

15 August 2022

Company Announcements Office
ASX Limited Exchange Centre
20 Bridge Street SYDNEY NSW 2001

Dear Sir / Madam,

IMDEX FY2022 – FULL YEAR RESULTS

Please find attached the FY2023 Results Announcement for Imdex Limited detailing the Group's financial results and operating performance for full year ending 30 June 2022.

Yours faithfully

Imdex Limited



Michael Tomasz

Company Secretary

This announcement has been approved for lodgement by the Board of Directors.

15 August 2022

Record Result and Confident Outlook as Growth Strategy Gains Pace

Leading global Mining-Tech company, Imdex Limited (IMDEX or the Company), today announced its full year results for the 2022 financial year (FY22). The Company delivered record revenue, record earnings and continued EBITDA margin expansion. Underpinning the results were significant operational achievements and continued delivery on its strategy for sustainable growth¹.

FY22 Financial Highlights (compared to FY21 at 30 June)

- Record revenue of \$341.8m up 29.3% (up 26.5% on a constant currency basis)
- Record EBITDA of \$104.9m² up 38.9% (up 33.8% on a constant currency basis)
- EBITDA margin of 30.7%² up from 28.5%
- NPAT of \$44.7m up 41.0%
- Strong balance sheet with a net cash position of \$24.2m³
- ROE of 16.2% and ROCE of 19.3%, up from 13.3% and 15.5% respectively
- EPS of 11.3cps up 41.3%
- Paid an interim fully franked dividend of 1.5cps and declared a final fully franked dividend of 1.9cps, a 42% increase in the full year dividend

FY22 Operational Highlights (compared to FY21 at 30 June)

- Improved safety performance (LTIFR 0.77 v 1.85 and TRIFR 2.32 v 2.78)
- Enhanced IMDEX's EVP including ongoing investment and initiatives to support gender equality
- Released first IMDEX Sustainability Report and achieved a Low Risk ESG score from Sustainalytics of 11.9
- A record number of rock knowledge sensors on rent, up 27.1%
- IMDEX HUB-IQ™ connected revenue up 58.0%
- 44% of top 250 clients with >3 products, up from 33%
- Released IMDEX OMNI™ sensor and next generation IQ-LOGGER™ core technologies
- Released a premium IMDEX HUB-IQ™ SaaS module for Quality Assurance survey data
- Released next generation aiSIRIS™ software; client utilisation increased over the period and the volume of mineralogical spectra analysed was up 62%
- Acquired MINEPORTAL™ 3D visualisation software to accelerate IMDEX BLAST DOG™ for mining production
- Invested in Datarock Holdings Pty Ltd, which develops image machine learning and artificial intelligence software to extract value from geoscientific images
- Progressed BLAST DOG™ from engineering prototype phase to commercial prototype phase and post 30 June, secured first commercial contract
- Commenced Digital 2.0 to optimise cost base, build scalable systems and further enhance client experience

¹ Unless otherwise stated: references to 'IMDEX', the 'Group', the 'Company', 'we', 'us' and 'our' refer to Imdex Limited and its controlled entities; references to a year are to the financial year ended 30 June; and references to dollar figures are in AUD currency.

² Stated before a net expense of \$2.9m, being an impairment loss on COREVIBE IP, inventory and associated fixed assets of \$14.1 m offset by the related \$11.2m estimated deferred consideration no longer payable (FY21 - \$2.9m gain on deferred consideration fair value adjustment for Flexidrill and AusSpec).

³ The pre-tax operating cash flow to EBITDA conversion rate was lower than the pcp due to allowances made for longer supply chain lead times. Outside of this, the working capital investment was in line with historical levels. Net cash further reduced due to the acquisition of MinePortal and the 30% investment in Datarock.

FY22 Key Metrics

(\$m unless indicated otherwise)	FY22	FY21	Var %
Revenue	341.8	264.4	29.3
EBITDA ²	104.9	75.5	38.9
EBITDA Margin % ²	30.7	28.5	7.7
NPBT	62.6	44.5	40.7
NPAT	44.7	31.7	41.0
EPS (cents)	11.3	8.0	41.3
Pre-Tax Operating Cash Flow	69.0	64.0	7.8
Pre-Tax Operating Cash Flow Per Share (cents)	17.4	16.1	8.1
Net Assets (30 June)	297.2	253.1	17.4
Net Cash (30 June) ³	24.2	47.4	-48.9
Full Year Fully Franked Dividend (cents)	3.4	2.4 ⁴	41.7
Full Time Employees (30 June)	622	521	19.4
ROE	16.2%	13.3%	21.8
ROCE	19.3%	15.5%	24.5

Commenting on the Company's FY22 performance, IMDEX CEO Paul House said:

The FY22 year was defined by a combination of positive market demand, offset by challenging labour and supply chain considerations. Our FY22 results demonstrate the strength of our business model, our objective to outperform industry market growth⁵ and the responsiveness of our global teams in all conditions.

The strong uplift in earnings has been driven by an increase in integrated solutions to customers and the increasing percentage of revenue coming from our higher-margin sensors and software business. At the close of FY22, rentals and subscriptions represented 58% of revenue. Significantly, we achieved EBITDA margins of 31% and our third consecutive year of EBITDA margin expansion.

Importantly, whilst delivering strong results for shareholders, we continued to execute our strategy and invest in our business. During the year we strengthened our core business with the release of new and next generation core products, we continued our expansion into mining production through our BLAST DOGTM project, and we completed investments in DataCloud's MINEPORTALTM software and Datarock. We are confident about our outlook for FY23 and remain acutely focused on our strategy.

IMDEX Chairman Anthony Wooles added:

I am pleased to report that IMDEX continued to demonstrate the strength of its core business, growth strategy and global team. Notably, the Company achieved significant improvement in its safety engagement and performance during FY22. This result was particularly pleasing given the ongoing distractions caused by COVID. I am immensely proud of the way the Company's global teams responded to these challenges and maintained operational excellence throughout the year.

IMDEX has a strong core business with outstanding prospects for sustainable growth. The Company is well-positioned in its core and emerging markets for continued success.

⁴ Excluding a special dividend of 0.4 cents per share

⁵ IMDEX uses S&P Market Intelligence global exploration expenditure for nonferrous metals as an industry benchmark for growth

Dividends and Capital Management Policy

A final fully franked dividend of 1.9 cents per share was declared in line with IMDEX's historical 30% NPAT payout ratio.

The full year dividend totals 3.4 cents per share. Dividend record and payment dates are 27 September and 11 October 2022, respectively.

IMDEX is committed to a sustainable dividend policy, while continuing to invest in technologies and software that have the potential to deliver substantial growth for shareholders.

Operational Overview

Activity was strong in all IMDEX regions, supported by overarching industry growth and demand for the Company's drilling optimisation fluids, rock knowledge sensors and advanced software solutions.

Activity was particularly strong in North America and Australia across all aspects of the business. Activity increased in Africa and South America through larger demand for drilling optimisation products. Activity in Asia and Europe maintained steady growth.

The pace of industry growth continued to be tempered by availability of labour, predominantly in North America and Australia. Government mandated restrictions relating to COVID, including cross border mobility, eased during 2H22. Workplace related absenteeism, however, continued to impact labour availability and limit the number of drilling shifts. Industry growth was also impacted by broader supply chain pressures – notably longer delivery times for rigs and supplies. Drilling companies in most regions, however, grew or renewed their rig fleets in FY22 and have committed to new rig purchases in FY23.

During FY22 IMDEX successfully expanded manufacturing capabilities and increased inventory levels to meet clients' growth commitments. Early signs of supply chain pressure easing are evident for IMDEX. The Company's inventory volumes peaked in 3Q22 and began to ease in 4Q22. IMDEX anticipates market constraints will continue to exist for the balance of FY23.

Throughout FY22 the Company continued to drive its growth strategy. Notable achievements included:

- The release of next generation rock knowledge sensors and software products;
- The acquisition of MINEPORTAL™ 3D visualisation software;
- An initial investment in Datarock; and
- Advancement of BLAST DOG™ to the commercial prototype phase and securing the first commercial contract with Iron Bridge in the Pilbara, commencing in 1Q23.

IMDEX continued to optimise its cost base, build scalable systems and further enhance customer experience with the commencement of the Company's Digital 2.0 project.

During the period IMDEX completed a body of test work on COREVIBE. As a result, the decision was made to cease further development as it did not meet the stage gate hurdle rates, both operational and financial, that the Company had set for it to be an IMDEX product.

Concurrently, IMDEX completed a body of test work on MAGHAMMER, which also formed part of the Flexidrill transaction. This work validated its valuation on the balance sheet. Whilst the business case continues to be

supported, IMDEX recognises the need to find the right partners in order to bring the technology to market. This will include exploring partnership opportunities or possible divestment. A feature of the Flexidrill transaction structure and the ability to share risk, has meant the net adjustment from the impairment is not material. As an R&D organisation, a core discipline is the ability to cease or continue investment, as projects move through the stage gate process.

Employee wellbeing, recognition and development remained central themes. IMDEX improved its safety engagement and performance and launched its first traineeship program. Considerable achievements were also made with the Company's diversity and inclusion program. Key initiatives included greater working flexibility, ongoing investment in gender equality, and launching a leading domestic violence support policy.

In line with IMDEX's commitment to enhancing its ESG disclosure, the Company released its first Sustainability Report in September 2021 and successfully improved its ESG risk rating. IMDEX's FY22 Sustainability Report will be released to the market in September 2022.

Strategy and FY23 Focus Areas

Key components of IMDEX's strategy include growing its core business in resources-focused exploration and development; and expanding its technologies within the mining production market, which is substantially larger and less subject to cyclical impact.

The Company has four growth drivers:

1. **Technology Leadership** – investing in targeted R&D to maintain technology leadership;
2. **Extension into Mining Production** – leveraging its core capabilities within the mining production market;
3. **Integrated Solutions** – designing tailored product solutions for the optimal determination of orebody knowledge for clients; and
4. **On-Strategy Acquisitions** – acquiring technologies and software to build on geoscience analytics, AI and computer visualisation capabilities.

In addition to driving its growth strategy, IMDEX will remain focused on:

- Protecting its people and developing its team;
- Accelerating investment in IMDEX Mining Technologies and software, including MinePortal and Datarock;
- Optimising its cost base, building scalable systems and further enhancing customer experience with investment in Digital 2.0; and
- Maintaining a disciplined approach to the Company's product portfolio and global operations.

Outlook

Demand continues to be strong in all regions. The underlying long-term drivers for industry activity and development remain robust:

- Resource companies and drilling contractors are increasingly embracing innovation and new technologies to improve safety, enable remote working and achieve greater productivity;
- New discoveries are likely to be under cover and at depth resulting in larger drilling campaigns;

- The global commitment towards net zero emissions and the resultant demand for critical metals or the continued extraction of reserves is outstripping their replacement; and
- Large, mid-cap and junior resource companies remain well-funded to support medium-term activity.

The Company's drilling clients report strong forward looking order books and resource company clients report strong ongoing exploration budgets. IMDEX, however, anticipates workplace absenteeism will continue to impact labour availability for customers and their ability to maximise drilling programs. Similarly, whilst there are early signs of supply chain pressures easing, it is also expected to temper activity in the near-term.

For the balance of FY23 IMDEX remains committed to maintaining the strength of its core business, accelerating its extension into mining production, and executing Digital 2.0. The Company is well positioned to leverage the robust industry fundamentals and the unique competitive position its global presence, leading technologies and integrated solutions provide.

This announcement has been approved for lodgement by the Board of Directors.

FY22 RESULTS PRESENTATION AND WEBCAST

IMDEX will present its full year results for the 2022 financial year (FY22) on Monday 15 August 2022. The results will be presented via a live teleconference and webcast at 10:00am AWST (12 noon AEST).

[Teleconference Registration and Dial-In Details](#)

[Webcast Link](#)

ENDS

FURTHER INFORMATION

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ABOUT IMDEX

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

The Company's product offering includes an integrated range of drilling optimisation products, cloud-connected rock knowledge sensors and data and analytics.

www.imdexlimited.com