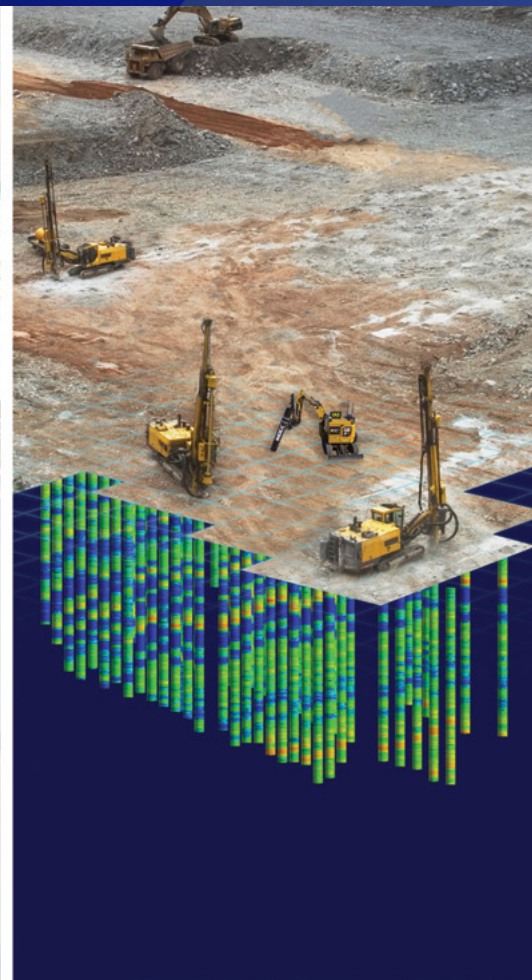
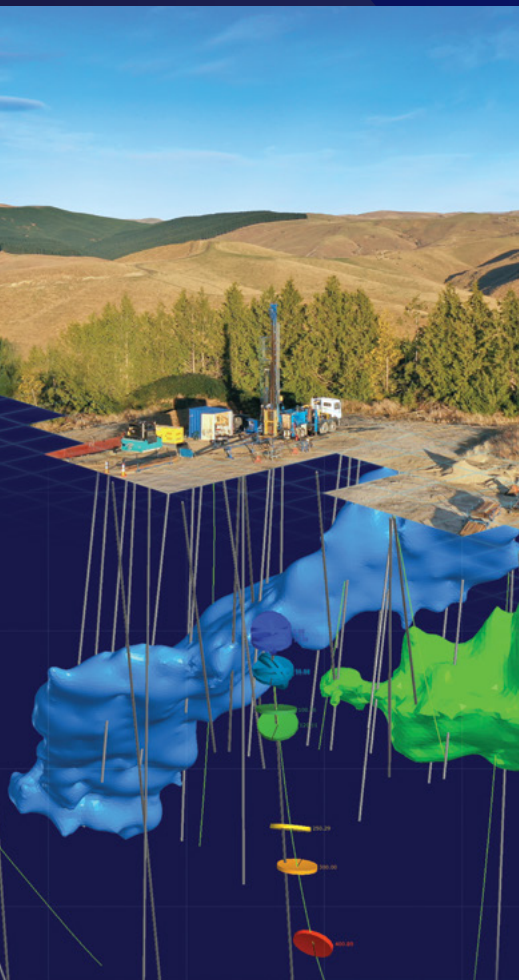


IMDEX Annual Report 2019

A LEADING
GLOBAL
MINING-TECH
COMPANY





IMDEX is a leading global Mining-Tech company, which enables successful and cost-effective operations from exploration to production.

At IMDEX we develop cloud-connected devices and drilling optimisation products to improve the process of identifying and extracting mineral resources for drilling contractors and resource companies globally.

Our unique end-to-end solutions for the mining value chain integrate our leading AMC and REFLEX brands. Together they enable clients to drill faster and smarter, obtain accurate subsurface data and receive critical information in real-time.

Our vision is to be the leading provider of real-time subsurface intelligence solutions to the global minerals industry.

IMDEX LIMITED (IMDEX)

ABN: 78 008 947 813

AUSTRALIAN SECURITIES EXCHANGE (ASX)

LISTING DATE: 24 SEPTEMBER 1987

ASX CODE: IMD

REGISTERED & HEAD OFFICE:

216 BALCATTA ROAD,
BALCATTA
WESTERN AUSTRALIA 6021

REGISTERED PO BOX:

PO BOX 1262
OSBORNE PARK
WESTERN AUSTRALIA 6916

T +61 (8) 9445 4010

IMDEX@IMDEXLIMITED.COM

WWW.IMDEXLIMITED.COM

THIS PRESENTATION HAS BEEN PREPARED BY IMDEX LIMITED ("THE COMPANY"). IT CONTAINS GENERAL BACKGROUND INFORMATION ABOUT THE COMPANY'S ACTIVITIES CURRENT AS AT THE DATE OF THE PRESENTATION. IT IS INFORMATION GIVEN IN SUMMARY FORM AND DOES NOT PURPORT TO BE COMPLETE. THE DISTRIBUTION OF THIS PRESENTATION IN JURISDICTIONS OUTSIDE AUSTRALIA MAY BE RESTRICTED BY LAW AND YOU SHOULD OBSERVE ANY SUCH RESTRICTIONS. THIS PRESENTATION IS NOT (AND NOTHING IN IT SHOULD BE CONSTRUED AS) AN OFFER, INVITATION, SOLICITATION OR RECOMMENDATION WITH RESPECT TO THE SUBSCRIPTION FOR, PURCHASE OR SALE OF ANY SECURITY IN ANY JURISDICTION, AND NEITHER THIS DOCUMENT NOR ANYTHING IN IT SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT. THE PRESENTATION IS NOT INTENDED TO BE RELIED UPON AS ADVICE TO INVESTORS OR POTENTIAL INVESTORS AND DOES NOT TAKE INTO ACCOUNT THE INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR NEEDS OF ANY PARTICULAR INVESTOR. THESE SHOULD BE CONSIDERED, WITH OR WITHOUT PROFESSIONAL ADVICE, WHEN DECIDING IF AN INVESTMENT IS APPROPRIATE. THE COMPANY HAS PREPARED THIS PRESENTATION BASED ON INFORMATION AVAILABLE TO IT, INCLUDING INFORMATION DERIVED FROM PUBLICLY AVAILABLE SOURCES THAT HAVE NOT BEEN INDEPENDENTLY VERIFIED. NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE AS TO THE FAIRNESS, ACCURACY, COMPLETENESS, CORRECTNESS OR RELIABILITY OF THE INFORMATION, OPINIONS AND CONCLUSIONS EXPRESSED. ANY STATEMENTS OR ASSUMPTIONS IN THIS PRESENTATION AS TO FUTURE MATTERS MAY PROVE TO BE INCORRECT AND DIFFERENCES MAY BE MATERIAL. TO THE MAXIMUM EXTENT PERMITTED BY LAW, NONE OF THE COMPANY, ITS DIRECTORS, EMPLOYEES OR AGENTS, NOR ANY OTHER PERSON ACCEPTS ANY LIABILITY, INCLUDING, WITHOUT LIMITATION, ANY LIABILITY ARISING FROM FAULT OR NEGLIGENCE ON THE PART OF ANY OF THEM OR ANY OTHER PERSON, FOR ANY LOSS ARISING FROM THE USE OF THIS PRESENTATION OR ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION WITH IT.

ABOUT THIS REPORT

This report is intended to provide IMDEX's stakeholders with information about our company, for the financial year ended 30 June 2019. An online version will be available on our website at www.imdexlimited.com/investors.

All reference to dollars within this report are Australian dollars, unless otherwise stated.

Our Corporate Governance Statement, which is also available at www.imdexlimited.com/about-us/corporate-governance, discloses the extent to which IMDEX has complied with the Australian Securities Exchange Corporate Governance Council's 'Corporate Governance Principles & Recommendations – 3rd edition'.

FY19 ANNUAL GENERAL MEETING

Our Annual General Meeting will be held on 17 October 2019 at 11:00 am (AWST) at IMDEX's Head Office.

Members of our Board and senior leadership team will be available to discuss the company's performance, operations and technologies.

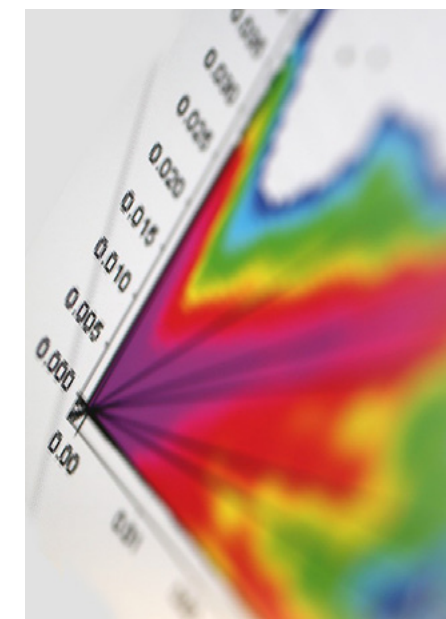
CORPORATE CALENDER

17 October 2019	FY19 Annual General Meeting
31 December 2019	FY20 Half Year End
17 February 2020	FY20 Half Year Results Presentation and Webcast
18-21 February 2020	FY20 Half Year Results Road Show
30 June 2020	FY20 Year End
17 August 2020	Release of FY20 Full Year Financial Results
18-21 August 2020	FY20 Full Year Results Road Show
15 October 2020	FY20 Annual General Meeting

Note: If there are any changes to these dates, the Australian Securities Exchange will be notified.

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INVESTMENT PROPOSITION

- Strong financial platform – 3-year revenue and EBITDA CAGR of 19% and 37% respectively; improving recurring revenue and cash flow from operations
- Outperforming market growth – market leading patent protected technologies
- World-class R&D capabilities – exciting technology development pipeline
- Compelling opportunities for sustainable revenue and earnings growth – core business and market extension
- Established global company – ability to leverage extensive client network and achieve economies of scale
- Strong leadership team – successful track record of developing and commercialising technologies in all market conditions
- Market capitalisation of \$494.4m as at 30 June 2019 – included in ASX 300

2019 Highlights

Record revenue of \$243.7m – up 12% on FY18 (\$218.5m)

EBITDA of \$52.3m – up 23% on FY18 (\$42.4m)

A fully-franked final dividend of 1.4 cents per share

Strengthened quality of rental fleet

Invested in ongoing core R&D – 43% of applicable instruments are cloud-enabled, up 25% on FY18

On track to commercialise new drilling productivity and Drill & Blast technologies in 2H20 – achieved first COREVIBE™ units on rent in 1Q20

Robust balance sheet with a strong net cash position – up 194%

KEY DATA AS AT 30 JUNE 2019

\$m	30 JUN 19	30 JUN 18
Revenue	243.7m	218.5m
EBITDA	52.3m	42.4m
EBITDA margin %	21%	19%
NPAT	27.6m	21.1m
EPS (cents)	7.4	5.7
Operating Cash Flow	35.2m	15.9m
Net Assets	220.0m	186.1m
Net Cash	23.2m	7.9m
Market Capitalisation	494.4m	458.4m
Shares on Issue	378.8m	369.7m
LTIFR (per million hours worked)	2.52	2.57
Number of Employees	511	529
Banking Institutions	Bankwest	Bankwest
Legal Advisors	Hopgoodganim	Hopgoodganim
Auditors	Deloitte Touche Tohmatsu	Deloitte Touche Tohmatsu
Share Registry	Computershare	Computershare

What Our Technologies Do

ENABLE SUCCESSFUL COST-EFFECTIVE OPERATIONS

Our unique end-to-end solutions for the mining value chain integrate IMDEX's leading AMC and REFLEX brands. Together they enable clients to drill faster and smarter, obtain accurate subsurface data and receive critical information in real-time.

“We develop cloud-connected devices and drilling optimisation products to improve the process of identifying and extracting mineral resources globally. It's about drilling faster and smarter and knowing your rocks in real-time.”

DR MICHELLE CAREY
GENERAL MANAGER
IMDEX PRODUCT DEVELOPMENT

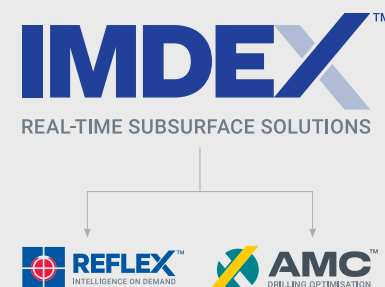
LEADING BRANDS

REFLEX technologies include downhole instrumentation, data management and analytical software for geological modelling. These market leading technologies – recognised for their ease-of-use and accuracy – are complemented by unrivalled expertise in geo-scientific data analysis and interpretation.

For further information, please visit www.reflexnow.com

AMC redefines the way drilling fluids, equipment, technologies and software are used to optimise drilling programs – it strives to maximise productivity while enhancing safety and sustainability. AMC is also growing its presence within the horizontal directional drilling, waterwell and civil construction sectors.

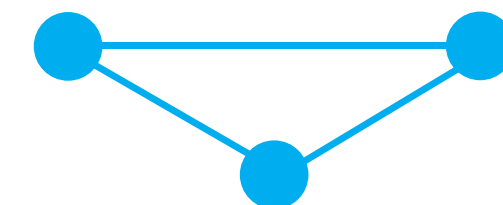
For further information, please visit www.amcmud.com



- Drilling productivity and rig alignment technologies
- Automated and remote drilling fluid testing technologies
- Data collection and paperless reporting software
- Downhole survey sensors
- Core orientation and gamma logging technologies
- In-field sampling and analysis technologies

**Drilling
Faster & Smarter**

**Accurate
Subsurface Data**



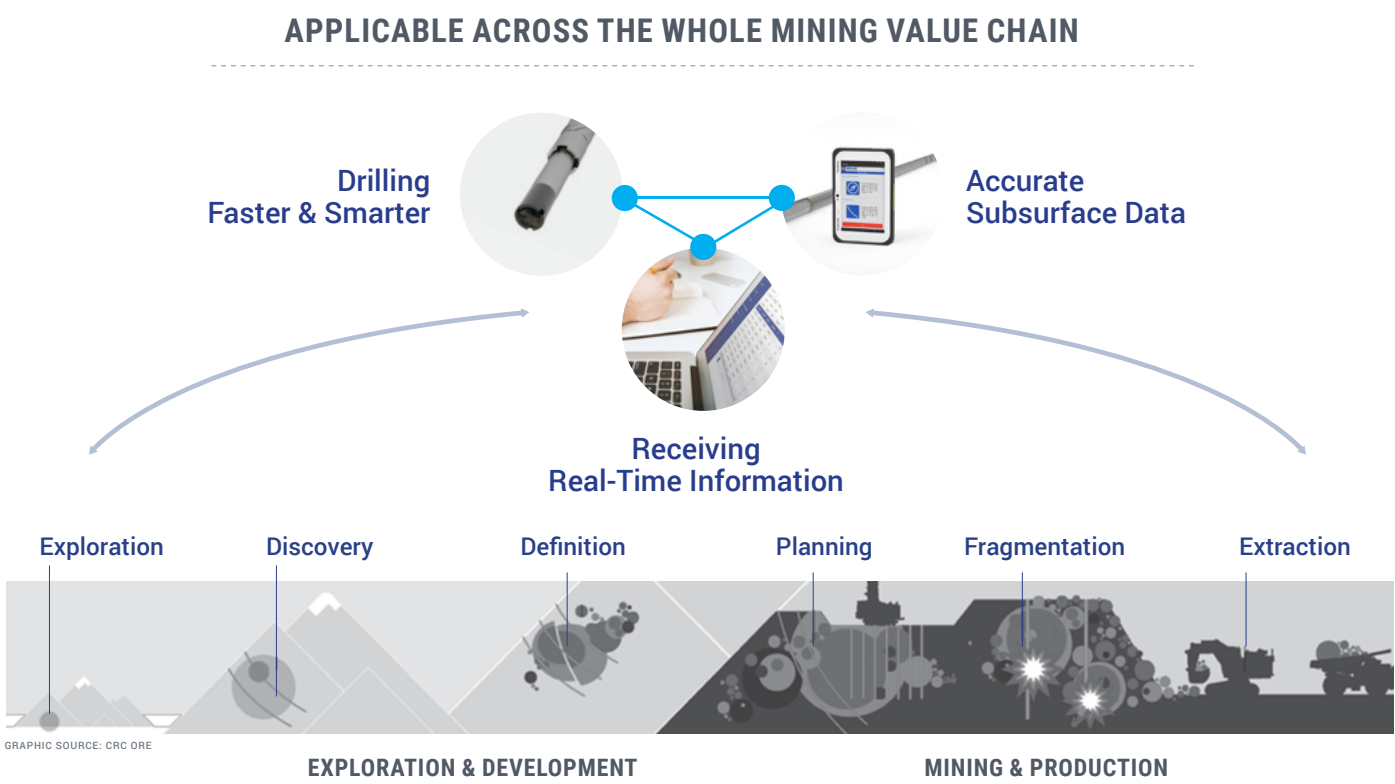
**Receiving
Real-Time Information**

- Secure cloud-based services
- Real-time subsurface visualisation
- Interpretive software – geological data

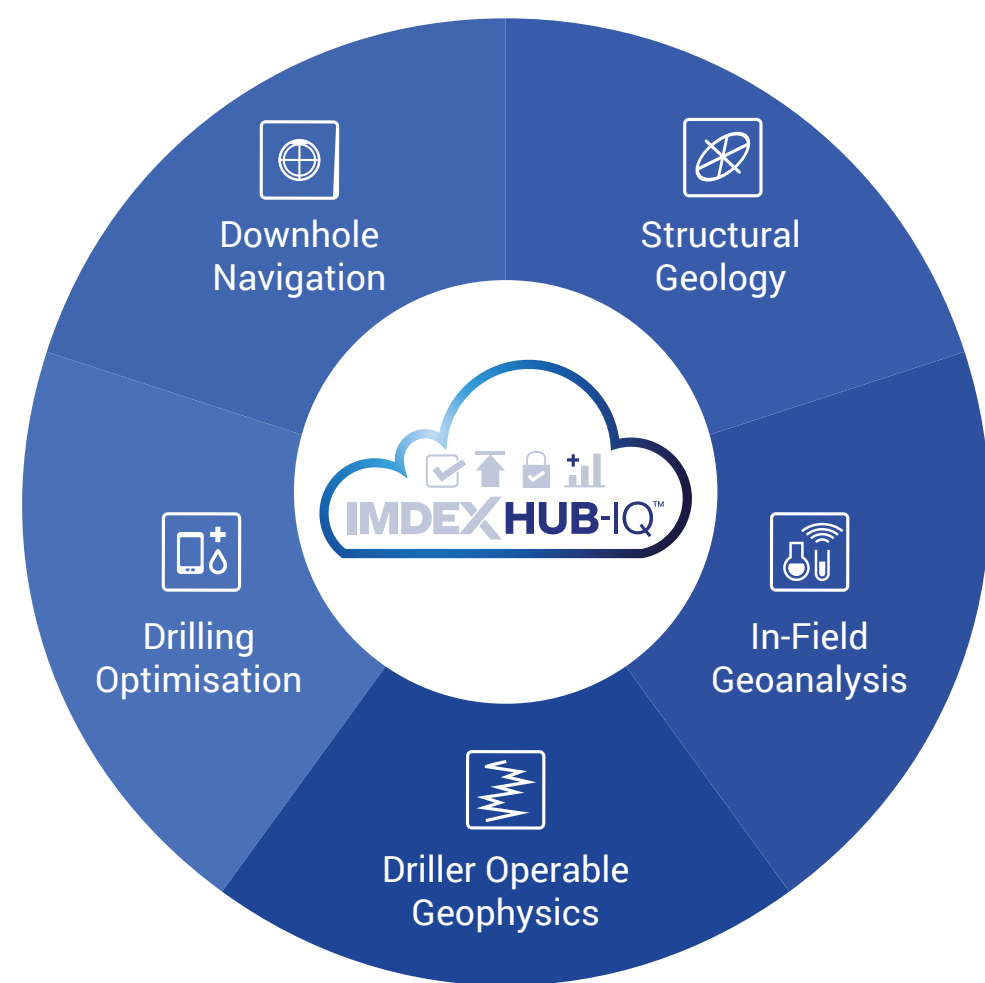
OUR TECHNOLOGY
PORTFOLIO & DATA ECOSYSTEM

Our technology portfolio is applicable across the whole mining value chain – from exploration to production.

Traditionally we have focussed on the exploration and development market, however, we are leveraging our technologies and capabilities for further market extension in the larger adjacent mining market.



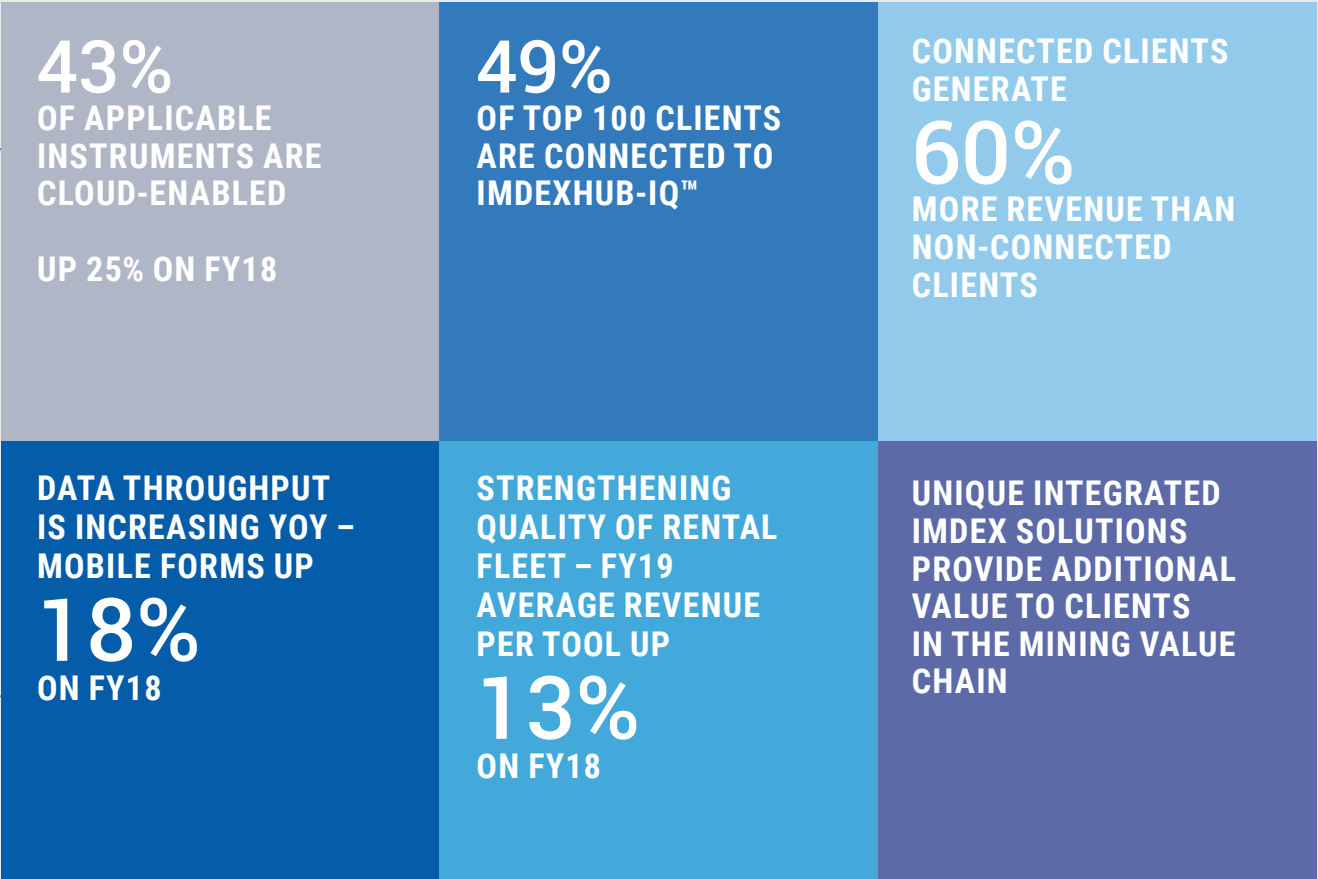
Our Integrated End-To-End Solutions



Central to our solutions is **IMDEXHUB-IQ™** – an award-winning cloud-based web portal that collects, stores and provides critical operational data in real-time. This data is protected through a validated chain of custody and secure database and can be accessed from any internet connection to smart phone, tablet or PC. IMDEXHUB-IQ™ has revolutionised the transfer and real-time accessibility of subsurface data – on site or in the office.

Strengthening the quality of our rental fleet. During FY19 we continued to connect our traditional instrumentation to IMDEXHUB-IQ™ to strengthen the quality of our rental fleet and provide additional value to clients. All our new devices and technologies are IMDEXHUB-IQ™-enabled.

IMDEXHUB-IQ™ enabling secure real-time decision making



REFLEX GYRO SPRINT-IQ™

The REFLEX GYRO SPRINT-IQ™ is an advanced downhole navigation device, which is used to survey boreholes. Downhole survey data collected can be seamlessly transferred to IMDEXHUB-IQ™ to be accessed anywhere and at any time, making real-time decisions a reality.

The device has proven to have operating speeds up to 150 metres per minute and is three times faster and two times more accurate than traditional gyros. This advanced speed and accuracy significantly increases productivity for clients.

The driller operable REFLEX GYRO SPRINT-IQ™ is designed to be easy-to-use with minimal training. This eliminates the need for third-party service providers on site. The device is also designed for all magnetic and non-magnetic ground conditions and can be used in north seeking, multi-shot or continuous modes.

The REFLEX GYRO SPRINT-IQ™ represents another step-change in our long history of innovation for the minerals industry. We introduced the first digital survey tool in the late 1990s to replace analogue tools, then developed digital magnetic-based tools including the REFLEX EZ-TRAC™.



Our Integrated End-To-End Solutions continued...

PROTECTING
OUR FUTURE

As a leading global Mining-Tech company, we take all appropriate measures to protect our intellectual property (IP).

IP is an integral part of our product development stage gate process and our IP strategy considers the technical advantage, the commercial benefit and legal systems to protect our revenue.

Our patent filing component of this strategy protects 80% of current and future revenue and ensures each of our core products is protected.

In calendar 2018 we implemented global e-IP training for all our employees. As at 30 June 2019, 97% had successfully completed this training.



TRADEMARKS

120
REGISTERED

46
PENDING

PATENTS

82
REGISTERED

88
PENDING

BREADTH OF IMDEX
PATENT FAMILIES

IMDEX
40

COMPANY B
2

COMPANY C
8

DOMAIN NAMES

33
REGISTERED

0
PENDING

DESIGNS

11
REGISTERED

3
PENDING

DATA AS AT JUNE 2019

Established Global Business and
Extensive Client Network

Our global presence and extensive client network allow us to: provide local support to clients; have greater access to international mineral exploration and mining markets; and efficiently introduce new technologies and solution sets to these markets.

“We operate in all the key mining regions of the world. During FY19 we had sales within 102 different countries.”

PAUL HOUSE
IMDEX CHIEF OPERATING OFFICER



Operating Environment

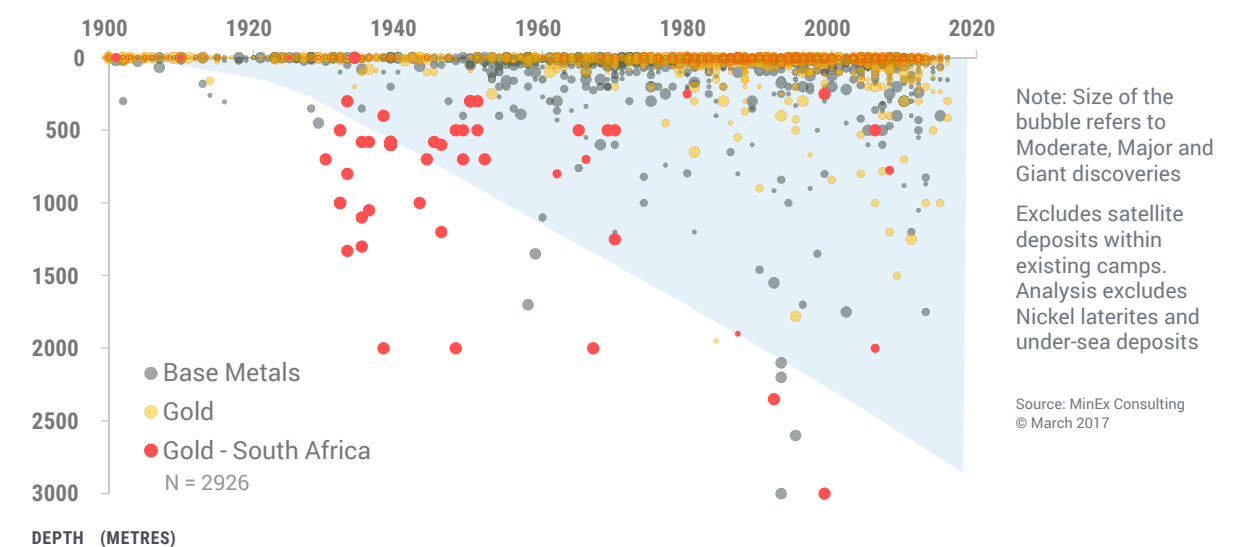
During FY19, concerns regarding the global macro environment had a short-term impact on capital expenditure and exploration plans. Despite those concerns:

- Mining production levels and commodity prices support further investment in the industry;
- The major and intermediate resource companies are increasing their expenditure to replace diminishing reserves;
- The discovery of new mines requires more drilling and is likely to have longer development times;

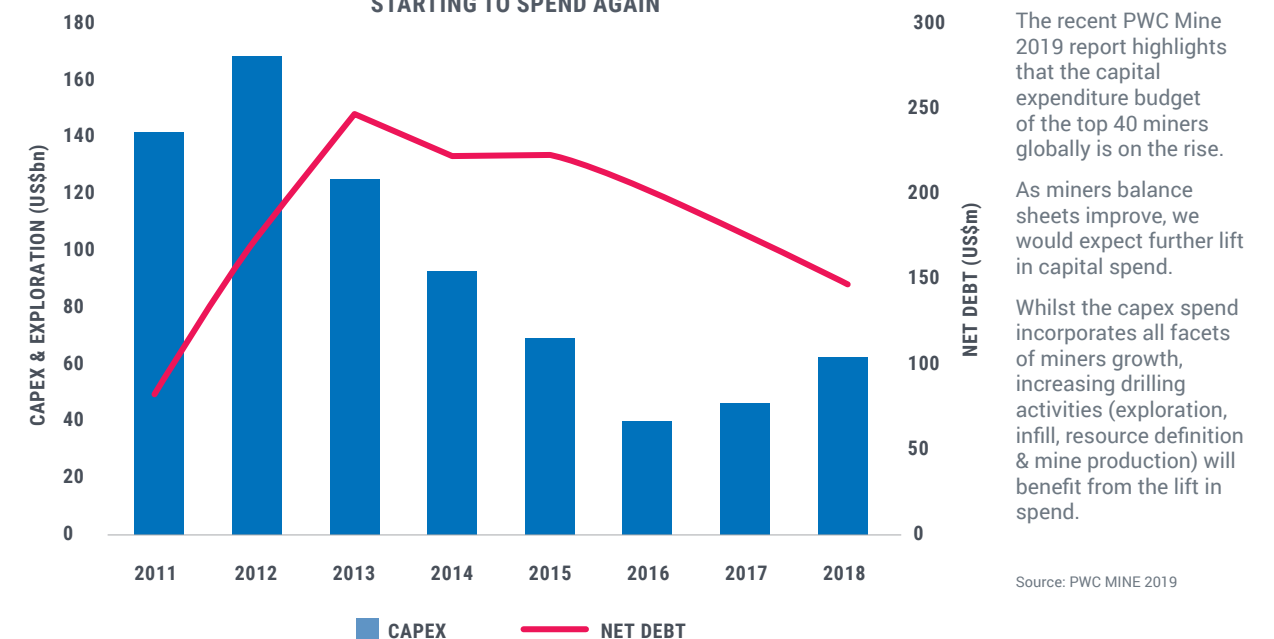
- New discoveries are likely to be under cover and at depth; and
- Resource companies are embracing innovation and new technologies to lower costs, increase safety and achieve greater productivity.

In relation to the juniors companies, conditions improved towards the end of FY19 due to the stronger gold price and as reported by Bloomberg, there has been a recent uplift in capital raisings globally.

INDUSTRY IS PROGRESSIVELY LOOKING UNDER DEEPER COVER OVER TIME



CAPEX - LARGE CAP MINING COMPANIES STARTING TO SPEND AGAIN



FY19 Financial Performance

• Record revenue of \$243.7 m, up 12% (FY18: \$218.5 million)

• EBITDA of \$52.3 m, up 23% (FY18: \$42.4 m)

• Net profit after tax of \$27.6 m, up 31% (FY18: \$21.1 million)

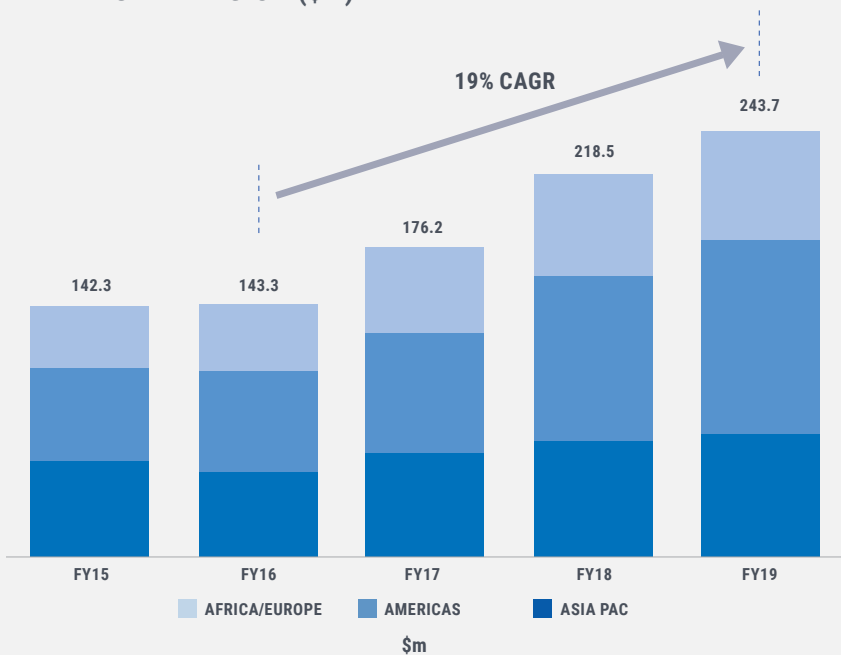
• Operating cash flow of \$35.2 m (FY18: \$15.9 m), up 121%

• Strong balance sheet – as at 30 June 2019, net assets increased by \$33.9 m and net cash totalled \$23.2 m

“We had another positive year, building on our trend of revenue and EBITDA growth.”

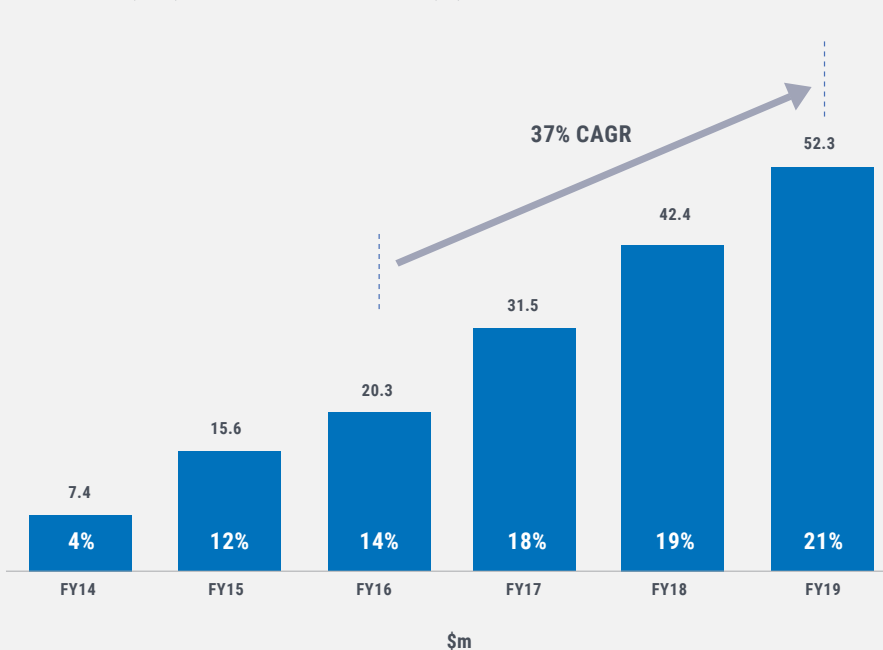
PAUL EVANS
CHIEF FINANCIAL OFFICER
& COMPANY SECRETARY

REVENUE BY REGION (\$m)



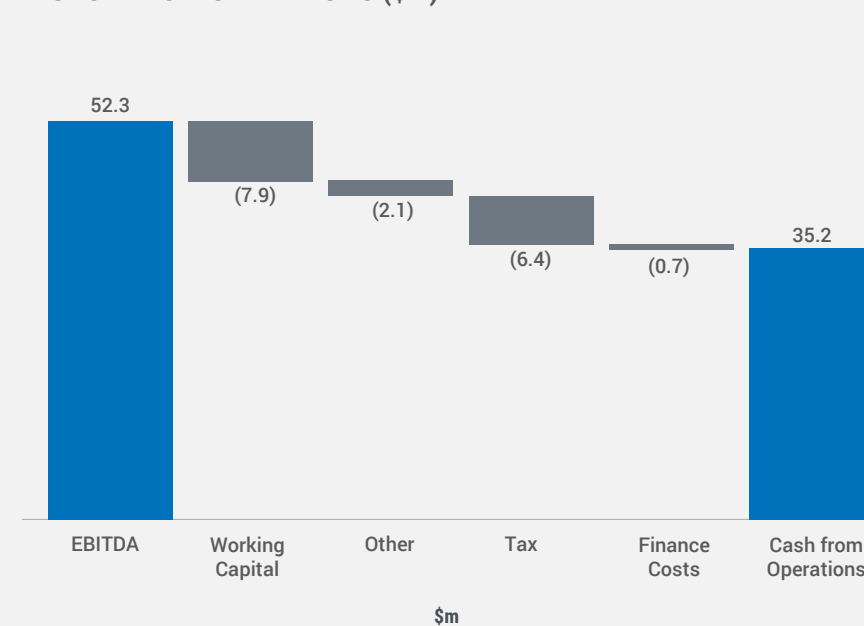
- Increase in revenue across all regions
- Benefiting from global presence
- Strong 1Q19 and 4Q19
- Revenue growth outpacing tool fleet growth
- A greater proportion of newer instruments in the fleet – 3 to 5x the revenue of older generation instruments

EBITDA (\$m) & EBITDA MARGIN (%)



- Improving gross margins
- Focus on streamlining operations and internal digital transformation
- Improvement in cost base

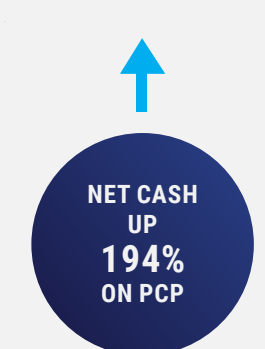
CASH FROM OPERATIONS (\$m)



- Working capital investment ratio of 34c for every incremental dollar of revenue for FY19
- In line with expectations, similar ratio expected in FY20

BALANCE SHEET (\$m)

\$m	30 JUN 19	30 JUN 18
Cash	29.5	13.9
Receivables	54.7	49.3
Inventory	37.1	33.6
Fixed assets	39.4	36.5
Intangibles	59.5	59.5
Other assets / deferred tax	39.0	33.3
TOTAL ASSETS	259.2	226.1
Payables	25.3	26.4
Borrowings	6.3	6.1
Other liabilities, provisions	7.6	7.5
TOTAL EQUITY	220.0	186.1
ROE	12%	14%
ROCE	15%	17%



- Improved balance sheet strength
- Recommended dividends
- Net assets up 18%
- Continued investment in leading technologies to drive future growth

Summary of Financial Highlights

For the Year Ended
30 June 2019
(Audited Results)

	Consolidated		
	2019 \$'000	2018 \$'000	18-19 VAR %
Revenue (excluding interest income)	243,655	218,475	12
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	52,336	42,384	23
EBITDA margin	21.5%	19.4%	
Depreciation and impairment	(14,053)	(12,513)	12
Amortisation	(208)	(592)	(65)
Earnings before Interest & Tax (EBIT)	38,075	29,279	30
Net interest expense	(623)	(688)	(9)
Net profit before tax	37,452	28,591	31
Income tax expense	(9,844)	(7,476)	32
Net Profit after Tax	27,608	21,115	31
Basic earnings per share (cents)	7.37	5.73	-
Net Cash provided by Operating Activities	35,188	15,900	121
Cash on hand	29,476	13,942	111
Net Assets	220,012	186,126	18
Total Borrowings	6,239	6,076	3
Net Tangible Assets per Share (cents)	42.36	34.27	24

Small % variances may exist within
this report due to rounding

Our Board of Directors

Our Board has extensive professional expertise, business experience and knowledge of the mineral exploration, mining and technology industries. It also has considerable experience within capital and financial markets.

Members of the Board are well respected in these sectors and play an active role in our company's strategic planning.

Key priorities for the Board during FY19 included:

- Enhancing our safety performance;
- Strong corporate governance;
- Maturing One IMDEX – our unique integrated value proposition for clients;
- Driving our two-tiered growth strategy; and
- Our internal digital transformation project.



Mr Bernie Ridgeway
Managing Director

Appointed to the Board
23 May 2000

Ms Sally-Anne Layman
Non-Executive Director

Appointed to the Board
6 February 2017

Mr Anthony Wooles
Non-Executive Chairman

Appointed as Chairman
1 July 2016

Mr Ivan Gustavino
Non-Executive Director

Appointed to the Board
3 July 2015

Mr Kevin Dundo
Non-Executive Director

Appointed to the Board
14 January 2004

Chairman's Report



On behalf of the IMDEX Board of Directors I'm pleased to present the company's Annual Report for the 2019 financial year (FY19).

FY19 was another positive year for IMDEX. The underlying business performed strongly, and the company progressed with its strategy to deliver sustainable earnings growth for our shareholders.

Noteworthy examples of this progress included: successful client trials with the company's drilling productivity and mining technologies; operational efficiency improvement due to the internal digital transformation project; and maturing of One IMDEX – the company's integrated value proposition for clients.

Safety performance remained a key focus. Whilst IMDEX continued to consolidate and build on the significant improvement achieved in FY18, it did not meet its the Lost Time Incident Frequency Rate (LTIFR) target of 2.18. Further information regarding IMDEX's safety targets and initiatives can be found on pages 27 - 28 of this report.

Improving IMDEX's sustainable safety performance – and ultimately achieving zero harm – will remain a key priority during FY20.

Increased Revenue and Earnings

IMDEX benefited from increasing activity within the global minerals market and improvement in the quality of the company's rental fleet whilst focusing very closely on the underlying cost base.

Revenue was \$243.7 million, which represented a 12% increase on the previous year, and IMDEX improved margin performance achieving EBITDA of \$52.3 million, a 23% increase on FY18.

Dividends

A fully-franked final dividend of 1.4 cents per share was declared, which represents a 30% FY19 NPAT payout ratio. This brings the full-year dividend to 2.2 cents per share.

Dividend record and payment dates are 1 October 2019 and 15 October 2019 respectively.

The Company is committed to a sustainable dividend policy, whilst continuing to invest in new technologies which have the potential to deliver substantial long-term growth.

Sustainable Earnings Growth for our Shareholders

IMDEX remains focused on delivering sustainable earnings growth for shareholders.

Central elements of this strategy include: focused organic growth of the Company's core business; close attention to cost management; disciplined research and development; focused technology acquisition; and the pursuit of growth across the mining value chain.

Chairman's Report continued...

Board & Senior Leadership Team

The Board of IMDEX continues to enjoy an excellent working relationship with the Company's senior leadership team – a balance between ensuring governance and accountability and providing collaborative strategic input and direction.

Each of my fellow Board members have been tremendously responsive and participated strongly at all levels throughout FY19.

The senior leadership team has remained very focussed on the strategic direction set for IMDEX with absolute commitment to delivering underlying earnings performance.

It was a pleasure working with them all and I look forward to further progress in FY20.

Our Valued Shareholders

In conclusion, on behalf of IMDEX's Board, I would like to thank our valued shareholders for their support. IMDEX is an exciting company with which to be involved.

Kind regards

Anthony Wooles
IMDEX Chairman

“IMDEX has a robust strategy to deliver sustainable earnings growth for shareholders, which the company is successfully executing.”

Governance & Risk

Corporate Governance

The Australian Securities Exchange (ASX) Corporate Governance Council sets out best practice recommendations, including corporate governance practices and suggested disclosures (ASX Recommendations).

ASX Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the ASX Recommendations and to give reasons for not following them. Unless otherwise indicated, the ASX Recommendations, including corporate governance practices and suggested disclosures, have been adopted by our company for the full year ended 30 June 2019.

We also provide a Corporate Governance section on our website, which includes the relevant documentation suggested by the ASX Recommendations: www.imdexlimited.com/about-us/corporate-governance.

Risk Management

The identification and proper management of risk within our company is an important priority for the Board and management. The Board has sought to minimise the business' risks by focusing on our core business.

The Board is responsible for ensuring our risk management systems are adequate and operating effectively. Risks are reviewed by senior leadership monthly and by the Audit, Risk and Compliance Committee on a regular basis.

The Board believes that through the Board itself, the Audit, Risk and Compliance Committee, the Internal Audit Function and external auditors there is adequate oversight of the company's risk management and internal controls.

IMDEX Legal

IMDEX Legal oversees risk, compliance and legal to optimise opportunities, reduce threats and support our business objectives. Its team members partner with all stakeholders to provide trusted advice, support regional needs and uphold global standards for ethical business practices.

The team is focusing on maturing our approach to risk, compliance and legal matters, by implementing integrated frameworks and technologies that enable us to be proactive, collaborative and more efficient.

Key achievements throughout FY19 included:

- Development of a Conflict of Interest Procedure and implementation of a digital system for disclosing and managing conflicts;
- Implementation of a Supplier Code of Conduct to align with our transparent, safe and ethical procurement practices;
- Enhancements to our Anti-Bribery & Anti-Corruption Framework; and
- Enhancements to our Risk Management, Compliance and Legal Framework.

Our priorities and key initiatives within IMDEX Legal's FY20 strategy are set out in the table on page 25.



PRIORITIES

Advisory Capacity

- Foster partnerships – collaborative working relationships
- Support for One IMDEX

Update Frameworks

- Risk, crisis and regulatory compliance management systems
- Further development of Anti-Bribery & Anti-Corruption and corporate governance frameworks
- Update existing documentation – for example policies
- Impact of external environment

Employee Training

- Legal and compliance – including Anti-Bribery & Anti-Corruption, data protection, intellectual property, competition and modern slavery
- Conflicts of interest
- Risk management
- Regulatory compliance
- Internal and external focus

Business Templates

- Update / refresh based on business model
- One IMDEX focused
- Risk management specific tools
- Regulatory compliance specific tools

Monitoring and Auditing

- Appropriate oversight of enterprise risk management and regulatory compliance
- Action focused

Technology

- Speak Up / case management
- Embed ComplianceDesktop™
- Risk management
- Regulatory compliance

“Our Board and senior leadership team are placing greater emphasis on how we manage risk and compliance at IMDEX. As our business develops and matures, so must our approach to risk and compliance. Our aim is to transform our approach to safeguard our company and employees, enhance our decision making, avoid unnecessary costs and efficiently leverage opportunities for growth. This approach means everyone is responsible for incorporating risk and compliance into our day-to-day operations. We expect all employees in all our regions to uphold the highest global standards for ethical business practices. As with other parts of our business we are also building on our technologies – for example ComplianceDesktop™ – to help us efficiently manage risk and compliance.”

SARAH STANDISH
IMDEX GENERAL COUNSEL

Safety & Quality

Our HSE team partners with all stakeholders to provide trusted advice, support regional needs and uphold global standards to eliminate work-related injuries and illness.

Key safety initiatives implemented throughout FY19 included:

- Global implementation of iAuditor – a digital safety management tool to drive HSE engagement; and
- Greater visibility of safety performance measures for all employees including our strengths and areas for improvement.

As a result of iAuditor and a focus on greater safety awareness, safety alerts raised by employees increased in FY19. Our iAuditor participation score for FY19 was 52% and iAuditor safety engagement score was 2.6. Our iAuditor participation and engagement targets for FY20 are 75% and 6 respectively.

An overview of our priorities and initiatives within our safety strategy for FY20 is set out below:

QUALITY CERTIFICATIONS

ISO 9001: 2015 standard
(Quality Management System)

OHSAS: 18001
(Occupational Health and Safety Management System)

OUR CODE OF CONDUCT

At IMDEX we have a zero-tolerance approach to bribery and corruption. Upholding the highest global practices for honest, ethical and compliant business practices forms part of our Code of Conduct and is therefore the responsibility of all employees. This Code applies to all our employees globally and covers:

- Anti-Bribery & Anti-Corruption
- Environment, Health and Safety
- Speaking-Up
- Competition and Fair Dealing
- Conflicts of Interest and Related-Party Transactions
- Confidentiality
- Diversity and Equal Opportunity
- Gratuities / Gifts
- Insider Trading
- Intellectual Property
- Privacy
- Trade and Economic Sanctions
- Unauthorised Public Comments

Each year all employees are required to complete comprehensive anti-bribery & anti-corruption training and a conflicts of interest questionnaire via ComplianceDesktop™ – our online compliance management system to ensure transparency, consistency and a clear audit trail.

Employees at Level 4+ are also required to complete an Ethics Certification annually.

PRIORITIES

Demonstrating visible safety leadership throughout the organisation

INITIATIVES

- Safety target engagement scores
- Scheduled communications

Embedding systematic solutions to identify, eliminate or manage risks

- An Integrated Management System (IMS) that incorporates all IMDEX support functions

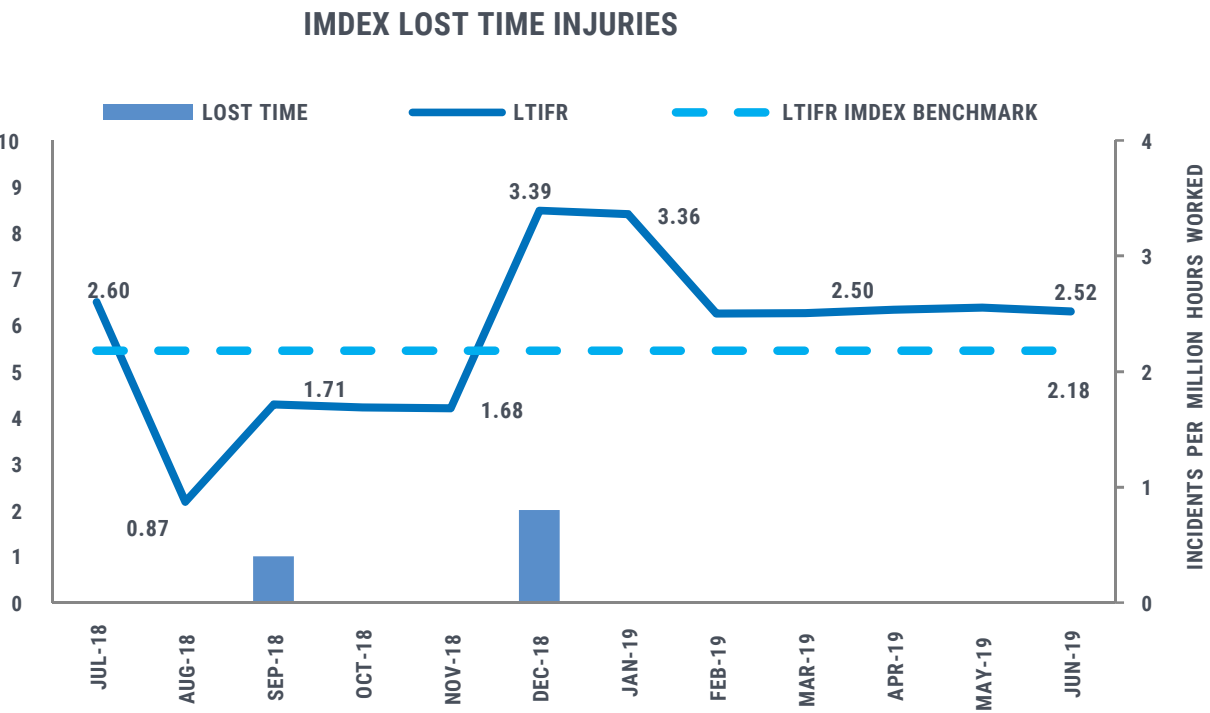
Fostering the development of attitudes and beliefs that support safe behaviour to achieve a positive safety culture

- Regional IMS compliance audits
- Additional iAuditor templates to enhance the efficiency of safety compliance and reporting

Developing HSE capability and competence to identify and manage hazards effectively to prevent injuries

- Enhance existing HSE employee training modules
- QHSE MS fundamentals course
- Regional incident investigation training – incident cause analysis method
- Regional lead auditors training
- A global manual handling initiative

Our LTIFR target for FY20 is an improvement on 2.52 and ultimately, zero harm to all employees and stakeholders through the systematic management of risk.



During FY19 our company achieved a Lost Time Incident Frequency Rate (LTIFR) of 2.52, a 2% improvement on the previous year (FY18 LTIFR: 2.57).

While we did not achieve our target of 2.18, however, we continued to consolidate and build on the significant safety improvements achieved in FY18 – a 20% improvement on FY17.

ABOUT iAUDITOR

iAuditor is an inspection App that will help us raise safety and quality standards across our global business. The highly-customisable App and web platform will enable us to collect consistent data, standardise operations, send digital reports, identify failed areas and get problems resolved – from anywhere on any device at any time.

Our ability to drive and measure HSE engagement across all facets of our business, tailored for their work environment, has never been greater.

Key benefits and features of iAuditor include:

- A user-friendly design;
- Real-time incident reporting;
- Elimination of paper-based checklists, inspections and forms;
- Simplified processes, greater efficiency and actions automatically linked to our Quality Alert System;
- Multiple languages including English, German, Portuguese and Spanish; and
- Flexibility to customise for region-specific needs.



“We are working towards best-practice safety – even when no one is watching. Our senior leadership team is committed to making safety front of mind for our employees and IMDEX community – at home, at work, travelling and on site. We aim to go beyond being safe because we are told to – we aim to be safe because we understand the risks and intrinsically value doing things a better way.”

PAUL HOUSE
IMDEX CHIEF OPERATION OFFICER



Managing Director's Report



Dear Shareholders,

I am pleased to provide you IMDEX's Annual Report for the financial year ending 30 June 2019 (FY19). FY19 was a successful year and we are looking forward to FY20 with great excitement.

Market Conditions

During FY19, activity within the global minerals market continued to increase across all regions of our operations.

Drilling activity moderated early in calendar 2019, principally due to concerns regarding the global macro environment including slowing global growth which had a short-term impact on capital expenditure and exploration plans.

Despite these concerns, 4Q19 was the second strongest quarter on record for IMDEX and we remain confident the major and intermediate resource companies are increasing their exploration and development expenditure.

Financial Performance

It was a positive year with particularly strong first and fourth quarters. The 12% uplift in revenue was due to increased activity within the global minerals market and the improving quality of our rental fleet, which provides additional value to clients and generally commands higher rental rates.

Pleasingly, our EBITDA result of \$52.3m exceeded FY18 by 23%. The result reflected higher revenue and improving margins due to market adoption of our integrated solutions and cloud-connected technologies via IMDEXHUB-IQ™. These solutions allow our clients to drill smarter and faster, obtain accurate subsurface data and critical information in real-time.

As reported in our 1H19 results, we are continuing to streamline our operations for the long-term. This focus on operational efficiencies, together with our internal digital transformation program, achieved an improvement in our cost base, which was particularly evident in 2H19.

We also continued to invest in our ongoing core R&D and new drilling productivity and mining technologies in line with our growth strategy.

Our cash from operations improved significantly and we achieved a working capital investment ratio of 34 cents for every incremental dollar of revenue for the full year. This aligned with expectations and we anticipate a similar ratio for FY20.

Our balance sheet strength improved, and the strong cash generation was reflected in our net cash position, which was up 194% on the prior corresponding period.

At the same time, we recommenced our dividend and continued to invest in leading technologies to drive future growth for shareholders.

IMDEX Drilling Productivity Technologies

As announced to the market in January 2018, we entered into an exclusive option agreement to acquire New Zealand based companies Flexidrill Limited and Flexidrill Construction Limited (together "Flexidrill") and its patent protected technologies – the COREVIBE™ and MAGHAMMER™.

Since then, we have been progressing the development of these technologies based on strong demand from drilling contractors and resource companies.

Managing Director's Report continued...

We undertook successful trials at our test site in New Zealand, which concluded that COREVIBE™ generated a productivity gain of 33% over conventional coring. These results were also validated by SGS, the world's leading inspection, verification, testing and certification company.

More recently, we conducted client trials with COREVIBE™ in New South Wales, Queensland and Western Australia. These trials were successful and supported the results achieved at our test site.

The Company has now commenced pilot production of COREVIBE™ and the first units are on commercial rent.

Development of the MAGHAMMER™ at our test site in New Zealand is progressing well and we intend to commence client trials in 2H20.

The first iteration of the MAGHAMMER™ will be targeting high speed pre-collar drilling through barren rock to the coring zone. This eliminates the need for multiple drill rigs at site and accordingly, the MAGHAMMER™ will significantly reduce the cost of drilling these targets. Additional development of the MAGHAMMER™ will provide geological samples.

Given continued positive development of the drilling productivity technologies and COREVIBE™ units on commercial rent, IMDEX anticipates exercising its Option to acquire Flexidrill in mid-December 2019.

IMDEX Mining Technologies

Our development of mining solutions for Drill & Blast applications, leveraging its existing expertise and technologies, is advancing and remains on track to increase mine to mill efficiency for clients globally. Further extension into the larger adjacent mining market, has the potential to generate significant non-cyclical revenue streams.

We are conducting BLAST DOG™ trials in precious and base metals, together with bulk commodities, with global resource companies. To date, successful trials have been undertaken in Nevada in the United States and Queensland, Australia. Additional trials are planned in Chile and Australia in 1H20.

Our company continues to have strong support from industry partners including: Anglo American; Teck Resources; Orica; and METS Ignited and expects to generate revenue from the Drill & Blast technologies in 2H20.

Internal Digital Transformation Program

During the year we continued to progress our digital transformation program, which is being undertaken to enhance our systems and processes and enrich our client experience. Key achievements included:

- Global implementation of Office 365;
- Global digital rentals implemented within the Asia Pacific region;
- Global implementation of Concur expense management system;
- Global implementation of People HUB – our human resource information system;
- Additional training modules and tools within IMDEX Academy – our in-house digital training platform;
- Global implementation of iAuditor – our digital safety management tool; and
- The launch of our Customer Care Portal to optimise the way we provide product support to our clients and collect important data for input to future product development.

One IMDEX

In mid-calendar 2018 we initiated a transition from being a product-focussed organisation to a market focussed one, enabling our teams of highly specialised AMC, REFLEX and IMDEXHUB-IQ™ personnel to deliver end-to-end IMDEX solutions to our client base.

Organisationally this transition was completed in FY19 and we are seeing growth in our solutions business.

During FY20 we will continue to invest in the capability of our teams, via IMDEX Academy and by attracting the best talent in the market to bring our solutions to our clients.

Positive Outlook for FY20

Mining production levels and commodity prices support investment in the industry, which is positive for IMDEX:

- The major and intermediate resource companies are increasing their expenditure to replace diminishing reserves;
- The discovery of new mines requires more drilling and is likely to have longer development times;
- New discoveries are likely to be under cover and at depth; and
- Resource companies are embracing innovation and new technologies to lower costs, increase safety and achieve greater productivity.

In relation to the Junior companies, conditions have improved due to the stronger gold price and as reported by Bloomberg, there has been a recent uplift in capital raisings globally.

At a company level, IMDEX has had a positive start to FY20. The increase in activity that was evident in 4Q19 has continued and is reflected in the company's growing instrument fleet.

Similarly, demand for IMDEX's cloud-connected technologies is increasing. As at June 2019, 43% of the company's connected devices were actively pushing data to IMDEXHUB-IQ™, which represents a 25% uplift on the previous corresponding period.

A Great Team

My sincere thanks to all IMDEX employees for another successful year – it is always a pleasure working with a diverse and dedicated team of talented people. Together we made excellent progress with the execution of our growth strategy for our valued shareholders.

On behalf our senior leadership team, I would also like to thank our Board for its professionalism, commitment and guidance. Each member brings unique value and expertise to our strategic direction and always contributes 'beyond the call of duty.'

Kind regards
Bernie

B *Bidgeway*

Bernie Ridgeway
IMDEX Managing Director



Senior Leadership Team



Mr Bernie Ridgeway
Managing Director

- Chartered Accountant Australia and New Zealand
- Bachelor of Business
- Member of the Institute of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors
- Over 36 years' experience with public and private companies as a business owner, Director and Manager



Mr Mathew Regan
Chief Information & Transformation Officer

- Extensive Executive management experience in business transformation, strategy, innovation, supply chain optimisation and digital technologies
- Bachelor of Computer Science from Edith Cowan University and a Master of Information Technology from the University of Western Australia
- Stanford University Executive Program
- Member of Australian Institute of Company Directors



Mr Paul Evans
Chief Financial Officer & Company Secretary

- Chartered Accountant Australia and New Zealand
- Member of the Institute of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors
- Chief Financial Officer and Company Secretary since 17 October 2006
- Extensive experience in commercial, general management and financial roles
- Industry experience covering the media, manufacturing, mining services and telecommunications industries



Dr Michelle Carey
Global Manager – IMDEX Product Development

- Over 20 years' experience in the mining industry working for companies including BHP and WMC
- 8 years in senior leadership roles at IMDEX
- Extensive experience in developing innovative products for the mining industry
- PhD in Geochemistry from Monash University



Mr Paul House
Chief Operating Officer

- 26 years' experience in management and operations across the resources sector and diversified industrial services markets
- 14 years with SGS, the world's leading inspection and testing firm, with a dominant presence in the resources geochemistry assay and metallurgy sectors
- 18 years working in resources markets around the world including Africa, the Middle East, South Asia, South East Asia, Australia and the USA.
- Additional roles have included strategy, innovation, market entry strategy, turnaround performance management and corporate finance positions
- Fellow of the Australian Institute of Management and a Graduate Member of Australian Institute of Company Directors



Mr Tim Price
General Manager – IMDEX Product Research

- 33 years' experience in engineering and product development,
- 8 years with IMDEX, 20 years with Scientific Drilling International holding positions from Design Engineer to Senior Vice President of Engineering
- 5 years in Aerospace and Semiconductor Test Industries
- Bachelor of Science in Electronic Engineering and Master of Science in Electrical Engineering from California Polytechnic State University, San Luis Obispo



Mr Kingsley Weber
Human Resources Director

- Global leadership and consulting experience in: R&D; sales, marketing and key account management; international business and new market development; human resources; organisational design and development; and corporate strategy and execution
- Diverse and extensive industry experience including: chemicals; healthcare; satellite communications; environmental management; manufacturing; and banking
- Fellow of the Royal Society of Arts, Member Chartered Institute of People Development



Ms Sarah Standish
IMDEX General Counsel

- Registered legal practitioner in Western Australia
- Broad and diverse experience spanning legal, risk and compliance
- 6 years' experience working in private law firms advising clients on a broad range of corporate and commercial issues
- 8 years' working in-house with oil & gas and METS companies - key responsibilities have included corporate governance, company secretarial, legal, risk and compliance
- Bachelor of Arts, Bachelor of Laws, Graduate of the Australian Institute of Company Directors



Derek Loughlin
Global Business Development Director

- In executive management positions at IMDEX since 2006
- More than 30 years' experience within the mining and drilling industry, including international assignments
- Honours Degree in Mining Engineering from the Camborne School of Mines, UK
- Programme for Executive Development at IMD Switzerland



Dr Dave Lawie
Chief Geoscientist / Chief Technologist – Mining Solutions

- Chief Geoscientist for IMDEX since 2012 and Chief Technologist – Mining, for IMDEX since 2015
- Global positions in exploration geochemistry and R&D with Pasminco and Anglo American before co-founding ioGlobal in 2004.
- Grew ioGlobal as Managing Director into a global company specialising in geochemistry and geometallurgical consulting services, cloud-based data management and the ioGAS desktop analytics software– the company was acquired by IMDEX in 2012
- PhD in Geosciences and Analytics from the University of New England

Our People

GLOBAL WORKFORCE

During FY19 our global workforce decreased by 3% to 511 people (FY18 529), largely due to our focus on streamlining operations for the long-term, together with our internal digital transformation.

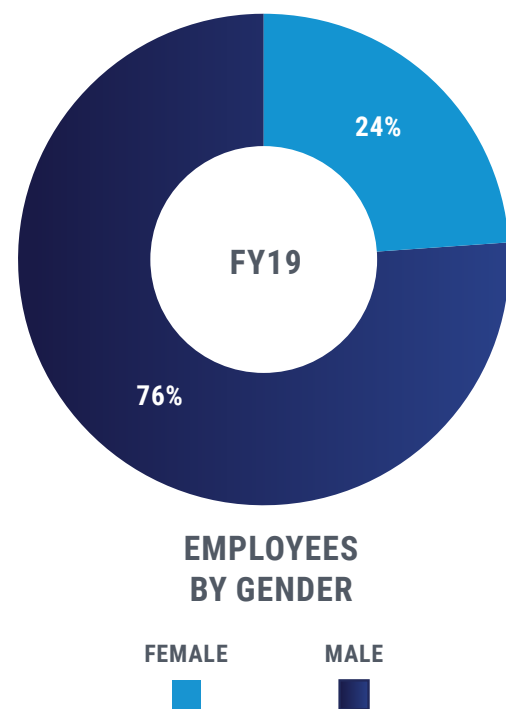
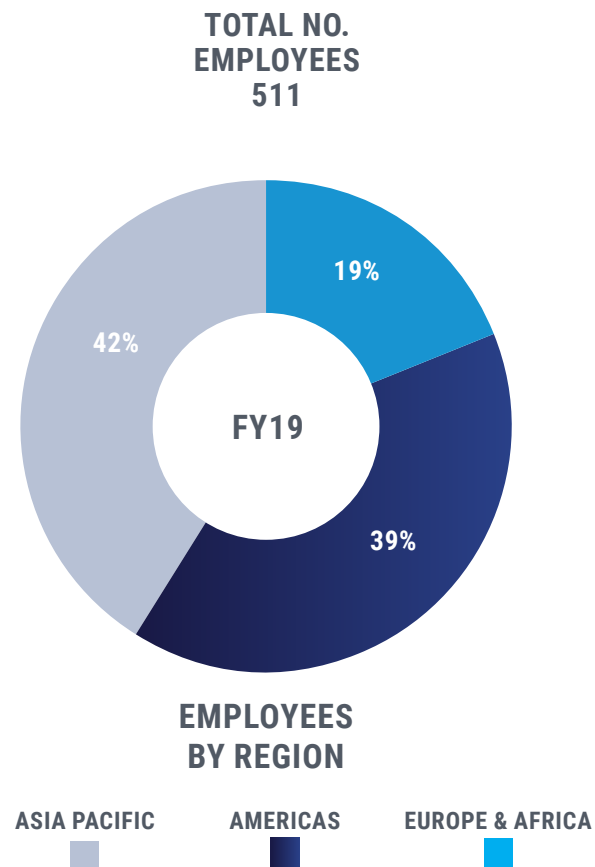
DIVERSITY AND EQUALITY

At IMDEX we value and encourage diversity in our workforce. We seek to employ, retain and develop employees for the long-term, assisting in their professional development and the development of the culture and values of our company.

Our aim is to build a diverse workforce and inclusive environment where everyone feels able to participate and achieve their potential. This strategy extends beyond legal compliance and seeks to add value by contributing to our employees' health and well-being.

Our Diversity Policy can be found on our website.

IMDEX is committed to providing equal opportunities for all employees. We ensure employment decisions are made solely on the basis of merit, taking into account relevant skills, qualifications, experience and ability and without bias or prejudice. Further information can be found within our Code of Conduct Policy, which is also on our website.



EMPLOYEE ASSISTANCE PROGRAM

To support the health and well-being of our employees, we continue to offer an Employee Assistance Program (EAP). Our EAP is provided by Optum, a global and independent organisation that specialises in coaching and counselling services.

The confidential EAP is available 24/7 and is free for all IMDEX employees and their immediate families.

KEY ACHIEVEMENTS FOR FY19

Our human resources (HR) team delivers critical HR initiatives to ensure our company embeds operational HR best-practice.

These initiatives formed the pillars of our three-year HR Strategic Plan and the key initiatives for FY19 are summarised in the graphic below.

GLOBAL HR PRIORITIES DESIGNED, DEVELOPED AND DELIVERED IN FY19

Talent Acquisition & Onboarding	Embed Technology	Build Achievement Orientated Culture	Fostering Talent & Leadership Growth	Supporting a Diverse Workplace	Improved HR Processes & Reporting
Preferred Supplier Agreements Negotiated	SuccessFactors Employee Central APAC Payroll	One IMDEX Organisation Design	Leadership Competency Framework Design	Workforce Planning Remuneration Framework	Policy Suite Review
Aligned Global Recruitment Agency Terms		Performance & Reward Design & Strategies	Key Talent & Succession Planning	Global Capability Development Including: Key Account/Sales Management	Manager & Employee Handbooks
Improved Recruitment Tools Embedded	SuccessFactors Change Management Delivery	Annual Performance Reviews	Mentoring & Coaching	Technical Skills Business Acumen	Organisation Match -Fit Analysis
Global Internship Programs Launched					HR Metrics & Reporting

UNDERPINNED BY GLOBAL HR STRATEGY AND STRUCTURE
DESIGNED TO SUPPORT ONE IMDEX BUSINESS STRATEGY

IMDEX'S NEW HR INFORMATION SYSTEM

The first phase of People HUB – a user-friendly digital platform to centralise and simplify all things HR at IMDEX – was successfully launched on 8 July 2019.

The platform provides significant benefits to our company and will help us efficiently manage our teams. Future phases will include performance management, recruitment, onboarding, succession planning and development.

IMDEX VITAL BEHAVIOURS

During FY19 we introduced four vital behaviours as part of our global performance review and to execution of our growth strategy.

Research has demonstrated that these behaviours are differentiators and when adopted and used willingly, underpin engagement and high-performance.

We speak up:

Demonstrating the courage to deal with difficult situations, issues or behaviours. Everyone is encouraged to Speak Up with confidence and respect.

We demonstrate respect:

By treating every colleague, client and supplier with respect 100% of the time.

Creating psychological safety and making people feel valued drives collaboration and positive outcomes. It also recognises the value that different perspectives and cultures bring to our company.

We are accountable:

We hold each other accountable to meet commitments and deliver results, even under challenging circumstances.

We are engaged in decision-making:

Every employee is aware and engaged in decisions that impacts their work. The highest driver of productivity and pace is ownership over decisions.

GLOBAL INTERNSHIP PROGRAM

During FY19 we launched our Global Internship Program. This Program offers undergraduates and new graduates the opportunity to work at one of our global facilities and provides a hands-on learning environment, together with coaching and mentoring opportunities.

Our initial internships programs commenced in Asia Pacific and the Americas and enrolments spanned diverse disciplines including: engineering; procurement; finance; legal; human resources; and information technology.

LEVELS OF WORK

The Levels of Work is a framework developed to support the organisation's overall business strategy by providing clarity and definition to roles across IMDEX, ensuring consistency of approach for reward and career development. The framework will provide simplicity and clarity so that it can be easily understood and maintained.

The immediate benefits for IMDEX are primarily related to remuneration and reward. The Levels of Work help to align IMDEX with the relevant market data to ensure external competitiveness, while simultaneously facilitating a consistent approach to salaries and incentive plan eligibility within the organisation. The levels of work also provide additional structure to reporting that will benefit workforce planning and organisational analysis.

As the framework is embedded and utilised in line with the HR Strategy, it will support organisational succession planning by providing structure to define the expected behavioural and leadership competencies at each level of the organisation.

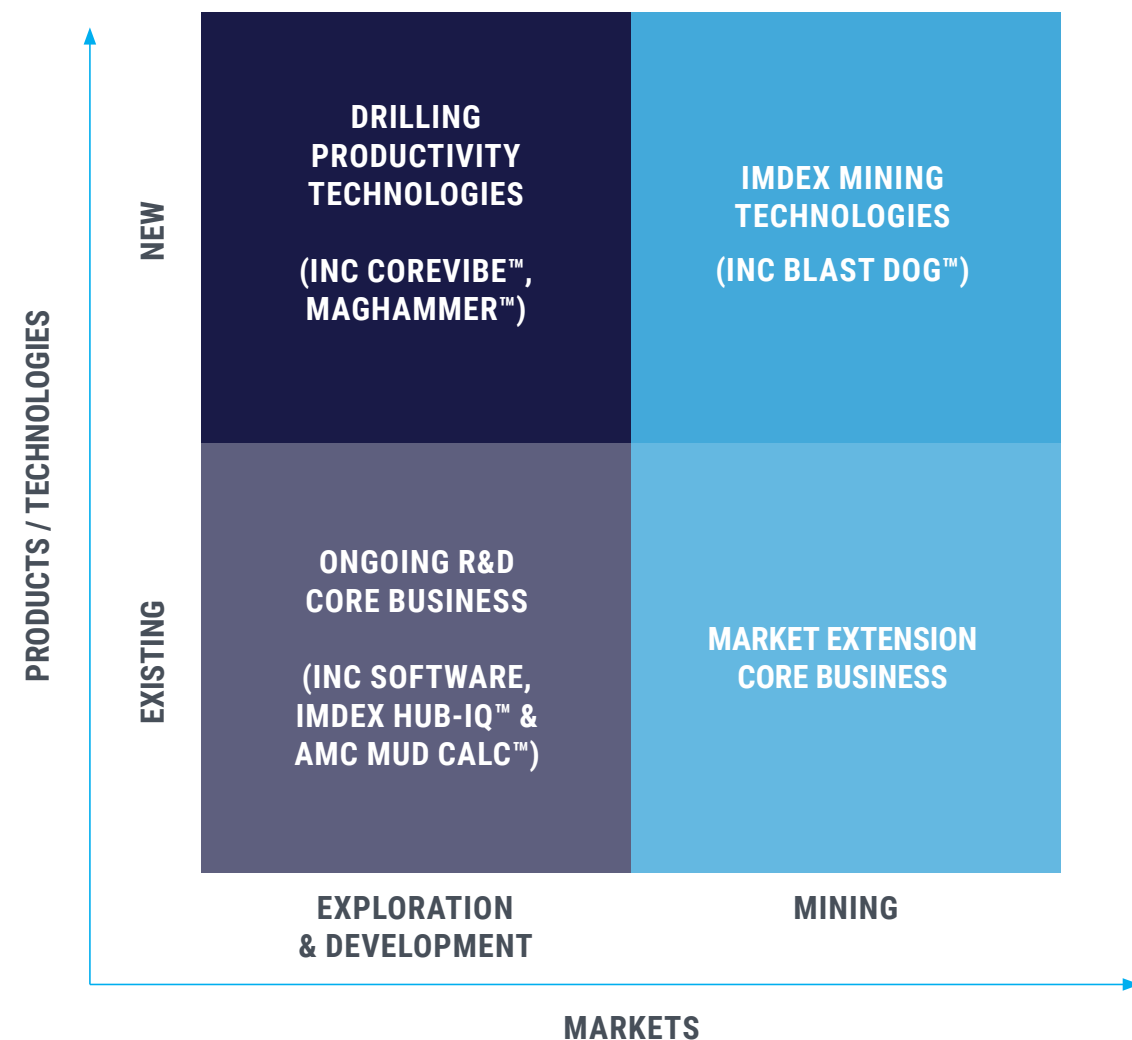


Objective And Growth Strategy

We maintain our clear objective of delivering sustainable earnings growth for shareholders via a two-tiered strategy, which includes:

- Protecting and growing our core business by enhancing technical leadership, technical integration and increasing client spend; and
- Further extension into larger adjacent mining market to enhance our less cyclical revenue stream.

At the same time, we are focused on growing our business from a solid base by controlling our costs, maintaining professional vigilance and leveraging our digital transformation.



Key elements of our strategy include: maintaining our technical leadership; enhancing our client relationships; and driving operational excellence.

Maintain technical leadership

- Next generation core products
- Rapid-response frontline innovation
- New technologies – including drilling productivity and mining technologies for Drill & Blast applications



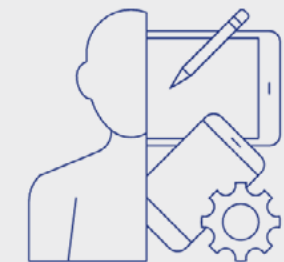
Enhance client relationships

- Integrated IMDEX solutions – AMC & REFLEX
- Client help desk and service centre
- Training – IMDEX Academy
- Enhance strategic partnerships
- Implement key account management



Drive operational excellence

- Enhance safety performance
- One IMDEX
- Digital transformation
- Engage, develop and retain talented people
- Streamline distribution and supply chain



THE IMDEX WAY

The IMDEX Way sets out the key principles and expected behaviours that govern our company's decision making, business practices and employee reward programs.

INTEGRITY

Communicating openly and honestly. Avoiding activities or organisations that are unethical, harm people or the environment.



ACCOUNTABILITY

Taking responsibility for and delivering on IMDEX's commitments to the Company, clients and colleagues.



TEAMWORK

Working collaboratively, safely and with respect for diversity within the IMDEX Group to achieve the best results for the Company, clients and colleagues.



BEING DYNAMIC

Maintaining an efficient global Company with the flexibility to provide localised client solutions and the adaptability to react quickly to new opportunities and change.



CONTINUOUS IMPROVEMENT

Pursuing IMDEX's strategy of ongoing growth and reward for shareholders, clients and employees through continuous improvement of the Company's products, services and work practices.



INNOVATION

Leveraging IMDEX's advanced technologies and research and development capabilities to deliver innovative, leading edge products and services that optimise client operations.



OUR COMPANY HISTORY

December 1980	Australian company Pilbara Gold NL incorporated
July 1985	Pilbara Gold NL changed name to IMDEX Limited
September 1987	IMDEX Limited listed on the ASX
1988	Formation of Australian Mud Company
1997	Acquisition of Surtron Technologies Pty Ltd and Ace Drilling Supplies
2001	Joint venture formed with IMDEX and Rashid Trading Establishment (RTE) in Saudi Arabia
July 2005	2005 Sale of IMDEX Minerals
August 2005	Acquisition of African based company Samchem
August 2006	Acquisition of Swedish based REFLEX Group of Companies and United Kingdom based company Chardec
May 2007	Acquisition of Swedish based company Flexit
July 2007	Ace merged with REFLEX. IMDEX finalised the sale of its interest in IMDEX Arabia to RTE
July 2007	Acquisition of Canadian based Poly-Drill and a 75% interest in Kazakhstan based Suay Energy Services
October 2007	Sale of Surtron Technologies November 2007 Acquisition of Chilean based company Southernland
January 2008	Acquisition of German based company System Entwicklungs
July 2008	Acquisition of the remaining 25% of Kazakhstan based Suay Energy Services
September 2008	Acquisition of Australian based company Wildcat Chemicals Australia
July 2010	New regional structure implemented and business reporting streamlined into Minerals and Oil & Gas Divisions
September 2010	Acquisition of Australian based companies Fluidstar and Ecospin
March 2011	Acquisition of German based company Mud-Data
July 2011	Formation of DHS Services joint venture July 2011 Acquisition of Australian based company Australian Drilling Specialties Pty Ltd
August 2011	Acquisition of Brazilian based company System Mud Indústria e Comércio Ltda
January 2012	Acquisition of Vaughn Energy Services (VES) by IMDEX's DHS Services joint venture
November 2012	Acquisition of ioGlobal Pty Ltd, ioAnalytics Pty Ltd and ioGlobal Solutions Inc. (together ioGlobal)
December 2012	DHS Services and Vaughn Energy Services rebranded as VES International
September 2014	Acquisition of 2iC
June 2015	Divestment of Suay Energy Services 2016 Divestment of AMC Oil & Gas
January 2018	Option to acquire Flexidrill Limited and Flexidrill Construction Limited (together Flexidrill)



IMDEX LIMITED (IMDEX)

ABN: 78 008 947 813

AUSTRALIAN SECURITIES EXCHANGE (ASX)

LISTING DATE: 24 SEPTEMBER 1987

ASX CODE: IMD

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