



# Proposed Acquisition of Devico and Equity Raising

19 January 2023

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This Presentation has been prepared in connection with IMDEX's:

- a) proposed acquisition of a 100% interest in all issued and outstanding shares in Devico AS (**Devico**) from its existing shareholders (together, the **Vendors**) (**Proposed Acquisition**); and
- b) proposed fully underwritten A\$221 million offer of new fully paid ordinary shares (New Shares) in IMDEX, comprising:
  - i. a placement of New Shares to institutional and sophisticated investors (**Institutional Placement**) under section 708A of the *Corporations Act 2001* (Cth) (**Corporations Act**); and
  - ii. a pro rata 1 for 6 accelerated non renounceable entitlement offer to certain eligible shareholders of IMDEX (**Entitlement Offer**); and
- c) proposed conditional placement to certain IMDEX directors and management, subject to IMDEX shareholder approval, to raise up to approximately A\$3 million (before costs) (**Conditional Placement**).

The Entitlement Offer is being made to:

- a) eligible institutional shareholders of IMDEX (**Institutional Entitlement Offer**); and
- b) eligible retail shareholders of IMDEX (**Retail Entitlement Offer**),

under section 708AA of the Corporations Act as modified by the *Australian Securities and Investments Commission Corporations (Non Traditional Rights Issues) Instrument 2016/84*.

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There are a number of risks specific to the Proposed Acquisition, the Equity Raising, Devico, IMDEX and of a general nature which may affect the future operating and financial performance of IMDEX and the value of an investment in IMDEX, including but not limited to the Company's ability to obtain approvals, the conditions to the Proposed Acquisition not being met, economic conditions, stock market fluctuations, price fluctuations, actual demand, industry competition, legislative, fiscal or regulatory developments, changes in accounting standards, economic and financial market conditions in various countries and regions in which IMDEX and Devico operate, political risks, product delay or advancements, approvals and cost estimates, technology risks, operational risks, reliance on key personnel and third party contractors and suppliers, and foreign currency fluctuations. An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of IMDEX. IMDEX does not guarantee any particular rate of return or the performance of the Company. Investors should have regard to the risk factors outlined in this Presentation under Appendix A: "Key Risks" when making their investment decision.

# Disclaimer (cont.)

## Limitation on information relating to Devico

All information in this Presentation relating to Devico, including in relation to historical performance and operations, historical costs, forecasts concerning Devico's calendar year 2022 financial performance and other financial information has been sourced from the Vendors. Investors should note that Devico is privately held company, which means that it is not subject to the same continuous disclosure requirements as publicly listed companies in Australia (such as IMDEX) and does not publish or file periodic or other continuous disclosure reports with the ASX or in any other jurisdiction. Accordingly, the publicly available information concerning Devico may be more limited than that for listed companies. Historically, Devico has been subject annual audits at the consolidated level. A review in accordance with ISRE2410 (International Standard on Review Engagements, Review of Interim Financial Information) was conducted by Devico's auditors at 30 June 2022.

IMDEX has conducted due diligence in relation to Devico, its operations and the Proposed Acquisition, but has not independently verified the accuracy, reliability or completeness of all such information and, to the maximum extent permitted by law, makes no representation or warranty, expressed or implied, as to the fairness, accuracy, correctness, completeness or adequacy of any information relating to those. If any such information provided to, and relied upon by, IMDEX in its due diligence and in its preparation of this Presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of Devico (and the financial position and performance of IMDEX following the Proposed Acquisition) may be materially different to the expectations reflected in this Presentation.

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The financial information of Devico in this Presentation for the calendar year ended 31 December 2022 is based on the unaudited financial information for the ten months ended 31 October 2022 and management forecasts for the two months ended 31 December 2022, and therefore may not reflect the actual results for Devico during that period. All financial information for Devico during that period is unaudited. The preliminary financial information of IMDEX for the six months ended 31 December 2022 is unaudited and should not be viewed as a substitute for full half-year financial statements prepared in accordance with AAS, and there can be no assurance that it will not vary from IMDEX's actual financial results for that period.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards (AAS) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

This Presentation also contains pro forma historical financial information for financial year ended 30 June 2022 to show the impact of the Proposed Acquisition and the impact of the Offer. The pro forma financial and other information relating to the impact of the Proposed Acquisition has been prepared by IMDEX in reliance on information that was provided by representatives of Devico in connection with the Proposed Acquisition. The pro forma information has not been audited by IMDEX's auditors. The pro forma historical financial information provided in this Presentation is for illustrative purposes only.

IMDEX notes that the pro forma historical financial information has as far as possible been prepared in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia. IMDEX has not undertaken a full allocation of purchase price for the acquisition accounting shown in the pro forma balance sheet. This process would include a fair valuation of net assets acquired and the identification of intangible assets to calculate separate goodwill figure. Australian Accounting Standards allow acquirers a period of up to 12 months post acquisition to complete this analysis and account for it. This process would not be expected to result in a change in the net assets of the enlarged group

but identify the split of intangible assets and goodwill which are currently grouped in the pro forma balance sheet.

Investors should also note that the pro forma historical financial information is for illustrative purpose only and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

## Key assumptions

The following assumptions apply to information in this Presentation unless otherwise stated.

- IMDEX historical financial data: historical financial information relating to IMDEX is either:
  - as at 30 June 2022, as set out in IMDEX's audited financial statements for that period; or
  - IMDEX's unaudited management accounts as at and for the period ending on 31 December 2022.
- Devico historical financial data: historical financial information relating to Devico includes Devico CY2022 financials which includes unaudited financial information for the ten months ended 31 October 2022 and management forecasts for the two months ended 31 December 2022, Devico's three year revenue and EBITDA CAGR and Devico's unaudited 30 June 2022 accounts.
- Currency: unless otherwise stated, all figures are in AUD.
- Pro forma financial data: Pro forma figures are provided as at 30 June 2022 and are illustrative only.
- Throughout this Presentation several assumptions have been made for forecasts or other financial data including:
  - Foreign exchange: AUD/NOK of 6.80
  - Pricing: IMDEX last closing price of A\$2.47/sh.

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- expressly exclude and disclaim any fiduciary relationship between, or assumption of any duty by them or in favour of you.

Determination of eligibility of investors in the Entitlement Offer is determined by reference to a number of matters, including at the discretion of IMDEX and the Joint Lead Managers. To the maximum extent permitted by law, IMDEX, the Joint Lead Managers and their respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion or otherwise.

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In connection with the institutional bookbuild, one or more institutional investors may elect to acquire an economic interest in the New Shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those securities. Each Joint Lead Manager (or its affiliates or related bodies corporate) may, for its own account, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire fully paid ordinary shares (which may include New Shares) in the Company in connection with the writing of those derivative transactions in the institutional bookbuild and/or the secondary market. As a result of those transactions, each Joint Lead Manager (or its affiliates or related bodies corporate) may be allocated, subscribe for or acquire New Shares or securities of the Company in the institutional bookbuild and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other securities in the Company acquired by a Joint Lead Manager, its affiliates or related bodies corporate in connection with their ordinary course sales and trading, principal investing and other activities, result in the Joint Lead Manager, its affiliates or related bodies corporate disclosing a substantial holding and earning fees.

## Rounding

Figures, amounts, percentages, estimates, calculations of value and other factors used in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

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# Proposed acquisition summary

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<b>Acquisition overview</b>	<ul style="list-style-type: none"> <li>• IMDEX has entered into a binding agreement to acquire 100% of the issued and outstanding shares of Devico AS (<b>Devico</b>) for an enterprise value of ~A\$324m (NOK2,200m)<sup>1</sup> (<b>the Acquisition</b>)</li> <li>• Acquisition price implies a CY2022 EV/EBITDA multiple of ~11.2x and EV/EBITA multiple ~12.8x<sup>2</sup>, before synergies</li> <li>• Completion is expected to occur in late February 2023, subject to satisfaction of conditions<sup>3</sup></li> </ul>
<b>Overview of Devico</b>	<ul style="list-style-type: none"> <li>• Devico is a global leader in drill site technology, providing Sensor Technologies (<b>ST</b>) (#2 in the market<sup>4</sup>) and Directional Drilling Technologies (<b>DDT</b>) (#1 in the market<sup>5</sup>), combining hardware, software and services for the mining and civil engineering industries</li> <li>• Headquartered in Norway, Devico has a leading and highly complementary global network with world class facilities located in a key hub in the European mining market, strong R&amp;D capabilities, a strong reputation as the pioneer of Directional Drilling Technologies, and a track record of successfully commercialising technologies</li> <li>• Majority owned and controlled by the Togle family (Devico founder), with Salvensen &amp; Thams Invest AS and existing and past employees as minority shareholders</li> </ul>
<b>Devico management reinvestment</b>	<ul style="list-style-type: none"> <li>• Retention of strong management team with key Devico management personnel (<b>KMP</b>)<sup>6</sup> having entered into agreements to reinvest a portion of their proceeds from the Acquisition through the subscription of IMDEX shares</li> <li>• KMP will be eligible for IMDEX's incentive plans and additional vesting shares subject to remaining employed by IMDEX</li> </ul>
<b>Synergies</b>	<ul style="list-style-type: none"> <li>• Revenue synergies from the strategic combination expected to deliver value to IMDEX shareholders, through cross-selling and accelerated R&amp;D development</li> <li>• Estimated cost efficiencies of ~A\$2m per annum (~7% of Devico CY2022 EBITDA), arising primarily from consolidation in office locations, supply chains, sourcing, manufacturing, and ability to leverage IMDEX's operating systems across the Devico network</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>• A\$224m equity raising (before costs), comprised of an underwritten A\$75m Institutional Placement and A\$146m pro rata accelerated non-renounceable Entitlement Offer, and a non-underwritten Conditional Placement<sup>7</sup></li> <li>• A\$120m senior secured term loan<sup>3</sup></li> <li>• Balance sheet remains conservative – proforma FY22 Net Debt / EBITDA of 0.7x</li> </ul>
<b>EPS accretive</b>	<ul style="list-style-type: none"> <li>• The Acquisition is expected to be EPS accretive from the first full year of ownership, before factoring in any potential synergies<sup>8</sup></li> </ul>
<b>IMDEX 1H23 trading update</b>	<ul style="list-style-type: none"> <li>• Unaudited 1H23 Revenue of A\$199m (up 18% pcp), normalised EBITDA<sup>9</sup> of A\$63m (up 22% pcp) and normalised NPAT<sup>9</sup> of A\$29m (up 20% pcp)<sup>10</sup></li> <li>• Preliminary 1H23 results demonstrate continued momentum in the IMDEX business with clients reporting strong order books and ongoing exploration budgets</li> </ul>

<sup>1</sup> Exchange rate of NOK to AUD of 6.80 has been applied. <sup>2</sup> Devico CY2022 financials shown on a pre-IFRS16 basis, with 10 months of actuals and 2 months of Devico management forecasts. <sup>3</sup> As summarised in the annexure to the ASX announcement dated 19 January 2023. <sup>4</sup> Based on SAM (Serviceable Market), considering the share of active Core Orientation Tools and Gyro Sensors on hire in the market by brand as at October 2022. <sup>5</sup> By revenue, based on customer interviews and survey, expert interviews and market research conducted by McKinsey. <sup>6</sup> Includes select members such as existing CEO, CFO and COO. <sup>7</sup> The Company is proposing to undertake a non-underwritten Conditional Placement to certain IMDEX directors and management to raise up to \$3m (before costs) (subject to shareholder approval) to be used towards transaction costs. See slides 28 and 29 for further details. <sup>8</sup> Based on Adjusted EPS before amortisation of intangibles and one-off transaction costs. The impact of purchase price accounting, which will impact future non-cash amortisation charges, is not reflected in Adjusted EPS. IMDEX's pre-transaction EPS has been restated based on an adjustment factor to take into account the New Shares to be issued in connection with the Entitlement Offer. <sup>9</sup> Excludes non-recurring legal costs related to the Boart Longyear / Globaltech patent litigation case. <sup>10</sup> Per IMDEX management accounts as at 31 December 2022.

# Highly significant acquisition of a highly complementary business in key growth markets for IMDEX

- ✓ Strong market leadership position in Europe, and a global operating footprint, that delivers IMDEX the #1 market position in Europe, and consolidates IMDEX's #1 market position globally<sup>1</sup>
- ✓ Clear technology and market leadership in the Directional Drilling Technologies business globally, complementing the IMDEX Drilling Optimisation portfolio, and providing IMDEX with the leading technology in a fast-growing market
- ✓ A portfolio of Rock Knowledge sensors that complements the IMDEX Sensor Technology stack and adds a pipeline of complementary technologies
- ✓ World class R&D and manufacturing facility in Norway, together with a team of engineers that complements the IMDEX R&D capabilities in California, Perth and New Zealand
- ✓ Highly synergistic strategic combination with clear cross-selling revenue opportunities and cost efficiencies, ability to leverage the scalable IMDEX Digital Transformation business systems across the Devico business
- ✓ Exceptional financial profile with a strong track record of growth and margins accretive to IMDEX
- ✓ Underlying EPS accretive from the first full year of ownership, before potential synergies<sup>2</sup>

<sup>1</sup> Based on Serviceable Market (SAM), considering the share of active Core Orientation Tools and Gyro Sensors on hire in the market as at October 2022 and taking into consideration Devico's products on hire in the European market. <sup>2</sup> Based on Adjusted EPS before amortisation of intangibles and one-off transaction costs. The impact of purchase price accounting, which will impact future non-cash amortisation charges, is not reflected in Adjusted EPS. IMDEX's pre-transaction EPS has been restated based on an adjustment factor to take into account the New Shares to be issued in connection with the Entitlement Offer



# Acquisition in core business is fully aligned with IMDEX's growth strategy

## 1. TECHNOLOGY LEADERSHIP

Targeted R&D to win market share

- ✓ Devico has world class R&D facilities in Trondheim, which have developed the market leading DDT, a portfolio of ST, and will complement IMDEX California and Australian R&D facilities and its portfolio of technologies

## 2. STRENGTHEN POSITION IN MINING PRODUCTION

Leverage into this adjacent market where it is the same ore body and the same client and is less subject to cyclical impact

- ✓ Devico's portfolio of DDT and ST are applicable to resource delineation in mining production, and over 50% of the revenues are directly contracted to resource companies

## 3. IMDEX INTEGRATED SOLUTION SALES

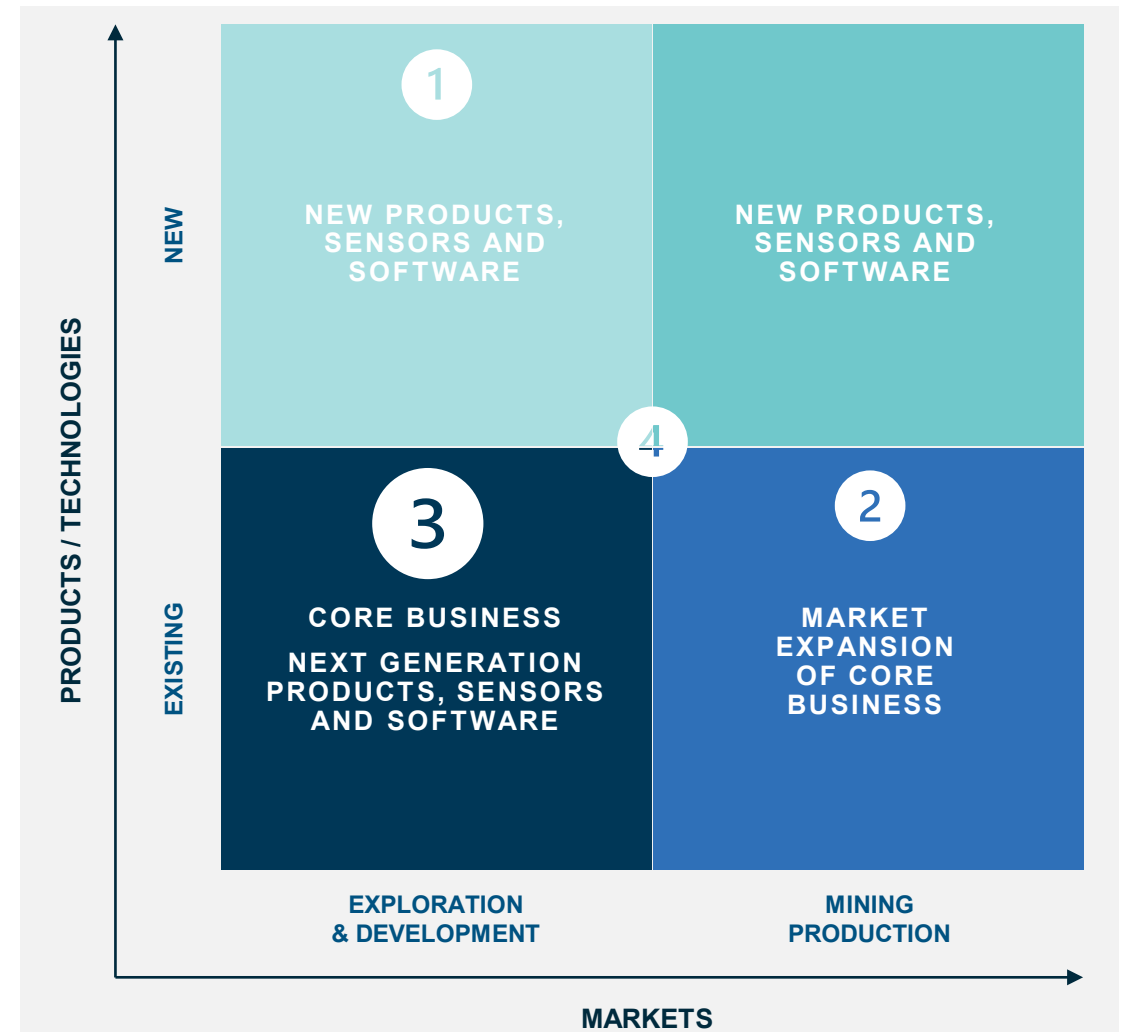
Optimised solutions for ore bodies to maximise client value and IMDEX revenue

- ✓ Devico's portfolio expands IMDEX's combined solution offering, and their DDT service model provides complementary opportunities for IMDEX products including its fluid engineering solutions

## 4. ON STRATEGY ACQUISITIONS

Emerging or established technologies and software that complement existing revenue

- ✓ Devico's combination of market reach, customer network, established product suite and cloud based technologies are directly complementary to the IMDEX business



# Devico overview



# Devico technology product suite complements IMDEX technology product suite (in both Rock Knowledge sensors and Drilling Optimisation solutions)

	Sensor Technologies (~46% of CY2022 Revenue <sup>1</sup> )	Directional Drilling Technologies (~54% of CY2022 Revenue <sup>1</sup> )
Market	<p><b>#2 supplier globally<sup>2</sup></b>  <b>Market growth rate: 17%<sup>4</sup></b>                      Relatively few players, with IMDEX the only larger player</p>	<p><b>#1 supplier globally<sup>3</sup></b>  <b>Market growth rate: 22%<sup>4</sup></b>                      High barriers to entry driven by significant technology differentiation</p>
Key offerings	<ul style="list-style-type: none"> <li>• <b>Directional navigation:</b> used to monitor position and direction of boreholes</li> <li>• <b>Rig alignment:</b> used for orienting drill rigs</li> <li>• <b>Core orientation:</b> used to survey the in-situ orientation of core samples</li> <li>• <b>Cloud-based software:</b> used for comprehensive data analysis and 3D plotting</li> <li>• <b>Auxiliary products:</b> used to improve the performance of other products</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Directional core drilling technologies:</b> used in conjunction with sensor offering to deliver an end-to-end system for planning, monitoring and steering directional drill holes, both single and with multiple branches incorporating collection of a diamond drill core sample</li> </ul>
Key products	<p><b>DeviGyro</b>                      <b>DeviAligner</b>                      <b>DeviHead</b></p> 	<p><b>DeviDrill</b></p> 
New products	<p><b>DeviStar</b></p> 	<p><b>DeviDrill RSS</b></p> 
Revenue model	<p><b>~74%<sup>1</sup></b> Recurring Rental Revenue and Subscription Revenue (SaaS)   <b>~26%<sup>1</sup></b> Sales and Performance Based Revenue</p>	<p><b>Recurring Rental Revenue / Product as a Service</b></p>
Customer value proposition	<ul style="list-style-type: none"> <li>✓ Increased control of project and progress</li> <li>✓ Increased accuracy of geological models and analyses</li> <li>✓ Reduced total project cost</li> <li>✓ Increased equipment uptime</li> </ul>	<ul style="list-style-type: none"> <li>✓ Reduced operating time</li> <li>✓ Reduced total project cost</li> <li>✓ Reduced number of metres drilled</li> <li>✓ Reduced water consumption and CO<sub>2</sub> emissions</li> <li>✓ Increased certainty of hitting planned target</li> </ul>

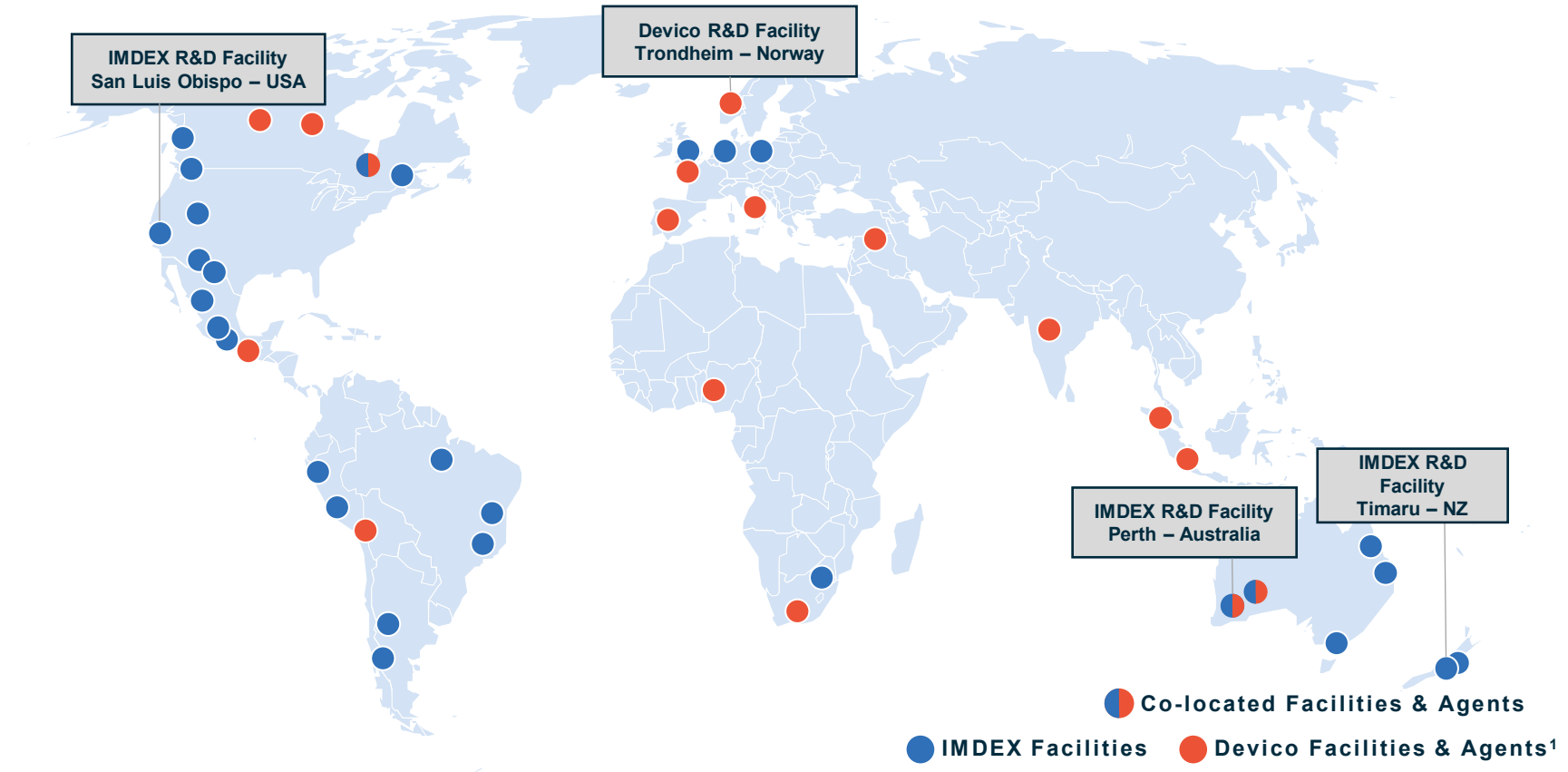
<sup>1</sup> Based on Devico CY2022 financials, shown on a pre-IFRS16 basis with 10 months of actuals and 2 months of Devico management forecasts. <sup>2</sup> Based on Serviceable Market (SAM), considering the share of active Core Orientation Tools and Gyro Sensors on hire in the market as at October 2022. <sup>3</sup> By revenue, based on customer interviews and survey, expert interviews and market research conducted by McKinsey. <sup>4</sup> 2021-26 total addressable market CAGR, calculated based on McKinsey, Orbis and S&P estimates.

# Devico market footprint expands the IMDEX market footprint globally, with clear strength in Europe



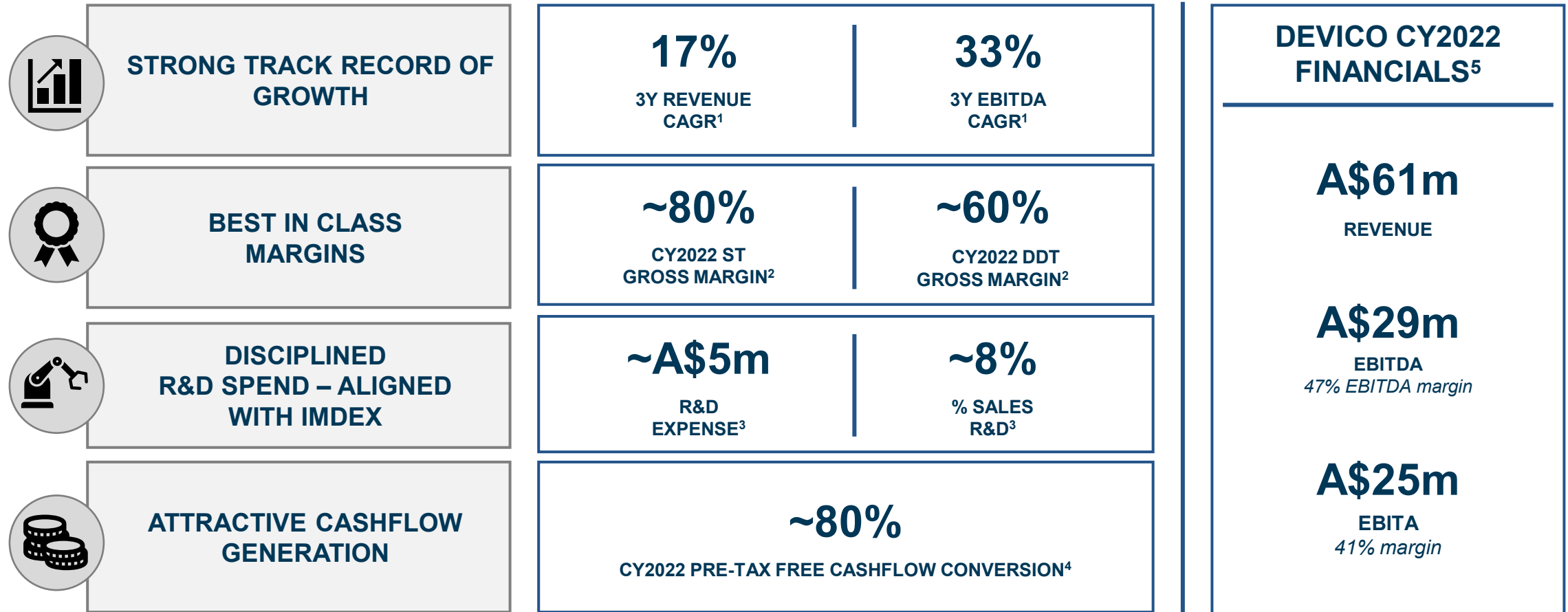
IMDEX is a leading global mining technology company that enables drilling contractors and resource companies to safely find, define and mine orebodies with precision and at speed

Devico's products allow mining companies to reach drilling targets faster and with higher accuracy than ever before



<sup>1</sup> Includes STYR and DHS Australia, which Devico currently holds a 51% majority interest in, respectively. It is expected the minority interest will be acquired by IMDEX/Devico as part of, or following, the Acquisition.

# Devico's exceptional financial profile underpinned by track record of growth and attractive margins



<sup>1</sup> Based on CY2019 – CY2022 Devico financials, shown on a pre-IFRS16 basis, with 10 months of actuals and 2 months of Devico management forecast. Regional exposure to Russia in CY2019 for revenue and EBITDA is less than 1% with no exposure in CY2022.

<sup>2</sup> Gross Margin based on divisional contribution, excluding indirect costs which are unallocated to either division. <sup>3</sup> Average of CY2021 and CY2022. <sup>4</sup> Pre-tax free cashflow is defined as EBITDA less change in net working capital and capex, all divided by EBITDA.

<sup>5</sup> Financials converted from NOK to AUD at NOK/AUD of 6.80 and shown on a pre-IFRS16 basis, with 10 months of actuals and 2 months of Devico management forecast.

# Strategic rationale



**IMDEX**<sup>™</sup>

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# Compelling strategic rationale

1

## **Strengthens IMDEX core Mining-Tech leadership**

Through a combination of market, client, product and cloud technology leadership

2

## **Expansion of mine site presence globally**

Including a strong presence in Europe, and greater alignment direct with resource companies in DDT

3

## **Highly complementary product suite**

Enhances the IMDEX product technology stack and integrated solutions offering

4

## **Highly strategic combination with strong synergies**

Expanded product suite and client footprint offers cross-selling opportunities for IMDEX integrated solutions. Combined operating network, and expanded R&D capability presents opportunities for leveraging IMDEX's digital transformation systems

# 1 Combined market position strengthens IMDEX core strategy offering

## #1

**ROCK KNOWLEDGE  
SENSORS<sup>1</sup>**

- Combination of IMDEX's leading sensors products with Devico's portfolio extends market leadership
- Increased presence on mine sites globally, with significant strength in Europe and South America
- Complements IMDEX Sensor Technologies stack by providing established reference gyros

## #1

**DRILLING OPTIMISATION  
PRODUCTS<sup>2</sup>**

- IMDEX is the clear market leader in drilling fluids and fluid testing technologies
- Devico is both a pioneer and clear market leader in Directional Drilling Technology, with complementary software
- Combination of products is highly synergistic and enhances IMDEX's client offering

## #1

**REAL-TIME DATA AND  
ANALYTICS<sup>3</sup>**

- Consolidation of IMDEX HUB-IQ™ and DeviCloud platforms increases the client footprint and the number of connected sensors, with greater data availability across the network
- IMDEX's leading software capabilities will integrate with the Devico product suite to provide increased data capture and add value to IMDEX customers

<sup>1</sup> Based on Serviceable Market (SAM), considering the share of active Core Orientation Tools and Gyro Sensors on hire in the market as at October 2022. <sup>2</sup> Based on IMDEX's share of fragmented fluids market and Devico's DDT business, based on customer interviews and survey, expert interviews and market research conducted by McKinsey. <sup>3</sup> Based on IMDEX's market position in Rock Knowledge Sensors and Drilling Optimisation Products and given its diverse range of connected products.



1

# IMDEX technical leadership strengthened with world class R&D and manufacturing capabilities

## OVERVIEW

Market leading patent protected technologies that act as a barrier to entry and position the business for further growth

Strong combined intellectual property portfolio, with close to 500 registered patents, trademarks and designs

Devico's KMP are expected to join the IMDEX team, with world-leading expertise in Sensor Technologies and Directional Drilling Technologies

Combined team will have a track record of developing and commercialising technologies

Leading team of R&D professionals globally, with world class facilities

## IMDEX INNOVATION HUBS

### EUROPE

- Devico's Trondheim facilities to become a regional innovation and additional manufacturing hub, supporting IMDEX's growing customer base in Europe
- R&D capabilities for Directional Drilling Technologies and Sensor Technologies – leveraging the strong technical skillset of the current team

### AMERICAS

- R&D and manufacturing capabilities in the Americas to benefit from broadened product suite and knowledge base
- Devico distribution network through the Americas to be supported by IMDEX

### AUSTRALIA

- IMDEX's Australian R&D operations expected to continue to focus on next generation technologies
- Integration of Directional Drilling Technologies with Sensor Technologies to be considered across innovation hubs

# 1 World class R&D and manufacturing facilities to form an innovation hub in the growing European mining market

Devico's world class Norwegian facilities will be critical to support IMDEX's growing European customer base

R&D philosophy aligned with IMDEX, utilising a disciplined stage gate development process



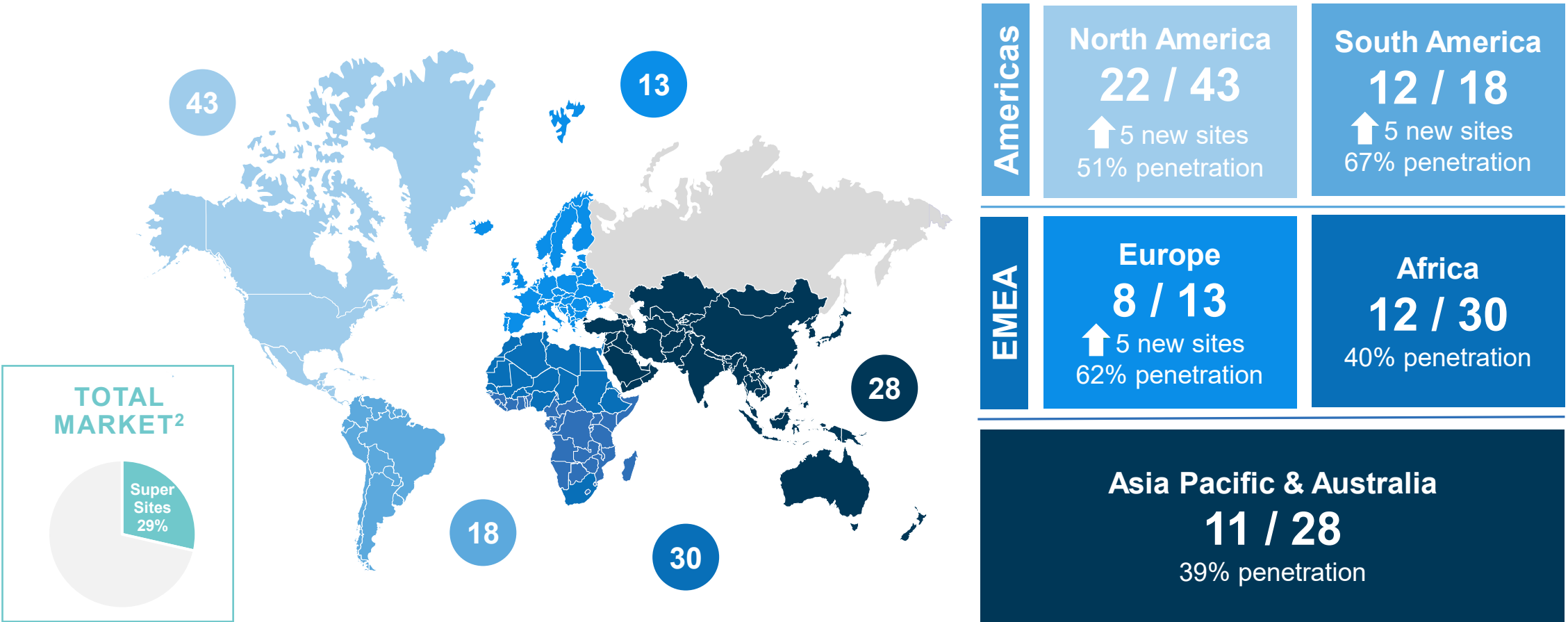
Images: Devico R&D and manufacturing facility in Trondheim, Norway

# 2

## Extended market presence in key mining regions globally provides enhanced platform for growth

GLOBAL IDENTIFIED SUPER SITES<sup>1</sup>

COMBINED PRESENCE ON SUPER SITES<sup>1</sup>



<sup>1</sup> Super Sites are defined as operations with 5 or more drills on site and represent coring rigs only. <sup>2</sup> Super Sites represent 1,000 of approximately 3,500 identified coring rigs globally.

## 2 Acquisition increases IMDEX's exposure to key industry megatrends

### KEY INDUSTRY TRENDS

Global mining megatrends will drive increasing use of sophisticated technologies to unlock value from orebodies globally

Increasing depth of deposits is expected to drive demand for Directional Drilling Technologies, leading to higher penetration and increased share of total metres drilled

Advanced Sensor Technologies allow drillers and resource companies to optimise their drilling campaigns and drive cost efficiencies on site

Drilling activity is expected to continue given the favourable commodity outlook, in particular for critical metals, and growing exploration budgets for both juniors and large cap miners

### MARKET GROWTH OUTLOOK

↑ 17%

FORECAST ST MARKET  
CAGR (2021-2026)<sup>1</sup>

↑ 22%

FORECAST DDT MARKET  
CAGR (2021-2026)<sup>1</sup>

<sup>1</sup> 2021-26 total addressable market CAGR, calculated based on McKinsey, Orbis and S&P estimates.

# 3

## Complementary product suite, enabling IMDEX to offer a comprehensive solution to customers

### SENSOR TECHNOLOGIES

		Combined Offering
Higher ↑ VALUE ADD / PRICE	Survey Tools	North Seeking Gyro ✓
		Reference Gyro ✓
		Magnetic ✓
Lower		
High	Core Orientation Sensors ✓	
High	Driller Operable Geophysics Tools ✓	




### DRILLING OPTIMISATION PRODUCTS

		Combined Offering
Higher ↑ VALUE ADD / PRICE	DDT Instrumented	<i>Upcoming Devico offering</i>
	RSS ✓	
	DDT Standard ✓	
	Mud Motors ✓	
	Wedges / Controlled Drilling	<i>Lower value-added products and solutions not targeted by IMDEX</i>
Lower		
Medium	Fluid Engineering ✓	

✓ IMDEX offering    
 ✓ Devico offering

# 3

## A combination of two leading technology portfolios

PRODUCTS	 <p><b>DRILLING OPTIMISATION PRODUCTS</b></p>	 <p><b>ROCK KNOWLEDGE SENSORS</b></p>	 <p><b>REAL-TIME DATA AND ANALYTICS</b></p>
IMDEX	<ul style="list-style-type: none"> <li>• #1 in drilling optimisation fluids and fluid engineering advice<sup>1</sup></li> <li>• Industry leader in complementary fluid testing technology and solids removal units</li> </ul>	<ul style="list-style-type: none"> <li>• #1 in market with the broadest range of sensors<sup>3</sup></li> <li>• Strong existing capability in North Seeking, Magnetic Survey and Core Orientation sensors</li> </ul>	<ul style="list-style-type: none"> <li>• Analytical and interpretive software for geological data</li> <li>• Advanced reporting software</li> <li>• Cloud-based data collection and validation services</li> </ul>
DEVICO	<ul style="list-style-type: none"> <li>• #1 in DDT, including with core extraction<sup>2</sup></li> <li>• Team of world class, trusted directional drilling advisors which complements IMDEX's managed services</li> </ul>	<ul style="list-style-type: none"> <li>• Developed complementary offering to IMDEX</li> <li>• Downhole sensors complement IMDEX's existing stack, aiding the transition to new generation technology leading to a higher ARPU<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Cloud-enabled sensors can integrate with IMDEX existing platforms</li> <li>• Additional workflows that include planning and analysis to support DDT</li> <li>• Increased cloud offering with improved data collection</li> </ul>

<sup>1</sup> Fragmented market with IMDEX the sole global supplier in the mining sector. <sup>2</sup> By revenue, based on customer interviews and survey, expert interviews and market research conducted by McKinsey. <sup>3</sup> Based on Serviceable Market (SAM), considering the share of active Core Orientation Tools and Gyro Sensors on hire in the market as at October 2022. <sup>4</sup> Average Revenue Per Unit.

## 4 Synergies from combination to drive value creation

### SIGNIFICANT CROSS-SELLING OPPORTUNITIES FOR IMDEX

- Improve IMDEX client choice through expanded ST stack, and accelerate survey technology upgrade cycle
- Improve Devico client choice through expanded ST stack, allowing Devico operations team to introduce IMDEX broader technology suite
- Combined benefits of Devico DDT operations with IMDEX fluid engineering offering to improve efficiencies for customers
- Introduce Devico's DDT to current IMDEX mine sites in regions where Devico remains underpenetrated

Creates multiple pathways for significant revenue expansion through enhanced global footprint and network effect

### IDENTIFIED COST EFFICIENCY OPPORTUNITIES

- Devico's operational footprint highly complementary with IMDEX's existing operations with some, but not significant overlap
- Identified cost efficiencies include:
  - Occupancy expenses, consolidating Devico and IMDEX teams in select locations when leases expire
  - Overheads efficiencies, leveraging IMDEX digital transformation systems
  - Redeployment efficiencies, taking advantage of expanded R&D team capacity and capabilities to accelerate new product development

Identified cost efficiencies to contribute recurring synergies of ~A\$2 million per year (~7% of Devico EBITDA<sup>1</sup>)

<sup>1</sup> Devico CY2022 EBITDA, shown on a pre-IFRS16 basis, with 10 months of actuals and 2 months of Devico management forecasts.

# Acquisition in core business is fully aligned with IMDEX's growth strategy

## 1. TECHNOLOGY LEADERSHIP

Targeted R&D to win market share

- ✓ Devico has world class R&D facilities in Trondheim, which have developed the market leading DDT, a portfolio of ST, and will complement IMDEX California and Australian R&D facilities and its portfolio of technologies

## 2. STRENGTHEN POSITION IN MINING PRODUCTION

Leverage into this adjacent market where it is the same ore body and the same client and is less subject to cyclical impact

- ✓ Devico's portfolio of DDT and ST are applicable to resource delineation in mining production, and over 50% of the revenues are directly contracted to resource companies

## 3. IMDEX INTEGRATED SOLUTION SALES

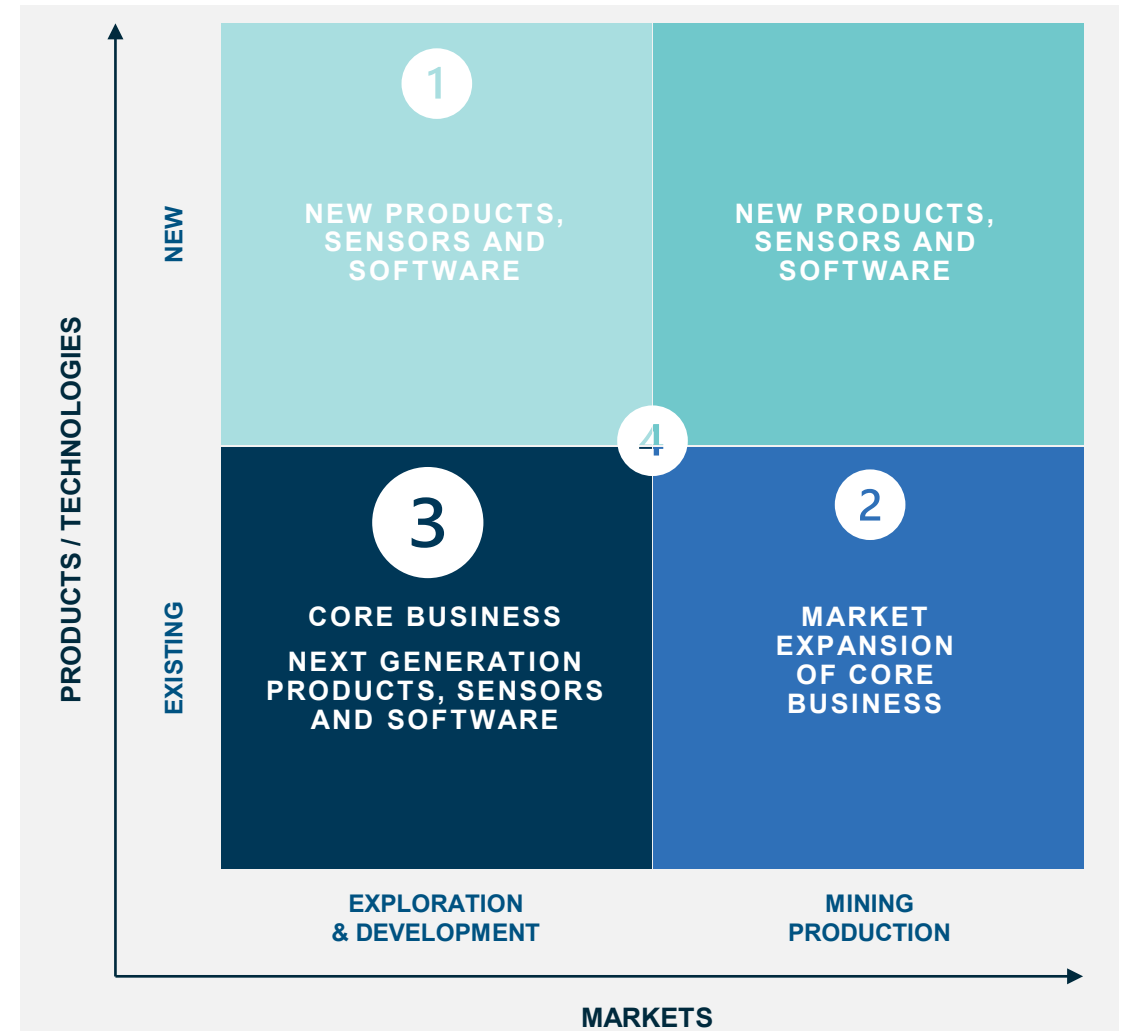
Optimised solutions for ore bodies to maximise client value and IMDEX revenue

- ✓ Devico's portfolio expands IMDEX's combined solution offering, and their DDT service model provides complementary opportunities for IMDEX products including its fluid engineering solutions

## 4. ON STRATEGY ACQUISITIONS

Emerging or established technologies and software that complement existing revenue

- ✓ Devico's combination of market reach, customer network, established product suite and cloud based technologies are directly complementary to the IMDEX business





# 1H23 trading update and outlook

# Trading update and outlook

## STRONG 1H23 RESULTS (UNAUDITED)

\$m (unless indicated otherwise)	1H23 (Unaudited)	1H22	VAR%
Revenue	198.8	167.8	+18.5%
<b>EBITDA (normalised)<sup>1</sup></b>	<b>62.8</b>	<b>51.5</b>	<b>+21.9%</b>
NPAT (normalised) <sup>2</sup>	29.3	24.4	+20.1%
<b>Net cash<sup>3</sup></b>	<b>32.5</b>	<b>30.0</b>	<b>+8.3%</b>

<sup>1</sup> 1H23 EBITDA (normalised) is presented to exclude non-recurring legal costs in 1H23 relating to the Boart Longyear / Globaltech patent litigation. Total legal costs in 1H23 were elevated at \$12.4m (vs. \$1.5m in 1H22). \$9.4m of these legal costs incurred in 1H23 are expected to be non-recurring and have been added back to 1H23 EBITDA (reported) of \$53.4m to arrive at 1H23 EBITDA (normalised) of \$62.8m. 1H22 EBITDA excludes \$2.7m gain on Flexidrill deferred consideration fair value adjustment.

<sup>2</sup> 1H23 NPAT (normalised) is presented with \$6.6m of post-tax non-recurring legal costs added back to 1H23 NPAT (reported) of \$22.7m.

<sup>3</sup> Cash less external borrowings (excluding lease liabilities).

<sup>4</sup> Damages are expected to be awarded to IMDEX following the successful Boart Longyear / Globaltech trial outcome announced November 2022. The quantum is still to be determined.

## POSITIVE START TO 2H23

- Preliminary unaudited 1H23 results reflect continued strong demand for IMDEX product portfolio
- Promising start-up following traditional December shutdown. Drilling activities and sensors on hire have resumed at a faster rate than prior year
- Major and mid-cap mining clients are reporting ongoing or expanded exploration budgets for CY23
- Junior raisings in December were the strongest in 12 months at US\$860m with Au (\$1,880/oz) and Cu (\$3.95/lb) now well above levels incentivising exploration
- Extension into mining production on track, with additional IMDEX BLAST DOG™ commercial prototypes revenues expected in FY23
- Supply chain pressures continue to ease for IMDEX
- Successfully protecting unique IP through legal action in US and Australia in 1H23<sup>4</sup>

# Equity raising overview



# Equity raising details

<b>Offer Size and Structure</b>	<ul style="list-style-type: none"> <li>A\$224 million (before costs) equity raising consisting of:             <ul style="list-style-type: none"> <li>A fully underwritten A\$75 million institutional placement (<b>Institutional Placement</b>) under IMDEX’s Listing Rule 7.1 capacity,</li> <li>A fully underwritten A\$146 million offer of 1 share for 6 accelerated non-renounceable entitlement offer (<b>Entitlement Offer</b>), and</li> <li>A non-underwritten conditional placement to certain IMDEX directors and management to raise up to approximately A\$3 million (before costs), subject to shareholder approval (<b>Conditional Placement</b>), (together, the <b>Offer</b> or the <b>Equity Raising</b>)</li> </ul> </li> <li>Eligible shareholders will be invited to subscribe for 1 new IMD share (<b>New Shares</b>) for every 6 existing IMD shares<sup>1</sup> held as at 7:00pm AEDT 23 January 2023 (<b>Entitlement Offer Record Date</b>)</li> <li>The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable</li> <li>Approximately 34 million New Shares to be issued under the Institutional Placement and 66 million New Shares to be issued under the Entitlement Offer, which in total represents approximately 25% of current shares on issue following completion of the Offer. Up to a further approximately 1.5 million New Shares to be issued under the Conditional Placement, subject to shareholder approval</li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>The Equity Raising will be conducted at A\$2.20 per New Share (<b>Offer Price</b>)             <ul style="list-style-type: none"> <li>10.9% discount to the last closing price of A\$2.47 on 17 January 2023; and</li> <li>8.9% discount to the Theoretical Ex-Rights Price (<b>TERP</b>)<sup>2</sup> of A\$2.42 per share based on the last closing price on 17 January 2023</li> </ul> </li> </ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"> <li>The proceeds from the Equity Raising in conjunction with new debt will be used to fund the Acquisition and anticipated transaction costs (including advisory fees)<sup>3</sup></li> </ul>
<b>Institutional Entitlement Offer</b>	<ul style="list-style-type: none"> <li>Institutional Entitlement Offer and Placement to be conducted from 19 January 2023 to 23 January 2023</li> <li>Institutional entitlements not taken up and those of ineligible institutional shareholders will be sold at the Offer Price</li> </ul>
<b>Retail Entitlement Offer</b>	<ul style="list-style-type: none"> <li>Retail Entitlement Offer to open at 9:00am AEDT on 27 January 2023 and close at 5:00pm AEDT on 7 February 2023</li> <li>Only eligible shareholders with a registered address in Australia or New Zealand as at the Record Date of 7 February 2023 may participate in the Retail Entitlement Offer</li> </ul>
<b>Director Commitments</b>	<ul style="list-style-type: none"> <li>Directors who are eligible have each confirmed their intention to participate in the Retail Entitlement Offer</li> <li>Certain Directors and management have also committed to subscribe for New Shares beyond their entitlement under the Conditional Placement, which is subject to shareholder approval to be obtained at an upcoming extraordinary general meeting</li> </ul>
<b>KMP Reinvestment</b>	<ul style="list-style-type: none"> <li>Devico KMP have entered into agreements to reinvest a portion of their proceeds from the Acquisition into IMDEX shares, with additional vesting shares subject to remaining employed by IMDEX</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>The Institutional Placement and Entitlement Offer is fully underwritten by the Joint Lead Managers</li> </ul>

<sup>1</sup> This includes fully paid ordinary shares on issue at the Record Date, including any shares issued on exercise of vested performance rights. <sup>2</sup> TERP is the theoretical price at which IMD shares should trade after the ex-date for the Entitlement Offer. TERP is calculated by reference to IMD closing share price of AUD 2.47 per share, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which IMD shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP includes New Shares to be issued under the Institutional Placement, and excludes New Shares to be issued under the Conditional Placement or as part of the KMP Reinvestment. <sup>3</sup> See slide 29 for further details regarding the use of proceeds in circumstances where the Proposed Acquisition does not complete or where shareholder approval for the Conditional Placement is not obtained.

# Disciplined approach to transaction funding

## Sources

Funding Sources	A\$m
Equity – Institutional Placement	75
Equity – Entitlement Offer	146
Equity – Conditional Placement	3
New Shares to Devico KMP <sup>1</sup>	9
New Debt Facility <sup>2</sup>	120
<b>Total Funding Sources</b>	<b>353</b>

## Uses<sup>3</sup>

Funding Uses	A\$m
Acquisition consideration <sup>4</sup>	334
Estimated transaction fees and costs <sup>5</sup>	19
<b>Total Funding Uses</b>	<b>353</b>

## Debt Facility

- A\$120m senior secured term loan on attractive terms<sup>2</sup>
- IMDEX maintains a conservative balance sheet post acquisition with proforma net debt<sup>2</sup> of A\$91m with proforma cash on hand of A\$39m
- Pro-forma forecast cash flow expected to drive deleveraging over the first three years post acquisition
- Covenants typical of facilities of this nature
- IMDEX will maintain the existing working capital facility

<sup>1</sup> As summarised in the annexure to the ASX announcement dated 19 January 2023. The issue price of the KMP reinvestment shares will be determined by reference to the 5-day VWAP of IMDEX shares up to and including the date of completion of the Proposed Acquisition, and will determine the final number of KMP reinvestment shares to be issued. The estimated number of KMP reinvestment shares has been determined by reference to an issue price equal to the Offer Price of \$2.20 per share. <sup>2</sup> As summarised in the annexure to the ASX announcement dated 19 January 2023. <sup>3</sup> If the Proposed Acquisition does not complete and funds from the Offer have been raised and the debt funding has been received, IMDEX intends to terminate and not drawdown the debt facilities, and the Company will need to consider alternative uses for the funds raised, including but not limited to, a return of capital, balance sheet management, working capital and/or alternative investment opportunities. <sup>4</sup> Consists of EV of A\$324m and working capital and other transaction adjustments of A\$10m. <sup>5</sup> This includes proceeds from the Conditional Placement, which is not underwritten. To the extent that the Company does not obtain shareholder approvals for the Conditional Placement, the Company proposes to pay the balance of its transaction fees and costs from its cash reserves.

# Pro forma balance sheet<sup>1</sup>

A\$m 30 June 2022	IMDEX 30 June 2022	Equity Raise <sup>2</sup> / Debt Funding	Devico Acquisition <sup>3</sup>	Pro forma 30 June 2022
Cash & Cash Equivalents	36.4	334.0	(331.0)	39.4
Plant & Equipment	55.5	-	11.5	67.0
Goodwill / Intangibles	97.7	-	318.8	416.5
Other Assets	204.0	-	18.9	222.9
<b>Total Assets</b>	<b>393.6</b>	<b>334.0</b>	<b>18.2</b>	<b>745.8</b>
Interest Bearing Loans	12.2	118.0	-	130.2
Lease Liabilities	34.7	-	8.5	43.2
Other Liabilities	49.5	-	9.9	59.4
<b>Total Liabilities</b>	<b>96.4</b>	<b>118.0</b>	<b>18.4</b>	<b>232.8</b>
Shareholders Equity	169.1	216.1	9.0	394.2
Retained Earnings and Other	128.1	-	(9.2)	118.9
<b>Equity</b>	<b>297.2</b>	<b>216.1</b>	<b>(0.2)</b>	<b>513.1</b>
<b>Net Cash / (Debt)<sup>4</sup></b>	<b>24.2</b>	<b>216.1</b>	<b>(331.0)</b>	<b>(90.7)</b>
<b>Pro forma Net Cash / (Debt)<sup>4</sup> / FY22 EBITDA</b>	<b>0.2x</b>			<b>(0.7)x</b>

<sup>1</sup> Acquisition consideration of A\$334m, equity raise of A\$224m, debt raise of \$120m and associated raising costs of \$10m. Financials converted from NOK to AUD at NOK/AUD of 6.80 and include adjustments for the estimated impact of IFRS16. The pro forma balance sheet reflects the Devico group's acquisition of a 49% minority ownership interest in Styr SpA and 49% minority ownership interest in DHS (Aust) Pty Ltd, which are expected to be acquired at or around the time of completion of the transaction <sup>2</sup> Equity raise is shown net of associated costs which are directly attributable to the equity raise and are offset against share capital. <sup>3</sup> The acquisition balance sheet is derived from unaudited Devico accounts at 30 June 2022. This reflects the estimated financial effect (unaudited) of the accounting for the acquisition and is illustrative only. This is subject to finalisation of the preliminary purchase price allocation post completion. <sup>4</sup> Cash less external borrowings (excluding lease liabilities).

# Key acquisition milestones & indicative Equity Raising timetable

Event	Date
Signing of the SPA and announcement of Devico acquisition	Thursday, 19 January 2023
Announcement of Equity Raising	Thursday, 19 January 2023
Placement and Institutional Entitlement Offer opens	Thursday, 19 January 2023
Announcement of results of Institutional Placement and Institutional Entitlement Offer	Monday, 23 January 2023
Trading halt lifted and shares recommence trading	Monday, 23 January 2023
Entitlement Offer record date	7:00pm (AEDT) Monday, 23 January 2023
Retail Entitlement Offer opens and Retail Offer Booklet dispatched	Friday, 27 January 2023
Settlement of New Shares issued under the Institutional Placement and Institutional Entitlement Offer	Monday, 30 January 2023
Allotment and expected commencement of trading of New Shares under the Institutional Placement and Institutional Entitlement Offer	Tuesday, 31 January 2023
Retail Entitlement Offer closes	5:00pm (AEDT) Tuesday, 7 February 2023
Announcement of results of Retail Entitlement Offer	Thursday, 9 February 2023
Settlement of New Shares issued under the Retail Entitlement Offer	Monday, 13 February 2023
Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 14 February 2023
Expected commencement of trading of New Shares issued under the Retail Entitlement Offer	Wednesday, 15 February 2023
Targeted transaction completion	Saturday, 28 February 2023
Extraordinary general meeting to approve Conditional Placement	March 2023
Targeted date for issue of KMP reinvestment shares	By Tuesday, 28 March 2023

<sup>1</sup> The timetable remains subject to change at IMDEX's discretion (subject to the ASX Listing Rules).

# Appendices

**KEY RISKS**

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**INTERNATIONAL OFFER RESTRICTIONS**

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# Appendix A: Key risks



# Key risks

## Introduction

There are a number of risks, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operational and financial performance of the Company and the value of its shares.

The risks set out below are not, and should not be considered to be, an exhaustive list of all the risks relevant to an investment in the Company. The Company, however, considers that these risks represent key risks to an investment in the Company. Additional risks and uncertainties that the Company is unaware of, or that the Company considers to be immaterial, may also become key risks that can adversely affect the Company's operational and financial performance in the future. These key investment risks are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor.

Before investing, or increasing any investment, in the Company, participants should consider whether an investment is suitable for them having regard to the risk factors set out below, publicly available information, own investment objectives, and personal financial and other circumstances. Investors should consult their professional adviser in respect of an investment in the Company.

## 1. Equity Raising risks

### Underwriting

The Company has entered into an underwriting agreement with the Joint Lead Managers (**Underwriting Agreement**). Pursuant to the Underwriting Agreement, the Company appointed the Joint Lead Managers as joint bookrunners and lead managers to the Institutional Placement and Entitlement Offer, and the Joint Lead Managers have agreed to fully underwrite the Institutional Placement and Entitlement Offer. See the Company's ASX announcement and Appendix 3B released on the date of this presentation for further details of the material terms of the Underwriting Agreement.

Given the structure of the Equity Raising, in which the Institutional Placement and Institutional Entitlement Offer settle before the Retail Entitlement Offer, there is a risk that the Underwriting Agreement may terminate before or after the Institutional Placement and Institutional Entitlement Offer has settled.

If the Underwriting Agreement is terminated and the Institutional Placement and/or Entitlement Offer does not proceed or does not raise the funds required for the Company to fund the Acquisition and other transaction costs, the Company would be required to find alternative financing for the Acquisition. The Company's obligation to complete the Acquisition is not conditional on funding so if the Institutional Placement and/or Entitlement Offer does not proceed or does not raise the funds required, the Company would not be entitled to terminate the Acquisition and would need to seek alternative funding in a very short timeframe. In these circumstances, there is no guarantee that alternative funding could be sourced in the time required, on terms favourable to the Company or at all or that the Company would be able to successfully negotiate the terms of any debt or equity funding arrangements.

If alternative funding was not available, the Company would not be able to complete the Acquisition on the terms proposed and would seek to negotiate an extension to completion of the Acquisition to allow the Company to seek alternative funding or to negotiate the terms of any termination of the Acquisition, and if a negotiated outcome was not able to be achieved, the Vendors may have a claim against the Company for damages. In either of those circumstances, the price of the Company's shares could be materially and adversely affected. Additionally, the Company may be unable to realise any of the potential benefits and synergies which are anticipated in connection with the Acquisition, as set out in this Presentation.

The Conditional Placement is not underwritten and is subject to shareholder approval. There is no guarantee that the Company will obtain the relevant shareholder approvals or that the Conditional Placement will settle with respect to the total amount sought. The Company is proposing to use the proceeds of the Conditional Placement towards payment of transaction fees and costs. To the extent that the Company does not raise the full amount under the Conditional Placement, it will pay the relevant portion of transaction fees and costs from its cash reserves.

### Potential for dilution and control risk

Upon completion of the Institutional Placement and Entitlement Offer, the number of Shares in the Company will increase from approximately 398 million to up to approximately 498 million. This increase equates to approximately 25% of the current issued Shares in the Company.

Shareholders' percentage holding in the Company will be diluted by 8% as a result of the Institutional Placement. Additionally, to the extent Shareholders do not participate in the Entitlement Offer, their percentage holding in the Company will be lower following completion of the Institutional Placement and Entitlement Offer.

Up to a further approximately 1.5 million Shares may be issued under the Conditional Placement (if shareholder approvals are obtained) and up to a further approximately 4 million Shares are proposed to be issued under the proposed Devico KMP reinvestment.

### ASX quotation

There is no guarantee that the ASX will grant Official Quotation of the New Shares.

## 2. Acquisition risks

### Completion risk

The Acquisition is conditional on a number of matters, including the entering into a binding agreement for the purchase of the remaining 49% of Styr SpA (Chile) (a current Devico AS subsidiary) for a total consideration of US\$7.3m to be completed on or about the date of the completion of the Acquisition on terms otherwise reasonably satisfactory to the Company. Further details as to the conditions to completion are set out in the annexure to the ASX announcement dated 19 January 2023. If all conditions are not satisfied or waived (as applicable), the Acquisition will not complete. There may also be delays to completing the Acquisition in order to satisfy some of the conditions. The Acquisition is also subject to termination events of similar effect to the conditions.

There is a risk that the Vendors may breach their obligations under the Acquisition documentation, and if they do, the Company may seek to claim damages, which may be limited by the terms of the Acquisition documentation and usual credit risks, particularly given the Vendors are private entities or persons. There is also a risk that the Company may breach its obligations with respect to the Acquisition, in which case the Vendors may seek to claim damages against the Company.

If the Acquisition does not complete and funds from the Equity Raising have been raised and the debt funding has been received, the Company intends to terminate and not drawdown the Acquisition Facility (see 'Debt risk' below), and the Company will need to consider alternative uses for the funds raised, including but not limited to, a return of capital, balance sheet management, working capital and/or alternative investment opportunities.

Any failure to complete the Acquisition could materially and adversely affect the Company and the price of its shares. The Company will also be unable to realise any of the potential benefits and synergies which are set out in this Presentation.

### Integration risk

There is a risk that, if the Acquisition completes, the Company will not be able to integrate the business of Devico successfully or within a reasonable period of time. There are risks that the integration of businesses may take longer than expected or that the financial performance of Devico does not continue as expected. The same risks apply to the Company's other historical and potential future acquisitions and divestments. Any of these possibilities may have an adverse impact on the Company's financial performance and share price. In addition, there is no guarantee that, even if the Company integrates the business of Devico successfully, including implementing its strategy, that will result in an improvement of the Company's results of operation.

Additionally, there is a risk that, following the Acquisition, the Company is not able to realise the potential benefits and synergies set out in this Presentation, including the Company's potential enhanced competitive profile and scale advantages, to the disclosed extent or at all. In addition, the process of realising synergies from the Acquisition may require management of the Company to devote significant time and commitment to this task, which may decrease the time they have to manage the Company's current business.

# Key risks (cont.)

## Due diligence risk

The Company undertook comprehensive due diligence investigations in respect of the Acquisition. While the Company considers that this review was adequate in the circumstances, the information reviewed was largely provided by the Vendors (or on the Vendors behalf). Consequently, the Company has not been able to verify the accuracy, reliability or completeness of all of the information and documentation which was provided to it against independent data. There is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified, sufficiently disclosed, described, or appropriately dealt with, therefore, there is a risk that unforeseen issues and risks may arise or materialize which may also have a material adverse impact on the Company.

While certain contractual representations and warranties are included in the Acquisition documentation, contractual remedies may be limited or not ultimately available. There is a risk that, in circumstances where the Company seeks to claim damages, this may be limited by the terms of the Acquisition documentation and usual credit risks, particularly given the Vendors are private entities or persons. In addition, the Company has prepared (and made assumptions in the preparation of) the financial and other information relating to the Acquisition included in this Presentation in reliance on information provided by the Vendors. If any of the information relied on by the Company proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of the Company may be materially different to the financial position and performance reflected in this Presentation.

## Debt risk

The Company has entered into new debt facilities pursuant to which JP Morgan Chase Bank, N.A., Sydney Branch (**JPM**) has agreed to provide debt financing to fund part of the Acquisition on customary terms and conditions as summarised in the annexure to the ASX announcement dated 19 January 2023 (**Acquisition Facility**). The Acquisition Facility is subject to a certain funds regime, however, if certain events occur (such as non-payment under the Acquisition Facility documents, an insolvency event or creditors' process in respect of an IMDEX group member), JPM may terminate the Acquisition Facility. Termination of the debt financing agreement would have an adverse impact on the Company's sources of funding for the Acquisition. The Company's obligation to complete the Acquisition is not conditional on funding so if the debt financing does not proceed, the Company would not be entitled to terminate the Acquisition and would need to seek alternative funding in a very short timeframe, the availability and terms of which are uncertain and may be less favourable to the Company. If alternative funding was not available, the Company would not be able to complete the Acquisition on the terms proposed and would seek to negotiate an extension to completion of the Acquisition to allow the Company to seek alternative funding or to negotiate the terms of any termination of the Acquisition. If a negotiated outcome was not able to be achieved, the Vendors may have a claim against the Company for damages.

The conditions precedent to drawdown of the Acquisition Facility include evidence that the Company has sufficient available funds to meet the purchase consideration for the Acquisition and associated costs, satisfaction of conditions to an agreement in respect of its existing working capital facilities (which, among other things, permits the Acquisition, adjusts the financial covenants applicable to the existing working capital facilities in line with the Acquisition Facility and requires additional guarantees and security in favour of the working capital facilities provider, which will share security pari passu with JPM in connection with the Acquisition Facility), and other customary conditions for facilities of this nature.

Additionally, the use of debt financing to partially fund the Acquisition means that the Company will be more exposed to risks associated with gearing and higher leverage ratios. In addition, the Company will be more exposed to general risks relating to any refinancing of its debt facilities. It may be difficult for the Company to refinance all or some of these debt facilities and an inability to secure new debt facilities at a similar quantum and cost to existing debt facilities may adversely affect the financial performance of the Company. There is also a risk that institutional shareholders do not agree with the increase in the Company's debt levels and may seek to reduce their shareholding. Such actions may result in a fall in the Company's share price.

## Analysis of Acquisition opportunity

IMDEX has undertaken financial, tax, legal, commercial, HR, IPR, R&D and technical analysis of Devico in order to determine its attractiveness to IMDEX and whether to proceed with the Acquisition taking into account the overall condition of Devico, including issues

and risks. It is possible that despite such analysis and the best estimate assumptions made by IMDEX, the conclusions drawn are inaccurate or are not realised. To the extent that the actual results achieved by the Acquisition are different to those indicated by IMDEX's analysis, there is a risk that the performance of IMDEX following the Acquisition may be different (including in a materially adverse way) from what is reflected in this presentation. There is also a risk that IMDEX's assessment of matters such as the taxation consequences of the Acquisition is challenged by revenue authorities, which can involve future expenditure to consider and defend such challenges or to meet any additional costs or claims.

## Historical liabilities

If the Acquisition completes, IMDEX may become directly or indirectly exposed to liabilities that Devico may have incurred or are liable for in the past as a result of prior acts or omissions, including liabilities which were not identified or sufficiently disclosed during IMDEX's due diligence or which are greater than expected, or for which IMDEX was unable to negotiate sufficient protection in the Acquisition agreement or accepted as a tolerable risk. Such liabilities may affect the ultimate value of IMDEX's investment in Devico and the financial performance or position of IMDEX after the Acquisition.

Although Devico has its own corporate, tax, regulatory and risks frameworks, there is a risk that Devico's existing frameworks were inadequate or not properly executed. For example, if Devico's tax and regulatory frameworks were inadequate, there is a risk that Devico has not properly identified and responded to changes in tax laws or other laws and regulations which apply to it. There is a risk that IMDEX could be exposed to unexpected liabilities resulting from past non-compliances by Devico with applicable laws or regulations, which may impact on the financial performance or position of IMDEX. It may also have other impacts, such as attracting greater scrutiny from regulators or cause reputational damage. If such liabilities arise for which IMDEX has been unable to obtain sufficient protection, it may be liable for meeting these costs which may also affect the ultimate value of IMDEX's investment in Devico and the financial performance or position of IMDEX after the Acquisition.

## Change of control

The Acquisition may trigger change of control clauses in a number of material contracts to which Devico is a party (including leases in relation to real property with parties related to Devico). If triggered, the change of control clauses may require counterparty consent. If the consent of a counterparty cannot be obtained either before or after completion of the Acquisition, depending on the specific requirement, and a material lease containing a change of control clause is terminated or renegotiated on less favourable terms, it may have an adverse impact on IMDEX's financial performance and prospects and the performance of IMDEX following the Acquisition may be different (including in a materially adverse way) from what is reflected in this presentation due to IMDEX being required to cease operations on the relevant lease and/or seek and negotiate alternative lease arrangements.

## International expansion

Devico is an overseas entity which is headquartered in Norway and has significant operations internationally, including in North America, South America and Europe. As a result of IMDEX increasing the scale of its global operations as a consequence of the Acquisition, IMDEX will be further exposed to the performance of international economies, global macroeconomic conditions, the imposition of additional regulatory requirements and the impact of global geopolitical events.

IMDEX will also be exposed to a number of laws and regulatory requirements in the various jurisdictions that Devico operates in. IMDEX will need to manage compliance with applicable laws (which may include the development of further internal policies and processes) and a failure to do so adequately could result in regulatory investigations and/or prosecutions which may have an adverse impact on IMDEX's earnings and/or financial position and performance as well as its reputation. A successful compliance with the applicable laws will also entail costs necessary in order to ensure sufficient development and implementation of further internal policies and processes.

IMDEX will also become more exposed to fluctuations in the value of international currencies, including the Norwegian Krone, than it was prior to the Acquisition. In cases where IMDEX's debt or other obligations are in currencies different than the currency in which IMDEX earns revenue, IMDEX may face higher costs to service those debts, which could impact on its financial performance or position. Fluctuations in the exchange rates, may also decrease the expected contributions made by Devico to IMDEX's earnings, resulting in an adverse impact on IMDEX's financial position.

# Key risks (cont.)

## Country risk

The Acquisition necessarily involves risks associated with expansion into South American and African markets. Investors should note that developing countries could be subject to rapid and significant change and that the information set out in this presentation may become outdated relatively quickly. Moreover, financial turmoil in developing countries tends to adversely affect prices in equity markets of other developing countries as investors move their money to more stable, developed markets. The exploration and development activities of Devico's customers may require protracted negotiations with host governments, local governments and communities, local competent authorities, national mining companies and third parties and may be subject to economic, social and political considerations outside of IMDEX's control, such as the risks of expropriation, nationalisation, renegotiation, forced interruption, suspension of operations, curtailment of sales, forced change or nullification of existing contracts or royalty rates, unenforceability of contractual rights, changing taxation policies or interpretations, adverse changes to laws (whether of general application or otherwise) or the interpretation or enforcement thereof, foreign exchange restrictions, inflation, changing political conditions, the death or incapacitation of political leaders, local currency devaluation, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Any of the factors detailed above or similar factors could have a material adverse effect on the business, results of operations or financial condition of IMDEX following completion of the Acquisition.

## Sanctions

IMDEX is required to comply with economic and trade sanctions laws and regulations administered by different governments. These economic and trade sanctions prohibit or restrict transactions to or from or dealings with certain specified countries, regions, their governments or in respect of certain activities and, in certain circumstances, their nationals, and with individuals and entities that are specially designated or which are owned or controlled by designated entities. IMDEX may have or may in the future, in conducting its business, violate these sanctions and regulations. Following completion of the Acquisition, IMDEX may be exposed to a heightened risk of violating sanctions laws and regulations as a result of its expansion into certain foreign markets that Devico operates in and certain foreign partners that Devico does business with.

Any non-compliance with economic and trade sanctions laws and regulations or related investigations could result in civil, criminal and administrative claims, actions or penalties against IMDEX, its officers and its employees and materially adversely affect IMDEX's business, results of operations, financial condition and reputation. Economic sanctions laws and regulations vary in their application, often have extra-territorial effect, and such sanctions laws and regulations, including their scope and reach, may be amended, extended or strengthened over time. IMDEX maintains a sanctions policy and, as at the date of this Presentation, the Company is not aware of any exposure to sanctioned areas or businesses. Any future economic and trade sanctions imposed in jurisdictions where IMDEX has significant business could materially adversely impact IMDEX's business, results of operations and financial condition. Also, the Company's business and operations could be indirectly materially impacted by economic and trade sanctions imposed in other jurisdictions in the long-term future.

## Market acceptance and competitor risk

Market acceptance depends on numerous factors, including convincing IMDEX's customers and agents of the attractiveness of Devico's products and services (and vice versa) and the ability to manufacture those products to a sufficient quality and quantity to meet commercial demand at an acceptable cost. There is a risk that the products and services of the combined group following the Acquisition may not gain widespread market acceptance, and this may adversely affect the financial performance of IMDEX. There is also a risk that IMDEX may not be able to effectively compete with other participants in the market in which it will operate in following completion of the Acquisition. This may result in the performance of IMDEX following the Acquisition being different (including in a materially adverse way) from what is reflected in this presentation.

IMDEX and Devico are also providing products and services in industries that are cyclical and affected by the general financial, economic, or political conditions. Additionally, customers' investment plans and production levels may be adversely impacted as a result of these conditions. Therefore, there is a risk that such negative changes may negatively affect the business, results and financial position of IMDEX.

## 3. Key Investment Risks

### Stock Market Fluctuations

The value of the Company's shares are determined by the stock market and are subject to a range of factors beyond the Company's control. These factors include, but are not limited to, the demand for, and availability of the Company's shares, movements in interest rates, exchange rates, and rates of inflation, fluctuations in the Australian and international stock markets, changes in fiscal, monetary and regulatory policies, general domestic and international economic activity and geopolitical conditions.

These factors may materially affect the market price of the Company's Shares, regardless of the Company's operational or financial performance. The past performance of the Company is not necessarily an indication as to the future performance of the Company.

There can be no guarantee that there will continue to be an active market for the Company's Shares or that the price of the Company's Shares will increase. Neither the Company nor the Company's Board warrants the future performance of the Company or any return on an investment in the Company.

### Dividends

The payment of dividends (if any) by the Company is determined by the Company Board from time to time at its discretion and is dependent upon factors including the profitability and cash flow of the Company's business at the relevant time. Any dividends paid by the Company in the future will be subject to similar considerations. There are a number of factors which will have an impact on profit and cashflow generation, including but not limited to, foreign exchange rates, interest rates and inflation. This may result in variations in the capability of the Company to make dividend payments to shareholders through varying business cycles.

### Exchange Rate Fluctuations

Exchange rate fluctuations affect the Company's profitability. The Company reports its financial results and maintains its accounts in Australian dollars, whilst a proportion of the Company's business is conducted in currencies other than Australian dollars. Foreign exchange rates are impacted by a number of factors beyond the Company's control. Changes in exchange rates cause revenues and expenses incurred in non-Australian dollar currencies to fluctuate, possibly causing expenses to be greater than expected or revenues to be lower than expected.

### Financing Considerations

The Company's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to raise additional funds for future operations and potential future acquisitions and to repay or refinance debts as they fall due. The Company may need to raise additional debt or equity funds in the future to fund its activities. It is difficult to predict the level of funding that may be required with any accuracy at this time. There is no assurance that the Company will be able to renew existing debt funding, or obtain additional debt or equity funding when required, or that the terms associated with that funding will be acceptable to the Company. This may have a material adverse effect on the Company.

If additional funds are raised through the issue of equity securities, the capital raising may be dilutive to the Company shareholders and such securities may, subject to requisite shareholder approval, have rights, preferences or privileges senior to those of the holders of the Company's shares then on issue.

Debt finance, if available on terms acceptable to the Company, may involve restrictions on financing and operating activities.

### Growth risk

Key parts of the Company's strategy include growing the core business in resources-focused exploration and development and expanding technologies within the mining production market. There is no guarantee that the Company will be able to deliver this growth strategy within the expected timeframes or at all. The Company from time to time will negotiate with potential future partners or vendors, including with respect to its cornerstone investment in Krux Analytics (Inc) as announced on 13 January 2023 to progress its growth strategy, however there is no guarantee that such negotiations will result in any binding documentation or that any agreement will be completed.

# Key risks (cont.)

## Acquisition and divestment risks

From time to time, the Company considers acquisition and divestment opportunities. Whilst due diligence is undertaken in connection with such opportunities, there can be no assurance that the Company will accurately identify suitable acquisition or divestment opportunities or such opportunities at acceptable prices. A failure to identify such opportunities may result in opportunities costs from a failure to realise synergies and other benefits from these opportunities.

Further, there can be no guarantee that the Company will successfully execute on these opportunities, once made. Such a failure may arise from a number of factors including higher than expected integration costs or unanticipated liabilities which were not accounted for. Such costs and liabilities may result in anticipated synergies not being realised and may materially adversely affect the Company's financial performance.

## Contract risks

In the ordinary course of its operations, the Company is party to a number of contracts that may be terminated or may not be renewed or, if renewed, renewed on less favourable terms. If this were to occur, this may result in lost revenue for the Company or require the Company to obtain inputs or services from other providers.

## Interest Rate Risks

Interest rates may rise significantly which may impact terms of trade, working capital and finance costs in the Company's future operations.

## Changes to Government Legislation and Policy including Taxation

New legislation and changes to existing legislation and government policy in jurisdictions in which the Company operates may impact upon the Company and its operating performance. Changes to corporate income tax, value added tax (VAT), import duties, property tax, excise tax, withholding tax or any other applicable taxation legislation or policies in jurisdictions where the Company operates may adversely affect the Company's financial profitability, net assets and cash flow. The tax consequences for individual investors in the Company will depend on the individual tax profile and circumstances of the investor and all investors should obtain independent taxation advice with respect to their personal position.

## Dependence on Key Personnel

Retaining and recruiting qualified personnel is critical to the Company's success. If the Company cannot attract and retain qualified personnel for a longer period of time, it could adversely affect the Company's operations, strategy and its future growth plans. Introducing or improving products at the market is crucial to the Company's success, therefore, it is necessary to retain qualified personnel with competence and knowledge within the Company's product area, in particular in regard to research and development.

Any disputes with employees (through personal injuries, industrial matters or otherwise), change in labour regulations, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact the Company.

## Third party risks

The Company relies on strategic relationships with other entities such as suppliers and business partners. Any circumstance which causes the early termination, temporary stoppage, material amendments or non-renewal of one or more of these key business arrangements or contracts, could adversely impact the Company.

There is a risk of insolvency or managerial failure by any of the contractors or suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and contractors or other suppliers. This may have an adverse effect on the interests and prospects of the Company.

Additionally, there is a risk that the Company's suppliers or other contractual parties provide products or services which are faulty, inadequate or not up to the Company and its customers' standards.

To ensure the Company is partnering with likeminded suppliers, it has developed a Supplier Code of Conduct which sets out the Company's minimum expectations of suppliers, their subsidiaries and subcontractors. The Company may choose not to work with, or

cease to work with, suppliers who do not meet these minimum expectations.

## Environmental risk

The Company and its customers operate in the mining industry in locations which are exposed to potential environmental risks related to drilling activity where the Company's products are involved (in particular, drilling fluids). The Company could be subject to claims and sanctions due to environmental damage. This could subject the Company to potential liability and have an adverse effect on the Company's financial and operational performance, as well as reputation.

## Climate risk

Climate change is a risk that the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates and affect the business and results.

## Operational and Execution Risks

Successful execution of the Company's business plan is dependent on the implementation of initiatives. There are execution risks inherent in the Company's business initiatives and no assurance can be given that the Company will be successful in their implementation and execution. The Company's management may fail to realise business plan targets, including sales, due to an unexpected decline in consumer demand for the Company's products and/or services or due to significant changes in competitor activities. Manufacturing margins may also vary significantly in the future due to factors beyond management's control which may include a decline in demand for the Company's products and/or services or a significant rise in competition by similar or substitute products. The Company may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds, including by way of further debt or equity may be required to fund the Company's future objectives.

## Cyber risk

There is a risk of a cyber attack on the Company and its systems, resulting in loss of access to information systems, corruption or destruction of information or the disclosure of sensitive information. In the event of a cyber attack, there is a risk that the Company's customer-facing systems or products may become unavailable for a period of time.

The Company may suffer financial losses from any such downtime and product outages, as well as incurring restoration costs and/or any penalties for breach under its customer contracts. The Company has in place various security and data protection controls and back-ups, however there is no guarantee that these controls will be sufficient to protect against a cyber attack.

The Company's business model involves the collection of customer technical, geological data. While the Company does not collect personal or financial customer data, its data collection still contains sensitive customer information which may be subject to a cyber attack or data breach. Therefore, any cyber attack may severely prejudice the Company's reputation as a credible product provider and may adversely impact its competitive position.

## Research and Development

The Company will continue its on-going development of and research into new and existing products. The Company can make no representations that the continued development of existing and/or new products and/or services will be successful. There can be no assurance that the products and/or services can be successfully commercialised and exploited, and the failure to do so could have a material adverse effect on the Company's business, financial condition and results of operations.

# Key risks (cont.)

## Intellectual Property Risks

The patents, brand names, trademarks and other intellectual property of the Company are regarded as critical to its success. Accordingly, the Company is reliant on regulations regarding patents, copyright, trade marks and confidentiality restrictions with staff, contractors, customers, suppliers and others to safeguard its intellectual property rights.

The Company has made reasonable efforts to protect the Company's intellectual property. However, unauthorised use or exploitation of its intellectual property may occur and result in an adverse effect on the operating and financial performance of the Company. The Company may experience conflict with third parties who may purport to have rights to such intellectual property. If such conflicts arise, the Company may need to commence legal proceedings to defend its intellectual property. The Company has successfully defended such intellectual property in various Federal Court of Australia proceedings recently. However, those proceedings may remain subject to potential appeal by the relevant parties and there is no guarantee that the Company will be successful in any such appeal proceedings. Additionally, there is no guarantee that the Company will be successful in defending its intellectual property in any future proceedings. There are also significant costs involved in defending intellectual property through legal proceedings and there is no guarantee that the Company will be able to recoup all or some of those costs, even if successful in the substantive proceedings.

The Company cannot assure potential investors that the actions it has taken to establish and protect its intellectual property rights will be adequate to prevent imitation of its products by others or to prevent others from seeking to block Company activity as a violation of proprietary rights of others. The Company's intellectual property rights may be infringed or challenged resulting in loss of competitive advantages or significant costs.

## Litigation

Devico is currently involved in ongoing disputes or objection processes as disclosed to the market, mainly relating to patents and payment for services provided by Devico. The disputes regarding patents are related to a competing business and the rights to patents, however, is not of such material importance in relation to the Company's day-to-day operation. As described above, intellectual property is critical to the Company's success, therefore, there is a risk that the Company may experience further conflict with third parties who purport to have rights to the intellectual property and that such conflict require the commencement of legal proceedings to defend the intellectual property in question. There is also a risk that this may affect the Company's reputation and brand.

## Inability to Meet Customer Demand

For any number of reasons the Company may not, from time to time, have an adequate supply of products and/or services to meet customer demand which may cause it to be unable to fill orders, to lose sales or to provide services. Such inability to meet customer demand from time to time may arise if the Company's sales growth accelerates substantially or in the event that its distribution or service network grows substantially.

## Health and safety

The Company is exposed to a number of health and safety risks for its employees and contractors, both on the Company's sites and those of its customers. There are also health and safety risks associated with the Company's products provided to customers, including safety issues which may develop over time. The Company has in place numerous policies and procedures and product safety testing to mitigate health and safety concerns, but there is no guarantee that these risks will not occur and these may have an adverse impact on the Company's financial performance, share price or reputation.

## Bribery and corrupt practices

The Company's operations are governed by, and involve interaction with, many levels of government in Australia and a number of countries throughout Asia, Africa, North and South America and Europe. The Company is subject to various anti-corruption laws and regulations which prohibit a company and its employees or intermediaries from bribing or making improper payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. Also, the degree of general risk of bribery and corruption in the relevant countries vary. In recent years, the international community has had a focus on the negative impact of corruption on society and economic growth and many international agreements require the relevant countries to strengthen their anti-bribery and anti-

corruption legislation and law enforcement.

The Company maintains anti-bribery and anti-corruption routines and policies, Company and Supplier codes of conduct, procedures for understanding the customer, whistle-blowing routines and other safeguards designed to prevent the occurrence of fraud, bribery and corruption.

The Company has and will engage a number of consultants and contractors globally in connection with its business operations and, although the Company believes its agreements are entered into on arm's length commercial terms and seeks appropriate comfort from consultants and contractors, as well as requiring its consultants and contractors to adhere to the highest standards in line with the Company's policies, there is a risk that agents or other persons or representatives acting on behalf of the Company may engage in corrupt activities without the knowledge of the Company.

## Insurance

The Company will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. However, in certain circumstances, this insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could adversely effect on the Company's operating and financial performance and financial position.

## COVID-19

The outbreak of the coronavirus disease (COVID-19) has had a material effect on global economic markets. This has and may continue to have impacts on capital markets, supply chains, international travel and trade. The Company has in place effective contingency plans already tested during COVID-19 that can be implemented in the event of worsening conditions. The Board continues to monitor the impact of COVID-19 on the Company's strategy.

## Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its shares. Therefore, shares issued by the Company carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for shares.

## Unaudited accounts

This Presentation includes certain financial information as at 31 December 2022, which is based on the Company's management accounts. These management accounts are not audited, and it is possible that following audit of those accounts, the figures referred to in those accounts and in this Presentation may be adjusted.

## General Economic Conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company conducts scenario planning to prepare for market downturn in certain scenarios, however notwithstanding this, the Company's future possible revenues and share price can be affected by these factors, all of which are beyond the control of IMDEX.

## 4. Other risks

Additional risks and uncertainties not currently known to the Company may also have a material adverse effect on the business of the Company. The information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting the Company.

# Appendix B: International offer restrictions

# International offer restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Bermuda

No offer or invitation to subscribe for New Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.

## Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

**Statutory rights of action for damages and rescission.** Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

**Certain Canadian income tax considerations.** Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

**Language of documents in Canada.** Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

## European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

## Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.



# International offer restrictions (cont.)

## Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

## United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE. This document may be distributed in the UAE only to "professional investors" (as defined in the SCA Board of Directors' Decision No.13/RM of 2021, as amended).

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant

persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## United States

This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold to, directly or indirectly, persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.