acknowledged for their unwavering commitment to protecting each other, particularly during a highly rewarding, but incredibly busy half. It highlights the strength of our teams and the maturity of our safety culture. To them, I express my direct thanks.

The other highlights speak for themselves. I'd like to draw your attention, however, to the achievements on the lower left-hand side under People and Leadership. During the half we closed the gender pay gap for roles on a like-for-like basis. This was an important and significant body of work that, in a perfect world, should not be required. And yet it remains at the forefront of challenges for many organisations still, both in Australia and around the world. We are pleased with the progress made and our commitment to sustaining equality in all its forms and is one of our highest priorities. Our objective, which has strong support from our Board, is to make IMDEX a safe, inclusive, and stimulating place to work. A community where everyone is rewarded appropriately for thriving at their talents and contributing to the success of our business.

During the half we were very pleased to welcome Uwa Airhiavbere as non-executive director and Wayne Panther as Chief Information Officer.

Uwa is based in Seattle as Chief Commercial Officer, Worldwide Energy and Mining, for Microsoft. Wayne joined us in January and has previously held roles in both Chevron and Microsoft and will take custodianship of our Digital 2.0 program of work.

Both gentlemen bring a wonderful breadth of capability and experience to our leadership, and we welcome them to our team.

Finally, under the Strategic Investments heading, Devico and Krux are significant highlights, both requiring a large amount of work during the first half, and both announced shortly after December 31. I will expand on each of these later. We also made progress with our investment in Datarock and further development of our AusSpec's aiSIRIS™ software.

During the half we increased our interest in Datarock from 30% to 40.9% and a notable achievement is the release of their first SaaS-based geotech product.

Our aiSIRIS software continues to grow transaction volumes, and its full integration with IMDEX HUB-IQ™ remains on track.

Slide 7
1H23 Financial Performance

I will now hand over to Paul, to discuss the financials in more detail.

PAUL EVANS

Slide 8
Key Metrics

Thanks Paul.

Consistent with our 1H23 results update provided to the market on January 19, I would like to expand on this, and the highlights Paul mentioned earlier.

- Our reported EBITDA is $53.4m, up 3.7% from the pcp.
- Normalised EBITDA for the period was $62.8m, up 22% on the pcp and up 11% on a constant currency basis. The normalised result excludes $9.4m of exceptional legal costs related to the BLY / Globaltech IP litigation, which are not expected to recur during 2H23. Total legal fees for the period in relation to this matter were $12.4m versus $1.5m in the prior period.
- On a normalised basis, our EBITDA result represents a 31.6% EBITDA margin, compared to 30.7% in the pcp. Pleasingly, we achieved this margin expansion while:
    - Progressing Digital 2.0;
    - Increasing investment in R&D, particularly software development; and
    - Building up our IMT business.

  We also note there was an increase in global travel expenses as mobility starts to return.
- D&A was slightly higher over pcp, directly related to the revenue growth profile of the business. The effective tax rate for the period was 32%. These two points combined resulted in a 6.9% decline in net profit after tax. Excluding the exceptional legal costs, this would have shown an increase in NPAT of 20%.
- Notably, our operating cash flow was up 46% from the pcp and net cash at 31 December was 8% up on the pcp. I will provide more detail on working capital shortly. It is important to note that of the $9.4m exceptional legal costs not expected to recur during 2H23, the majority is unpaid at 31 December 2022. Three other items funded during the period are worthy of mention:
    - Firstly, the $12.2m capex, largely into our sensor rental fleet to support strong industry demand and $3m into capitalised software development;

- Secondly, final deferred consideration payments to the former owners of AusSpec of $1.5m and to Flexidrill of $1.8m; and
- Finally, $3.5m to purchase shares to meet our long-term incentive plan outcomes.

You will see at the bottom of the table that FTEs were up 15.9% on the pcp. Approximately half of the increase relates to supporting core business operations. At 18.4% revenue growth, supported by circa 8% core FTE growth, it reinforces the leverage in our business model and the value of our Digital 1.0 project. The remaining half of the increase in FTEs is largely associated with the initiatives we have previously called out; Digital 2.0, software development, and scaling our IMT business unit.

I would now like to refer you to the graphs on the right. They illustrate our strong half-on-half revenue and earnings profile since 1H20. Our 1H23 revenue is now 56% over 1H20's pre-COVID peak revenue, and our 1H23 EBITDA is more than 100% over the same period.

Before covering the balance of this financial performance section, I would like to reinforce that our reporting philosophy is to always focus on statutory results and highlight complete performance of the business. Our strong preference is not to provide normalised numbers and only do so when necessary. For FY23 this will include the elevated legal fees and the anticipated Devico transaction costs, which will occur in 2H23. The integration of Devico, with 18 reporting entities across 15 countries and sales in over 50 countries is a significant body of work. This is likely to extend our FY23 reporting timeline. Further details will be provided following completion.

Slide 9
A Strong Financial Platform

Moving now to slide 9.

Our 5-year revenue CAGR of 13% continues to demonstrate our ability to outperform industry growth rates. Our benchmark is the S&P exploration expenditure for nonferrous metals, which had a 5-calendar year CAGR of 9%.

The graph in the centre again illustrates our strong trend of earnings growth with a normalised 5-year EBITDA CAGR of 24%. As noted, the 1H23 bar is the normalised result. This positive trend demonstrates the strength in our gross margins, our ability to manage input costs, and revenue from our sensors and software continuing to grow. This has allowed the business to fund additional investment to support growth.

The graph on the right shows our continued EBITDA margin expansion and demonstrates ongoing price leverage as our revenue base has increased. You will note our EBITDA margin has continued to be maintained above 30% at a normalised level of 31.6% for 1H23 and is up from 30.7% for the pcp.

Slide 10

Our Stronger Revenue Profile

Our strategy has seen our revenue profile strengthen over the past five years. I would like to draw your attention to a number of key points on slide 10:

- The growing proportion of revenue coming from rental and SaaS products, which have higher margins and are recurring in nature. Increasingly, these sensor products are being actively managed in our HUB-IQ platform. You will note 32% of revenue continues to be HUB connected, versus 8% in 1H17;
- Our strong geographic footprint and increasing presence in the Americas, which now represents 45% of total revenue; and
- Finally, acknowledging our product offering is largely commodity agnostic, and therefore we are well positioned to benefit from the accelerated spend in critical metals.

Slide 11
Strong Cash Generation

Looking now at Slide 11.

From the normalised EBITDA result of $62.8m, there was a net inflow of operating cash of $44m. Pre-tax, this represented an increase of 46% over the pcp. Within this we saw a 31% investment into working capital. This is in line with historical levels and a higher EBITDA to operating cash conversion rate, due to a higher level of rental fleet sales in the period.

As highlighted in previous presentations, we increased our investment in inventory by $8m during FY22 to mitigate supply chain delivery times. Pleasingly, supply chain price pressure is easing, and we expect inventory levels to unwind once delivery times begin to improve. At this stage we expect this to be towards the end of FY23 and into FY24.

Slide 12
Balance Sheet

Moving to slide 12, the last slide in this section.

You will see on the right, our normalised Return On Equity and Return On Capital Employed were strong for the year and our fully franked dividend for 1H23 is in line with our historical payout ratio.

Looking briefly now at our balance sheet.

I have spoken to the net cash and inventory. Other notable balance sheet movements include:

- Investment in Associates – The increase relates to our planned additional 10.9% investment in Datarock; and
- Payables – The increase includes the exceptional legal costs mentioned earlier.

Slide 13
Industry and Market Update

I will now hand back to Paul for an industry and market update commencing on slide 14.

PAUL HOUSE

Slide 14
Around Our Regions

Thank you, Paul.

During the half, the strongest growth was in Africa, Asia Pacific and South America.

Within the Americas, North America grew, even though Canada remained flat on the pcp.

The Canadian market was impacted by two things:

- Firstly, uncharacteristically warm weather, which delayed winter drilling programs that typically require a hard freeze; and
- A lack of funding for the juniors. Pleasingly, junior financing increased towards the end of CY22, with strong raisings reported in December and January both. These funds are expected to underpin strong support for the summer drilling season.

There was strong growth within South America, particularly in Brazil, Chile and Argentina. Growth in Peru was impacted by some political-driven social unrest, which was slightly down on the pcp. Drilling is expected to gain traction again in this second half.

From all reports, large and intermediate producers are progressing or increasing their planned drilling programs and drilling clients continue to report strong to full order books for balance of CY23.

Rig utilisation remains high in the majority of regions, but not at a level that is restricting growth. Similarly, while demand for skilled labour remains high, resourcing personnel is no longer impeding the large majority of operations.

Inflation remains a challenge for clients, however, it is beginning to moderate. In some regions, particularly USA and Australia, resource companies have recommenced tendering processes, which suggests greater availability of rigs in the market and their willingness to revisit pricing.

Utilisation rates in the underground rig market remain high and are expected to stay that way for some time. This reflects the increased growth in underground activity overall and the greater cost of mobilisation and demobilisation for underground rigs.

In summary, we remain optimistic about our industry's operating environment.

Slide 15
Strong Industry Fundamentals

Moving now to slide 15 and a quick recap of the drivers behind our operating environment.

We regard the industry as having strong underlying fundamentals with increasingly less restrictions on the pace of growth.

The large and mid-cap producers remain well funded. Forward looking exploration budgets remain high or growing. Junior and intermediate financings were significantly higher in December. And Bloomberg recently reported mining equity raisings were up 29% year-on year in January.

Commodity prices are strengthening, notably gold and copper, and price levels remain supportive of increasing exploration budgets. Based on S&P data, non-ferrous exploration budgets are still well below the peak of 2012.

Finally, the underlying mining industry fundamentals of diminishing reserves, greater demand for critical metals, and drilling at depth, is continuing to support growth in drilling activity and the adoption of new technologies. For IMDEX, this is our sweet spot.

Slide 16
Growth Opportunities

Moving now to slide 17 to recap our growth strategy.

Slide 17
Drivers to Deliver Our Strategy

Our growth strategy has been established for some time. It is clearly defined, clearly articulated and clearly executed.

This slide aims to provide context for our achievements during the half and our future areas of focus. At all times our Board and Executive Leadership Team, exercise a great deal of discipline to ensure that all of our initiatives are on strategy.

Key components of this strategy include:

- Growing our core business in exploration and development; and
- Leveraging our core competencies into mining production.

Our four growth drivers are outlined to the lefthand side of slide 17.

Notable achievements against these four growth drivers during 1H23 include:

- Increasing software and IMDEX HUB-IQ™ connected revenue, currently 32% of total revenue;
- Releasing version 8 of IMDEX ioGAS™;
- Completing IMDEX's first generation MINEPORTAL™ software, to support all future BLAST DOG™ trials and contracts;
- Progressing commercial prototype trials with BLAST DOG™;
- Increasing IMDEX's interest in Datarock from 30% to 40.9%; and finally
- The proposed Devico and Krux investments, which I will cover in more detail over the following slides.

Slide 18

Proposed Acquisition of Devico and Equity Raising

The following slides on the Devico acquisition are largely in line with the presentation we spoke to in January.

Slide 19

Devico Team

Let's turn to slide 19.

What a great team! Over the half we were fortunate enough to spend considerable time getting to know the Devico business and Devico's people. Our Chairman's quote below their team photo summarises our shared sentiments very well. I would add that it was a pleasure to discover a strong alignment of our corporate values and our purpose as we look for ways to bring mining technology to the mining industry.

Slide 20

Proposed Acquisition Summary

Looking now at an overview of the proposed transaction on slides 20 and 21.

The enterprise value of Devico at $324m is a full, fair and standalone valuation. We approached that valuation prior to the consideration of any synergies that accrue to IMDEX or the combination of the businesses, or the inclusion of any new products.

The EBITA multiple it is very similar to IMDEX. The EBITDA multiple is at a slight premium. This reflects the high quality, high growth, and high margin nature of the Devico business. Once again, our valuation and these multiples, are prior to the consideration of any synergies that may accrue post-completion.

Completion is expected to occur on 28 February and is subject to a number of conditions that we do not place significant risk on.

Devico itself was founded in 1988 by Viktor Tokle and the Tokle family. It is headquartered in Trondheim in Norway.

Devico has well established global network complementing our operations and enhancing our presence in Europe in particular. It has world-class R&D and manufacturing facilities in the heart of the Scandinavian region.

A key feature of this investment is the Devico management team that will be joining us. They will reinvest approximately 30% of their equity proceeds back into IMDEX shares. This is a strong vote of confidence in the strategic combination of our two businesses.

Slide 21

Proposed Acquisition Summary (Cont.)

Turning to slide 21.

Funding for the transaction is by the way of a $224m underwritten equity raising and a new $120m bank facility.

The Institutional Offer of $185m achieved a take-up rate of 97.3%, receiving strong support from existing and new shareholders.

The fully underwritten Retail Entitlement Offer of circa $36m, closed on 7 February and these new shares are expected to be issued tomorrow.

For some time we have advocated that our balance sheet could be put to better work for investors given the high-quality of our core business today. We’re pleased to use this investment opportunity to draw down on the new bank facility. This maintains a conservative balance sheet debt position, with a net debt to EBITDA ratio of approximately 0.7.

The Devico transaction is expected to be cash EPS accretive from the first full year of ownership and again, prior to consideration of any synergies.

Slide 22

Devico's Complementary Product Offering

Looking now at Devico's complementary product offering on slide 22.

Devico essentially operates two business units that align very closely with our IMDEX business units. On the right-hand side, we have Devico's directional drilling technologies, where they are the market leader in one of the fastest growing mining technology markets. Their number one position has been established for more than 20 years.

On the left-hand side are their sensor technologies. Devico's product suite complements our IMDEX product suite.

Devico's R&D process follows a very similar stage-gate model to ours and they have a number of new products in their R&D pipeline. DeviStar and DeviDrill RSS have recently moved to the commercial prototype phase. Whilst we have not factored any revenues for those products, they represent great upside potential.

Slide 23

Devico's Complementary Global Presence

Turning to slide 23. The combination of facilities and locations around the world delivers three key benefits:

- Firstly, the extension of our reach into key mining regions around the world by combining IMDEX and Devico;
- Secondly, there is a natural overlap in some areas, which speaks directly to some of the occupancy synergies that we may unlock; and
- Finally, the addition of a world-class R&D facility in Europe, and Norway specifically, perfectly complements our existing global R&D HUBs today.

Slide 24

Devico's Exceptional Financial Profile

Turning to slide 24 and the financials of the business. Devico has a strong track record of revenue growth and EBITDA growth.

If I draw your attention to the centre box and the margin profile. The sensing technologies business with an 80% gross margin is similar in profile to the IMDEX sensor technologies business today.

To the right-hand side, the Devico directional drilling business has a 60% gross margin profile. This market leading technology complements our Drilling Optimisation portfolio and presents opportunities for cross selling with our fluid engineering expertise.

In Summary, Devico has:

- Strong, fast-growing revenue;
- Good operating leverage delivering strong incremental EBITDA margin drop-through; and
- Is highly complementary to the IMDEX business today.

Slide 25

Compelling Strategic Rationale

Slide 25 demonstrates clearly, the strategic rationale of combining IMD and Devico and how it complements our 4 strategic growth drivers.

In particular:

- Devico delivers us the number 1 market position in Europe;
- Consolidates our number 1 market position globally;
- Adds the number 1 directional drilling technology in the market; and
- Provides a world-class team and facility in the Scandinavian region.

Although not included in our valuation, the expanded and complementary product suite, together with the expanded and complementary operating footprint, present increasing opportunities for cross-selling revenue growth.

Slide 26

Proposed Investment in Krux Analytics

Looking briefly now at the proposed Krux transaction on slide 27**.**

Slide 27

Krux Analytics Investment

On January 13 we were pleased to announce we had entered into a Heads of Agreement to acquire a 40% interest in Krux for $6.42m cash.

Krux is a Calgary-based business that develops market leading drilling analytics software, focussing on the collection and analysis of exploration and production drilling data in real time.

Like Devico, Krux has a high-quality team. That team has developed and commercialised a robust SaaS business, providing contractors and resource companies the means to digitise their drilling operations and embark on a pathway to real-time advanced data analytics.

The key terms of the proposed investment are being refined, however, like our investment in Datarock, our investment model will incorporate provisions to enable a sharing of risk.

We expect to finalise the transaction in early April this year.

Slide 28

Strategic Rationale

The sub-heading on slide 28 encapsulates why Krux is on strategy. The combination of our drilling analytics software will establish us as the number 1 provider to customers globally.

Slide 29
FY23 Focus Areas and Outlook

Moving now to the final section of this presentation to our focus areas and outlook on slide 30.

Slide 30
FY23 Focus Areas

Protecting and developing our people will remain our priority. We will continue to pursue the following growth drivers and operational initiatives:

- Investment in our core;
- Investment in IMT and our expanding software offering;
- Investment in Digital 2.0; and
- Completing the Devico and Krux transactions.

As Paul mentioned earlier, the integration of Devico is a significant body of work and is likely to extend our FY23 reporting timeline.

Slide 31
A Positive Outlook for FY23

Finally, some brief commentary on the outlook for FY23 on slide 31.

We had a positive start to 2H23. Pleasingly, the January start-up recommenced faster than in prior years and the average number of sensors on hire for the month was up 2% on the pcp. Demand for our drilling optimisation products is also increasing, particularly in Africa and South America.

As I mentioned earlier, we regard the current macro-related uncertainty as short-term. The underlying long-term demand drivers for the industry are robust, strengthened by a fundamental supply demand imbalance.

Our drilling clients are reporting strong forward looking order books, in some regions they have forward visibility for the calendar 2023 year, and our resource company clients are reporting sustained or increasing exploration budgets.

Our core technologies speak directly to:

- Increasing demand for drilling and drilling at depth;
- Increasing demand for greater orebody knowledge; and
- Increasing demand for sustainable operations in the mining.

The addition of Devico’s core technologies strengthen our breadth of offering to address these thematics head on. We remain positive about the outlook and excited about delivering on our growth strategy.

Paul and I, together with our global teams, are looking forward with great enthusiasm to the balance of FY23 and beyond. That is now a wrap.

Thank you for time. We are now happy to take any questions.

Slide 32
“We believe mining is essential to every aspect of modern life.
Our opportunity, indeed our responsibility, is to change the global minerals industry forever.”