

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

19 January 2023

## IMDEX ENTERS BINDING AGREEMENT TO ACQUIRE DEVICO IN HIGHLY SIGNIFICANT \$300M+ CONSOLIDATION OF MINING-TECH LEADERSHIP

Leading global mining-tech company, Imdex Limited (**IMDEX** or **the Company**), today announced that it has (via its wholly owned subsidiary) entered into a binding agreement to acquire Devico AS (**Devico**) (the **Proposed Acquisition**) for an implied enterprise value of A\$324 million<sup>1</sup> (approximately NOK 2,200 million<sup>2</sup>) (**Enterprise Value**).

Devico is a leading global mining-tech company, established in 1988 and headquartered in Trondheim, Norway. It has a workforce of ~200 personnel and business entities across 15 countries. Devico is expected to deliver CY2022 revenue<sup>3</sup> of ~A\$61 million and CY2022 EBITDA<sup>3</sup> of A\$29 million. The business has demonstrated its ability to scale over the last three years with a revenue<sup>3</sup> CAGR of 17% per annum<sup>4</sup>.

The Proposed Acquisition represents a significant extension of IMDEX's core business globally.

### Strategic Highlights of the Proposed Acquisition

- 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>5</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, Australia and New Zealand.

### Financial Highlights of the Proposed Acquisition & Equity Raising

- IMDEX has entered into an agreement to acquire 100% of the issued and outstanding shares in Devico for an Enterprise Value of A\$324 million (approximately NOK 2,200 million<sup>2</sup>).
- Enterprise Value implies an acquisition multiple of ~11.2x 2022F pro forma EBITDA<sup>3</sup> and ~12.8x 2022F pro forma EBITA<sup>3</sup>.

<sup>1</sup> Transaction Consideration includes cash and IMDEX shares to be issued to existing Devico employees. Calculated as enterprise value less net debt and other adjustments.

<sup>2</sup> Based on AUD / NOK exchange rate of 6.80.

<sup>3</sup> Based Devico financials, shown on a pre-IFRS16 basis, with 10 months of actuals and 2 months of Devico management forecasts.

<sup>4</sup> Based on CY2019 – CY2022 Devico financials, shown on a pre-IFRS16 basis, with CY2022 financials including 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>5</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.

- IMDEX intends to raise up to A\$224 million (before costs) via an underwritten institutional placement, a 1 for 6 accelerated non-renounceable entitlement offer and a non-underwritten conditional placement<sup>6</sup> to partly fund the Proposed Acquisition.
- Highly synergistic strategic combination with clear cross-selling revenue opportunities and cost efficiencies, including ability to leverage the scalable IMDEX Digital Transformation business systems across the Devico business.
- Acquisition is expected to be EPS accretive from the first full year of ownership, before potential synergies<sup>7</sup>.

### Strategic Rationale

Devico's portfolio of technologies complements IMDEX's core business. Devico has achieved exceptional year-on-year growth and attractive margins, has a global operating footprint and a high-quality and diversified customer base. Approximately 46% of Devico's revenue is generated from Sensor Technologies and 56% from Directional Drilling Technologies, which are directly utilised by resource companies globally.

The Proposed Acquisition is expected to be highly significant for IMDEX and is consistent with the Company's growth strategy, which includes 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 combination of two leading sensor technology businesses will strengthen IMDEX's market leading position with the integration of Devico's #1 Directional Drilling Technologies business expected to unlock significant value for IMDEX shareholders. Following completion of the Proposed Acquisition, IMDEX will be able to provide a more comprehensive offering to new and existing customers. Through increased scale and market penetration, particularly in Europe and South America, IMDEX will further increase its presence on mine sites globally.

Commenting on the Proposed Acquisition, IMDEX Chief Executive Officer, Paul House, said:

*"The Proposed Acquisition of Devico is consistent with IMDEX's growth strategy and is a logical next-step. We see significant value in combining our complementary product portfolios, market-leading R&D capabilities and global presence. The addition of Devico will strengthen our position as the leading provider of advanced rock knowledge sensors and will establish our business as the #1 Directional Drilling Technology company globally.*

*Notably, Devico's flagship facility in Trondheim will become a key asset for IMDEX – providing us a new innovation and manufacturing hub for the European market.*

*Devico's expertise, professionalism and their relentless customer focus matches our own and we are excited about what our teams can achieve together for the mining industry. We have commenced integration workstreams and are confident in a smooth transition."*

<sup>6</sup> IMDEX is proposing to undertake a conditional placement of approximately A\$3 million to certain IMDEX directors (**Directors**) and management on the same terms as the Institutional Placement, subject to shareholder approvals being obtained at an upcoming extraordinary general meeting.

<sup>7</sup> Based on Adjusted EPS before amortisation of intangibles and one-off transaction costs. The impact of purchase price accounting has not been completed and which will impact future amortisation charges. 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.

IMDEX Chairman, Anthony Wooles, added:

*“The IMDEX Board and executive committee rigorously assessed the Proposed Acquisition and its strategic and cultural alignment. We admire the accomplishments of Devico’s founders and leadership team and have been impressed by the quality of its employees, product offering, operations and growth aspirations. Importantly, Devico shares IMDEX’s vision of harnessing technologies to enhance the mining industry and has an equal passion for customer success.*

*The structure of the transaction is prudent and ensures IMDEX maintains a conservative balance sheet, with strong cashflow to support rapid deleveraging.”*

### **About Devico**

Devico was founded in 1988 by Viktor Tokle, who remains one of the majority shareholders prior to completion of the Proposed Acquisition. Devico is a leading supplier of Directional Drilling Technologies and Sensor Technologies with more than 30 years of delivering innovation worldwide. Devico is headquartered in Trondheim, Norway, and has a global network of branch offices and agents across key mining regions globally.

The existing management and technical team at Devico are seen as a key asset for IMDEX and are expected to remain in the business following completion. Key management personnel (**KMP**)<sup>8</sup> have entered into agreements with IMDEX to reinvest a portion of their proceeds from the Proposed Acquisition through the subscription of IMDEX shares, demonstrating the commitment to the success of the Proposed Acquisition for IMDEX.

Victor Tokle, the founder of Devico, commented:

*“I am truly proud of what Devico has become since my wife and I started the business back in 1988. It would not have been possible without the help and support from all the great people we have come across, both employees and clients. Our journey from our vision in 1988 to a ‘world leader in directional core drilling, borehole surveying and accompanying software’ will be accomplished by the Proposed Acquisition.*

*“As Devico becomes a part of IMDEX, this combination will certainly be the power-house within the industry. The product offering and the global presence is unique. We have recently launched several new products and have a strong technology pipeline which is complementary to IMDEX. I look forward to following IMDEX and Devico as the mining industry continuously improves and evolves.”*

### **Proposed Acquisition Funding**

IMDEX will acquire 100% of the issued and outstanding shares in Devico, and Devico’s select minority interests in subsidiaries and joint ventures, for A\$334 million (NOK 2,271 million)<sup>9</sup> (**Acquisition Consideration**)<sup>10</sup>.

Acquisition Consideration and associated transaction costs will be funded through a combination of:

<sup>8</sup> Includes select members such as existing CEO, CFO and COO.

<sup>9</sup> Based on AUD / NOK exchange rate of 6.80.

<sup>10</sup> Transaction Consideration based on Enterprise Value less net debt and other transaction adjustments.

- Up to A\$224 million equity raising consisting of an Institutional Placement, Entitlement Offer and Conditional Placement (**Equity Raising**)<sup>11</sup>;
- A\$120 million drawn from a new senior secured term loan (**Term Loan**); and
- A\$9 million from KMP reinvesting a portion of their proceeds from the Proposed Acquisition into IMDEX shares.

**(Acquisition Funding).**

IMDEX has entered into a secured term and multicurrency revolving bilateral facility agreement with JPMorgan Chase Bank, N.A. in relation to the Term Loan (the key terms of which are summarised in Annexure C to this announcement) and a new A\$30 million revolving corporate facility (together the **Facilities**). The Facilities will include a number of limited conditions precedent to drawdown which are customary for facilities of this nature. IMDEX will maintain its strong balance sheet post-completion of the Proposed Acquisition, with pro forma Net Debt / 2022F EBITDA<sup>12</sup> of ~0.7x<sup>13</sup> with strong cashflow to support rapid deleveraging.

In addition, IMDEX has existing cash and cash equivalents of A\$36 million (as at 30 June 2022) and A\$20 million of undrawn capacity under its refinanced working capital facility.

The proceeds of the Acquisition Funding are proposed to be used as follows:

- A\$334 million for the payment of the Acquisition Consideration; and
- A\$19 million for the payment of transaction costs.<sup>14</sup>

If the Proposed Acquisition does not complete, IMDEX 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.

The underwriting of the Institutional Placement and Entitlement Offer is subject to the terms of an underwriting agreement summarised at Annexure B to this announcement. The Underwriters are entitled to fees for underwriting the Institutional Placement and Entitlement Offer as disclosed in the Appendix 3B lodged with ASX today.

**Institutional Placement**

IMDEX is undertaking a fully underwritten placement of approximately 34 million new fully paid ordinary shares (**New Shares**) in IMDEX to eligible institutional investors to raise A\$75 million (before costs) at an issue price of A\$2.20 per New Share (**Offer Price**) (**Institutional Placement**).

The issue price represents a 10.9% discount to the last traded price of A\$2.47 on 17 January 2023.

<sup>11</sup> 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 costs from its cash reserves.

<sup>12</sup> CY2022 EBITDA based on IMDEX 2HFY22 audited actual EBITDA and 1HFY23 unaudited actual EBITDA and Devico 2022F EBITDA (on a pre-IFRS 16 basis) (refer to footnote 3).

<sup>13</sup> Based on IMDEX's debt position immediately post Acquisition including the pro-forma adjustments to reflect the impact of the Acquisition as outlined on slide 30 of the Investor Presentation provided to ASX today.

<sup>14</sup> 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 costs from its cash reserves.

Approximately 34 million New Shares are expected to be issued under the Institutional Placement. The number of New Shares to be issued under the Institutional Placement is equivalent to approximately 9% of existing IMDEX shares currently on issue. The Institutional Placement will utilise IMDEX's existing placement capacity and New Shares will rank equally with existing fully paid ordinary IMDEX shares from their date of issue and IMDEX will seek quotation of the New Shares on ASX upon their issue.

### **Entitlement Offer**

IMDEX is undertaking a fully underwritten 1 for 6 accelerated non-renounceable entitlement offer to raise A\$146 million (before costs) (**Entitlement Offer**).

The Entitlement Offer will be conducted at the Offer Price of A\$2.20 per New Share. The Offer Price represents:

- 8.9% discount to the Theoretical Ex-Rights Price of A\$2.42 per share on 17 January 2023 (**TERP**)<sup>15</sup>; and
- 10.9% discount to the last closing price of A\$2.47 per share on 17 January 2023.

Approximately 66 million New Shares are expected to be issued under the Entitlement Offer. The number of New Shares to be issued under the Entitlement Offer is equivalent to approximately 17% of existing IMDEX shares currently on issue. Each New Share issued under the Entitlement Offer will rank equally with existing fully paid ordinary IMDEX shares on issue and IMDEX will seek quotation of the New Shares on ASX upon their issue.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full entitlement will not receive any payment in respect of entitlements they do not take up and their percentage equity interest in IMDEX will be diluted.

Eligible shareholders who take up their full entitlement under the Entitlement Offer will also be eligible to apply for additional New Shares up to 25% over and above their entitlement under a top-up facility, subject to scale back pro rata to shareholdings.

### ***Institutional Entitlement Offer***

Eligible institutional shareholders will be invited to participate in the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is being conducted today, on 19 January 2023. Eligible institutional shareholders can choose to take up all, part or none of their entitlement.

Institutional entitlements that eligible institutional shareholders do not take up, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, may be offered to eligible institutional shareholders who apply for New Shares in excess of their entitlement, as well as to certain other eligible institutional investors, through an institutional shortfall bookbuild to be conducted concurrently with the Institutional Entitlement Offer.

### ***Retail Entitlement Offer***

Eligible retail shareholders will be invited to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**) at the same Offer Price and offer ratio as under the Institutional Entitlement Offer. The Retail

<sup>15</sup> The 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 as part of the Conditional Placement and the KMP Reinvestment.

Entitlement Offer will open on 9:00am (AEDT) on 27 January 2023 and close at 5.00pm (AEDT) on 7 February 2023 (**Retail Offer Period**).

Eligible retail shareholders are those shareholders with a registered address in Australia or New Zealand as at the record date of 7:00pm (AEDT) on 23 January 2023, not being US persons or acting for the account or benefit of persons in the US.

Further details about the Retail Entitlement Offer will be set out in a booklet (**Retail Offer Booklet**), which IMDEX will send to eligible retail shareholders and lodge with the ASX on 27 January 2023. The closing date for the receipt of Entitlement and Acceptance Forms and application payments is 5.00pm (AEDT) on 7 February 2023.

The Retail Offer Booklet and accompanying Entitlement and Acceptance Form are expected to be despatched to eligible retail shareholders on 27 January 2023. For those shareholders who have elected to receive documents from IMDEX via email, they will receive the Entitlement Offer documents and their personal entitlement and acceptance form directly to their nominated email address.

#### Conditional Placement

IMDEX is also proposing to undertake a conditional placement to allow certain of its Directors and management to subscribe for New Shares under the Equity Raising (**Conditional Placement**). Up to approximately 1.5 million New Shares are proposed to be issued under the Conditional Placement at the Offer Price to raise approximately A\$3 million (before costs), subject to shareholder approvals being obtained at an upcoming extraordinary general meeting. The Conditional Placement is not underwritten.

#### KMP Reinvestment

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.

#### 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 Proposed Acquisition 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

\* The above timetable is indicative only and IMDEX reserves the right to amend any or all of these events, dates and times in its absolute discretion, subject to the *Corporations Act 2001* (Cth) (**Corporations Act**), ASX Listing Rules and other applicable laws. Any extension to the closing date for the Retail Entitlement Offer will have a consequential effect on the anticipated date for issue of New Shares under the Retail Entitlement Offer. The Directors also reserve the right not to proceed with the whole or part of the Equity Raising at any time prior to allotment of New Shares. In that event, the relevant application monies will be refunded without interest in accordance with the Corporations Act. Quotation of the New Shares is subject to ASX discretion.

#### IMDEX'S Advisers

Goldman Sachs is acting as exclusive financial adviser to IMDEX in connection with the Proposed Acquisition.

Norwegian firm Aabø-Evensen & Co Advokatfirma AS is acting as lead legal counsel on the Proposed Acquisition, with Gilbert + Tobin is acting as Australian legal counsel on the Equity Raising.

#### Presentation

Additional information regarding the Proposed Acquisition and the Equity Raising is contained in the Investor Presentation released to the ASX today.

The Investor Presentation contains important information that shareholders should consider, including information about the risk factors and the foreign selling restrictions with respect to the Entitlement Offer.

The Retail Offer Booklet will be released separately and sent to eligible retail shareholders. For those shareholders who have elected to receive documents from IMDEX via email, they will receive the Entitlement Offer documents and their personal entitlement and acceptance form directly to their nominated email address.

**Investor Webcast**

IMDEX will conduct a conference call and webcast on 19 January 2023 at 7:30am AWST (10:30 am AEDT) in relation to the announcement.

Attendees will need to pre-register using the following link: <https://s1.c-conf.com/diamondpass/10028273-gdre54.html>

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

**ENDS**

For personal use only



## Further Information

Kym Clements  
IMDEX Investor Relations Officer  
Mobile: +61 (0) 415 181 172  
Email: [kym.clements@imdexlimited.com](mailto:kym.clements@imdexlimited.com)

## ABOUT IMDEX™

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

The ASX listed company (ASX Code: IMD and ABN: 78 008 947 813) develops cloud-connected sensors and drilling optimisation products to improve the process of identifying and extracting mineral resources for drilling contractors and resource companies globally.

IMDEX's unique end-to-end solutions for the mining value chain integrate its 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.

For further information visit [www.imdexlimited.com](http://www.imdexlimited.com)

## Important Notices

### Not for release or distribution in the United States

*This announcement has been prepared for publication in Australia and may not be released to U.S. wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933, as amended ("US Securities Act"), or under 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, directly or indirectly, to persons in the United States, except in transactions exempt from, or not subject to, the registration of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.*

## Forward-Looking Statements

*This announcement contains certain "forward-looking statements", including but not limited to statements about the completion of the Proposed Acquisition, statements about the future performance of IMDEX and Devico post-completion of the Proposed Acquisition, statements about IMDEX's plans, future developments and strategy and statements about the outcome and effects of the Offer and the use of proceeds.*

*The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and certainties and other factors which are beyond the control of IMDEX, its directors and management.*

*Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of IMDEX's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue credence on forward-looking statements and, except as required by law or regulation, none of IMDEX, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to IMDEX as at the date of this announcement.*

*None of IMDEX or any of its subsidiaries, representatives, advisers, or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance, or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statements.*

### **General**

*This announcement is subject to the same "Important Notices" that appear on slides 2 to 4 of the Investor Presentation with any necessary contextual changes.*

### **Financial Data**

*Readers should be aware that the pro-forma financial information included in this announcement is for illustrative purposes and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the United States Securities and Exchange Commission. Readers should be aware that certain financial data included in this announcement is "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, and are not recognised under AAS and International Financial Reporting Standards (IFRS). Non-IFRS/non-GAAP measures in this announcement are not subject to audit and include EBITDA and EBIT. Readers are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this announcement.*

## Annexure A – Key terms of Proposed Acquisition

<b>Overview</b>	IMDEX (via its wholly owned subsidiary, Imdex International Pty Ltd) has entered into a Share Purchase Agreement ( <b>SPA</b> ) with all existing shareholders in Devico (together the <b>Vendors</b> ). Under the terms of the SPA, the Vendors have agreed to sell all issued and outstanding shares in Devico, in total constituting 99.08% of the issued and outstanding shares in Devico, i.e., not including treasury shares. Devico currently holds treasury shares representing 0.92% of the total number of shares issued by Devico. References to IMDEX in this annexure are to Imdex International Pty Ltd, as buyer of Devico under the SPA, unless otherwise stated.
<b>Consideration</b>	Total Enterprise Value of NOK 2.2bn (A\$ 324 million) <sup>16</sup> , subject to customary completion adjustments for any leakage between 30 June 2022 and completion of the Proposed Acquisition.
<b>KMP reinvestment shares</b>	<p>Certain of the Vendors which are Devico KMP have entered into commitments under which they have agreed to reinvest approximately 30% of their exit proceeds into newly issued IMDEX shares, which in total represents approximately 4 million newly issued shares in IMDEX and approximately A\$9 million<sup>17</sup>. The KMP reinvestment shares will be issued within 20 business days after closing under the SPA.</p> <p>IMDEX intends to enter into binding documentation with certain other Vendors which are Devico KMP for further reinvestment prior to completion of the Proposed Acquisition, which will be announced to the market as required under the Listing Rules.</p>
<b>Conditions</b>	<p>Completion of the Proposed Acquisition is subject to a set of standard conditions to completion, as well as:</p> <ul style="list-style-type: none"> <li>a) a bring-down confirmation at completion of the Proposed Acquisition not having resulted in an actual or potential carve-out from IMDEX's protection under an existing W&amp;I Insurance for any of the Vendors' warranties, but so that the Buyer shall not be entitled to withdraw from the Proposed Acquisition unless the Vendors first have agreed in writing to compensate IMDEX for such new warranty breaches between signing and completion save that IMDEX shall always be entitled to withdraw from the Proposed Acquisition if the alleged loss exceeds or is reasonably likely to exceed NOK 500m;</li> <li>b) Devico's Chilean subsidiary having entered into a binding share purchase agreement to acquire all remaining shares in its subsidiary, Styr SpA (Chile) for a total consideration of US\$7.3m to be completed on or about the date of the completion of the Proposed Acquisition on terms otherwise reasonably satisfactory to IMDEX.</li> </ul> <p>The latest date on which these conditions can be satisfied is 1 June 2023 (<b>Long Stop Date</b>), after which either the Vendors or IMDEX may terminate the SPA.</p> <p>Interest payable by IMDEX, under the locked box completion mechanism, on the purchase price will increase if completion does not occur before 28 February 2023.</p>
<b>Termination events</b>	There are a limited number of termination rights under the SPA. A party has a right to terminate the SPA prior to completion of the Proposed Acquisition if the other party has committed a material breach of its obligations under the SPA, or if completion has not taken place by the Long Stop Date,

<sup>16</sup> Based on AUD / NOK exchange rate of 6.80.

<sup>17</sup> 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.

	or if satisfaction of any of the condition to completion, as stated in the SPA, is or becomes impossible to fulfill, other than through the failure of party seeking to terminate the SPA.
<b>Guarantee</b>	The obligations of IMDEX under the SPA are guaranteed by IMDEX GLOBAL B.V. as guarantor.
<b>Representations and Warranties</b>	Representations and warranties are given subject to customary limitations on liability. Simultaneously with executing the SPA, IMDEX (and IMDEX GLOBAL B.V. as guarantor) has taken out a W&I Insurance in respect of any claims they may make against the Vendors resulting from a breach of the Vendors' warranties under the SPA (subject to customary general exclusions, such as fraud by the Vendors).

For personal use only

## Annexure B – Key terms of Underwriting Agreement

<b>Overview</b>	<p>IMDEX has executed an underwriting agreement with the Underwriters (<b>Underwriting Agreement</b>).</p> <p>Pursuant to the Underwriting Agreement, the Company has appointed the Underwriters severally as the exclusive underwriters, bookrunners and lead managers to the Institutional Placement and Entitlement Offer and the Underwriters have agreed to underwrite the Institutional Placement and Entitlement Offer on an equal basis (that is, one third each, so that the Offer is fully underwritten). The Underwriting Agreement is on customary terms for these types of arrangements.</p>
<b>Termination events</b>	<p>An Underwriter may, by notice to the Company, terminate its obligations under the Underwriting Agreement on the occurrence of certain customary termination events for an agreement of this nature, including but not limited to, the following:</p> <ul style="list-style-type: none"> <li>(a) <b>(SPA)</b> the SPA (summarised in Annexure A) is breached in a material respect, terminated, rescinded or altered or amended without the prior written consent of the Underwriters (not to be unreasonably withheld or delayed), or a condition precedent to which it is subject becomes impossible to be satisfied;</li> <li>(b) <b>(Term Loan agreement)</b> the Term Loan agreement (summarised in Annexure C) is breached in a material respect, terminated, rescinded or altered or amended without the prior written consent of the Underwriters (not to be unreasonably withheld or delayed), or a condition precedent to which it is subject becomes impossible to be satisfied or any event occurs which gives a lender or financier under the Term Loan agreement the right to accelerate or require repayment of the debt or financing thereunder;</li> <li>(c) <b>(Offer documents)</b> a statement contained in the Offer materials does not comply with the Corporations Act or a matter to be included is omitted from those materials;</li> <li>(d) <b>(cleansing notice)</b> a cleansing notice is or becomes defective or the Company gives or is required to give a corrective statement and, in each case, that defective notice or corrective statement is adverse from the point of view of an investor;</li> <li>(e) <b>(regulatory intervention)</b> ASIC holds or commences a hearing or investigation in relation to the Company, the Offer, any offer documents, or prosecutes or commences proceedings against the Company or any of its officers, employees or agents in relation to the Offer, or gives notice of intention to do any of those or any governmental agency makes an order preventing the Company from proceeding with either the Offer or the Proposed Acquisition;</li> <li>(f) <b>(public action)</b> any governmental agency commences public action against an IMDEX group member or any Directors or senior management (in each case, in their capacity as such) or announces that it intends to take action or any Director is disqualified from managing a corporation under the Corporations Act;</li> <li>(g) <b>(insolvency events)</b> IMDEX (or any material IMDEX group member) or Devico becomes insolvent, or there is an act or omission which is likely to result in any of them becoming insolvent;</li> <li>(h) <b>(ASX listing)</b> the Company ceases to be admitted to the official list of the ASX or IMDEX shares cease trading or are suspended from official quotation (other than due to the trading halt in connection with the Offer);</li> </ul>

- For personal use only
- (i) **(ASX quotation)** ASX makes any official statement to any person, or indicates to the Company or the Underwriters that it will not grant permission for the official quotation of the New Shares, or any approval for the official quotation of the New Shares is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
  - (j) **(unable to proceed)** the Company is prevented from allotting and issuing the New Shares by or in accordance with the Listing Rules, ASIC, ASX, any applicable law or Court order;
  - (k) **\*(change in Board or senior management)** a change in the Board of Directors of the Company or senior management (other than the CEO or CFO) is announced or occurs;
  - (l) **(change in chairman, CEO or CFO)** a change in the chairman, CEO or CFO of the Company is announced or occurs;
  - (m) **(prosecution)** a Director, the CEO or CFO is charged with an indictable offence or any Director is disqualified from managing a corporation;
  - (n) **(certificate not provided)** the Company does not provide a certificate as and when required by the Underwriting Agreement;
  - (o) **(timetable)** any event specified in the timetable is delayed in respect of events up to and including the date for issue of New Shares under the Institutional Offer, by one business day or more, and in respect of events after the date of issue of those New Shares, by two business days or more, other than a delay directly caused by the Underwriters, and in each case, without the prior written consent of the Underwriters;
  - (p) **\*(breach of Underwriting Agreement)** the Company fails to perform or observe any of its obligations under the Underwriting Agreement or a statement in any certificate provided under the Underwriting Agreement is misleading, inaccurate or untrue or incorrect;
  - (q) **\*(breach of representation, warranty or obligation)** a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of the Company is breached, becomes not true or correct or is not performed;
  - (r) **\*(capital structure)** the Company reduces, reorganises or otherwise alters or restructures its capital structure or agrees to do any of those things (other than the issue of the New Shares or as otherwise permitted under the terms of the moratorium (see below));
  - (s) **\*(hostilities)** hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) or a significant terrorist act is perpetrated, in each case involving any of Australia, Norway, the United Kingdom, the United States of America, Canada, any member of the European Union, Hong Kong or the People's Republic of China, or a national emergency or a major escalation of a national emergency is declared by either of those countries (except in relation to COVID 19) or, in relation to the conflict between Ukraine and Russia that is ongoing as at the date of the Underwriting Agreement, nuclear weapons are used, or the military of any member state of the North Atlantic Treaty Organization becomes directly involved in, those hostilities;

For personal use only

	<p>(t) <b>*(disruption in financial markets)</b> any of the following occurs:</p> <ul style="list-style-type: none"> <li>(i) a general moratorium on commercial banking activities in Australia, the United Kingdom, the United States of America, Hong Kong, People’s Republic of China or any member of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;</li> <li>(ii) trading in all securities quoted or listed on ASX, New York Stock Exchange, London Stock Exchange or Hong Kong Stock Exchange is suspended or limited for at least one day on which that exchange is open for trading; or</li> <li>(iii) any other adverse change or disruption to the political or economic conditions or financial markets of Australia, the United Kingdom, Norway, the United States of America, Canada or Hong Kong.</li> </ul> <p>Those termination events which contain an asterisk are subject to the qualifier that, in order to terminate, the Underwriter must have reasonable grounds to believe that the event:</p> <ul style="list-style-type: none"> <li>(a) has or could be reasonably expected to have a materially adverse effect on the success, settlement or marketing of the Offer or on the ability of that Underwriter to market or promote or settle the Offer; or</li> <li>(b) will, or is likely to, give rise to a liability of that Underwriter under, or a contravention by that Underwriter or its affiliates of, or that Underwriter or its affiliates being involved in a contravention of, any applicable law.</li> </ul>
<p><b>Moratorium</b></p>	<p>The Underwriting Agreement includes a moratorium as agreed between the parties which provides the Company must not at any time from the date of the Underwriting Agreement to such date which is 90 days after Completion, without the prior written consent of the Underwriters, allot or agree to allot (or indicate in any way that it may or will allot or agree to allot) any IMDEX shares or securities that are convertible into IMDEX shares, or that represent the right to receive equity other than:</p> <ul style="list-style-type: none"> <li>• pursuant to the Equity Raising;</li> <li>• in connection with the Proposed Acquisition;</li> <li>• in the ordinary course pursuant to an existing employee or executive share or option plan; or</li> <li>• as otherwise disclosed in writing to the Underwriters prior to the date of the Underwriting Agreement.</li> </ul>

**Annexure C – Key terms of Term Loan agreement**

<b>Lender</b>	JP Morgan Chase Bank, N.A., Sydney Branch
<b>Facility A:</b>	A\$84,000,000 Amortising Term Loan
<b>Facility B:</b>	A\$36,000,000 Revolving Working Capital Loan (available in AUD and USD)
<b>Purpose:</b>	Facility A: purchase consideration for the Proposed Acquisition and transaction costs.  Facility B: purchase consideration for the Proposed Acquisition and transaction costs and working capital requirements.
<b>Term and amortisation:</b>	Facility A: 3 years, to be amortised by quarterly repayment instalments  Facility B: 4 years
<b>Guarantor Coverage and Security:</b>	First ranking all assets security from each obligor to be shared pari passu with working capital facilities provider.
<b>Interest:</b>	Base rate plus a margin aligned to current market standard
<b>Conditions Precedent:</b>	Customary for facilities of this nature.
<b>Financial Covenants:</b>	Customary for facilities of this nature.
<b>Other terms</b>	Subject to certain funds provisions and 90 day clean up period on customary terms.  Representations, undertakings, review event and events of default customary for facilities of this nature.
<b>Governing Law:</b>	Western Australia.