19 February 2024

IMDEX FY24 HALF YEAR RESULTS PRESENTATION
COVER

Slide 2
Forward Looking Statements

Slide 3
IMDEX is a Leading Global Mining-Tech Company

Welcome, everyone, to the IMDEX results presentation for the first half of FY24. I'm pleased to have Paul Evans, our Chief Financial Officer, and Kym Clements, who leads our Investor Relations, joining me on the call today. Throughout this call I will be referring to the investor presentation slides that have been released on the ASX this morning.

Slide 3 headlines our purpose. IMDEX is a leading global mining-tech company, setting ourselves apart from the broader mining services arena in the following ways:

- 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 develop and deliver patented technologies to the market.
- A feature of our business model is that we are neither capital intensive, nor people intensive.
- We are truly global, with limited contract risk, commodity risk and geographic risk; and
- Finally, we are developing an end-to-end offering that works together to build a high-quality revenue base, with increasing EBITDA margins. As you will see this is a feature of our results this half.

At IMDEX we are uniquely positioned to provide insight into our customers' orebodies. Our purpose, and the opportunity we have, is to help mining companies better unlock the earth's resources.

Slide 4
IMDEX is a Leading Global Mining-Tech Company (cont.)

The image on slide 4 seeks to illustrate how we 'turn the lights on' inside an orebody and unlock the rich data that it contains. This heightened visibility enables all in the mining value chain to make better decisions, and to make faster decisions. Through the delivery of high-quality real-time orebody knowledge, we can ensure the mining industry can execute with optimal precision, confidence, and speed.

Slide 5
Presentation Overview

Today's presentation agenda is set out on slide 5.

We will focus on four key areas:

1. Our financial, strategic and ESG highlights, including a deeper dive into our financial performance, which Paul Evans will provide.
2. An update around the grounds.
3. Our strategy as a growth company and the opportunities ahead of us; and finally,
4. The outlook for the balance of FY24.

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

Slide 6
1H24 Highlights (Divider Slide)

Turning now to slide 7 and our financial highlights.

Slide 7
FY23 Financial Highlights

The headline to begin with is Group revenue, which at $235.3m, is an uplift of 18% on the prior period and another record result for IMDEX. This achievement becomes even more significant when we consider that there has been a global downturn in exploration expenditure during the period, which saw a contraction in activity of approximately 12% worldwide. Against this challenging backdrop, our revenue growth of 18%, bolstered by a $36.1m revenue contribution from Devico for the half, is an excellent result.

The softer exploration activity that was evident in 2H23 continued to play through into 1H24, predominantly in the Western Canada and Western Australia marketplaces. Despite these conditions, the strength of our core business delivered half-on-half growth – a critical statement in our confidence to outperform in all market conditions.

Our EBITDA of $71m is again a strong result, delivering an EBITDA margin of 30%, which is an uplift from 28% in 2H23. This notable margin improvement is a direct result of disciplined cost management, the synergies stemming from the Devico acquisition, and the expansion of gross margins in both sensors and fluids.

I should call out that our EBITDA result has been normalised for two significant items, totalling $14.1m:

1. First, the integration costs for Devico, including the associated organisational redesign costs, which remain on track as has been previously guided; and
2. Second, the non-cash impairment of MAGHAMMER, which had been previously recorded as an 'assets held for sale' following our decision to exit the Flexidrill assets that we announced in FY22.

Further details of these adjustments can be found in the appendices, and Paul Evans will discuss them later in this presentation.

Our normalised EBITDA reflecting the performance of the underlying operations is therefore up 13% on pcp. Half-on-half, however, revenue and EBITDA are up 11% and 19% respectively.

Turning to our highlight on net debt, you will recall that we established a $120m debt facility to help fund the Devico acquisition. We are one year in and on-track for the accelerated paydown of this four-year debt facility. In addition, we have also paid out our $13m working capital facility in the period. Our net debt position now stands at $45.7 million – an exceptional outcome and a significant improvement half-on-half.

This outcome is a direct result of our strong working capital management – another highlight. This half has delivered strong operating cashflow and continued inventory improvement, a testament to the disciplined operating rigour that continues to unlock value in the business model. Again, Paul will expand further on our overall balance sheet performance in a moment.

For the first time, we've highlighted NPATA, reflecting the impact of the Devico acquisition, and once again demonstrating strong performance compared to the prior corresponding period.

And finally, our directors have declared a 1.5 cents per share interim fully franked dividend, equating to a 26% normalised NPAT payout ratio and consistent with our capital management policy. We are very pleased that we have been able to put our balance sheet to work for our shareholders.

Slide 8
FY23 Strategic Highlights

Turning to slide 8 and our strategic highlights for the half, commencing from the lefthand side.

First and foremost, I am very proud of our global teams for their progress in successfully integrating Devico into our operations, while continuing to deliver on our core growth strategy and respond to the challenging market conditions. The operational integration of Devico has been completed ahead of schedule in 1H24, unlocking greater savings than originally anticipated.

Within our core business, the expansion of our survey technology stack has led to an increase in DeviGyros within our network – a combination of market share gains, and survey technology stack upgrades. As an aside, our new OMNI-IQ™ gyros are the fastest growing sensor in our fleet, a testament to their new and improved running gear making the user experience safer and faster. These initiatives contribute to the 5% increase in our sensor Average Revenue Per Unit (ARPU).

Moving to the strategic pillar titled Solutions Selling. Our solution selling strategy continues to gain momentum, supported by the inclusion of the Devico directional drilling technology, where we have seen new projects expand into USA, Africa and Australia leveraging the IMDEX network. We now have 41% of our top 250 customers utilising greater than three of our products in solution form, up from 37% in 1H23.

Looking now at the highlights for our Digital Business Unit. Our strategic investments in Datarock and Krux are yielding promising results. Datarock reported significant revenue growth, conducting 23 trials compared to just 5 in the same period in 2023. Datarock's recognition as the InvestMETS Start-Up of the Year is a great accolade for their team. Similarly, Krux experienced a twofold revenue increase in 1H24 and has successfully secured several global contracts with major resource and drilling companies alike, once again leveraging IMDEX's network.

Lastly, our IMT Business Unit's organic expansion into the adjacent mining production space continues to gather momentum:

- The number of installed sites, which includes the underground survey solutions offered by BOLT™ and DeviGyro in underground applications, our fluids solutions represented by BHS™, and BLAST DOG™ have all increased during the half.
- Specifically, our BLAST DOG™ trials are progressing as planned, with several commercial trials converting into purchase orders in H1 and early into H2.

More importantly, we have a robust pipeline of trials across all IMT technologies slated for pursuit in 2H24 and into FY25.

Slide 9
FY23 ESG Highlights

Turning our attention now to slide 9.

FY24 marks the first year we have formed an ESG sub-committee reporting directly to the Board, elevating it from the executive leadership working group in prior years that has been building to this moment.

Our ESG strategy remains centred around five key focus areas, tailored to our organisation, our people, and the communities in which we operate. Allow me to highlight now some key achievements:

Starting with People:

We saw an increase in safety engagement by 10%, we had zero lost time injuries, and our Total Recordable Injury Frequency Rate improved from 1.56 to 1.13, reflecting our unwavering commitment to safety everywhere around the world.

Additionally, we were honoured to be recognised as a finalist for Employer of Choice at the 2023 Australian HRD Awards. This accolade reflects the workplace culture that makes IMDEX an exceptional place to work for our people.

Moving on to Innovation:

One of our key targets for FY24 was to improve the user experience for our core products. Notably, we made our OMNI-IQ™ running gear lighter, thereby making it safer for a broader workforce. You will recall OMNI-IQ™ is the faster growing sensor in our fleet, highlighting the user experience of our products. Similarly, we developed an underground survey deployment system to reduce the safety risk that is associated with working at heights in an underground operation.

For Environment, we have made great strides in lifting the percentage of recyclable and reusable packaging for all products.

Within our Society pillar, we have established an implementation plan for our Community Engagement Policy, which ensures that we are contributing to our local communities in a meaningful and transparent manner.

And finally, Governance:

It has been our pleasure to welcome to Tracey Horton as our newest non-executive director of the board. Tracey's CV is remarkable, and she brings extensive experience from which we are already beginning to benefit.

Slide 10
FY23 Financial Performance (Divider Slide)

That completes a brief review of our half and I will now hand over to Paul, to discuss the financials in more detail.

PAUL EVANS

Slide 11
Key Metrics – STRONG FINANCIAL PERFORMANCE FOR 1H24

Thanks Paul.

Paul has spoken to the 1H24 financial highlights. I will aim to expand on some of the key metrics on slide 11.

Firstly, I would like to remind everyone the comparative 1H23 results were achieved in a particularly strong half, and do not include any contribution from Devico as the acquisition completed on 28 February 2023.

As Paul mentioned, the normalised results exclude $14.1m of significant items, represented by $6.7m related to the Devico integration, including the organisational redesign costs, plus $7.4m resulting from the impairment of MAGHAMMER, previously shown as held for sale.

Expanding on these 2 items:

- I'm pleased to report the integration of Devico is progressing ahead of schedule. With the operational integration complete, we are already beginning to witness revenue and cost synergy benefits. Notably, in 1H24, we successfully completed a significant organisational redesign, with reductions in the cost base expected from 2H24.
- During 1H24, the Group continued to progress the divestment of MAGHAMMER. Despite initial interest in the merits of the technology, uncertainty in global macro conditions subsequently saw interest levels decline. While IMDEX still owns the technology, conditions are not currently conducive to a sale. Accordingly, the Company has conservatively recognised a non-cash impairment.
- Our normalised NPATA (Net Profit After Tax and before acquired intangible Amortisation charge) stands at $32.5m, reflecting an 8% increase from the prior corresponding period. This figure is before considering significant items and acquired amortisation with the majority of the amortisation charge increase stemming from the Devico acquisition.
- Finally, our full-time employees increased from 647 at 31 December 2022 to 829 at 31 December 2023. At 30 June 2023, the total was 851 and included 187 Devico employees.

Slide 12
Revenue Growth - Continuing to Outperform Industry Performance

Moving now to slide 12.

In line with our objective, we have consistently outpaced industry growth rates, as evidenced by our 13.1% five-year CAGR. To provide context, one of our internal benchmarks we use to reference this, the S&P exploration expenditure for nonferrous metals, registered only a five-calendar-year CAGR of approximately 5.6%.

Excluding Devico, IMDEX revenue was in line with the pcp. This is a commendable result given global exploration budgets was estimated by S&P to be down some 3% for CY23 over CY22. Similarly, drilling project activity was down an estimated 12% compared to the pcp.

As noted on the slide, the regions with greatest impact were Canada and Australia, which were down some 15% and 11% respectively.

Devico revenue was up 18% to $36.1m compared to the average 6 months CY22 revenue and is explained in more detail on the next slide.

Slide 13

Devico Revenue Performance – Ahead of Expectation Despite Softer Canadian Market

Slide 13 illustrates the increased contribution from Devico directional drilling and sensors. This is an excellent outcome demonstrating leverage into the IMDEX client base, particularly given the transition of sensor sales to the longer-term higher margin IMDEX rental model.

Despite the softer Canadian drilling market, we've made significant strides introducing directional drilling into new markets and attracting new customers.

Another notable achievement was securing the first directional drilling contract within the Australian market.

Slide 14

Revenue Growth by Region – Strong Devico Performance in the USA and Europe

Turning now to slide 14 and our revenue growth by region.

The Americas demonstrated robust growth, achieving a 31% increase, despite the challenges posed by the softer Canadian market. As a result, the Americas now account for 50% of our total revenue, up from 45% from the prior corresponding period (pcp). This growth was supported by strong demand for our end-to-end solution offerings alongside the positive contribution from Devico products.

Our Asia Pacific region revenue was in line with 1H23. Growth in this region was limited due to the contraction in the Australian market.

Revenue from our Africa and Europe region experienced a 19% uplift in line with the strategic intent and our larger footprint in this region.

While our intention is to integrate Devico seamlessly into our reporting structure by the end of FY24, its strong performance is evident in this slide, particularly in the Americas and Europe.

Slide 15
Revenue Growth by Product Mix – Increasing % of Higher Margin Rental & SAAS Revenue

Slide 15 provides a breakdown of the revenue composition of our two revenue models, being Sales plus Sensors & SaaS, for the combined IMDEX / Devico business and the IMDEX-only business.

On the right side of the slide, we see the IMDEX Group graph, illustrating the combined IMDEX and Devico revenue streams. Notably, Sensors & SaaS revenue now accounts for 64% of Group revenue, up from 60% in the prior corresponding period (pcp).

Pleasingly, for the IMDEX only business shown on the left of the slide, we've witnessed a positive trend in 1H24 to the higher margin Sensors & SaaS revenue increasing to 58% of total revenue. This improvement in product mix has resulted in a corresponding enhancement in gross margins, which has positively influenced the EBITDA result in 1H24, as reflected on the next slide.

Slide 16
EBITDA Performance – Opportunities to increase EBITDA Margin % in 2H24

Slide 16 illustrates our consecutive half-on-half performance since 1H20.

As depicted in the graph, we have observed a consistent trend of margin growth and despite the recent lower activity levels, we have seen the stronger earnings resilience of the broader IMDEX business model demonstrated.

There are a number of drivers contributing to this:

- Expansion of margins with the introduction of new product releases and bundled solutions into our global network;

- Improved weighting of Sensors & SaaS revenue as the higher margin sensors and software business has grown as demonstrated in the prior slide and lifting overall gross margin;
- Maintaining a focused cost discipline whilst continuing to invest in R&D, the majority of which is expensed, to support core business and the new growth IMT and Digital initiatives;
- Revenue synergies from the Devico integration efforts, particularly with the introduction of the expanded sensor stack and the expansion of Directional Drilling into existing IMDEX customers and markets; and lastly
- Cost synergies from the integration effort. As previously mentioned, we also finalised the organisation redesign from which we expect to deliver cost savings in 2H24. Furthermore, I'm pleased to confirm we will exceed the $2m annualised cost synergies identified at the time of acquisition, further enhancing our operational efficiency.

Our 1H24 EBITDA margin at 30.2% was marginally down on the pcp, however, up on 2H23 for the reasons I mentioned. Pleasingly, we see the returning of our 30% 'base line' EBITDA margin which we have previously referenced.

Slide 17
Devico EBITDA Performance – Opportunities to increase EBITDA Margins during 2H24

Moving now to slide 17.

We are pleased to report the stronger revenue performance from Devico in 1H24 has leveraged the additional investment introduced in 2H23. This has resulted in a 13% improvement in EBITDA for 1H24 compared to the six-month average for CY22.

This achievement translates into a 45.4% EBITDA margin for 1H24. It's important to highlight that had it not been for the softness experienced in the Canadian market, we would have expected higher revenues and a similar overall EBITDA margin percentage to that achieved in CY22 and those expected at the time of the acquisition.

Slide 18
Strong Cash Generation – EBITDA to Cash Flow from Operations

Looking at Slide 18 and our cash conversion.

From the normalised EBITDA result of $71.0m, there was a net inflow of operating cash of $59.5m. This is an outworking of the working capital disciplines put in place and represents a strong 84% conversion rate (pre-tax, 97%) and is higher than historical levels.

As indicated on the slide, the additional investment in inventory implemented to mitigate supply chain delays in FY22 has now been released. Consequently, the working capital investment profile has reverted to historical levels.

Slide 19
Balance Sheet

Looking briefly now at our balance sheet on slide 19.

I have spoken to our working capital balances. Other notable items to highlight.

- **Intangibles** now include the finalised purchase price accounting estimates for Devico, reflecting $230m of goodwill and $100m of other intangibles.
- **Borrowings** reflects the amount owed on our new $120m debt facility introduced in 2H23 to assist with the purchase of Devico. In addition to committed repayments, during the period the accelerated payout of the separate working capital facility was also made. It is important to note that while the latter facility has been paid down, it remains available for re-draw. Interest cover on normalised earnings remains strong at 9 times, while the net debt leverage ratio at 0.3 times.

Our Return on Equity and Return on Capital Employed metrics were strong for the period. Additionally, as Paul mentioned, our fully franked dividend for 1H24 is consistent with our historical payout ratio.

Slide 20
Market & Industry Update (Divider Slide)

I will now hand back to Paul for an update on our regions and our broader industry landscape.

PAUL HOUSE

Slide 21
Around Our Regions

The sub-heading on slide 21 encapsulates what we are currently seeing in our regions. For the past 12 months we have described the market as steady as clients respond to the rising cost environment. This position continues to be the case today. Growth opportunities, however, are starting to appear. Majors and producers are taking advantage of lower activity by juniors and are starting to deploy more rigs and conversations are increasingly turning from cost-out towards focusing on productivity improvements. Steady is the prevailing theme and once again we regard this as presenting opportunities for IMDEX.

Slide 22
Our Industry

The key message on slide 22 is that the underlying industry fundamentals remain compelling.

Despite the recent uncertainty, the IMDEX business has been able to outperform and is well positioned to benefit from recovery in the medium to longer term.

Whilst not the major driver for the IMDEX business, equity raisings remain steady albeit down year-on-year by volume. Importantly, most major and mid-tier producers continue to generate cash and remain well funded for the opportunities ahead of them.

While some uncertainty remains in the near term, we do not anticipate any further deterioration in the market, a position that has been confirmed through our attendance at recent industry conferences in London, Vancouver and South Africa.

S&P's latest forecast suggests that exploration spend for the calendar year 2024 will be stable or experience a modest decline of less than 5% compared to calendar year 2023.

Slide 23
Growth History & Drivers (Divider Slide)

Turning now to Slide 24.

Slide 24
Strong Track Record as a Growth Company

The graph on the left illustrates that while exploration budgets have increased some 56% over the past five years, they remain well below the $US21bn peak we saw in CY12.

Over a similar period, our revenue and earnings have increased by 133% and 289% respectively, highlighting the strength of our business model, our operational efficiency, and our strategy.

Slide 25
Growth Strategy & Drivers to Deliver

On slide 25. Our growth strategy focuses on technology leadership and end-to-end solutions for our clients, which now includes Devico's directional drilling.

Concurrently, for our emerging IMT and digital business units, we are leveraging our core competencies around sensors to develop applications for the mining production market. We supplement these core product capabilities with geoscience analytics, AI, and computer visualisation capabilities.

Once again, regardless of the market macro, the IMDEX strategy has the capability, product suite and addressable market to continue to outperform. The results of Devico, Krux and Datarock for the period, plus the rapid uptake of new R&D solutions, are the surest validation of this strategy.

Slide 26
Outlook and Focus Areas (Divider Slide)

Slide 27
FY24 Focus Areas – Investing in Growth

Our focus for the balance of FY24 will remain protecting and investing in our people.

Our core business through solution selling and the integration of Devico products throughout our network presents great opportunities regardless of market conditions.

We remain firmly committed to investing in our business growth units in IMT and digital solutions.

Slide 28
Outlook

Turning now to discuss the outlook on slide 28.

Approximately 12 months ago, we recognised that the industry faced 12-24 months of uncertainty ahead. As we stand today, that view has played out exactly as expected. Pleasingly, our IMDEX business has continued to grow its core, integrate Devico and execute its strategy with significant success.

Our outlook for the near term is for demand to remain steady. Some industry participants continue to grapple with the high-cost environment and commodity volatility leading to various anecdotes and headlines to that effect. As I commented on earlier, other participants are taking advantage of the weaker activity by juniors to increase their own drilling programs with many major clients reporting expanding exploration budgets.

Furthermore, as attention shifts from 'costs out' to 'productivity in', the IMDEX portfolio and its business model is well positioned to grow in line with the strong medium to long term fundamentals that will resume driving the sector.

As a guideline, as of mid-February, the number of sensors on hire is up circa 5% on the pcp, reflecting the addition of some of the Devico sensor fleet as we progress the systems integration around the world.

As another reference point, S&P Market Intelligence suggests exploration spend for CY24 will remain stable or experience a slight decline of less than 5% compared to calendar year 2023.

Turning now to the medium and longer-term. The industry's long-term drivers are robust. There is a critical imperative for resource companies to replenish diminishing reserves, with new discoveries likely to be located at greater depths, with greater orebody complexity and therefore necessitating larger drilling campaigns, new technology solutions and more complex processing.

The global commitment to achieving net-zero emissions will continue to drive demand for critical metals, further underscoring the necessity for continued extraction of reserves.

Between the IMDEX core, plus Devico, Datarock and Krux, IMDEX is in a strong position to support emerging demand.

Slide 29
Summary

On slide 29 I would like to leave you with a brief comment on IMDEX's competitive position and its connection with the results for the half.

Record revenue, EBITDA and margin expansion defying market trends has been a highlight.

The strength of our market leadership position and our unique end-to-end portfolio delivering market share gains.

A resilient earnings profile, even after absorbing investments in growth initiatives.

An exceptional Devico performance in less than 12 months since ownership.

An outstanding balance sheet and working capital management that positions IMDEX to continue to execute on its growth strategy and take advantage of opportunities as they present.

That completes the walk through of our 1H24 results.

CLOSING COMMENTS

This half I want to make a point of acknowledging the leadership team that came across from Devico and worked tirelessly with the IMDEX teams around the world, in every area – from operations to R&D to shared services – to not only integrate the business, which we acknowledged at the last reporting period, but to really unlock real value for our shareholders as is evidenced in this half's results.

The industry faces twin challenges – a high-cost environment and greater geological complexity, both of which present hurdles to the looming supply demand gap for the majority of minerals. New technologies that simultaneously deliver greater orebody intelligence in real time, and lift overall industry productivity, are increasingly being sought after in order to bridge the supply demand gap. These challenges have been well signalled, and IMDEX has been methodically developing the capability, partnerships and the products to meet these challenges head on. Despite the near-term noise within the industry and the broader economic macros, the positive medium to longer-term fundamentals are unchanged, and at IMDEX we are very much excited about what lays ahead.

Thank you all for joining us today.