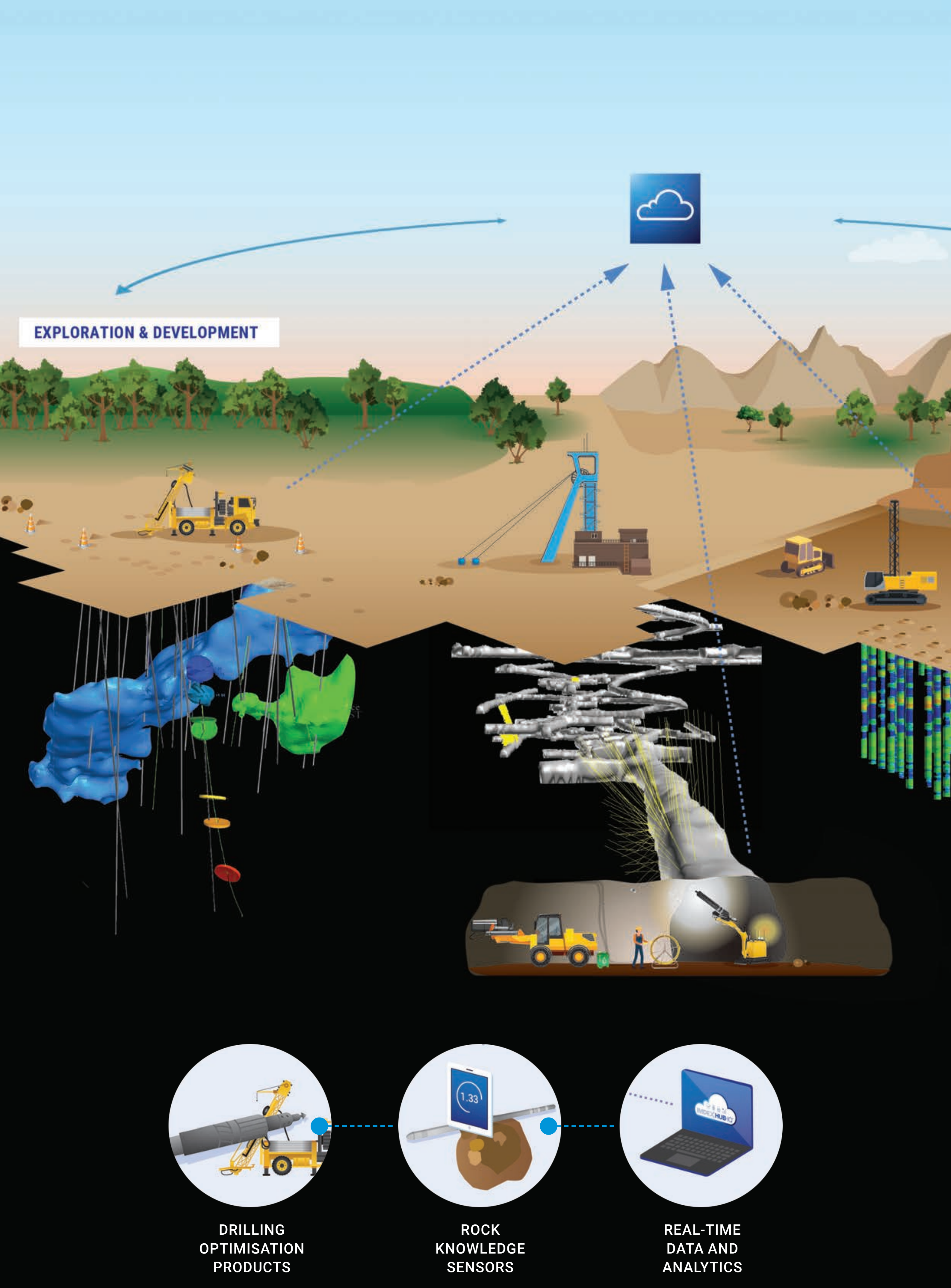
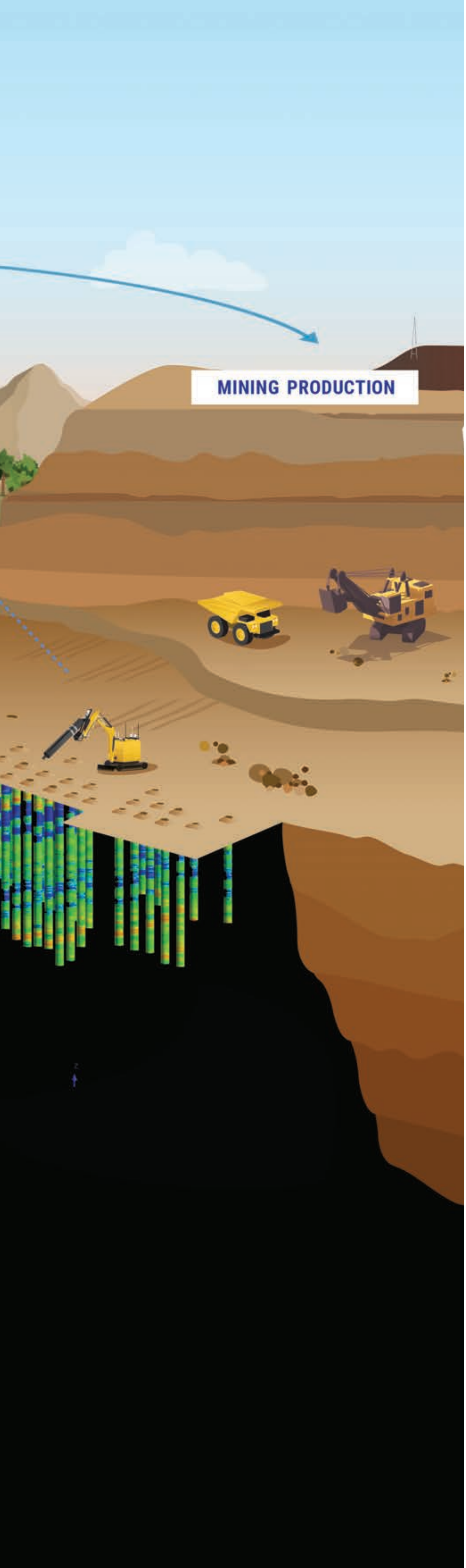
IMDEX™

ANNUAL REPORT 2021


EXPLORATION & DEVELOPMENT
DRILLING OPTIMISATION PRODUCTS
ROCK KNOWLEDGE SENSORS
REAL-TIME DATA AND ANALYTICS



IMDEX IS A LEADING MINING-TECH COMPANY

We believe mining is essential to all aspects of modern life.

Our opportunity is to change the minerals drilling industry forever.

WHY WE DELIVER

A strong core business that outperforms industry growth

A strong financial platform with quality revenue and increasing EBITDA margins

Established global presence and client network

Market leading technologies with unique defendable IP

A committment to targeted R&D to maintain technical leadership

End-to-end solutions that are applicable across the mining value chain

Opportunities to enhance less-cyclical earnings by extension into adjacent mining production markets

The ability to make acquisitions to complement existing product offering

Experienced leadership team and world-class geoscience capabilities

A low carbon footprint and opportunities to enhance the sustainability of operations for clients

ABOUT THIS REPORT

This Annual Report provides a summary of Imdex Limited's operations and performance for the 2021 financial year (FY21).

A digital version of our FY21 Annual Report is available on our website at www.imdexlimited.com/investors.

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

FORWARD LOOKING STATEMENTS

This report may contain forward looking statements.
Further information can be found on page 136 of this report.

SUSTAINABILITY REPORT

Further details regarding our sustainability approach, health and safety performance and other material information for FY21 is included in our FY21 Sustainable Report. Together the Annual Report and Sustainability Report provide a complementary review of our business.

For further information or feedback, please contact
Kym Clements – IMDEX Investor Relations Officer at
kym.clements@imdexlimited.com

> “IMDEX’s focus on its people and its broad approach to their wellbeing, was particularly evident this year.

ANTHONY WOOLES, IMDEX CHAIRMAN

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IMDEX
AMC

OVERVIEW

ABOUT IMDEX

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

Our product offering includes a broad range of drilling optimisation products, rock knowledge sensors and real-time data and analytics. This product offering is commodity agnostic and can be applied across the mining value chain.

We have two market leading brands, AMC and REFLEX. Increasingly we are working with clients to provide integrated IMDEX solutions that unlock real-value and provide critical insights.

OUR PRODUCT OFFERING

Drilling Optimisation Products

Our Drilling Optimisation suite of products enhance drilling productivity while improving safety and the impact on the environment

- Drilling Fluids
- Solids Removal Units
- Remote Fluid Testing Technologies
- Rig Alignment Technologies
- Drilling Productivity Technologies

SALES AND RENTAL REVENUE

Rock Knowledge Sensors

Our best-in-class sensors collect critical data on the four elements of rock knowledge – location, grade, mineralogy and texture

- Downhole Survey Sensors
- Core Orientation Sensors
- Gamma Logging Sensors
- Structural Orientation Sensors
- In-Field Sampling and Analysis

RENTAL REVENUE

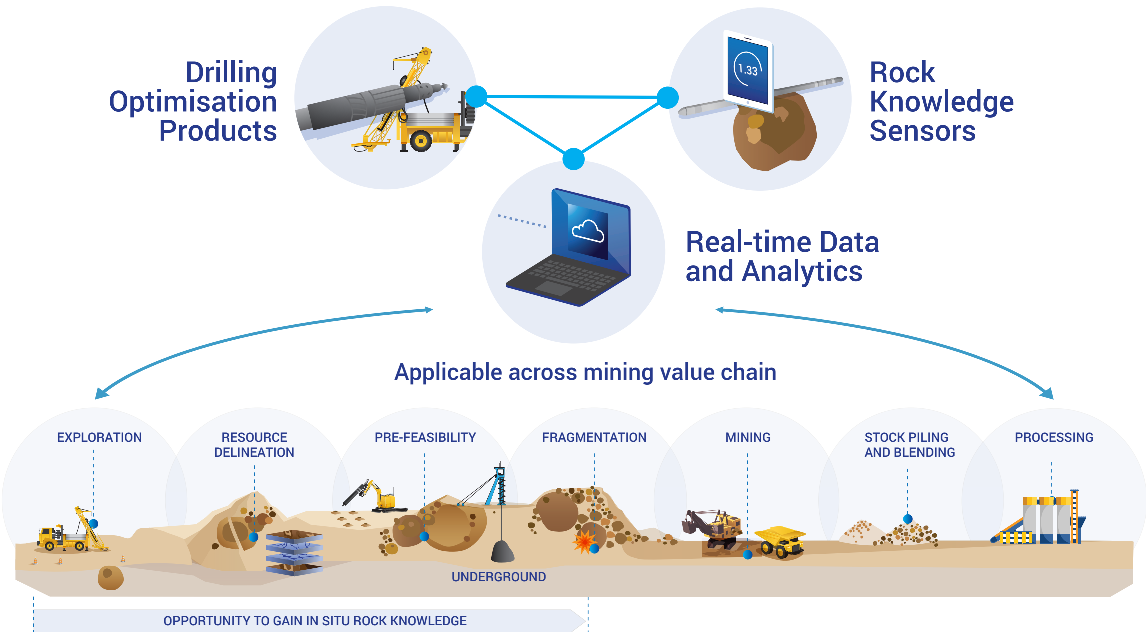
Real-time Data and Analytics

Our cloud platform and market leading geoscience analytical software enrich data and enable real-time decisions to be made further upstream

- Cloud-based Data Collection and Validation Platform (IMDEXHUB-IQ™)
- Advanced Reporting Software (IMDEX Mobile™)
- Geoscience analytics software (ioGAS™)
- Interpretive mineralogy software (aiSIRIS™)

SaaS REVENUE

OUR INTEGRATED SOLUTIONS



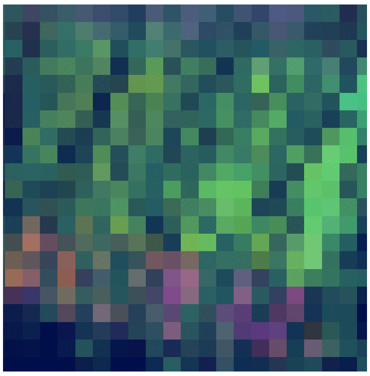
ROCK KNOWLEDGE & QUALITY DATA

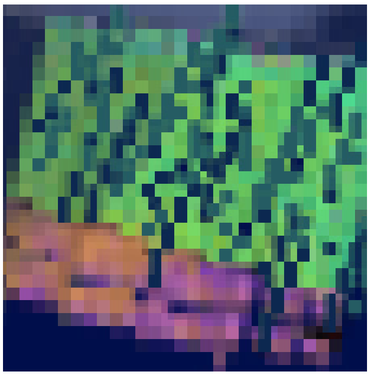
MANY $BN MINING INVESTMENT DECISIONS ARE MADE HAVING SAMPLED ONLY 1% OF 1% OF THE OREBODY.

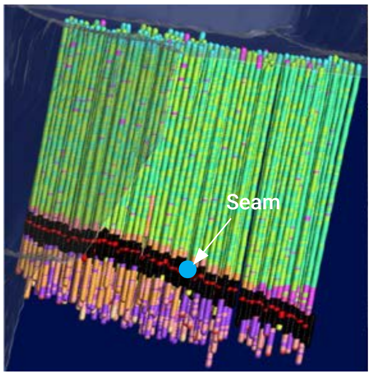
Rock knowledge is an understanding of location, texture, grade and mineralogy.

It answers the questions where to drill next and how processing can be optimised.

We enable the timely delivery of quality data, giving clarity on the nature of the rock to allow real-time decisions to be made, rather than having to wait weeks or months.







> **Every mine in the world makes decisions on the four components of rock knowledge - location, texture, grade and mineralogy. Our technology stack currently addresses three of these components and aiSIRIS satisfies the fourth - mineralogy.**

PAUL HOUSE, IMDEX CEO

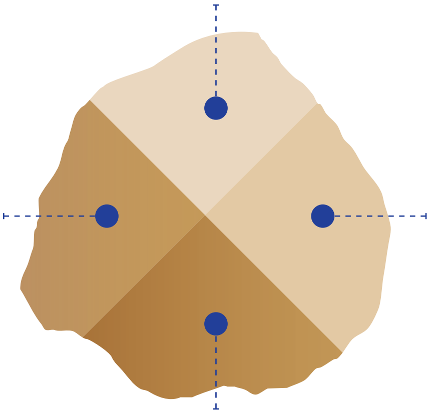
THE FOUR COMPONENTS OF ROCK KNOWLEDGE

LOCATION

IMDEXHUB-IQ™ connected survey tools mean geologists can see where their holes are anywhere and anytime, rather than relying on paper based flows.

TEXTURE

IMDEX's Structural-IQ solution combines multiple sensors to allow geologists to see the position of their structures in 3D as they log in the core farm. This replaces workflow where data gathering and interpretation were separated by weeks or months.



MINERALS

AusSpec's aiSIRIS SaaS product provides a real-time mineralogy solution to IMDEX's rock knowledge offering. It replaces a workflow reliant on laboratory and expert interpretation that is asynchronous to data collection.

GRADE

IMDEX's In-field GeoAnalysis solution enables geoscientists to obtain quality assay data at the rig or core farm rather than waiting for laboratory results.

IMDEXHUB-IQ™

Timely information for critical decision making

QUALITY DATA

- Industry leading sensors
- QA/QC at point of data collection
- Digital workflows remove risk of human error
- AI and machine learning remove human subjectivity

REPRESENTIVITY

- Cost effective methods allowing data to be collected for every metre drilled
- Repeatable sensor-based data (IoG)

TIME SAVINGS

- Actionable information in real-time
- Driller operable instrumentation - not reliant on third-party service providers
- More efficient digital workflows

OUR ESTABLISHED GLOBAL BUSINESS

Our global presence is unrivalled. This presence provides a compelling opportunity to embed real value for clients and maximise revenue and earnings for IMDEX.

During FY21 we supported clients in more than 100 countries. We have 22 IMDEX facilities, together with warehouses and calibration centres in key mining regions of the world. Our Head Office is located in Balcatta, Western Australia.

OUR CLIENTS AND BUSINESS PARTNERS

Our long-standing client base includes large drilling contractors and tier-1 resource companies within the global minerals industry.

We are creating a collaborative ecosystem, where we partner with all clients to optimise orebodies.

OPERATING IN ALL KEY MINING REGIONS OF THE WORLD

SALES IN 100+ COUNTRIES

80% OF OUR TOP 100 CLIENTS HAVE BEEN WITH IMDEX FOR >5 YEARS

OPERATIONAL HIGHLIGHTS

IMPROVED SAFETY PERFORMANCE

(LTIFR FY21: 1.85 v FY20: 3.97)

CONTINUED TO SUCCESSFULLY NAVIGATE COVID-19

with increasing pressure on supply chains and people

A STRONG FOCUS ON ENHANCING EMPLOYEE WELLBEING

workplace flexibility and diversity

ACQUIRED AusSPEC

and its aiSIRIS software to enhance real-time rock knowledge offering with spectral mineralogy and AI technologies

IMPLEMENTED A SUSTAINABILITY POLICY

release first Sustainability Report in September 2021

SIGNED THREE JDAs[1]

to support new product development and delivery with future opportunities being discussed with a variety of clients

[1] *Joint development agreements.*

CONVERTED CLIENT TRIALS FOR DRILLING OPTIMISATION FLUIDS

in the mining production market into recurring operational revenue

A RECORD NUMBER

of rock knowledge sensors on rent

UP 35%

on pre-COVID-19 peak

IMDEXHUB-IQ™

connected revenue

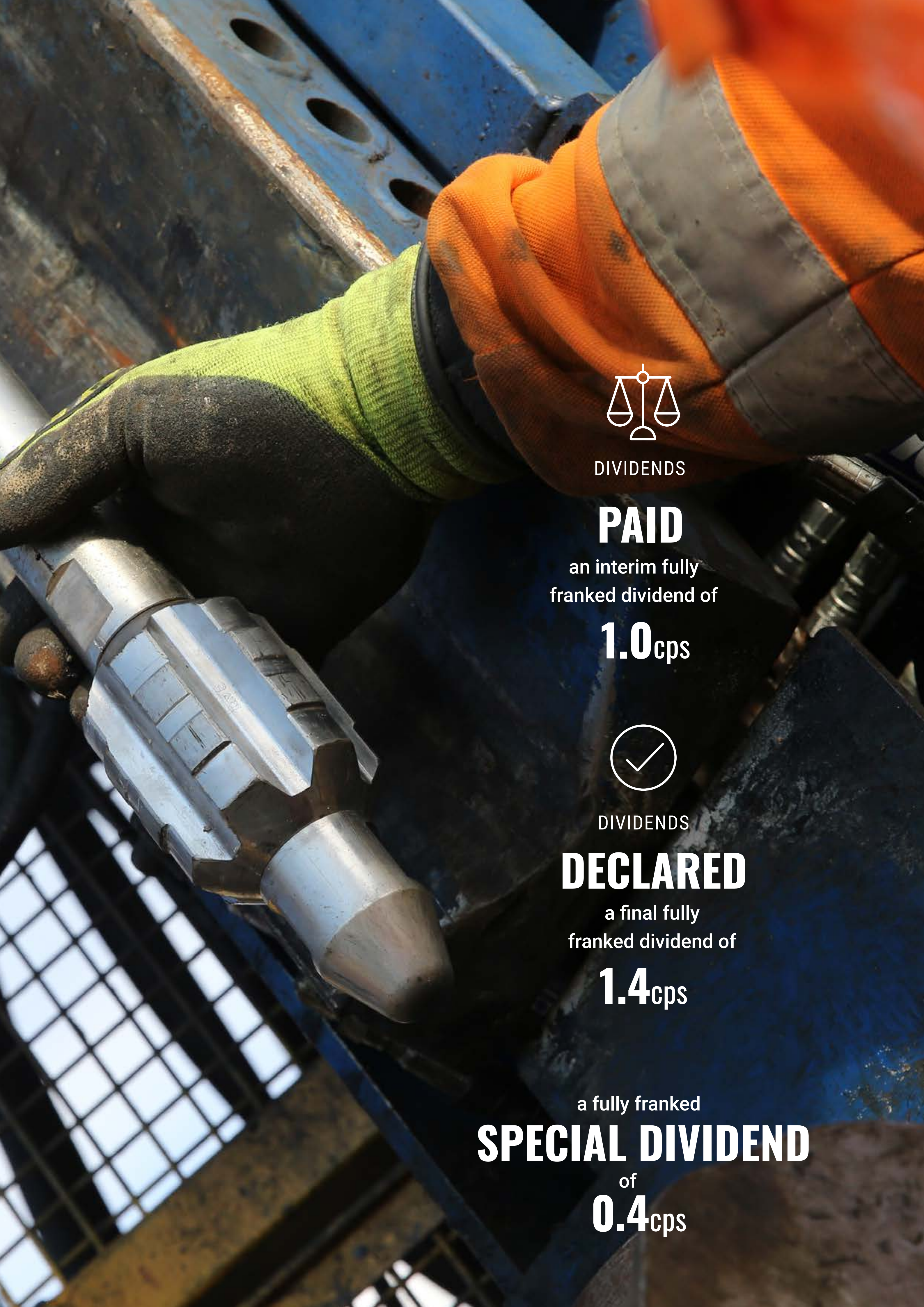
UP 30%

INCREASED PRODUCTION CAPABILITIES

for gyro-related technologies in response to demand

RESPONDED TO INCREASING DEMAND FOR REMOTE WORKING SOLUTIONS

upgraded IMDEXHUB-IQ™ and released ioGAS 7.3™ geochemistry data analysis software



DIVIDENDS

PAID

an interim fully
franked dividend of

1.0cps

DIVIDENDS

DECLARED

a final fully
franked dividend of

1.4cps

a fully franked

SPECIAL DIVIDEND

of

0.4cps

FINANCIAL HIGHLIGHTS

Compared to FY20 at 30 June 2020

RECORD REVENUE of

$264.4 million

up 11.2% (up 18% on a constant currency basis)

EBITDA of

$75.5 million

up 38.8% (up 50% on a constant currency basis)

STRONG CASH GENERATION

with cash from operations

UP **8.6%**

ROBUST BALANCE SHEET

with a strong net cash position of

$47.4 million

UP **47.7%**

KEY METRICS

$m (unless indicated otherwise)	FY21	FY20	VAR %
Revenue	264.4	237.7	11.2
EBITDA[1]	75.5	54.4	38.8
EBITDA[1] **Margin %**	28.5	22.9	24.5
NPBT	44.5	29.1	52.9
NPAT	31.7	21.8	45.5
EPS (cents)	8.0	5.6	42.0
Operating Cash Flow	56.9	52.4	8.6
Operating Cash Flow Per Share (cents)	14.4	13.6	5.9
Net Assets (at 30 June)	253.1	221.6	14.2
Net Cash (at 30 June)[2]	47.4	32.1	47.7
Fully Franked Final Dividend (cents)	1.4	0.7	100
Fully Franked Special Dividend (cents)	0.4	2.0	-
Full Time Employees (at 30 June)	521	485	7.4

[1] Excluding $3.6m gain on VES sale in FY20 and $2.9m net gain in FY21 on Flexidrill and AusSpec deferred consideration fair value adjustment.

[2] Cash less external borrowings (excluding lease liabilities)

CHAIRMAN'S ADDRESS

Dear shareholders,

On behalf of the IMDEX Board of Directors (the Board) I'm pleased to present the Company's Annual Report for the 2021 financial year (FY21).

FY21 was another positive year for IMDEX. The Company protected its people, performed strongly, delivered on its growth strategy and maintained its sustainable dividend policy.

PROTECTING OUR PEOPLE

IMDEX's focus on its people and its broad approach to their wellbeing, was particularly evident this year.

Pleasingly, the Company's safety performance improved considerably and its lost time and total recordable injury frequency rates reduced by half.

Other notable achievements included: the introduction of an IMDEX Diversity Policy and a global diversity program; new employee entitlements that deliver greater workplace flexibility; targeted training and capability development; a formal employee recognition program; and a new reward and remuneration framework.

All of these important initiatives enhance IMDEX's employee value proposition and align with the Company's strategic milestones.

Further information regarding IMDEX's safety performance and people can be found on pages 41-43 of this report. Similarly, the Company will expand on these topics in its first Sustainability Report, due to be released in September 2021.

The Board and Executive Leadership Team are committed to enhancing IMDEX's ESG related disclosure. We have adopted a stepwise approach to ensure this disclosure is material and supports informed decision making by all stakeholders.

OUTPERFORMING EXPECTATIONS

The strength of IMDEX's underlying business enabled the Company to leverage buoyant market conditions and perform strongly.

The revenue result of $264.4m represented an 11.2% increase on FY20, and EBITDA was $75.5m, a 38.8% increase on the previous year.

A SUSTAINABLE DIVIDEND POLICY

The Board declared a fully franked final dividend of 1.4 cents per share. This in line with the Company's historical 30% payout ratio. In light of the strong growth and cash balance a special dividend of 0.4 cents per share was also declared. This brings the full year dividend total to 2.8 cents per share.

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

Dividend record and payment dates are 28 September and 12 October 2021, respectively.

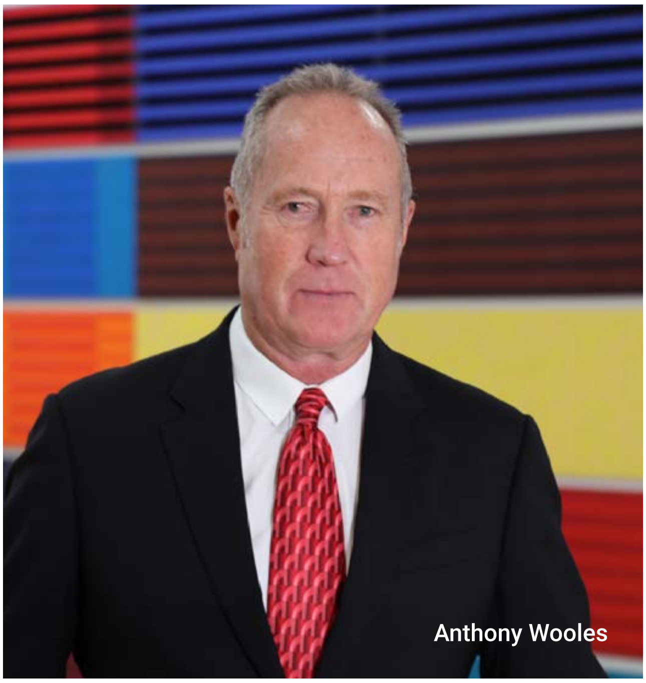
DELIVERING ON STRATEGY

The Company did an excellent job of adapting to the challenges presented by COVID-19 and executing its growth strategy. Paul provides greater detail in his Review of Operations; however, I would like to highlight three achievements:

- The acquisition of AusSpec and its aiSIRIS platform to strengthen IMDEX's real-time rock knowledge offering for all clients across the mining value chain;
- Delivery against the Company's disciplined and stage-gated development roadmap to maintain technical leadership; and
- Greater industry collaboration to overcome restrictions and advance client-lead solutions.

During FY22, key priorities for our Board include:

- Continued improvement in safety at all levels and the wellbeing of IMDEX's people;
- Strong corporate governance, including emerging ESG related requirements;
- Rigorous assessment of the performance of the Company's underlying business;
- Guiding the next phase of IMDEX's growth strategy; and
- Clear focus on the milestones underpinning IMDEX's Long Term Incentive Plan.



Anthony Wooles

A RESPONSIVE AND TALENTED TEAM

Earlier this year, we were pleased to welcome Trace Arlaud as a Non-executive Director. Trace is a very practical and candid professional who has slotted in seamlessly with our Board. Her industry experience, technical knowledge and geographic network enable her to provide valuable counsel and client insights. Further information regarding Trace's appointment and her complementary expertise can be found in IMDEX's market announcement on 11 February 2021.

My sincere thanks to all of our Board members. Everyone has continued to do a terrific job, well above and beyond what is required. It is a true pleasure working with you.

I would also like to express my gratitude to Paul House, who settled in impeccably and did an excellent job during his first year as CEO. The Executive Leadership Committee and all of IMDEX's global team should be congratulated for their unwavering commitment, particularly in uncharted operating conditions.

The Board is excited about the prospects for IMDEX as the Company continues to evolve as a leading Mining-Tech company with considerable global reach.

Anthony Wooles
IMDEX Chairman

CEO REVIEW OF OPERATIONS


Paul House

Dear Shareholders,

I am pleased to provide a review of our operations for the 2021 financial year, my first twelve months as IMDEX CEO.

FY21 was truly challenging, and ultimately a rewarding year. I am often asked what I enjoy most about my role as CEO. My response has always been, 'because it's fun'. This would not be so, if it were not for the multitude of talented people around me. Their innovation, commitment, and intricate knowledge of orebodies and data platforms astounds me every day.

RECORD FINANCIAL PERFORMANCE

Our results were a highlight. We generated record revenue of $264.4m and our EBITDA of $75.5m was up 38.8%. On a constant currency basis, revenue and earnings grew 18% and 50% respectively, highlighting the real strength in the underlying business.

Our strong uplift in earnings reflected the increasing percentage of revenue coming from our higher-margin sensors and software business. At the close of FY21, rentals and subscriptions represented 55% of revenue. Our focus on streamlining operations and the benefits of our digital transformation - Digital 1.0 - were evident.

The investment we have made in Digital 1.0 to improve the cost to serve, and the quality of service, is delivering leverage in gross and net margins. This leverage allows us to spend more time engaging with clients and building a pipeline of new and next generation technologies.

In a year when balance sheet management was critical for most organisations, we outperformed. And we did so in all the jurisdictions we operate.

It may be easy to attribute our strong results with the overall strength of the market, but that would take away from the true underlying performance of our business. Our objective has always been to outperform our market proxies. In FY21 we achieved this in an exceptional way.

OPERATIONAL ACHIEVEMENTS

I would like to echo the comments by Anthony regarding our safety performance. Many organisations have experienced an increase in HSE incidents as both the pressure and change of work practices under COVID-19 impact their teams. Pleasingly, we have seen the opposite. It has taken a lot of attention and engagement, and it is a testament to our team.

Safety is more than just the incidents that we report. It is the way we look after ourselves and each other. At work and at home.

There are a number of other achievements I would like to highlight:

- Our joint development agreements (JDAs) to support new product development and delivery in partnership with our clients;
- Our record number of rock knowledge sensors on rent and the growth of our IMDEXHUB-IQ™ connected revenue; and
- Our ability to respond to changing client needs.

JDAs to support new product development and delivery

Our conscious step to build JDAs to bring new products to market has been a success in its first year. With three agreements signed and four in the works, we are excited by this model.

Increasingly, the solutions that we are designing benefit multiple players within the mining value chain. The JDA model ensures that any of these players come together in a structured manner.

Throughout the year we made great progress in soliciting client feedback. We have developed multiple user communities that play a key role in shaping the products and technologies we build. In one case, we have a group comprising 33 resource companies that provide critical insights. The power of this engagement is that a 500-person company like IMDEX, can be a 5000-person company contributing to better technologies and better outcomes.

Record Sensors on Rent and Growth of our IMDEXHUB-IQ™ Connected Revenue

Demand for our sensors was reflective of our leading technologies and strong market conditions. We had a record December 2020 and a strong uptake in January 2021. At the close of FY21, we had achieved the highest number of sensors on hire, and revenue from all regions was near to, or exceeded pre-COVID-19 levels.

Over the same period, our recurring IMDEXHUB-IQ™ connected revenue was up 30% and connected metres drilled was up 60%. This uplift on the previous year, is more than our revenue growth, and highlights that our technologies enable better workflows for clients. This is a true measure of success.

Responded to Increasing Demand for Remote Working Solutions

I am immensely proud of how everyone in our business amended their priorities and helped clients navigate COVID-19.

Our ability to be flexible and redirect resources to meet changing needs is a highlight of our results and culture. Two examples include the upgrade of IMDEXHUB-IQ™ and the release of IMDEX ioGAS 7.3™ geochemistry data analysis software.

Enabling clients to work remotely, efficiently, securely, and safely are key components of our customer value proposition.

INDUSTRY AND MARKET UPDATE

Activity recovered throughout 1H21, boosted by strong industry fundamentals and a keen willingness by clients to sustain and increase operations.

This positive momentum continued into 2H21. The pace of growth was tempered due to supply chain pressures, and short-term labour and rig shortages – notably in Australia, Canada, and the USA.

COVID-19 increased industry pressure on our supply chain, particularly delivery times and freight charges. Fortunately, we have multiple supply chain contingencies and continue to support clients without material disruption.

In most of our jurisdictions, mining operations are considered essential to economic recovery and are exempt from hard lockdowns. Pleasingly, the implementation of COVID-19 vaccination programs began to support greater mobility, particularly in the USA.

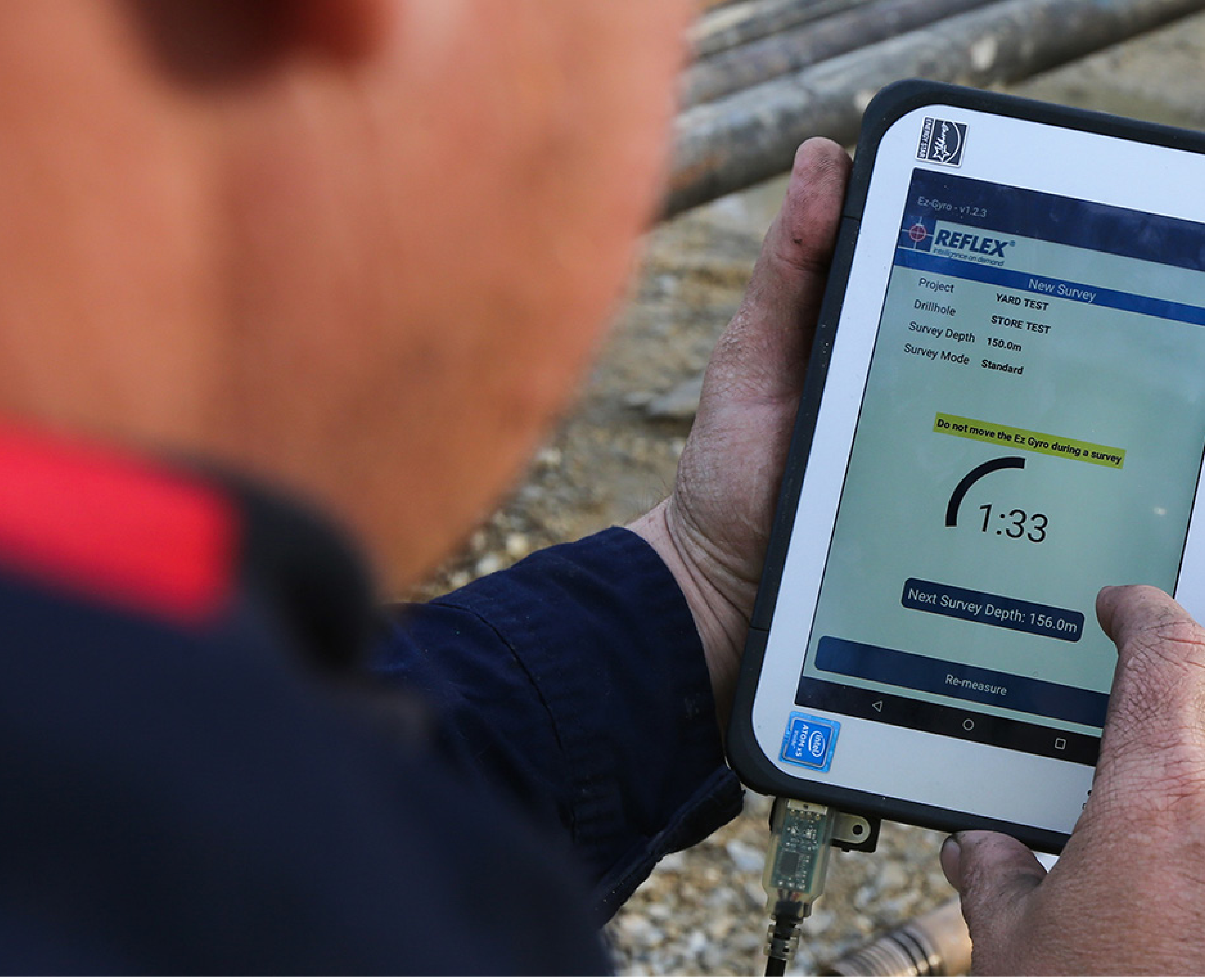
We will continue to closely monitor risks and leverage positive industry structural changes, together with increasing demand for technologies and software that enable remote operations.

GROWTH STRATEGY

Although COVID-19 impacted our market and business, our underlying strategy remains unchanged:

- Growth of our core business by enhancing technical leadership and embedding value for clients; and
- Expansion within the larger production stage of the mining value chain, which is a larger market and less subject to cyclical impact.

To deliver, we are committed to targeted R&D, providing end-to-end IMDEX solutions, and leveraging our core competencies throughout the mining value chain. The strength of our balance sheet and net cash position also enables us to make on-strategy acquisitions as they present. To be on-strategy, these acquisitions must complement our product offering, have unique IP, and accelerate our development roadmap to deliver real-time orebody knowledge.



FOCUS AREAS FOR FY22

For the balance of FY22 our people will remain front and centre. Concurrently, we will focus on four key operational initiatives:

1. Prosecuting our R&D roadmap to accelerate growth and build scale;
2. Securing additional joint development agreements to engage with resource companies and drilling clients for new product development and delivery;
3. Building key account management capabilities to embed value for clients and enhance IMDEX solution selling; and
4. Commencing our digital Transformation 2.0 to further streamline costs and enhance client experience.

At all times we will ensure a high level of discipline and a relentless execution to be best-in-class.

CULTURE AND PEOPLE

There is a well known phrase that culture will eat strategy for breakfast. The reason it is well known is that it is true. The culture that we are building to take that next step as a growth company made great strides this year. We have expanded on these achievements on pages 45 - 47 of this Report and within our first Sustainability Report, which we are proud to release in September 2021.

Later in the year we will also launch our refreshed IMDEX brand and values in line with our 40th Anniversary. Key themes include:

Our global thinking;

- An awareness that the work we do has a direct impact on efficient and sustainable mining practices
- Innovation to solve industry challenges
- The importance of collaboration.

> **The pride I feel in how our people around the world have responded to overcome barriers between families, colleagues and clients has been truly remarkable**
>
> PAUL HOUSE, IMDEX CEO

A REMARKABLE TEAM AND A POSITIVE OUTLOOK

This year I can say confidently, despite travel restrictions, the distance between the Board Room and our front-line teams has been shorter than it has ever been.

The pride I feel in how our people around the world have responded to overcome barriers between families, colleagues and clients has been truly remarkable.

Against this backdrop the outlook remains brighter than at any time in our past. The underlying fundamentals for our industry are excellent. The pipeline of our technologies that has been put together with input from our clients is long. And the team we have assembled both to build and deliver those products has never been stronger.

My sincere thanks to our Board members, Paul Evans, our XCo, and everyone at IMDEX for your guidance and positive contributions.

We have the talent, the network and the balance sheet to respond to market needs and opportunities as they present.

We look forward with great excitement to FY22 and what the years that follow will bring to IMDEX's team, its clients and ultimately its shareholders.

Paul House
IMDEX CEO

EXECUTIVE LEADERSHIP COMMITTEE

PAUL HOUSE
Chief Executive Officer

Time with IMDEX
Joined as Chief Executive of REFLEX in 2017. Transitioned to Chief Operating Officer in 2019 and commenced as CEO in 2020

Experience
30 years within the resources and technologies sectors

Lived and worked in a wide range of international markets including the USA, Australia, Africa, India, the Middle East, and Southeast Asia

14 years with SGS, the world's leading inspection and testing firm, with a dominant presence in the resources geochemistry assay and metallurgy sectors

Expertise
Management, strategy, operations, corporate finance and governance

Professional Qualifications
Bachelor of Commerce from the University of Western Australia

Memberships and Associations
Fellow of the Australian Institute of Management

Graduate Member of Australian Institute of Company Directors

PAUL EVANS
Chief Financial Officer & Company Secretary

Time with IMDEX
Commenced as Chief Financial Officer and Company Secretary in 2006

Experience
35 years within the mining services, media, manufacturing, and telecommunications sectors

Expertise
Finance, governance, and general management

Professional Qualifications
Chartered Accountant Australia and New Zealand

Memberships and Associations
Fellow of Chartered Accountants Australia and New Zealand

Graduate Member of Australian Institute of Company Directors

SHAUN SOUTHWELL
Chief Operating Officer

Time with IMDEX
Joined Imdex in 2018 as Vice President Asia Pacific and Global Supply Chain Manager, transition to Chief Operating Officer in 2020

Experience
27 years with Gearhart United – a subsidiary of SGS and a leading designer and manufacturer of oilfield equipment in Australia

Expertise
General management and all aspects of supply chain including manufacturing, service, fleet management and logistics

The drilling and equipment industry

Professional Qualifications
Leading Organisational Impact – Melbourne Business School Executive Program

MATHEW REGAN
Chief of Corporate Shared Services

Time with IMDEX
Commenced as Chief Information and Transformation Officer in 2017. Transitioned to Chief of Shared Corporate Services in 2020

Experience
19 years with CBH in senior and executive roles including Chief Information Officer, Shared Services, Innovation and Strategy and Transformation

Expertise
Business transformation, strategy, innovation, supply chain optimisation and digital technologies

Professional Qualifications
Bachelor of Computer Science from Edith Cowan University and a Master of Information Technology from the University of Western Australia

Stanford University Executive Program

Memberships and Associations
Member of the Curtin University Faculty of Science and Engineering Advisory Board

MICHELLE CAREY
Chief of Product Management and Marketing

Time with IMDEX
Joined following IMDEX's acquisition of ioGlobal in 2012. Appointed to General Manager of IMDEX Product Development in 2019. Transitioned to Chief Product and Marketing Officer in 2020

Experience
Over 25 years experience in the mining industry.

More than 10 years' experience as a geoscientist in technical and management roles for tier one mining companies

15 years focusing on mining technology development

Expertise
Innovation and product development within the mining industry

Professional Qualifications
PhD in Geochemistry from Monash University

Memberships and Associations
Member of Austmine Board

Member of the Insead Alumni Association

DAVE LAWIE
Chief Geoscientist / Chief Technologist – Mining Solutions

Time with IMDEX
Joined as Chief Geoscientist following IMDEX's acquisition of ioGlobal in 2012. Appointed Chief Geoscientist and Chief Technologist - Mining Solutions in 2015

Experience
Global positions in exploration geochemistry and R&D with Pasminco and Anglo American before co-founding ioGlobal in 2004

Expertise
Geochemistry, geometallurgy, innovation, analytics and cloud-based data management and analysis

Professional Qualifications
PhD in Geosciences and Analytics from the University of New England

Trade qualified Instrument Technician

Memberships and Associations
A member of AusIMM

TIM PRICE
Chief of Engineering and Research and Development

Time with IMDEX
Joined in 2011 as General Manager of Engineering and Product Development, IMDEX Technology Germany

Experience
35 years' experience in engineering and product development

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

Expertise
Downhole instrumentation, engineering management and research and development

Professional Qualifications
Bachelor of Science in Electronic Engineering and Master of Science in Electrical Engineering from California Polytechnic State University, San Luis Obispo

Memberships and Associations
Member of Institute of Electrical and Electronic Engineers

Member of Society of Petroleum Engineers

KIAH GRAFTON
Executive General Manager of Human Resources

Time with IMDEX
Joined as Human Resources Manager Asia Pacific in 2017. Transitioned to Global Head of Human Resources then Executive General Manager of Human Resources

Experience
Over 18 years as a human resources generalist

Broad industry experience including resources, banking, hospitality and not-for-profit sectors for national and global organisations

Expertise
Strategy, talent acquisition, industrial relations, and organisational development

Professional Qualifications
Bachelor of Business, Human Resources Management & Management, Edith Cowan University

Memberships and Associations
Graduate Member of Australian Institute of Company Directors

Graduate Member of Chief Executive Women (CEW) Leaders Program

MICHAEL TOMASZ
General Counsel and Company Secretary

Time with IMDEX
Joined in 2021 as General Counsel and Company Secretary

Experience
International experience gained across a wide range of markets, including North America, Asia Pacific, the Middle East, Japan, and Europe

Worked with a tier one mining company and one of world's largest oilfield services companies

Expertise
Corporate and commercial law

Building collaborative partnerships within the resources sector

Professional Qualifications
Admitted as a barrister and solicitor in the Supreme Court of New South Wales; admitted as a Solicitor in England & Wales

Master of Business Administration from Curtin University, Bachelor of Laws from Murdoch University, Bachelor of Science (Geology) from University of Western Australia

Memberships and Associations
AMPLA (Australian Mining and Petroleum Lawyers Association)

ACC Australia (Association of Corporate Counsel)

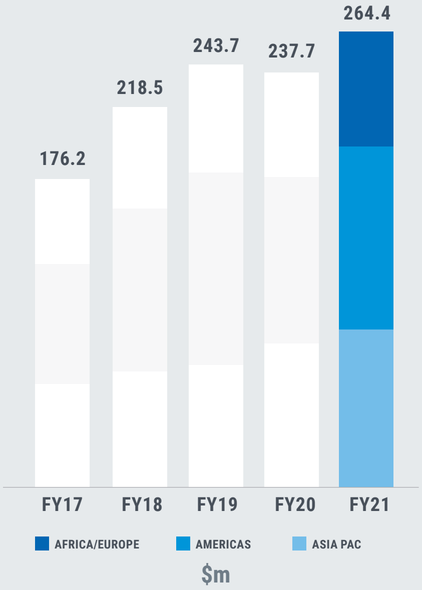
FINANCIAL PERFORMANCE AND STRATEGY

FINANCIAL SUMMARY

REVENUE

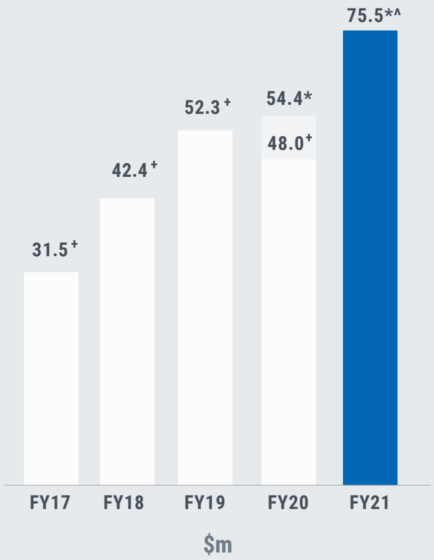
13%
5 YEAR CAGR

(Comparable S&P CAGR 8.3%**)

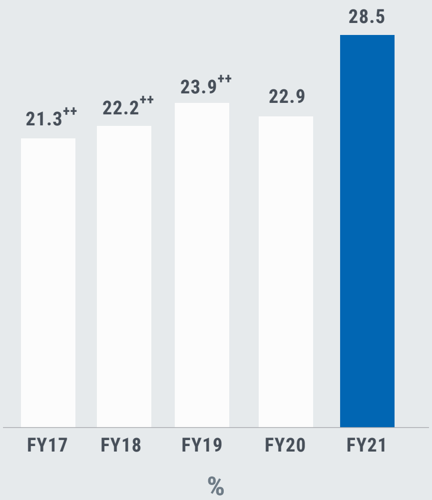


EBITDA

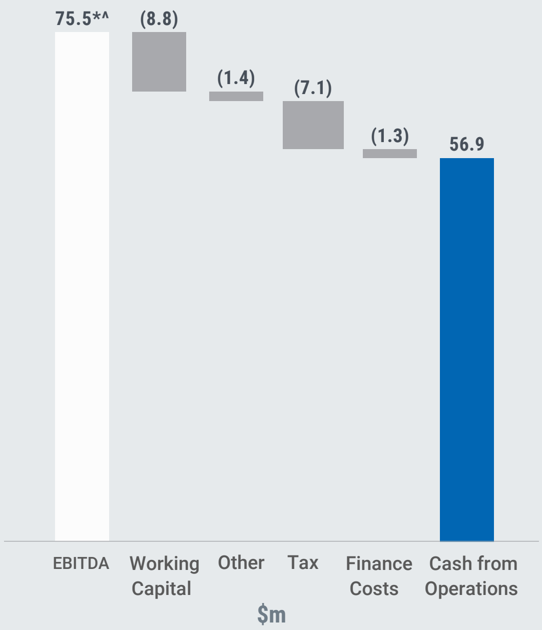
23.5%++
5 YEAR CAGR



EBITDA MARGIN %



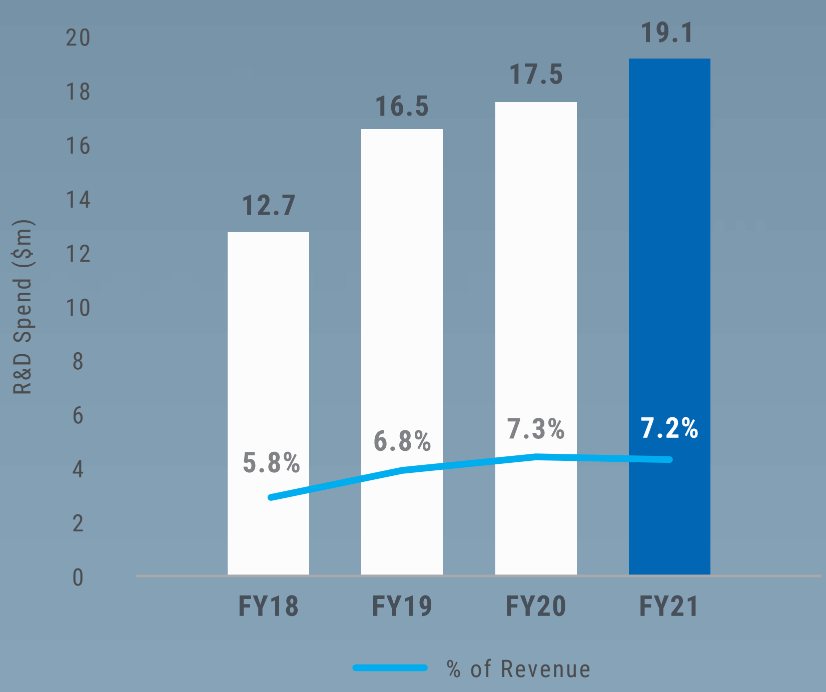
EBITDA RECONCILIATION



* Including AASB 16
\+ Excluding AASB 16
^ Excluding $2.9m net gain in FY21 on Flexidrill and AusSpec deferred consideration fair value adjustment
** IMDEX uses S&P Market Intelligence global exploration expenditure for nonferrous metals as an industry benchmark for growth
++ Notionally adjusted for inclusion of the impact of AASB 16

A COMMITMENT TO RESEARCH & DEVELOPMENT

RESEARCH & DEVELOPMENT R&D SPEND ($M)



INVESTMENT IN R&D IN ALL MARKET CONDITIONS

ABILITY TO TARGET AND REDIRECT R&D SPEND IN LINE WITH DEMAND

DISCIPLINED STAGE GATE PRODUCT DEVELOPMENT PROCESS

INCREASING PERCENTAGE OF EXPENDITURE ON SOFTWARE VERSUS HARDWARE

R&D IS LARGELY EXPENSED

BALANCE SHEET

$m	30 JUNE 2021	30 JUNE 2020
Cash	58.5	38.3
Receivables	58.2	43.5
Inventory	41.5	41.2
Fixed assets [1]	78.6	79.6
Intangibles [2]	92.9	83.6
Other assets / deferred tax	36.4	31.9
TOTAL ASSETS	**366.1**	**318.1**
Payables	37.9	26.9
Borrowings [3]	11.1	6.1
Other liabilities, provisions and current tax [4]	64.0	63.5
TOTAL EQUITY	**253.1**	**221.6**
ROE	13.3%	9.9%
ROCE	15.5%	11.4%

[1] Includes leases assets of $33.0m in June 2021 ($36.5m June 2020)

[2] Includes intangibles of $9.8 arising from the acquisition of AusSpec

[3] Increased USD borrowings to manage our currency exposures

[4] Includes lease liabilities of $38.9m ($41.5m June 2020) and deferred consideration for the purchase of Flexidrill of $12.2m ($14.7m June 2020) and AusSpec $2.5m

INTERIM FULLY-FRANKED DIVIDEND OF 1.0 CPS

FINAL FULLY-FRANKED DIVIDEND OF 1.4 CPS IN LINE WITH HISTORICAL 30% PAYOUT RATIO

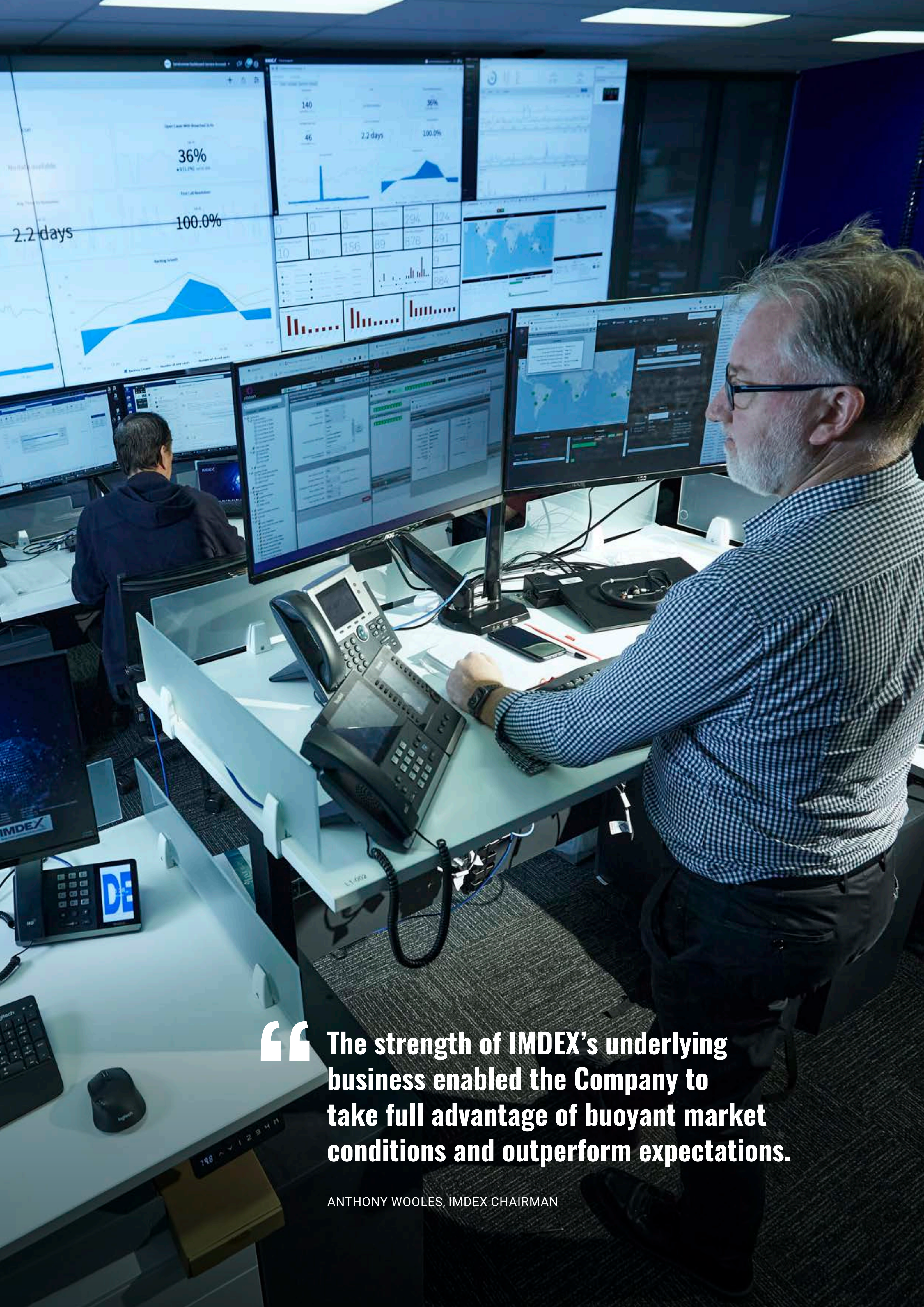
SPECIAL FULLY FRANKED DIVIDEND OF 0.4 CPS

CONTINUED INVESTMENT IN LEADING TECHNOLOGIES TO DRIVE FUTURE GROWTH

SUMMARY OF FINANCIAL HIGHLIGHTS

	FY21 $m	FY20 $m
Revenue from continuing operations (excluding interest income)	**264.4**	**237.7**
Earnings before interest, tax, depreciation & amortisation (EBITDA) from continuing operations[1]	**78.4**	**58.0**
EBITDA margin	*29.7%*	*24.4%*
Depreciation of property, plant and equipment	(20.3)	(19.0)
Depreciation of right-of-use assets	(6.0)	(5.9)
Amortisation of Intangible Assets	(4.5)	(1.6)
Earnings before tnterest & tax (EBIT)	**47.6**	**31.5**
Net interest expense	(3.1)	(2.4)
Net profit before tax	44.5	29.1
Income tax expense	(12.9)	(7.4)
Net profit after tax from continuing operations	**31.7**	**21.7**
Basic earnings per share from continuing and discontinued operations (cents)	**8.0**	**5.6**
Net cash provided by operating activities	**56.9**	**52.4**
Cash on hand	**58.5**	**38.3**
Net assets	**253.1**	**221.6**
Total borrowings	**11.1**	**6.1**
Net tangible assets per share (cents per share)	**40.4**	**35.6**

[1] FY21 includes $2.9m relating to the fair value gain on deferred consideration. FY20 contains $3.6m relating to the sale of interest in VES

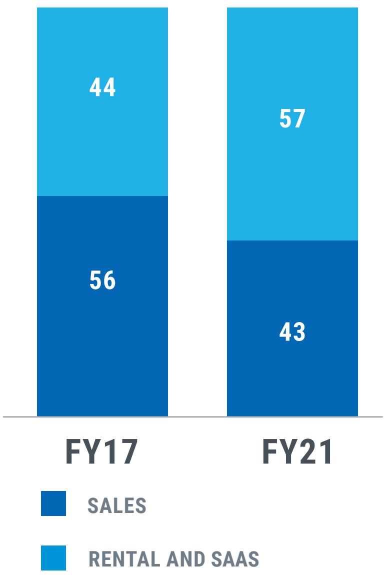


> **"The strength of IMDEX's underlying business enabled the Company to take full advantage of buoyant market conditions and outperform expectations.**

ANTHONY WOOLES, IMDEX CHAIRMAN

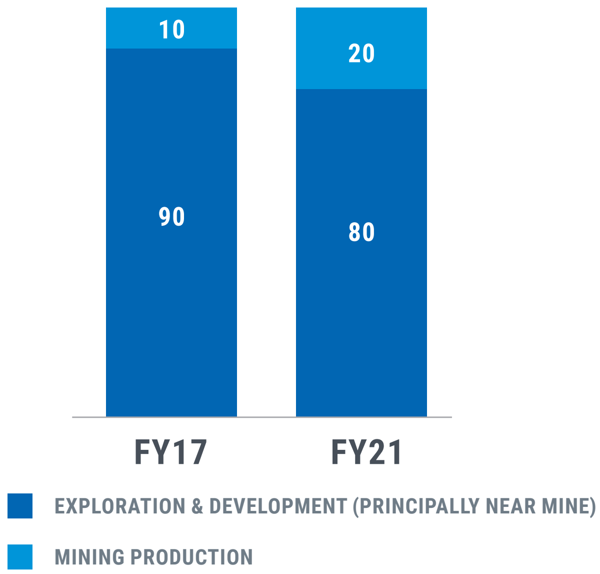
QUALITY REVENUE MODEL

SENSORS & SOFTWARE
%



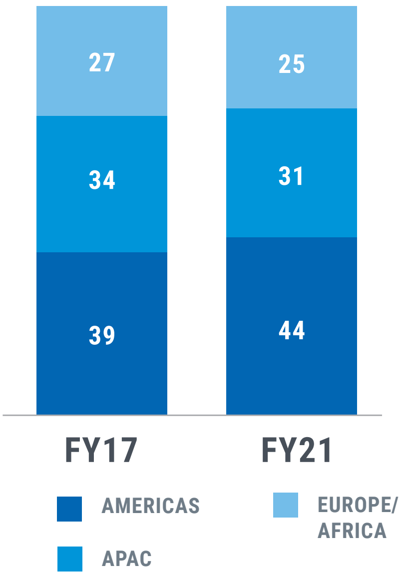
- Increasing revenue from sensors and software – higher margins and quality recurring revenue

PRODUCTION EXPOSURE
%



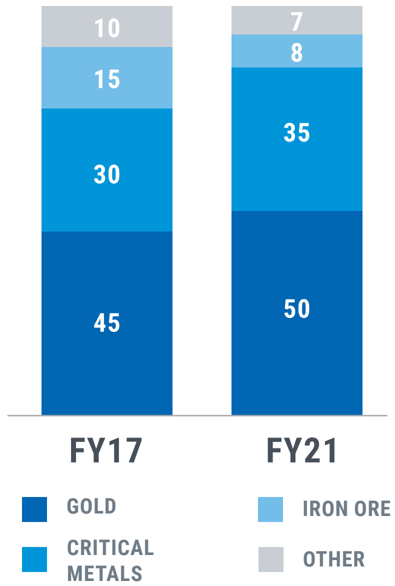
- Increasing revenue from mining production phase – a larger addressable market and less-cyclical

AMERICAS
%



- Increasing revenue from the Americas

BROAD COMMODITY EXPOSURE
%



- Product offering is commodity agnostic
- Critical metals are expected to grow at a faster rate

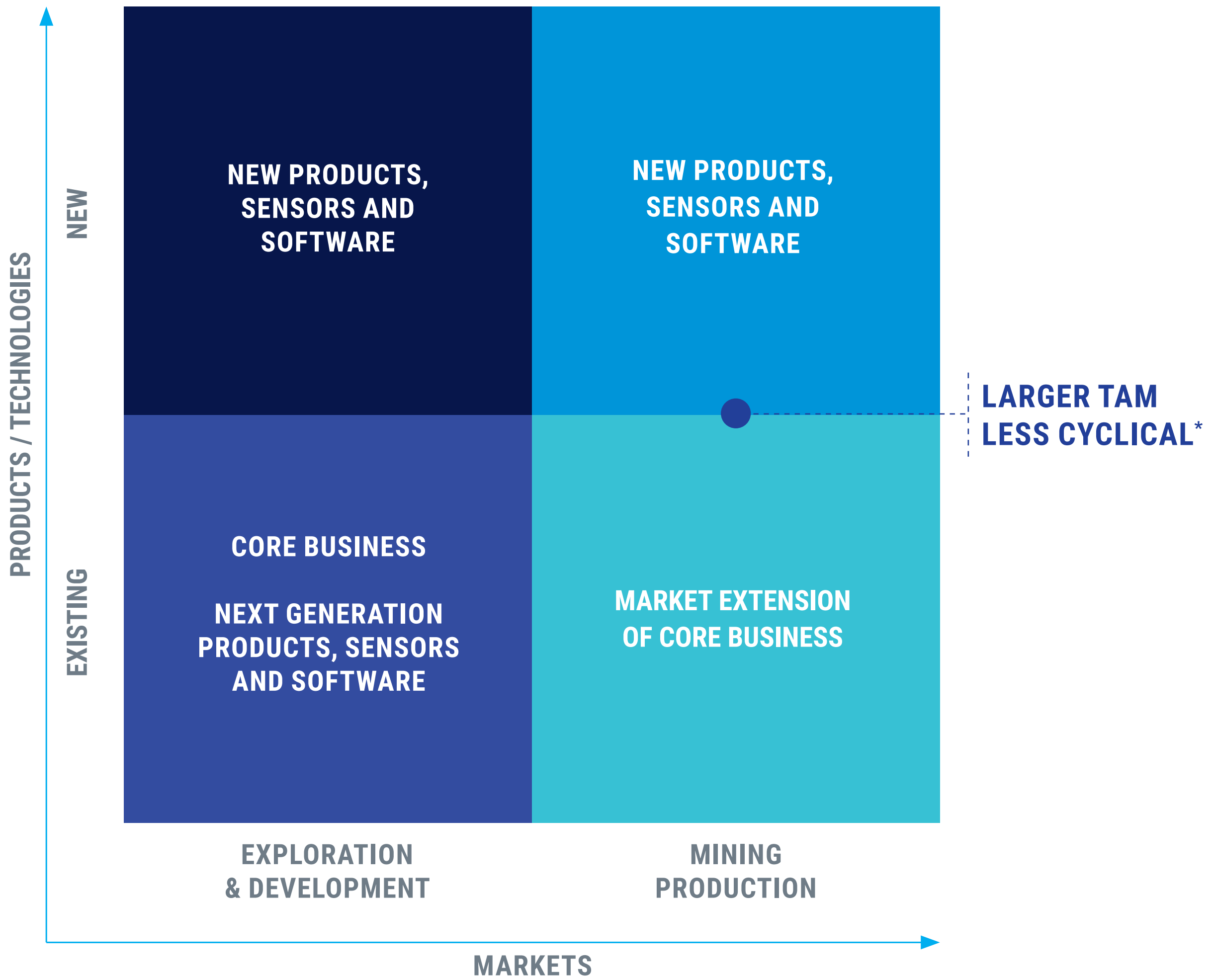
GROWTH STRATEGY

IMDEX has a clear strategy to achieve sustainable earnings growth, which includes:

- **Growing its core business in exploration and development; and**
- **Expansion within mining production phase, which is a less-cyclical larger market.**

To deliver this growth strategy the Company invests in: complementary acquisitions; ongoing and targeted R&D to maintain technical leadership; and industry collaboration to optimise orebodies and deliver end-to-end solutions.

IMDEX's strong financial position, world-class R&D capabilities, established global presence and strong leadership team, support its ongoing success for shareholders.



*Total addressable market

KEY FOCUS AREAS AND OPERATIONAL INITIATIVES FOR FY22

Protecting our people

Protecting the continuity of our business to support clients

Increased R&D for connected sensors and software solutions to accelerate growth and build scale

Joint development agreements to engage with resource companies and drilling clients for new product development and delivery

Key account management to embed value for clients and enhance IMDEX solution selling

Digital transformation 2.0 to further streamline costs and enhance client experience

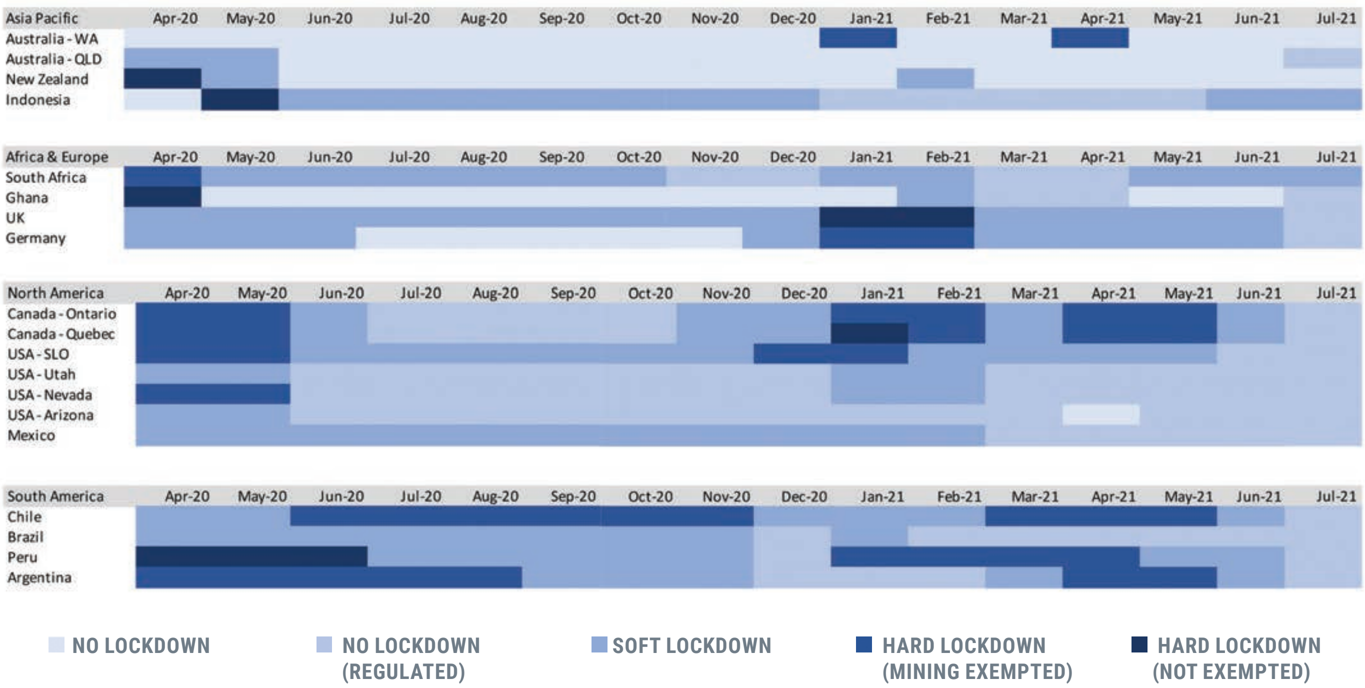
IMDEX BLASTDOG™

OPERATING ENVIRONMENT

COVID-19

EVOLUTION OF COVID-19 GOVERNMENT MANDATED RESTRICTIONS ON IMDEX MINING REGIONS

This table shows the impact of government mandated COVID-19 lock-downs on our key regions from April 2020. In most jurisdictions mining is considered essential to economic recovery and is exempt from hard lockdowns.



KEY OPPORTUNITIES

- Acceleration of positive industry structural change
- New efficient ways of working - beneficial for the long-term
- Increasing demand for IMDEXHUB-IQ™ cloud-based technologies and software
- Increasing demand for solutions to support clients to work remotely, efficiently, securely, and safely

KEY CHALLENGES

- Increasing pressure on industry processes to protect labour and supply chains
- Corporate restrictions continue to limit access to sites, including for trials of new products
- Government restrictions continue to be fluid, impacting labour mobility and project continuity

MARKET AND INDUSTRY REVIEW

Broad-based recovery in the minerals sector globally
Recovery spanned all key mining areas and was particularly evident in the Americas
Strong commodity prices supported by government stimulus, decarbonisation targets and demand across a broad range of sectors including consumer, industrial and government related industries
Large, mid-cap and junior resource companies are well funded and increased their expenditure to replace diminishing reserves
Short-term supply chain pressure, labour, and rig constraints
Exploration was predominantly focused on lower-risk brownfield projects
New discoveries are likely to be under cover and at depth resulting in larger drilling campaigns
Increasing demand for mining-technologies to deliver real-time orebody knowledge
Increasing demand for mining-technologies that support remote working

“The industry is clearly willing to invest in capital and increase exploration expenditure. The challenge will be the speed at which it can move.

“The industry drivers of depleting reserves, strong commodity pricing and the trend towards decarbonisation, is driving substantially increased industry exploration budgets. Delivery against these targets will require time and investment in labour, drilling rigs, and other supply chain pressures that are a current constraint.”

PAUL HOUSE, IMDEX CEO - JUNE 2021 MACQUARIE EMERGING LEADERS CONFERENCE

CORPORATE

RISK

RISK MANAGEMENT

Throughout the year we broadened and deepened our risk management practices across all aspects of our business including:

- Enterprise risk
- Anti-bribery and anti-corruption risk
- New product project risk
- Shared services risk.

To support best-practice risk processes, we expanded our dedicated internal risk function. This function is responsible for promoting and facilitating stronger engagement in risk management activities from identification to assessment, management and control.

A key focus was ensuring a strong targeted framework for COVID-19 resilience. Protecting our people and our business was critical and included infection prevention and control, crisis management and business continuity.

ENGAGEMENT WITH INTERNAL AUDIT

Our internal audit function was integrated into the risk and regulatory compliance function to better align with our strategic objectives and the functions of the IMDEX Board ARCC.

Other notable achievements included:

- Additional capability and systems to support internal stakeholders in managing and resolving internal audit findings; and
- Stronger links between risk management, regulatory compliance, quality systems, information security and the internal audit functions to ensure that the function is risk-based, proportionate, and focused on adding value to our business.

REGULATORY COMPLIANCE

We strengthened our regulatory compliance framework and improved the compliance maturity of our global IMDEX businesses. Our aim was to embed procedures and contact points in daily business processes.

Other achievements included:

- Significant investment into new systems and processes for compliance risk management, compliance tracking and action management;
- Expansion of our internal capability with the goal of supporting a consistently high level of regulatory compliance performance across all jurisdictions; and
- A 3-year strategy update to strengthen our regulatory compliance maturity, processes and systems in consultation with global IMDEX businesses, the IMDEX XCo, IMDEX Board and external stakeholders.

MODERN SLAVERY

We were pleased to publish our first Modern Slavery Statement in FY20. As part of this process, we engaged a broad range of stakeholders within our business to strengthen modern slavery awareness and risk management practices.

When preparing our Modern Slavery Statement, suppliers comprising 98% of our annualised spend were subject to a risk assessment. Other initiatives included:

- Implementation of a targeted audit program on high-risk suppliers; and
- Development of a three-year strategy to strengthen and enhance our risk management strategies for modern slavery, child labour, and other forms of forced labour in the IMDEX global supply chain.

Our FY20 Modern Slavery Statement can be found on our website at:
https://www.imdexlimited.com/about-us/corporate-governance

Our FY21 Modern Slavery Statement will be released in December 2021

> This year I can say confidently, despite travel restrictions, the distance between the Board Room and our front-line teams has been shorter than it has ever been.

PAUL HOUSE, IMDEX CEO

SAFETY AND 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.

Further information regarding our QHSE Policies can be found on our website at: https://www.imdexlimited.com/about-us/qhse

KEY SAFETY INITIATIVES FOR FY21

- Safety Engagement through individual objectives, for every part of the business
- Enhancing communication via monthly performance reports, updates, and Safety Alerts
- Driving accountability through live leading indicator dashboards, highlighting individual performance, from front line to the CEO
- Establishing five new QHSE Courses in IMDEX Academy, covering topics from Hazard and Risk Management to Health & Wellbeing

Notable achievements throughout the year included the continued success of iAuditor to enhance safety engagement and our improved lost time injury rates.

Our Safety Engagement average increased from 12 to 17.6. This rate is measured in iAuditor and records the number of safety activities per employee.

Pleasingly, our Lost Time and Total Recordable Injury Frequency Rates reduced by half.

KEY FOCUS AREAS FOR FY22

- Managing High Potential Incidents through enhanced reporting and investigation workflows.
- Developing a Management & Supervisors Essentials course that includes HSE as a core component.
- Building on existing HSE training resources within IMDEX Academy.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

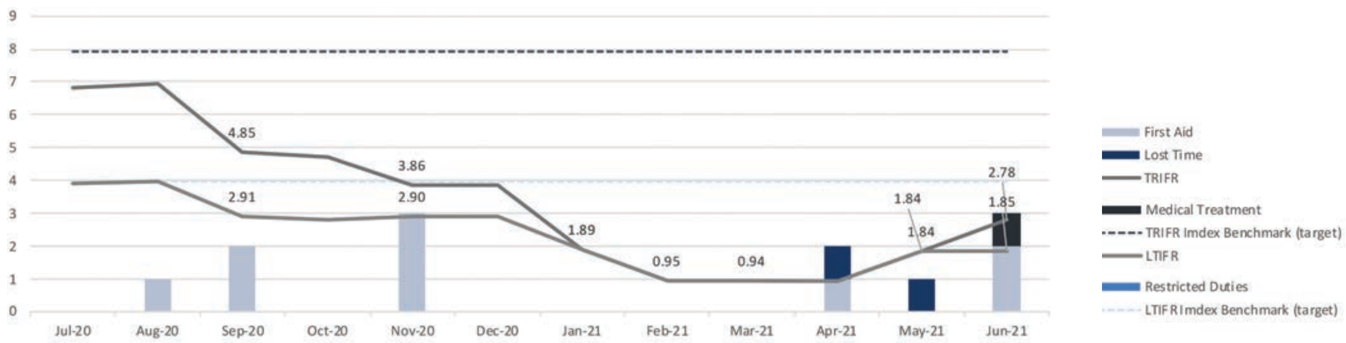
QHSE Standards are central to our IMDEX Management System. These Standards form a robust framework to minimise operational risk, provide a safe working environment and protect the health and wellbeing of our team.

The QHSE Standards cover all employees and workers at any of our locations globally and everyone is required to adhere to our IMDEX QHSE Management System.

To enhance the effectiveness of this system, an internal audit program is in place to target higher risk activities.

Our six largest facilities around the world are independently certified to ISO 9001:2015 and ISO 45001:2018.

IMDEX Lost Time & Total Recordable Injuries Frequency Rate (LTIFR & TRIFR) - 12 Months to date



HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

The identification of workplace hazards during routine and non-routine tasks is supported by online applications, Take 5 and Job Safety Analysis, together with detailed workplace inspections and Safety Observations.

All hazards and incidents are managed via our IMDEX Quality Alert system. We have also adopted the Incident Cause Analysis Method (ICAM) to investigate incidents, identify causal factors and implement improvement opportunities.

Leadership is a key part of our safety culture. Leaders perform physical and virtual Safety Walkthroughs, engage with team members and promote safe work practices. Managers are accountable for the risk assessments and registers that relate to their teams. All workers are responsible for workplace safety and are encouraged to stop work if they feel unsafe or observe an unsafe act.

WORK-RELATED INJURIES

During FY21 there were three recordable injuries relating to sprains, strains and minor lacerations. All injured workers made a full recovery.

OCCUPATIONAL HEALTH SERVICES AND TRAINING

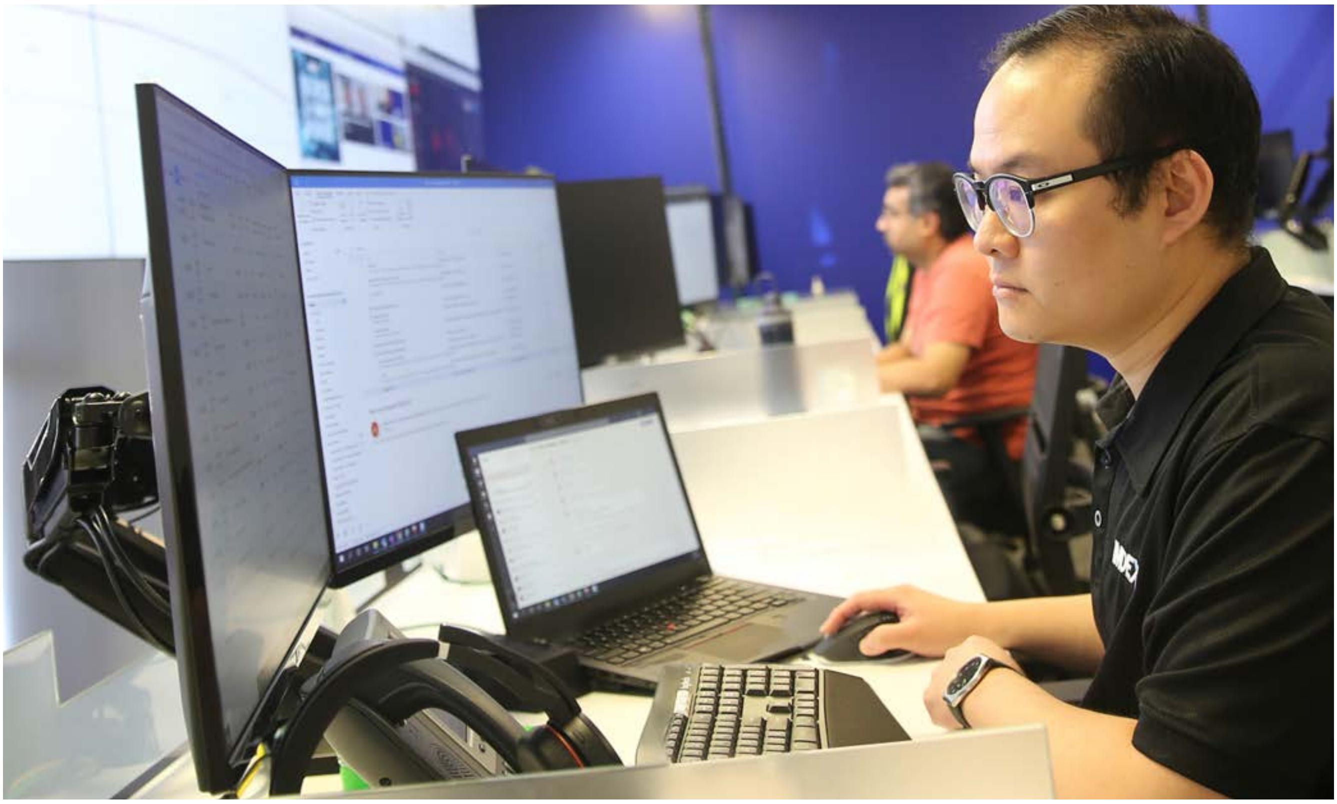
During the year we complemented our confidential Employee Assistance Program and IMDEX Wellness Series with a Mental Health Strategy and regional Peer Supporter Program.

Additional supporting courses have been created in IMDEX Academy, including:

- HSE Induction
- Health & Wellbeing
- Work Related Stress

Other opportunities for safety participation and training include:

- Monthly Health & Safety meetings
- Our online Quality Alert System
- Our Digital Workplace, which provides mobile access to all resources and business applications.



DATA SECURITY

During FY21 we focussed on improving visibility in the network, building out our DevSecOps program and building an Architecture Development Methodology. Notable achievements during the period included:

- Deploying an industry leading Security Information and Event Management solution to correlate logs and generate alerts for anomalies
- Improving the DevSecOps program by conducting an in-house Capture the Flag exercise to train developers about secure software development
- Developing an enterprise architecture framework following TOGAF framework and embedding a software architect in each of the software development projects.

Key focus areas in FY22 include:

- Development and implementation of a data classification scheme
- Deploying a Data Loss Prevention system to address the risk of data loss
- Implementing a Cloud Access Security Broker to reduce the risk from cloud apps

We will also work to expand our ISO/IEC 27001 certification to include aiSIRIS, a product included in the IMDEX offering through the acquisition of AusSpec.

TOGAF is a proven Enterprise Architecture methodology and framework used by the world's leading organisations to improve business efficiency. It is the most prominent and reliable Enterprise Architecture standard. By embedding a software architect with security skills in each software development team, IMDEX will also ensure that software developed for the consumption by customers is safe and secure.

ISO/IEC 27001:2013 CERTIFICATION

Last year we achieved ISO/IEC 27001:2013 certification through SGS – a globally renowned inspection, verification, testing and certification company. ISO/IEC 27001:2013 is an international information security standard, which is recognised in 161 countries. Our certification demonstrates we operate an Information Security Management System that is compliant with its mandatory requirements, have systematic processes for managing information security risks, and have implemented controls mandated by the standard.

Our certification comprises a comprehensive range of activities including:

- Software development processes
- The product development life-cycle for its real-time subsurface intelligent solutions
- Manufacturing and deployment of products and technologies
- Client support processes
- Information technology systems for supporting these activities and digital functions

This was a significant milestone for our Company and provides additional assurance to clients regarding the end-to-end security of their information – for example, ordering and dispatch using our Global Digital Rentals platform, critical data collection and transfer with our award-winning cloud solution IMDEXHUB-IQ™ and ongoing support via our 24/7 Customer Care portal.

PEOPLE AND CULTURE

During FY21 our global workforce increased by over 7% to 521 people, largely due to growth in software engineering and supply chain teams.

DIVERSITY AND INCLUSION

We value and encourage diversity in our global 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. 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.

By building and developing teams that reflect the diversity of our clients, and the local cultures we operate in, we continue to grow as a global business spread across culturally diverse regions.

Our approach to diversity is simple – we want everyone to feel welcome at IMDEX and to achieve success in what they do in an environment that values different perspectives and collaboration.

We do this by deploying inclusion initiatives that support all people to engage and collaborate without barriers, making a better workplace for everyone. In 2021, IMDEX supported our workforce on more inclusive workplace practices including:

- Updating our remote-working policies to create more flexibility
- Introducing paid domestic violence leave and support
- Improving paid parental leave provisions.

Further information can be found within our Diversity Policy and Global Code of Conduct Policy on our website.

IMDEX WOMEN-EQ

Our IMDEX WOMEN-EQ program continues to act as a forum to share learnings and provide guidance, leadership, inspiration, empowerment, and support for the personal and professional development of all women at IMDEX. This program is currently facilitated in APAC and South Africa.

EMPLOYEE WELLBEING

To support the health and well-being of our employees, we continue to offer an Employee Assistance Program (EAP).

We launched a 'Caring for the IMDEX Community' program aligned to our mental health and wellness strategy. The program, and supporting initiatives, aim to ensure psychological safety at work; employees feel supported to bring their 'full selves' to work to be the best they can be and feel connected to IMDEX.

A Peer Supporter network initiative was launched to promote better understanding and awareness of mental health challenges globally.

EMPLOYEE REWARDS

We take a holistic view to reward, to encourage a positive cultural environment that influences the attraction and retention of employees. Programs are designed to be fair, equitable and compliant with local practices.

Pay analysis was conducted to evolve the Remuneration Framework in most locations that IMDEX operates, to enable us to review internal consistency and market competitiveness globally.

A Global Recognition Framework was developed to provide our employees with a set of tools to encourage recognition. From a simple 'thank you' to a special appreciation gift, the framework helps create an environment more conducive of the culture needed to meet the challenges and opportunities of the future.

Further information relating to our remuneration policies for Key Management Personnel are set out in the Remuneration Report within the FY21 Financial Report.

HR TECHNOLOGY AND INNOVATION

Further enhancements to People HUB, our human resources information system, have been launched over the course of the year. In June 2021, Succession Planning and Career Development modules were introduced to the platform to help manage career pathways for individuals, identify key talent, and mitigate risks against business-critical roles. Remuneration Reviews were launched in the platform to help guide managers with pay structures across our global locations.

GLOBAL INTERNSHIP PROGRAMS

During FY21 we continued to mature and expand our Global Internship Programs. The Programs offer undergraduates and new graduates the opportunity to work at one of our global facilities and provide a hands-on learning environment and practical experience, together with coaching and mentoring opportunities. The Internship Programs were run in Asia Pacific and the Americas and enrolments spanned diverse disciplines including: engineering; finance; legal; human resources; quality; and information technology.

CULTURAL TRANSFORMATION

A cultural transformation roadmap was developed in response to our global engagement survey to drive development of IMDEX's brand proposition, vision, and values, to create greater connection for our employees.

Team alignment strategies were facilitated with the Executive team to create synergy and focus on collectively driving delivery of strategic objectives.

CAPABILITY DEVELOPMENT

We employ great minds to develop great solutions for our clients. Our Learning and Development (L&D) framework was launched to foster a culture of continuous learning and offer development opportunities to our people. The L&D Framework outlines development opportunities at four levels:

1. How we align new employees to IMDEX
2. Creating operational excellence in each function
3. Fostering leadership growth
4. Building strategic leadership.

Nominated IMDEX employees participated in the IMDEX 'XSell Customer Solutions' program aimed at developing capabilities within our global sales team. The program focused on equipping sales teams with skills to deliver value propositions and present value based IMDEX solutions to address client requirements.

As a result of the leadership capability assessment project, we designed and implemented the 'Leading IMDEX into the Future Program (LIFT)' focussing on:

- Delivering a compelling vision and strategy
- Instilling trust and fostering team performance
- Finding a way to deliver
- Decisive decision-making
- Courage to challenge
- Cultivating innovation.

OUR EMPLOYEE VALUE PROPOSITION

REMUNERATION

REFLECTING BUSINESS REQUIREMENTS, STRATEGIC MILESTONES AND MARKET PRACTICES

BENEFITS

TANGIBLE AND INTANGIBLE OFFERINGS THAT REPRESENT IMDEX'S BRAND AND SUPPORT WELLBEING AND DEVELOPMENT

WORKPLACE

AN ENVIRONMENT THAT SUPPORTS ENGAGEMENT AND PRODUCTIVITY

RECOGNITION

FORMAL AND INFORMAL PROGRAMS THAT ALIGN WITH CORPORATE VALUES AND INSTIL A CULTURE OF CELEBRATION

DEVELOPMENT

PROGRAMS AIMED AT FUTURE PROOFING IMDEX AND SUPPORTING EMPLOYEES TO THRIVE


HIGHEST QUALITY DRILLING FLUIDS, PACKED TO REDUCE THE IMPACT ON OUR ENVIRONMENT
AMC
DRILLING OPTIMISATION
IMDEX
CONTROL BOX #3

SUSTAINABILITY

We are committed to enhancing our ESG related disclosure and delivering solutions that support the sustainability of our clients' operations.

INSIDE IMDEX

During FY21 we established an IMDEX Sustainability Policy, undertook an ESG materiality assessment and prepared our first Sustainability Report.
Our Sustainability Report will be released to the market on 15 September 2021.

OUTSIDE IMDEX

Our products and technologies are designed to enhance efficiency, productivity and safety while reducing costs and environmental impact. Examples of positive contributions to sustainable operations include:

- Reduced water consumption
- Reduced site footprint and risk of environmental contamination
- Enhanced safety for site personnel and wildlife
- Reduced energy consumption
- Reduced transportation to and from site
- Availability of biodegradable and reusable packaging
- Dust suppression.

SUSTAINABILITY REPORT

Our FY21 Sustainability Report will be released to the market on 15 September 2021.

The Sustainability Report can be found on our website at https://www.imdexlimited.com/investors/annual-reports

"The Company did an excellent job of adapting to the challenges presented by COVID-19 and executing its growth strategy.

ANTHONY WOOLES, IMDEX CHAIRMAN

GOVERNANCE

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 FY21 included:

- Enhancing safety performance
- Underlying business performance and growth
- Rigorous strategy development
- Governance and enhancing ESG disclosure

During FY22 the Board will remain focused on these priorities together with disciplined cost management, execution of our strategy and achieving performance milestones.

In February 2021 Ms Trace Arlaud was appointed Non-Executive Director. Trace has critical skills in mining engineering, geology, and geophysics, together with broad international experience. Based in Colorado, USA, she will contribute significantly to the governance of IMDEX given our growing presence and prospects within that region.

Ms Sally-Anne Layman
Non-Executive Director

Appointed to the Board
6 February 2017

Expertise:
Exploration, mining and finance

Mr Kevin Dundo
Non-Executive Director

Appointed to the Board
14 January 2004

Expertise:
Corporate and commercial Law

Mr Anthony Wooles
Non-Executive Chairman

Appointed as Chairman
1 July 2016

Expertise:
Financial and capital markets and strategic marketing

Mr Ivan Gustavino
Non-Executive Director

Appointed to the Board
3 July 2015

Expertise:
Strategic growth and transactions within the technology sector


REFLEX

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

Our Corporate Governance Statement sets out the key features of our governance framework and discloses the extent to which we have followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendation (ASX Recommendations).

We regularly review our corporate governance practices and policies against the requirements of both the Corporations Act 2001 (Cth) (Corporations Act) and the Listing Rules of the Australian Securities Exchange (ASX), and current best practice.

In FY21 we completed a review of our governance documents and are pleased to be able to report that the majority of our governance practices align to the 4th edition of the ASX Recommendations.

Our Corporate Governance Statement is accurate and current as at the date of this annual report and has been approved by the Board.

Our Corporate Governance Statement can found on our website at: https://www.imdexlimited.com/about-us/corporate-governance

IMDEX CODE OF CONDUCT

Our IMDEX Code of Conduct (the Code) provides a framework for our decisions and actions and outlines the standard of conduct expected of everyone who works for or on behalf of the Company.

All employees are expected to be familiar with and understand the Code and complete training regarding the key areas on an annual basis.

The Code is endorsed by our Board and Executive Leadership Team and is reviewed and updated regularly to support the growth of our business.

SUPPLIER CODE OF CONDUCT

We are committed to transparent, safe, and ethical procurement practices. Our aim is to partner with like-minded suppliers to help us deliver leading solutions that enhance our clients' operations. To achieve this, we have developed a Supplier Code of Conduct, which clearly sets out our minimum expectations of suppliers, their subsidiaries, and subcontractors (suppliers). The Supplier Code of Conduct aligns with our Corporate Governance Polices, company values and internal expected behaviours. Central to these polices, values and behaviours is:

- Safety for employees, contractors, clients, suppliers, and the public
- Compliant and ethical business practices
- Diversity and human rights
- Protecting the environment and communities in which we operate
- Respect, transparency, and support to speak-up.

We may choose not to work with, or cease to work with, suppliers who do not meet these minimum expectations.

Our IMDEX Code of Conduct and Supplier Code of Conduct can be found on our website at: https://www.imdexlimited.com/about-us/corporate-governance

ETHICS AND CONFLICTS OF INTEREST CERTIFICATION

To safeguard the ongoing ethical and compliant operation of our global business, all employees are required to complete an Ethics and Conflicts of Interest Certification annually. This involves employees:

- Certifying that they have read and understand IMDEX's Speak Up Policy, Code of Conduct and the Anti-Bribery & Anti-Corruption Policy
- Confirming that, to the best of their knowledge, they have been compliant with the Code, the two Policies and all applicable laws and regulations
- Completing a conflict of interest declaration and updating this declaration if their circumstances change

This process aims to ensure that all relevant risks are being adequately reported and addressed and provides another confidential means for employees to communicate potential breaches or concerns.

SPEAK-UP POLICY

Our Speak-Up Policy supports our Code of Conduct and is designed to ensure that:

- We maintain the highest standards of corporate governance and ethical conduct across all our operations
- Our Company is a safe, respectful, and inclusive place to work

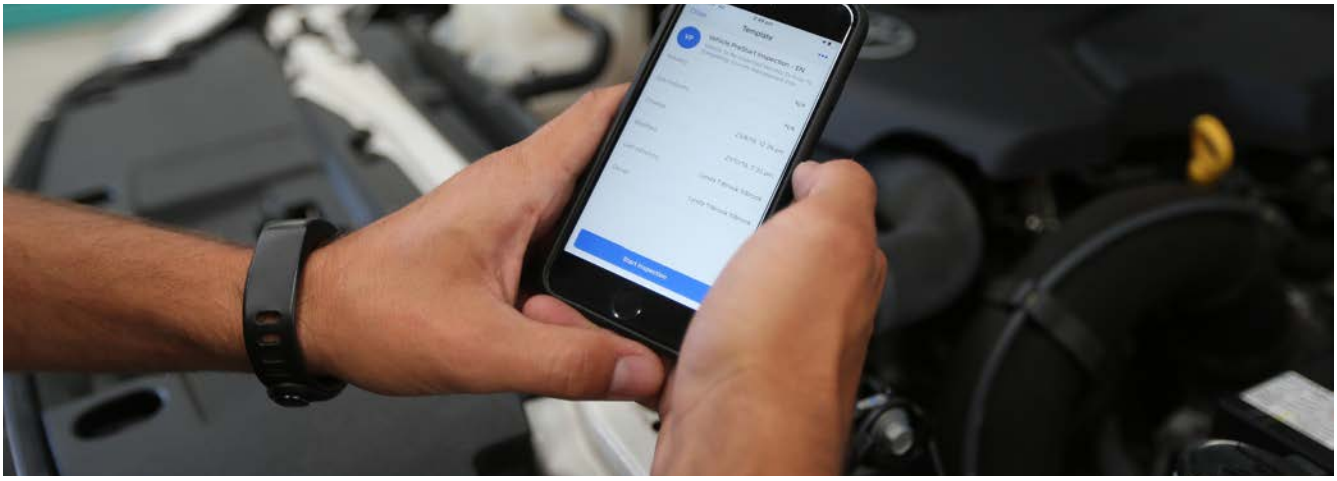
All employees are encouraged to ask questions, query, and report actual or suspected violations of our Code of Conduct or other IMDEX Polices without fear of retribution.

Several methods are provided for making confidential reports. In the first instance employees are encouraged to report any matters of concern directly to their manager or supervisor. Alternatively, they can make a report via phone, email, mail or anonymously through our reporting platform, IntegraCall®. IntegraCall® is multilingual and can be accessed anytime from any mobile or device using either the mobile app or the web portal.

We are committed to ensuring that:

- All matters that are reported will be treated respectfully and confidentially
- Any investigations will be conducted in a timely manner and will be fair and independent from any persons to whom the disclosure relates
- No one will suffer any detriment as a result of making a report.

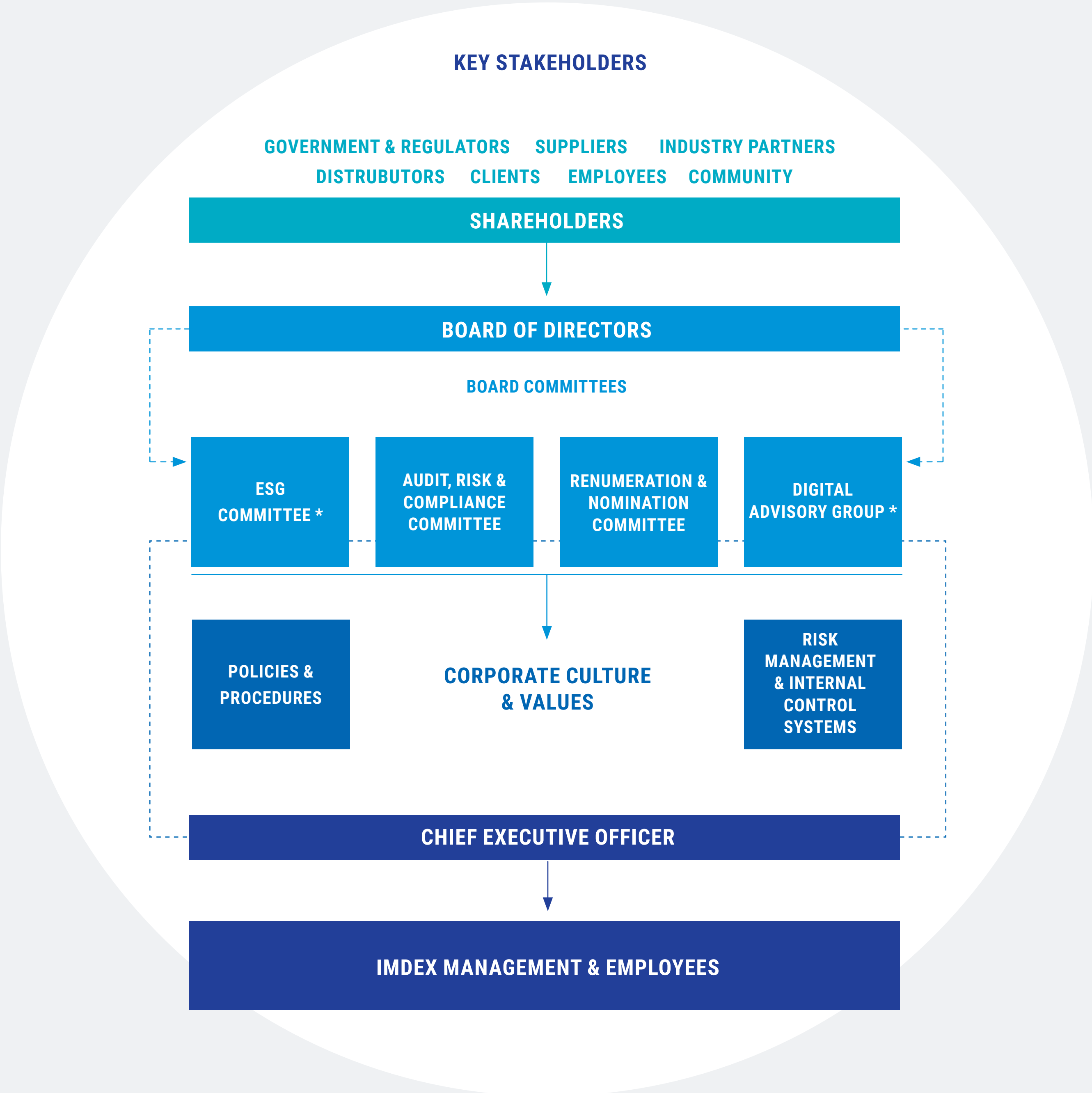
Our Speak-Up Policy can be found on our website at: https://www.imdexlimited.com/about-us/corporate-governance



STAKEHOLDERS

We are committed to providing all stakeholders with transparent and genuine engagement to enhance and support their experience with our products and business globally.

Further information on how we engage and collaborate with stakeholders is provided in our FY21 Sustainability Report.



* These are not formally appointed Board Committees, but instead have Board and Management representation

DIRECTORS REPORT

The Directors of IMDEX Limited ("IMDEX" or "the Company") present their report together with the annual Financial Report of the Company and its Subsidiaries ("the Group") for the financial year ended 30 June 2021.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Name	Role	Particulars
Mr. A. Wooles	Non-Executive Chairman	• Corporate Advisor and Executive • Director and Chairman since 1 July 2016 • Chair of the Remuneration and Nomination Committee • Member of the Audit, Risk and Compliance Committee • Has held executive and advisory roles in diverse industries including mining, oil and gas, power generation, manufacturing, telecommunications, food and beverages and retail • Non-Executive Director of High Peak Royalties Limited (2012 – current)
Ms. S. Layman	Independent, Non-Executive Director	• Engineer and Certified Practicing Accountant • Director since 6 February 2017 • Chair of the Audit, Risk and Compliance Committee • Member of the Australian Institute of Company Directors and CPA Australia • Extensive experience within the mining sector and financial markets with significant international and cross commodity experience. Previously Division Director – Metals & Energy Capital Division at Macquarie Bank Limited • Non-Executive Director of Pilbara Minerals Ltd (2018 – current), Beach Energy Limited (2019 – current), Newcrest Mining Ltd (2020 – current), and formerly a Non-Executive Director of Perseus Mining Ltd (2017 – 2020) and Gascoyne Resources Limited (2017 – June 2019)
Mr. K. Dundo	Independent, Non-Executive Director	• Lawyer • Director since 14 January 2004 • Member of the Remuneration and Nomination Committee and the Audit, Risk and Compliance Committee • Non-Executive Director of Red 5 Limited (2010 – Current), Avenira Limited (2019 – Current) and formerly a Non-Executive of Cash Converters International Limited (2015 – 2020)
Mr. I. Gustavino	Independent, Non-Executive Director	• Corporate Advisor • Director since 3 July 2015 • Member of the Remuneration and Nomination Committee • Prior to his role as a corporate advisor, Mr. Gustavino was a co-founding shareholder and Director of Surpac Software, now Dassault Systèmes GEOVIA Inc. • Non-Executive Chairman of CVCheck Limited (2018 – current)
Ms. T. Arlaud	Independent, Non-Executive Director	• Corporate Advisor • Director since 10 February 2021 • Since 2019, Ms Arlaud has been Chief Executive Officer – Mining Specialist at IMB, Inc, Frisco in Colorado, USA. Prior to this role she was Regional Director Mining for the US and Western Canada/Mass Mining Lead (Globally) • Non-Executive Director of Global Atomic Corporation (TXX: GLO) (June 2020 – current) and Non-Executive Director of Seabridge Gold (TSX: SEA, NYSE:SA) (June 2021 – current)

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member).

	Board of Directors (Number)		Audit, Risk and Compliance Committee (Number)		Remuneration and Nomination Committee (Number)	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
A Wooles	7	7	5	5	5	5
K A Dundo	7	7	5	5	5	5
I Gustavino	7	7	N/A	N/A	5	5
S Layman	7	7	5	5	N/A	N/A
T Arlaud (i)	2	2	N/A	N/A	N/A	N/A

(i) Ms T. Arlaud became a Non-Executive Director on 10 February 2021.

Company Secretary

Mr. P. Evans

Mr. Evans, a Chartered Accountant, joined IMDEX on 17 October 2006. After leaving professional practice he worked in a range of commercial and financial roles in the media, manufacturing and telecommunications industries. Mr. Evans is a Fellow of the Chartered Accountants Australia and New Zealand.

Mr. M. Tomasz

Mr Tomasz joined IMDEX in May 2021. He is admitted as a barrister and solicitor in the Supreme Court of New South Wales and admitted as a Solicitor in England & Wales. He has experience in both corporate and commercial law gained from a variety of multinational resource and industrial conglomerate companies.

Operations Review

Principal Activities

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

The Company's product offering includes an integrated range of drilling optimisation products, cloud-connected rock knowledge sensors, and data and analytical software. This product offering is commodity agnostic and can be applied across the mining value chain.

During FY21 IMDEX supported clients in more than 100 countries. The Company's long-standing client base typically includes tier 1 drilling contractors and resource companies operating within the global minerals industry.

IMDEX has 22 facilities in all key mining regions of the world. Its head office is in Balcatta, Western Australia.

Review of Operations

A review of the operations of the consolidated entity during the financial year and of the results of those operations is contained in the Annual Report.

Dividends

The following dividends have been paid by the Company or declared by the Directors since the commencement of the financial year ended 30 June 2021:

(i) fully-franked final dividend of 0.7 cents (2019: 1.4 cents) per share paid on 13 October 2020;

(ii) fully-franked interim dividend of 1.0 cents (2020: 1.0 cents) per share paid on 23 March 2021;

(iii) fully-franked final dividend of 1.4 cents (2020: 0.7 cents) per share to be paid on 12 October 2021; and

(iv) fully-franked special dividend of 0.4 cents (2020: 2.0 cents) per share to be paid on 12 October 2021.

Changes in State of Affairs

There were no significant changes in the state of affairs of the Group.

Subsequent Events

There have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the result of these operations, or the state of affairs of the Group in future financial years.

Environmental Regulations

The only entity in the Group that is subject to environmental regulations is Samchem Drilling Fluids and Chemicals (Pty) Ltd. They are required to comply with the South African National Water Act, Act No 36 of 1998 which requires the management of effluent discharge. This is controlled through an effluent system.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 5.8 to the financial statements. The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the fees paid for services provided as disclosed in note 5.8 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit, Risk and Compliance Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

The auditor's independence declaration is included in the Annual Report immediately prior to the Audit Report.

Indemnification of Officers and Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary, and all Executive Officers of the Company and of any related body corporate against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Rounding Off of Amounts

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

ASX Governance Principles and ASX Recommendations

The Australian Securities Exchange 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 IMDEX for the full year ended 30 June 2021. In addition, the Company has a Corporate Governance section on its website: www.imdexlimited.com (under the "Investors" heading) which includes the relevant documentation suggested by the ASX Recommendations.

The IMDEX Group's Corporate Governance Statement (**Statement**) for the financial year ending 30 June 2021 is dated as at 30 June 2021 and was approved by the Board of IMDEX (**Board**) on 15 August 2021. The extent to which IMDEX has complied with the ASX Recommendations during the year ended 30 June 2021, and the main corporate governance practices in place can be viewed in the Corporate Governance section on the Company website.

REMUNERATION REPORT

Remuneration Report (Audited)

This Remuneration Report for the year ended 30 June 2021 outlines the remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The report is presented under the following sections:

1. Introduction
2. Highlights for FY21
3. Remuneration Governance
4. Executive Remuneration Arrangements
   A. Remuneration principles and strategy
   B. Approach to setting remuneration and details of incentive plans
   C. Executive contracts
   D. Looking forward to FY22
5. Executive Remuneration Outcomes for FY21
6. Non-Executive Director Remuneration
7. Additional Disclosures Relating to Options and Shares
8. Other Transactions

1. Introduction

The Remuneration Report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

The table below details the KMP of the Company during FY21. Each was a KMP for the entire period unless otherwise stated. For the purposes of this report, the term "Executive" includes the Senior Executives of the Company.

Non-Executive Directors	
Mr A. Wooles	Non-Executive Chair
Mr K. Dundo	Non-Executive Director
Mr I. Gustavino	Non-Executive Director
Ms S. Layman	Non-Executive Director
Ms T. Arlaud	Non-Executive Director (appointed 10 February 2021)
Senior Executives	
Mr P. House[1]	Chief Executive Officer
Mr P. Evans	Chief Financial Officer and Company Secretary
Mr S. Southwell[2]	Chief Operating Officer
Mr M. Regan[3]	Chief of Corporate Shared Services
Ms M. Carey[4]	Chief of Product Management and Marketing
Mr T. Price[5]	Chief of Engineering and R&D
Mr D. Loughlin[6]	Global Business Development Director (ceased 8 February 2021)
Mr B. Ridgeway[7]	Former Managing Director (ceased 1 July 2020)

1. Mr House commenced as Chief Executive Officer on 1 July 2020.
2. Mr Southwell commenced as Chief Operating Office and a member of KMP on 1 July 2020. Prior to this date, Mr Southwell occupied a non-KMP role.
3 Mr Regan was appointed to the role of Chief of Corporate Shared Services effective 1 July 2020.
4. Ms Carey was appointed to the role of Chief of Product Management and Marketing effective 1 July 2020.
5. Mr Price's position title was amended effective 1 July 2020.
6. Mr Loughlin left employment with the Company and ceased as a member of KMP on 8 February 2021.
7. Mr Ridgeway retired and ceased as a member of KMP effective 1 July 2020.

2. Highlights for FY21

Executive Fixed Remuneration increases	**Market adjustments for two executives**	As a result of changes to the IMDEX operating model, the roles and responsibilities of Mr Regan and Ms Carey were significantly expanded in FY21. Their base salaries were reviewed and adjusted in consideration of appropriate external benchmarks relevant to the new roles. There were no other increases for Executives during the year. The CEO's base salary remained unchanged at $700,000 per annum during FY21. Where applicable, the 20% reduction in pay for the period 1 April 2020 to 30 June 2020 in response to the COVID-19 pandemic, was reinstated effective 1 July 2020. *See Statutory Remuneration in Section 5 for more details.*
Short-term incentive ("STI") outcomes	**100%** **of maximum**	The Company had strong financial and safety performance in FY21, exceeding budget EBITDA and Group Lost Time Injury Frequency Rate (LTIFR), resulting in STI payments of 100% of maximum for Executives. The CEO was awarded 100% of maximum. To increase his shareholding, the CEO elected to receive the entire award (100%) in performance rights subject to a three-year deferral period requiring continued employment. The Board also resolved to match the deferred component of the award at the future vesting date, subject to Mr House's continued service over the period. *See Section 5 for more information.*
Long-term incentive ("LTI") outcomes	**2017 LTI** **85%** **vesting**	The 2017 LTI (FY18) had a three-year performance period ending on 30 June 2020. As result of performance testing untaken in September 2020, the Board approved vesting of this award at 85%. For the three-year performance period ending 30 June 2021, the 2018 LTI (FY19) is anticipated to vest at 72%. Note - the outcome for this award will not be known until all peer company reports for the comparator group are released (typically from August to October 2021). Indicative testing of results for this award have been provided in Section 5 of this report with final outcomes to be disclosed in the FY22 Remuneration Report. *See Section 5 for more information*.
Non-Executive Directors (NEDs) remuneration increases	**NIL**	There were no increases to fees for NEDs in FY21. The 20% reduction in Fees for the period 1 April 2020 to 30 June 2020 in response to the COVID-19 pandemic, was reinstated effective 1 July 2020. *Refer to Section 6 for disclosures regarding our NEDs.*
Review of the Executive Remuneration Framework		The review of our Executive Remuneration Framework was concluded during FY21. Key changes to apply from 1 July 2021 include: • Remuneration mix revised to emphasise greater 'at risk' • STI deferral introduced • LTI measures revised to relative TSR (50%), absolute EPS (20%) and strategic milestones (30%) The Board welcomes shareholder feedback in relation to the revised framework for FY22, and ongoing to ensure IMDEX's remuneration remains appropriate. *Please refer to Section 4D for key changes relating to FY22.*

3. Remuneration Governance

Remuneration and Nomination Committee

The Remuneration and Nomination Committee (the Committee) comprises three independent NEDs.

The Committee has delegated decision making authority for some matters related to the remuneration arrangements for NEDs and Executives and is required to make recommendations to the Board on other matters.

Specifically, the Board approves the remuneration arrangements of the Chief Executive Officer (CEO) and other Executives, and all awards made under the short-term incentive (STI) and long-term incentive (LTI) plans, following recommendations from the Committee. The Board also sets the aggregate remuneration of NEDs, which is then subject to shareholder approval, and NED fee levels. The Committee approves the level of the STI pool, having regard to the recommendations made by the CEO.

The Committee meets regularly through the year. The CEO attends certain Committee meetings by invitation, where management input is required and is not present during any discussions related to his own remuneration arrangements.

Further information on the Committee's role, responsibilities and membership can be seen at www.imdexlimited.com

Use of remuneration consultants

To ensure the Committee is fully informed when making remuneration decisions, it seeks external remuneration advice. Remuneration consultants are engaged by, and report directly to the Committee. In selecting remuneration consultants, the Committee considers potential conflicts of interest and requires independence from the Company's KMP and other Executives as part of their terms of engagement.

During the financial year, the Committee engaged The Reward Practice Pty Ltd as remuneration consultants to provide remuneration services in respect to external benchmarking and general insights for Executive remuneration structures. During the period no remuneration recommendations, as defined by the Corporations Act, were provided by The Reward Practice Pty Ltd.

Remuneration report approval at 2020 AGM

The FY20 Remuneration Report received strong shareholder support at the 2020 AGM with a vote of 99.81% in favour.

4. Executive Remuneration Arrangements

4A: Remuneration principles and strategy

IMDEX's Executive remuneration strategy is designed to attract, motivate and retain high performing individuals and align the interests of Executives and shareholders.

The following diagram illustrates how the Company's remuneration strategy aligns with the strategic direction and links remuneration outcomes to performance.

Business Objective
Providing leading mining solutions to enhance the productivity and efficiency of our client's operation across the mining value chain.

How our Remuneration Strategy links to our Business Objective	
Align the interests of Executives with our shareholders • The Remuneration Framework incorporates "at-risk" components, including both short and longer term elements, delivered in cash and equity; and • Performance is assessed against financial and non-financial measures, which are linked to IMDEX's increased growth and profitability and hence, shareholder value.	Attract, motivate and retain high performing individuals • The remuneration offering is competitive for companies of a similar size and complexity; and • Longer-term elements encourage retention.

Remuneration Component	Vehicle	Purpose	Link to Performance
Base Salary	Comprises cash base salary only.	To provide a competitive base salary set with reference to the role, location and experience.	Company and individiual performance considered during the annual remuneration review.
Superannuation/Pension	Compulsory superannuation/ pension contributions plus other cash and non-cash benefits.	Statutory requirement and benefits commensurate with role, location and experience.	Benefits are considered during the annual remuneration review.
STI	Default payment is cash unless Board discretion is applied (e.g., grant of performance rights).	Focusses the efforts and rewards Executives for their contribution to achieving outcomes that are a priority for the Company in the financial year, in addition to individual performance.	EBITDA is the key financial metric. Also linked to other internal measures including safety, customer service, implementation of key growth initiatives, risk managment and people and capability.
LTI	Awards are made in the form of performance rights.	Rewards Executives for their contribution to the creation of shareholder value over the longer term.	Vesting of awards is dependent on Total Shareholder Return (TSR) and Earnings Per Share (EPS) performance relative to a peer group of companies.

4. Executive Remuneration Arrangements (Continue)

4B: Approach to setting remuneration and details of incentive plans

In FY21, the Executive remuneration framework consisted of base salary and short and long-term incentives as outlined below.

Overall remuneration level and mix

How is overall remuneration and mix determined?

Remuneration levels are considered annually through a review that considers comparative market data, the performance of the Company and individual, and the broader economic environment.

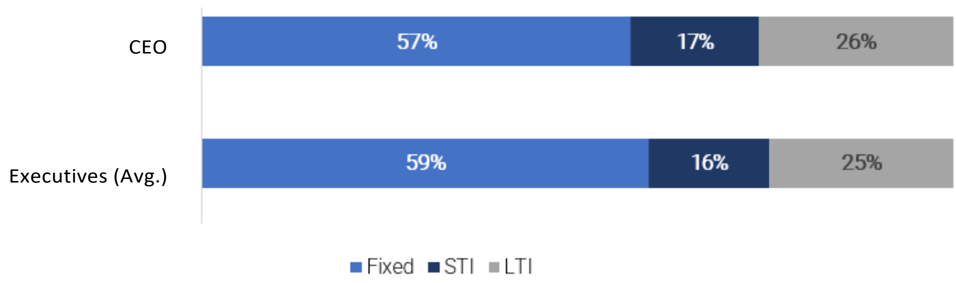
The Company aims to reward Executives with a level and mix (proportion of base salary and other benefits, short term incentives and long-term incentives) of remuneration appropriate to their position, responsibilities, and performance within the Company and that which is aligned with targeted market comparators.

Comparative companies are based on the following:

- Industry peers with similar market capitalisation;
- Mining, Equipment, Technology and Services companies with comparable market capitalisation; and
- Other industry companies with which IMDEX competes for talent.

In FY21 remuneration benchmarking was undertaken with reference to industry peers with a comparative market capitalisation. The Company's policy is to position base salary around the 62.5 percentile of industry peers.

The chart below summarises the CEO other Executives' remuneration mix based on maximum opportunity for Fixed Remuneration (base salary plus superannuation), STI and LTI. The mix is considered appropriate for IMDEX based on market relativity and alignment to the Company's short term and long-term strategic imperatives.



Base salary and other benefits

How is base salary and other benefits reviewed and approved?

Base salary and other benefits are reviewed annually from benchmarked remuneration data, and any changes for Executives are subject to approval from the Board considering recommendations from the Remuneration and Nomination Committee.

<table>
<tr><th colspan="2">Short Term Incentives</th></tr>
<tr><td>What is the STI plan?</td><td>The Company operates an annual STI program that is available to Executives subject to the attainment of clearly defined Company and individual financial and non-financial measures.

Actual STI payments awarded to each Executive depend on the extent to which performance criteria set at the beginning of the financial year are met.</td></tr>
<tr><td>What are the performance criteria and how do they align with business performance?</td><td>The performance criteria consist of several Key Performance Indicators (KPIs) covering financial and non-financial, corporate, and business unit measures of performance which are focussed on key performance drivers for the business. Within each KPI, stretch objectives are set.

Executives will only be eligible for a payment to the extent that the overarching EBITDA Gate is met or exceeded. EBITDA is considered a key measure against which Management and the Board assess the short-term financial performance of the Company.

Targets are set based on budget, adequacy of challenge and business objectives. Targets reflect business expectations at that time and may vary from prior year performance depending on economic and market conditions. The targets and outcomes may be adjusted (up or down) to exclude the impacts of uncontrollable items such as fair value gains on deferred consideration and gains on sale of investment.

The performance criteria and weightings are summarised as follows:

<table>
<tr><th>Performance Criteria</th><th>Weighting</th><th>Detail of Measures</th></tr>
<tr><td>Corporate</td><td>50%</td><td>Based on Group EBITDA outcomes versus target</td></tr>
<tr><td>Safety</td><td>20%</td><td>Based on Group LTIFR versus target</td></tr>
<tr><td>Individual Performance</td><td>30%</td><td>Based on key measures identified annually for the executive and assessed against expectations for the role. A combination of scores assessed for executives based on individual goals relating to:
• Customer Focus and Technical Leadership
• Operational Excellence & Quality
• Risk, Compliance & Safety
• People & Capability
• Strategic Initiatives
As part of the assessment, the participant will be considered against the IMDEX values as part of determining final outcomes.</td></tr>
</table>
</td></tr>
<tr><td>What is the value of the STI award opportunity?</td><td>The CEO has a maximum STI opportunity of 30% of base salary. Other Executives have a maximum STI opportunity of up to 25% of base salary if the EBITDA Gate is exceeded and all the stretch targets are met.</td></tr>
<tr><td>How are STI payouts determined?</td><td>On an annual basis, after consideration of performance against KPIs (including satisfying the EBITDA Gate), the Board in line with their responsibilities, determine the amount (if any) of the STI to be paid to each Executive, seeking recommendations from the CEO as appropriate. The use of the EBITDA Gate ensures that the STI payouts are affordable to the business and are capped at the sum of the individual's target opportunity.</td></tr>
<tr><td>What happens to STI awards on cessation of employment?</td><td>If an Executive ceases employment before the end of the financial year, generally no STI is awarded for that year subject to overarching Board discretion.</td></tr>
</table>

Long Term Incentive	
What is the LTI plan?	Under the LTI plan, annual grants of performance rights (Rights) are made to Executives to align remuneration with creation of shareholder value over the long-term.
How much can Executives earn?	The number of Rights granted is calculated on a Face Value basis. The CEO has a maximum LTI opportunity of 50% of base salary. Other Executives also have a maximum LTI opportunity of between 35% to 50% of base salary. Executives are not eligible to receive dividends, or dividend equivalent payments on unvested Rights.
How is performance measured?	Awards are subject to two measures, weighted equally: relative TSR and relative EPS. Relative TSR is used to recognise the creation of shareholder value relative to market peers. Relative EPS (rather than absolute EPS) has been selected by the Board to incentivise long term behaviours and outcomes, relative to market peers. This is particularly important where resources sector returns simply reflect a 'rising tide' across the sector. *Calculation of Relative TSR and relative EPS* IMDEX's TSR and EPS is measured relative to a comparator group of ASX-listed companies comprising the ASX300 Resources Index. These companies were chosen as they are of similar size and reflect the Company's competitors for capital. The TSR and EPS for IMDEX and comparator companies is measured over three financial years (e.g., 1 July 2020 to 30 June 2023 for the 2021 LTI grant). Relative TSR measures the percentage change in a company's share price, plus the value of dividends received during the period, assuming that all those dividends are reinvested into new shares. No vesting will occur when the TSR for the performance period is negative. Relative EPS is calculated as a company's profit divided by the outstanding number of its ordinary shares. The resulting number serves as an indicator of a company's profitability. EPS performance for each company in the comparator group (including IMDEX) uses reported basic EPS for both the base year and third year and calculates the percentage growth over the three years. Where a comparator company and/or IMDEX has a negative base year EPS and a positive final year EPS, the absolute growth is calculated, adjusted for the correct sign of growth. This is considered an equitable approach for determining the company performance over the performance period. Note where IMDEX and/or a comparator company results in a final year negative EPS the company is excluded from the analysis. Specifically, if IMDEX EPS results in a negative EPS final year, the LTI will not vest. The proportion of Rights that may vest based on relative TSR and relative EPS performance is determined based on a combined ranking approach. The TSR for IMDEX and each company in the comparator group is measured and the companies are ranked by their TSR performance. The EPS growth for IMDEX and each company in the comparator group is calculated and the companies are ranked by their EPS growth performance.
How is performance measured? (continued)	The ranking results for each company are then combined with the percentage of LTI awards that vest to participants based on IMDEX's percentile ranking against the combined results under the following vesting schedule:

Combined percentile ranking of IMDEX	Portion of LTI that vests
Below the 50th percentile	Nil vesting
At the 50th percentile	33.33%
Between the 50th percentile and 90th percentile	Pro-rata
At or above the 90th percentile	100%

Note: Notwithstanding the percentile ranking, no vesting will occur where IMDEX's TSR for the Performance Period is negative or the EPS in the final year is negative.

Long Term Incentive	
When is performance measured?	The performance measures are tested at the end of the three-year performance period to determine the number of Rights that vest. There is no opportunity for re-testing. Rights will lapse if the performance measures are not met at the end of the performance period.
What happens on cessation of employment?	Where a participant ceases employment prior to their award vesting due to resignation or termination for cause, all Rights will be forfeited. Where a participant ceases employment due to a qualifying reason (death, total and permanent disability, retirement, or redundancy), then vesting will be determined based on the amount of performance period remaining and subject to Board discretion.
What happens if there is a change in control?	In these circumstances, vesting will be determined at the discretion of the Board.

4C: Executive contracts

Remuneration arrangements for KMP are formalised in employment agreements. The following outlines the details of contracts with KMP.

CEO – Mr Paul House (effective 1 July 2020)

Mr. House is employed under an ongoing contract, which can be terminated with notice by either side.

Under the terms of the present contract:

- Mr House receives a base salary of $700,000 per annum.
- A maximum STI opportunity of 30% of base salary.
- Eligibility to participate in the IMDEX LTI plan on terms determined by the Board. Maximum opportunity at Face Value is 50% of base salary.

Termination provisions

Termination provisions specify that the CEO or the Company may terminate the agreement without cause by giving 6 months written notice. In addition to payment for accrued but untaken annual and long service leave, an additional payment of 4 months' base salary is payable on termination by the Company where termination is affected without cause on 6 months' notice, inclusive of any redundancy payment payable to the CEO. The Company may otherwise terminate the contract on 3 months' notice (due to illness or incapacity), 1 months' notice (for misconduct) or no notice (if engaged in criminal activity which brings the Company into disrepute). IMDEX can make a payment in lieu of notice for all or some of the applicable notice period.

All other Executives are employed on individual open-ended employment contracts that set out the terms of their employment. The termination provisions for other Executives are as follows:

Reason	Notice period	Payment in lieu of notice	Treatment of STI on termination	Treatment of LTI on termination
Resignation	Up to 6 months	Up to 6 months	Unvested awards forfeited.	Unvested awards forfeited.
Termination for cause	None	None	Unvested awards forfeited.	Unvested awards forfeited.
Termination in cases of death, disablement, redundancy, without cause	Up to 6 months	Up to 12 months	Unvested awards forfeited subject to Board discretion	Vesting will be determined based on the amount of performance period remaining and the Executive's performance, subject to Board discretion.

4D: Looking forward to FY22

As foreshadowed in the 2020 Remuneration Report, a review of the Executive Remuneration Framework was deferred due to the pandemic and has now been completed.

The review comprised a comprehensive assessment of Fixed Remuneration and the current STI and LTI Framework which included seeking external advice and market benchmarking. The Board considered all aspects of remuneration to ensure alignment with the business requirements, relevant market practice and key stakeholder expectations. As a result of the review, the following key design changes have been determined:

Key change	Rationale
Remuneration mix revised to increase the percentage of the package that is 'at risk'.	Market alignment.
STI modified to introduce mandatory deferral of half of the award for Executives into rights to IMDEX Limited shares.	Encourage greater equity ownership aligned with shareholder interests and performance assurance.
Revised performance measures for STI and LTI.	Align with short and long-term business imperatives.

The changes outlined below, in respect of Executives, have been approved by the Board for implementation from 1 July 2021.

Fixed Remuneration

There will be targeted increases to base salaries for two Executives. Consideration for these increases is driven by the responsibilities of the roles, performance of the individuals and relativity with our external market comparators. These target increases will be 13% on average.

The CEO's base salary will increase from $700,000 to $750,000 per annum.

STI

The key change is the mandatory deferral of half the award into Rights to IMDEX Limited shares. The Rights will be deferred for 12 months and are subject to continued service. An increase to the maximum opportunity is also outlined below.

Component	Current Plan	Revised Plan
Vehicle	Default payment is cash unless Board discretion is applied (e.g., grant of performance rights).	50% cash 50% Rights, deferred for 12 months
Maximum Opportunity (% of Base Salary)	CEO – 30% Other Executives: 25%	CEO – 50% Other Executives 35%
Performance Measures	EBITDA Gate EBITDA (50%) Safety (20%) Individual (30%)	EBITDA Gate remains Corporate (50%) – including financial / non-financial Regional (20%) - including financial / non-financial Individual (30%) - including financial / non-financial

LTI

The key changes are the introduction of absolute EPS and strategic milestones and an increase to the maximum opportunity for all Executives in line with our external market comparators. The vesting schedule has also been amended to more align with relevant market practice.

Component	Current Plan	Revised Plan
Vehicle	Performance Rights	Performance Rights
Performance Period	Three years	Three years
Maximum Opportunity	CEO – 50% Other Executives: 35%-50%	CEO – 100% Other Executives: 70%
Performance Measures	Relative TSR (50%) Relative EPS (50%)	Relative TSR (50%) Absolute EPS (20%) Strategic Measures (30%)
Comparator Group	Constituents of the S&P ASX300 Resources Index	Constituents of the S&P ASX300 Resources Index

5. Executive Remuneration Outcomes for FY21

Company performance

A summary of IMDEX's business performance as measured by a range of financial and other indicators, including disclosure required by the *Corporations Act 2001*, is outlined in the table below.

Measure	FY21	FY20	FY19	FY18	FY17
Revenue ($'000)	**264,375**	237,691	243,655	218,475	186,702
Adjusted EBITDA ($'000) [1]	**75,501**	54,447	52,336	42,384	31,496
Net profit before tax ($'000)	**44,531**	29,142	37,452	28,591	5,906
Net profit after tax ($'000)	**31,667**	21,758	27,608	21,115	3,663
Share price at start of year (cents)	**111.0**	131.0	123.5	75.5	21.0
Share price at end of year (cents)	**204.0**	111.0	131.0	123.5	75.5
Interim dividend (cents) – fully franked	**1.0**	1.0	0.8	-	-
Final dividend (cents) – fully franked	**1.4**	0.7	1.4	-	-
Special dividend (cents) – fully franked	**0.4**	2.0	-	-	-
Basic earnings / (loss) per share (cents)	**8.01**	5.64	7.37	5.73	1.14
Diluted earnings / (loss) per share (cents)	**7.80**	5.46	7.01	5.37	1.06

1. Fair value gain on deferred consideration of $2.9m (FY21) and gain on sale of investment $3.6m (FY20) were deemed by the Board as uncontrollable and were therefore excluded in the EBITDA calculation.

Company performance and its link to short-term incentives

An STI payment will only be made to the extent that the overarching EBITDA Gate is met or exceeded.

The following table shows IMDEX's actual EBITDA performance to budget target over the three financial years from 1 July 2018 to 30 June 2021.

Financial year	EBITDA vs Gate
FY21	Exceeded
FY20	Not met
FY19	Not met

Performance in FY21

The table below sets out the STI measures for FY21 and performance outcomes against those measures. The EBITDA and Safety (LTIFR) performance significantly exceeded FY20 outcomes, which is testament to the efforts of the employees and management of IMDEX over the previous 12 months. This results in STI outcomes at or near maximum for Executives and is the first time in the last three years that the STI has been awarded.

Objective	Weighting	Performance Achieved/Comments	% Achieved
Corporate	50%	FY21 EBITDA of $75.5m is a material improvement on FY20 results and improvement on the FY21 budgeted EBITDA. This has resulted in the EBITDA Gate being achieved, and this portion of the STI being awarded in full.	**50%**
Safety	20%	Actual LTIFR of 1.85 was significantly better than the target of <3.97, resulting in this portion of the STI being awarded in full.	**20%**
Individual	30%	Individual objectives for the year related to achieving key results in Customer Focus & Technical Leadership, Operational Excellence & Quality, Risk, Compliance & Safety, People & Capability and strategic initiatives.	**30%**

Objective	Weighting	Performance Achieved/Comments	% Achieved
		Based on individual performance throughout the year, Executives achieved 100% of outcomes. The Board assessed the CEO's individual performance as 100%.	

The following table outlines the STI outcomes for Executives, including the proportion of maximum STI that was earned and forfeited in relation to FY21.

	Corporate Outcome	Safety Outcome	Individual Outcomes	Overall Outcomes	STI Awarded	Percentage of maximum STI	
Executive	**(%)**	**(%)**	**(%)**	**(% of base salary)**	**($)**	**Awarded**	**Forfeited**
Mr P. House[2]	100	100	100	30.0	**210,000**	100%	-
Mr P. Evans	100	100	100	22.5	**117,393**	100%	-
Mr S. Southwell	100	100	100	25.0	**105,000**	100%	-
Mr M. Regan	100	100	100	22.5	**107,500**	100%	-
Ms M. Carey	100	100	100	25.0	**92,500**	100%	-
Mr T. Price	100	100	100	25.0	**142,045**	100%	-
Mr D. Loughlin[3]	-	-	-	-	**N/A**	-	-
Mr B. Ridgeway[4]	-	-	-	-	**N/A**	-	-

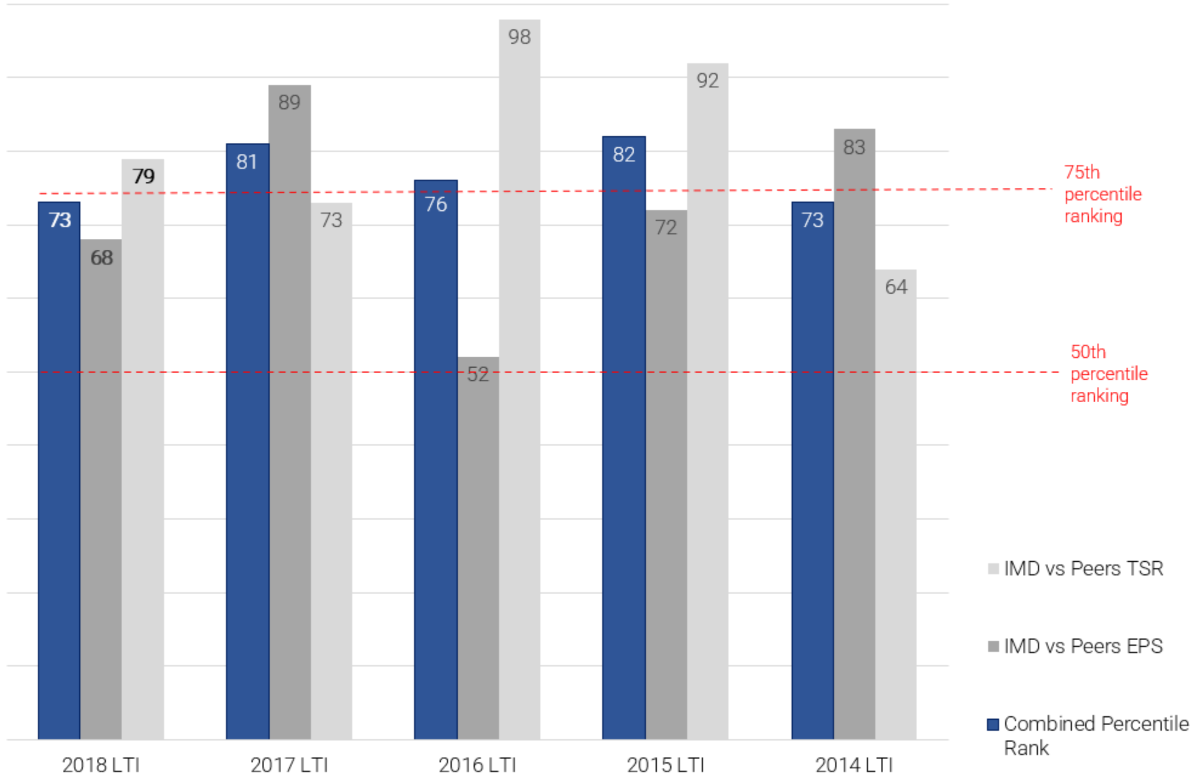
1. FY21 STI will be paid in September 2021, after the end of the performance period.
2. Mr House has elected, and the Board agreed to defer his entire award into Rights to IMDEX Limited shares – see note below.
3. Mr Loughlin left employment with the Company and ceased as a member of KMP on 8 February 2021. As such, he was not eligible to participate in the FY21 STI.
4. Mr Ridgeway retired and ceased as a member of KMP effective 1 July 2020. As such, he was not eligible to participate in the FY21 STI.

Voluntary Deferral of STI for the CEO

To increase his shareholding in the Company, the CEO, Mr House elected, and the Board agreed to defer his entire FY21 STI award ($210,000) into Rights to IMDEX Limited shares. The Rights will be deferred for three years, vesting in 2024 and are subject to continued service. The Board also resolved to match the deferred component of the award at the future vesting date, subject to Mr House's continued service over the period.

Company performance and its link to long-term incentives

LTI vesting is driven by the Company's TSR and EPS performance relative to the companies within the ASX 300 Resources Index peer group. The chart below shows the performance of the Company as measured by the Company's three-year relative TSR and EPS compared to the peer group for each of the LTI grants vesting over the past five years.



The following table provides a summary of the Company's performance and vesting outcomes for each of the LTI grants.

	2018 LTI[1]	2017 LTI[2]	2016 LTI	2015 LTI	2014 LTI[3]
Grant Date	**Jul-18**	Jul-17	Jul-16	Jul-15	Jul-14
Expiry Date	**Jun-21**	Jul-20	Jul-19	Jul-18	Jul-17
IMDEX 3-year TSR	**62%**	66%	382%	305%	-5.2%
IMDEX 3-year EPS Growth	**33%**	395%	132%	155%	144%
Combined Percentile Rank	**73rd**	81st	76th	82nd	73rd
Vesting Percentage	**72%**	**85%**	**76%**	**87%**	**0%**

1. 2018 (FY19) LTI is indicative only. The outcome will be known when company reports for the comparator group are released (typically from August to October 2021).
2. 2017 (FY18) LTI outcome has been updated to reflect final performance testing undertaken in September 2020.
3 2014 (FY15) LTI resulted in no vesting due to a negative TSR for IMDEX over the three-year performance period.

Statutory Remuneration for Executive KMP

The following table sets out total remuneration for Executive KMP in FY21 and FY20, calculated in accordance with statutory accounting requirements.

		Short-term benefits				Other Long-term Benefits[3]	Post-employment Benefits		Share-based payments[4]	Termination Benefits[5]	Total	% Performance related
Executive	Year	Cash Salary[1]	Bonus[2]	Non-monetary	Other	Leave	Super	Other				
Mr P. House[6]	**FY21**	**700,000**	-	-	**210,000**	**17,255**	**25,000**	-	**195,813**	-	**1,148,068**	**35%**
	FY20	457,663	-	-	-	-	25,000	-	149,689	-	632,352	23%
Mr P. Evans	**FY21**	**469,573**	**117,393**	-	-	**8,963**	**25,000**	-	**119,335**	-	**740,264**	**31%**
	FY20	469,573	-	-	-	7,654	25,000	-	137,888	-	640,115	22%
Mr S. Southwell[7]	**FY21**	**420,000**	**105,000**	-	-	**5,256**	**25,000**	-	**71,467**	-	**626,723**	**28%**
	FY20	-	-	-	-	-	-	-	-	-	-	-
Mr M. Regan[8]	**FY21**	**421,731**	**107,500**	-	-	**8,127**	**25,000**	-	**147,872**	-	**710,230**	**35%**
	FY20	391,176	-	-	-	-	25,000	-	73,574	-	489,750	15%
Ms M. Carey[9]	**FY21**	**370,000**	**92,500**	-	-	**13,379**	**25,000**	-	**122,578**	-	**623,457**	**34%**
	FY20	307,973				5,389	25,000		109,578		447,940	24%
Mr T. Price[10]	**FY21**	**583,248**	**142,045**	-	**27,587**	-	**24,556**	-	**155,603**	-	**933,039**	**32%**
	FY20	594,303	-	-	28,378	-	21,854	-	167,917	-	812,452	21%
Mr D. Loughlin[11]	**FY21**	**290,667**	-	-	-	**(3,455)**	**17,261**	-	**51,651**	**111,024**	**467,148**	**11%**
	FY20	481,104	-	-	-	(34,591)	25,000	-	140,410	-	611,923	23%
Mr B. Ridgeway[12]	**FY21**	-	-	-	-	-	-	-	-	-	-	-
	FY20	891,542	-	-	-	(23,791)	21,003	-	374,308	-	1,263,062	30%
Totals	**FY21**	**3,255,219**	**564,438**	-	**237,587**	**49,525**	**166,817**	-	**864,319**	**111,024**	**5,248,929**	
	FY20	3,593,334	-	-	28,378	(45,339)	167,857	-	1,153,364	-	4,897,594	

1. Executives were requested to take a 20% reduction in pay, or the equivalent in leave from 1 April 2020 to 30 June 2020 in response to the pandemic. This is reflected in FY20 figures.
2. FY21 STI will be paid in September 2021, after the end of the performance period. The figure for Mr Price includes a Loyalty Bonus of $1,044.
3. Other long-term benefits are the accounting expense of long-service leave movements in FY21.
4 Share-based payments are calculated in accordance with Australian Accounting Standards and are the amortised fair value of equity-related awards that have been granted to Executives.
5. Termination benefits for Mr Loughlin relate to a severance payment.
6. Prior to his appointment as CEO on 1 July 2020, Mr House was Chief Operating Officer. Data in the table above is reflective of this change in role. Mr House has elected, and the Board approved, to defer his FY21 STI into Rights to IMDEX Limited shares – this is included in 'Other' in the table above.
7. Mr Southwell commenced as a member of KMP on 1 July 2020. Data in the table above is reflective of his appointment date.
8. Mr Regan's role and responsibilities were significantly expanded in FY21. Data for FY21 in the table above is reflective of this change.
9. Ms Carey's role and responsibilities were significantly expanded in FY21. Data for FY21 in the table above is reflective of this change.
10. 'Other' for Mr Price relates to medical, vision, dental and life insurance benefits.
11. Mr Loughlin left employment with the Company and ceased as a member of KMP on 8 February 2021. Data for FY21 in the table above is reflective of this change.
12. Mr Ridgeway retired and ceased as a member of KMP effective 1 July 2020. Data for FY21 in the table above is reflective of this change. Mr Ridgeway was paid a consultancy fee of $50,000 in FY21 in relation to services provided to the Company post-retirement.

6. Non-Executive Director Remuneration

Remuneration policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to Non-Executive Directors of comparable ASX listed companies with similar market capitalisation of the Company, as well as similar sized industry comparators. The Board considers advice from external consultants when undertaking the annual review process.

The Company's constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2015 AGM when shareholders approved an aggregate fee pool of $700,000 per annum.

Structure

The remuneration of NEDs consists of Director Fees and Committee Fees. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs who serve on sub-committees. The Board Chair attends all committee meetings but does not receive any additional fees in addition to the Board Chair fee. To ensure independence, NEDs do not participate in any incentive schemes.

The table below summarises the NED fee policy for FY21:

Director Fees	
Board Chair	$245,000
Non-Executive Directors	$110,000
Committee Fees	
Committee Chair	$25,000
Committee Member	-

The remuneration of NEDs for FY21and FY20 is detailed below. Note figures for FY20 include a 20% reduction for the period 1 April 2020 to 30 June 2020 in response to the COVID-19 pandemic.

Non-Executive Director	Year	Short-term benefits		Post-employment	Total
		Director Fees	Other	Superannuation	
Mr. A. Wooles[1]	**FY21**	**245,000**	-	-	**245,000**
	FY20	233,127	-	-	233,127
Ms. S. Layman[2]	**FY21**	**135,000**	-	-	**135,000**
	FY20	128,638	-	-	128,638
Mr. K. Dundo[3]	**FY21**	**98,536**	-	**9,544**	**108,080**
	FY20	97,353	-	9,474	106,827
Mr. I. Gustavino[4]	**FY21**	**96,162**	-	**9,544**	**105,706**
	FY20	99,727	-	9,474	109,201
Ms T. Arlaud[5]	**FY21**	**42,778**	-	-	**42,778**
	FY20	-	-	-	-
Totals	**FY21**	**617,476**	-	**19,088**	**636,564**
	FY20	558,845	-	18,948	577,793

1. Mr Wooles is a director of Trudo Consulting Pty Ltd. His director's fees (which are subject to GST) were paid to Trudo Consulting Pty Ltd and are shown net of GST.
2. Ms Layman is a director of RL Advisory Pty Ltd. Her director's fees (which are subject to GST) were paid to RL Advisory Pty Ltd and are shown net of GST.
3 Mr Dundo is a director of KD Legal Pty Ltd. His director's fees (which are subject to GST) were paid to KD Legal Pty Ltd and are shown net of GST.
4. Mr Gustavino is a director of Gustavino Capital Pty Ltd. His director's fees (which are subject to GST) were paid to Gustavino Capital Pty Ltd and are shown net of GST.
5 Ms Arlaud was appointed as a Non-Executive Director on 10 February 2021. Fees for FY21 are reflective of her appointment date.

7. Additional Disclosures Relating to Options and Shares

Performance Rights awarded, vested and lapsed during the year

The following table sets out the Rights held by Executives, including the movements in Rights held during FY21.

Executive	Balance at start of period 1 July 2020	Granted as remuneration	Performance Rights exercised	Performance Rights lapsed/ forfeited	Balance[1] at end of period 30 June 2021
Mr P. House	544,030	319,635	(164,664)	(30,090)	668,911
Mr P. Evans	483,336	150,091	(188,590)	(34,460)	410,377
Mr S. Southwell	105,255	134,247	-	-	239,502
Mr M. Regan	310,877	196,346	-	-	507,223
Ms M. Carey	398,507	168,950	(123,498)	(22,568)	421,391
M. T. Price	592,078	202,527	(220,752)	(40,337)	533,516
Mr D. Loughlin	491,836	-	(193,221)	(114,621)	183,994
Mr B. Ridgeway	1,389,608	-	-	-	1,389,608

1. Includes Performance Rights held directly, indirectly and beneficially by Executives.
2. Mr Loughlin left employment with the Company and ceased as a member of KMP on 8 February 2021. Closing balance is at this date.
3. Mr Ridgeway retired and ceased as a member of KMP effective 1 July 2020. Closing balance is at this date.

Performance Rights in existence during the current year

					Number of Performance Rights				
Award[1]	Grant Date	Expiry Date	Exercise Price	Market Value at Grant $	Opening balance	Granted	Satisfied by the allotment of shares	Expired[2]	Closing balance
Tranche 19	1-Jul-17	Jul-20	Nil	0.740	3,888,120	-	(3,408,944)	(479,176)	-
MD Tranche	19-Oct-17	Jul-20	Nil	0.965	643,762	-	(547,348)	(96,414)	-
Tranche 20	1-Jul-18	Jul-21	Nil	0.947	2,626,391	-	-	(188,240)	2,438,151
MD Tranche	4-Nov-18	Jul-21	Nil	0.763	364,086	-	-	-	364,086
Tranche 21	21-Oct-19	Jul-22	Nil	1.109	3,300,386	-	-	(399,462)	2,900,924
MD Tranche	21-Oct-19	Jul-22	Nil	1.109	127,602	-	-	-	127,602
Tranche 22	1-Jul-20	Jul-23	Nil	1.254	-	3,640,787	-	(79,745)	3,561,042

1. MD Tranche relates to the former Managing Director of IMDEX.
2. Rights expire due to not meeting the service and/or performance conditions.

Performance rights on issue at the date of this report

There were no alterations to the terms and conditions of Performance Rights awarded as remuneration since their award date

Issuing Entity	Award[1]	Class of shares	Exercise price	Grant date	Expiry date	Key terms	Number of shares under Performance Rights
IMDEX	Performance Rights (Tranche 20)	Ordinary	Nil	1 Jul 2018	Jul 2021	(aa)	2,438,151
IMDEX	Performance Rights (Managing Director Tranche 9)	Ordinary	Nil	4 Nov 2018	Jul 2021	(bb)	364,086
IMDEX	Performance Rights (Tranche 21)	Ordinary	Nil	21 Oct 2019	Jul 2022	(cc)	2,900,924
IMDEX	Performance Rights (Managing Director Tranche 10)	Ordinary	Nil	21 Oct 2019	Jul 2022	(dd)	127,602
IMDEX	Performance Rights (Tranche 22)	Ordinary	Nil	1 Jul 2020	Jul 2023	(ee)	3,561,042

1. Managing Director Tranche relates to the former Managing Director of IMDEX.

(aa) To be satisfied by the issue of fully paid ordinary shares in IMDEX on or about September 2021. A combination of Performance Rights subject to the achievement of specified performance hurdles and ongoing employment tenure, and Performance Rights subject only to ongoing employment tenure.

(bb) To be satisfied by the issue of fully paid ordinary shares in IMDEX on or about September 2021. Subject to achievement of specified performance hurdles and ongoing employment tenure.

(cc) To be satisfied by the issue of fully paid ordinary shares in IMDEX on or about September 2022. A combination of Performance Rights subject to the achievement of specified performance hurdles and ongoing employment tenure.

(dd) To be satisfied by the issue of fully paid ordinary shares in IMDEX on or about September 2022. Subject to achievement of specified performance hurdles and ongoing employment tenure.

(ee) To be satisfied by the issue of fully paid ordinary shares in IMDEX on or about September 2023. Subject to achievement of specified performance hurdles and ongoing employment tenure.

KMP Shareholdings

The table below details the number of shares held in IMDEX and the movement during FY21.

	Class of shares	Balance at start of period 1 July 2020	Shares allocated under remuneration framework[1]	Net change Other	Balance[1] at end of period 30 June 2021	Number of Performance Rights[2] not vested at year-end
Non-Executive Directors						
Mr A. Wooles	Ordinary	700,000	-	(300,000)	400,000	-
Ms S. Layman	Ordinary	70,000	-	-	70,000	-
Mr K. Dundo	Ordinary	204,546	-	-	204,546	-
Mr I. Gustavino	Ordinary	62,077	-	-	62,077	-
Ms T. Arlaud[3]	Ordinary	-	-	-	-	-
Senior Executives						
Mr P. House	Ordinary	-	164,664	-	164,664	668,911
Mr P. Evans	Ordinary	659,021	188,590	(160,000)	687,611	410,377
Mr S. Southwell[4]	Ordinary	-	-	-	-	239,502
Mr M. Regan	Ordinary	-	-	-	-	507,223
Ms M. Carey	Ordinary	200,906	123,498	(65,000)	259,404	421,391
Mr T. Price	Ordinary	546,164	220,752	(214,757)	552,159	533,516
Mr D. Loughlin[5]	Ordinary	479,000	193,221	(92,221)	580,000	183,994
Mr B. Ridgeway[6]	Ordinary	4,970,907	-	-	4,970,907	1,389,608

1. All shares were issued for nil consideration.
2. Includes Ordinary Shares and Performance Rights held directly, indirectly and beneficially by KMP.
3. Ms Arlaud was appointed as a Non-Executive Director on 10 February 2021. Data in the table above is reflective of her appointment date.
4 Mr Southwell commenced as a member of KMP on 1 July 2020. Data in the table above is reflective of his appointment date.
5. Mr Loughlin left employment with the Company and ceased as a member of KMP on 8 February 2021. Closing balance is at this date.
6. Mr Ridgeway retired and ceased as a member of KMP effective 1 July 2020. Closing balance is at this date.

8. Other Transactions

Mr. I Gustavino is a director and shareholder in consulting company Atrico Pty Ltd, that during the financial year from 1 July 2020 to 30 September 2020 (when the agreement was terminated), provided consulting services to the value of $16,200 (2020: $86,100) to the IMDEX Group on normal commercial terms and conditions. At the direction of the vendors of AusSpec International Limited (Refer Note 5.2 Acquisition of subsidiaries), the Group issued IMDEX shares to Atrico Pty Ltd to satisfy a fee owed by the vendors to Atrico Pty Ltd. Refer to ASX announcement 12 August 2020.

There are no other transactions and balances with key management personnel and their related parties.

End of Remuneration Report.

Signed in accordance with a resolution of the Directors made pursuant to S.298(2) of the Corporations Act 2001.

On behalf of the Directors

Mr. Anthony Wooles

Chairman

PERTH, Western Australia, 15 August 2021

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group;

(c) in the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1.1 to the financial statements; and

(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 2016/191. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 5.3 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

Dated at PERTH, Western Australia, 15 August 2021

Mr. Anthony Wooles

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Year Ended 30 June 2021 $'000	Year Ended 30 June 2020 $'000
Revenue from sale of goods, rentals and software	2.3	264,375	237,691
Other income	2.5	3,042	3,814
Raw materials and consumables used		(81,572)	(77,573)
Employee benefit expense	2.3	(67,090)	(66,448)
Depreciation and amortisation expense	2.3	(30,783)	(26,488)
Finance costs	2.3	(3,246)	(2,631)
Other expenses	2.3	(40,195)	(39,223)
Profit before tax		44,531	29,142
Income tax expense	5.1	(12,864)	(7,384)
Profit for the period		31,667	21,758
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on the translation of foreign operations		(1,416)	(3,177)
Other comprehensive income for the year, net of income tax		(1,416)	(3,177)
Total comprehensive income for the year		30,251	18,581
Profit attributable to owners of the parent		31,667	21,758
Total comprehensive income attributable to owners of the parent		30,251	18,581
Earnings per share			
Basic profit per share (cents)	2.1	8.01	5.64
Diluted profit per share (cents)	2.1	7.80	5.46

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	30 June 2021 $'000	30 June 2020 $'000
Current assets			
Cash and Cash Equivalents	3.1	58,477	38,263
Trade and other receivables	4.1	58,243	43,520
Inventories	4.2	41,501	41,161
Current tax assets	5.1	2,330	3,155
Other		5,185	4,001
Total current assets		165,736	130,100
Non-current assets			
Property, plant and equipment	4.3	45,621	43,143
Right-of-Use Assets	4.4	32,960	36,489
Deferred tax assets	5.1	25,144	24,808
Intangible assets	4.5	92,943	83,582
Other		3,708	-
Total non-current assets		200,376	188,022
Total assets		366,112	318,122
Current liabilities			
Trade and other payables	4.6	37,885	26,876
Lease liabilities	4.4	4,064	6,385
Deferred consideration	4.8	5,741	107
Current tax liabilities	5.1	4,582	2,382
Provisions	4.7	5,693	4,621
Total current liabilities		57,965	40,371
Non-current liabilities			
Lease liabilities	4.4	34,809	35,132
Deferred consideration	4.8	8,926	14,619
Borrowings	3.2	11,128	6,115
Provisions	4.7	233	253
Total non-current liabilities		55,096	56,119
Total liabilities		113,061	96,490
Net assets		253,051	221,632
Equity			
Issued capital	3.3	169,078	158,697
Reserves	5.4	1,088	4,464
Retained earnings		82,885	58,471
Total equity		253,051	221,632

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Shares reserved for Performance Rights Plan $'000	Foreign Currency Translation Reserve $'000	Employee Equity-Settled Benefits Reserve $'000	Reserves Total $'000	Fully Paid Ordinary Shares $'000	Retained Earnings $'000	Total Attributable to Equity Holders of the Entity $'000
Balance at 30 June 2019 (as previously reported)		-	(2,261)	9,081	6,820	156,483	56,709	220,012
Effect of change in accounting policy for initial application of AASB16		-	-	-	-	-	(2,921)	(2,921)
Balance at 1 July 2019 (as restated)		**-**	**(2,261)**	**9,081**	**6,820**	**156,483**	**53,788**	**217,091**
Exchange differences on translation of foreign operations after taxation		-	(3,177)	-	(3,177)	-	-	(3,177)
Profit for the year		-	-	-	-	-	21,758	21,758
Total comprehensive income for the year		-	(3,177)	-	(3,177)	-	21,758	18,581
Share based payments - performance rights	2.3	-	-	3,035	3,035	-	-	3,035
Granting/settlement of performance rights	5.4	(129)	-	(2,085)	(2,214)	2,214	-	-
Dividends paid		-	-	-	-	-	(17,075)	(17,075)
Balance at 30 June 2020		**(129)**	**(5,438)**	**10,031**	**4,464**	**158,697**	**58,471**	**221,632**
Exchange differences on translation of foreign operations after taxation		-	(1,416)	-	(1,416)	-	-	(1,416)
Profit for the year		-	-	-	-	-	31,667	31,667
Total comprehensive income for the year		-	(1,416)	-	(1,416)	-	31,667	30,251
Effect of change in accounting for cloud-based Software-as-a-Service (SaaS) arrangements	1.3	-	-	-	-	-	(513)	(513)
Share based payments - performance rights	2.3	-	-	3,011	3,011	-	-	3,011
Tax effect on the share-based payments	5.1	-	-	410	410	-	-	410
Granting/settlement of performance rights	5.4	6	-	(5,387)	(5,381)	5,381	-	-
Issue of shares relating to acquisition	5.2	-	-	-	-	5,000	-	5,000
Dividends paid		-	-	-	-	-	(6,740)	(6,740)
Balance at 30 June 2021		**(123)**	**(6,854)**	**8,065**	**1,088**	**169,078**	**82,885**	**253,051**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Notes	Year Ended 30 June 2021 $'000	Year Ended 30 June 2020 $'000
Cash flows from operating activities			
Receipts from customers		272,359	270,722
Payments to suppliers and employees		(207,890)	(208,176)
Interest and other costs of finance paid		(491)	(527)
Income tax paid		(7,080)	(9,649)
Net cash provided by operating activities	3.1	56,898	52,370
Cash flows from investing activities			
Interest received		142	189
Payment for property, plant and equipment		(24,567)	(23,171)
Payment for intangible assets		(2,572)	-
Proceeds on sale of investment		-	6,362
Acquisition of AusSpec	5.2	(1,004)	-
Acquisition of Flexidrill		-	(2,537)
Net cash used in investing activities		(28,001)	(19,157)
Cash flows from financing activities			
Repayment of borrowings		(8,129)	(200)
Proceeds from borrowings		13,363	-
Dividends paid		(6,740)	(17,075)
Hire purchase payments		-	(67)
Repayment of lease liabilities		(6,890)	(6,392)
Net cash used in financing activities		(8,396)	(23,734)
Net increase in cash and cash equivalents		20,501	9,479
Cash and cash equivalents at the beginning of the financial year		38,263	29,476
Effects of exchange rate changes on the balance of cash held in foreign currencies		(287)	(692)
Cash and cash equivalents at the end of the financial year	3.1	58,477	38,263

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

ABOUT THIS REPORT

IMDEX Limited (the Company) is a listed public company, incorporated in Western Australia and along with its subsidiaries (collectively the "Group") operates in Asia-Pacific, Africa / Europe and the Americas. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

1.1 Basis of Presentation

The Financial Report has been prepared on the going concern basis and on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted and accounting policies have been applied consistently in all periods presented.

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

The Financial Report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards (AASBs), including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board, and the Corporations Act 2001. The Financial Report of the Group also complies with International Financial Reporting Standards (IFRSs) and Interpretations as issued by the International Accounting Standards Board (IASB);
- presents reclassified comparative information where appropriate to enhance comparability with the current period presentation.
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2020. Refer to note 1.3 for further details;
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective, unless otherwise disclosed. Refer to note 1.3 for further details; and

The financial statements were authorised for issue by the Directors on 15 August 2021.

1.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Group has power over an entity and is exposed to, or has rights over, the variable returns of the entity, as well as the ability to use this power to affect the variable returns of the entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss, and;
- reclassifies to profit or loss or transfers directly to retained earnings, as appropriate, the parent's share of components previously recognised in other comprehensive income.

Certain prior year disclosures have been reclassified for consistency with the current year presentation. These reclassifications are not material to the current period financial report.

ABOUT THIS REPORT

1.3 Changes to Accounting Policies

The Group has adopted all new and amended Australian Accounting Standards and Interpretations which were required to be applied from 1 July 2020.

Amendments to existing standards effective and adopted from 1 July 2020 but not relevant or significant to the Group:

Amendments to AASB 2020-4	COVID-19 Related Rent Concessions
Amendments to IAS 1/IAS 8	Definition of material
Interpretation to IAS 38	Configuration or Customisation Costs in a Cloud Computing Arrangement

IMDEX has revised its accounting policy at 30 June 2021 to align with the recent interpretation from the IFRS Interpretations Committee in relation to accounting for cloud-based Software-as-a-Service (SaaS) arrangements. The recent interpretation clarifies the circumstances in which configuration and customisation services associated with SaaS arrangements may be capitalised, with emphasis on the requirement for 'control' of the intellectual property of the underlying software code. As a result of this change in accounting policy at 30 June 2021, IMDEX has de-recognised $0.6 million of SAAS configuration or customisation costs previously capitalised to the balance sheet, and opening adjustment to retained earnings of $0.5 million and a net $0.1 million impact to the profit and loss for the year ended 30 June 2021.

New standards and amendments to standards that have been issued but not yet effective or early adopted by the Group:

AASB 17	Insurance Contracts
Amendments to AASB 1	Classification of Liabilities as Current or Non-current
Amendments to AASB 3	Reference to the Conceptual Framework
Amendments to AASB 16	Property, Plant and Equipment – Proceeds Before Intended Use
Amendments to AASB 137	Onerous Contracts – Cost of Fulfilling Contract

1.4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined in the following notes:

- 4.1 – Recoverability of receivables
- 4.3 – Recoverability of non-current assets
- 4.5 – Intangible Assets
- 4.8 – Deferred consideration
- 5.1 – Taxation
- 5.2 – Acquisition of subsidiaries

OPERATING PERFORMANCE

2.1 Earnings per Share

	2021 $'000	2020 $'000
Profit attributable to equity holders of the Company in the calculation of basic and diluted earnings per share	31,667	21,758
	Number of Shares	
Weighted average number of ordinary shares for the purposes of basic earnings per share	395,286,525	385,882,006
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	406,065,175	398,460,563
From continuing operations		
Basic earnings per share	8.01	5.64
Diluted earnings per share	7.80	5.46

2.2 Segment Information

The primary means by which the Board view the business and make key decisions is based on geographical lines.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a regional general manager and the level of segment information presented to the Board of Directors.

Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the regions serviced. The Directors of the Company have chosen to organise the Group around different geographical markets serviced by the entity's products and services.

No operating segments have been aggregated in arriving at the reportable segments of the Group. All segments are in the business of the manufacture and sale/rental of products and software to the mining sector along the following geographical lines:

AM - Americas
APAC - Asia Pacific
AE – Africa / Europe

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise deferred tax assets, treasury cash, net financing costs for the Group and the corporate portion of head office costs. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The following is an analysis of the revenue and results for the year, analysed by reportable segment.

OPERATING PERFORMANCE

2.2 Segment Information (continued)

Segment Revenues	2021 $'000	2020 $'000
AM – Americas	115,307	98,169
APAC – AsiaPac	81,700	80,462
AE – Africa / Europe	67,368	59,060
Total Revenue	**264,375**	**237,691**

Segment Results		
AM – Americas	27,026	9,665
APAC – AsiaPac	24,389	26,808
AE – Africa / Europe	23,991	18,633
Total of all Segments	**75,406**	**55,106**
IMDEX Technology (i)	(25,823)	(22,715)
Central Administration Costs (ii)	(6,590)	(5,868)
Gain on sale of investment	-	3,625
Fair value gain on revaluation of deferred consideration	2,917	-
Finance costs (iii)	(1,379)	(1,006)
Profit before Income Tax	**44,531**	**29,142**
Income Tax Expense	(12,864)	(7,384)
Profit attributable to ordinary equity holders of IMDEX	**31,667**	**21,758**

(i) During the year IMDEX revised the presentation of Engineering and Product Development (EPD) costs together with Product Management costs, presenting these costs together as 'Imdex Technology Costs' to align with information presented to the Board of Directors and management structure. In the prior year, EPD activities were reflected as a separate unallocated cost, whilst Product Management costs were included within the operating segment results. Prior year comparatives have been reclassified for consistency. EPD spend in FY21 totalled $19.1 million (FY20: $17.5 million).

(ii) Central Administration Costs comprise the corporate portion of head office costs. Head office costs attributable to operations are allocated to reportable segments in proportion to the revenues earned from those segments.

(iii) Unallocated finance costs represent the finance costs associated with the Group treasury function. Interest on lease liabilities is considered directly attributable to the segments and has been included in their segment results.

Segment Assets and Liabilities

	Assets		Liabilities	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
AM - Americas	110,575	91,326	24,036	18,506
APAC - AsiaPac	129,604	133,751	50,982	48,030
AE – Africa / Europe	58,470	50,799	7,666	6,731
Total of all segments	298,649	275,876	82,684	73,267
Unallocated	67,463	42,246	30,377	23,223
Consolidated	366,112	318,122	113,061	96,490

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than tax assets and treasury cash.
- All liabilities are allocated to reportable segments other than tax liabilities, the external loan and the deferred consideration.
- Certain prior year disclosures have been reclassified for consistency with the current year presentation. These reclassifications are not material to the financial report.

OPERATING PERFORMANCE

2.2 Segment Information (continued)

Other Segment Information

2021	AM - Americas $'000	APAC - AsiaPac $'000	AE – Africa / Europe $'000	Unallocated $'000	Total $'000
Depreciation on property plant and equipment	9,446	4,503	4,550	1,782	20,281
Depreciation on right of use assets	2,084	1,480	859	1,585	6,008
Amortisation of intangible assets	1,961	1,388	1,145	-	4,494
Interest on lease liabilities	324	557	50	936	1,867
Acquisition of segment net assets	4,299	3,012	2,443	(1,639)	8,115
Significant non-cash expenses other than depreciation and amortisation	-	-	-	2,917	2,917
2020					
Depreciation on property plant and equipment	9,958	4,236	3,462	1,324	18,980
Depreciation on right of use assets	2,053	1,289	1,037	1,564	5,943
Amortisation of intangible assets	570	724	271	-	1,565
Interest on lease liabilities	264	317	67	977	1,625
Acquisition of segment net assets	8,980	6,095	5,524	2,572	23,171
Significant non-cash expenses other than depreciation and amortisation	-	-	-	3,035	3,035

OPERATING PERFORMANCE

2.3 Revenue and Expenses

	Note	2021 $'000	2020 $'000
Revenue			
Sale of goods (i)		108,857	110,401
Rentals and software (ii)		155,518	127,290
		264,375	237,691

(i) The Group typically satisfies the obligation associated with the sale of goods at a point in time upon shipment or delivery when control is transferred to customers.

(ii) The Group typically satisfies the obligation to provide rental products and software subscriptions over time.

Expense analysis by nature:

	Note	2021 $'000	2020 $'000
Employee benefits expense			
Salaries and wages		(60,540)	(59,944)
Defined contribution superannuation/pension costs		(3,539)	(3,469)
Share based payments		(3,011)	(3,035)
		(67,090)	(66,448)
Depreciation and amortisation expense			
Depreciation of Property, Plant and Equipment	4.3	(20,281)	(18,980)
Depreciation of Right-of-Use assets	4.4	(6,008)	(5,943)
Amortisation of Intangible Assets	4.5	(4,494)	(1,565)
		(30,783)	(26,488)
Finance costs			
Interest on lease liabilities	4.4	(1,867)	(1,625)
Accretion of interest on deferred considerations	4.8	(791)	(413)
Amortisation of borrowing costs	3.2	(97)	(66)
Interest and other financing costs		(491)	(527)
		(3,246)	(2,631)

OPERATING PERFORMANCE

2.3 Revenue and Expenses (continued)

	Note	2021 $'000	2020 $'000
Other expenses			
Commissions		(1,900)	(1,556)
Consulting and legal expenses (i)		(11,262)	(9,677)
Rent and premises costs		(2,773)	(3,190)
Travel and accommodation		(1,419)	(3,749)
Motor vehicle costs		(2,036)	(2,034)
Obsolete stock		(1,962)	(527)
Doubtful debts	4.1	(759)	(2,153)
Software and network infrastructure		(3,625)	(2,781)
Materials associated with developing technologies		(4,777)	(3,361)
Other expenses		(9,682)	(10,195)
		(40,195)	(39,223)

(i) Includes legal, audit, taxation, share registry, corporate secretarial fees and consulting services

During the period, the Group received $0.4 million (2020: nil) of COVID-19 related overseas government grants. These have been offset against employee benefits expense.

Defined contribution plans

Contributions to defined contribution superannuation/pension plans are expensed when incurred.

2.4 Dividends

The following dividends have been paid by the Company or declared by the Directors since the commencement of the financial year ended 30 June 2021:

(i) fully-franked final dividend of 0.7 cents (2020: 1.4 cents) per share paid on 13 October 2020;

(ii) fully-franked interim dividend of 1.0 cents (2020: 1.0 cents) per share paid on 23 March 2021;

(iii) fully-franked final dividend of 1.4 cents (2020: 0.7 cents) per share to be paid on 12 October 2021; and

(iv) fully-franked special dividend of 0.4 cents (2020: 2.0 cents) per share to be paid on 12 October 2021.

The franking account balance is $42.1 million (2020: $44.1 million).

2.5 Other Income

	Note	2021 $'000	2020 $'000
Other income			
Fair value gain on deferred consideration	4.8	2,917	-
Gain on sale of investment		-	3,625
Interest Income		142	189
Other		(17)	-
		3,042	3,814

DEBT & CAPITAL

3.1 Cash

Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and held at banks, net of outstanding bank overdrafts. Cash at bank earns interest at floating rates based on daily bank deposit rates. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	2021 $'000	2020 $'000
Cash	58,477	38,263

Reconciliation from the Profit for the Year to Net Cash Provided by Operating Activities

	2021 $'000	2020 $'000
Profit for the year	31,667	21,758
Adjustments for non-cash items		
Depreciation and amortisation of non-current assets	30,783	26,488
Interest received disclosed as investing activities	(142)	(189)
Share options and performance rights expensed	3,011	3,035
Gain on sale of investment	-	(3,625)
Fair value gain on deferred consideration	(2,917)	-
Interest on lease liabilities	1,867	1,625
Amortisation of borrowing costs	97	66
Other	(181)	1,470
Changes in assets and liabilities during the financial year		
(Increase) / decrease in assets:		
Current receivables	(17,137)	8,420
Current inventories	(2,844)	(6,654)
Other current assets	(1,598)	3,551
Other non-current assets	(3,708)	-
Increase / (decrease) in liabilities:		
Current payables	11,135	2,683
Provision for employee entitlements	1,081	(1,455)
Current and deferred tax liability	5,784	(4,803)
Net Cash provided by Operating Activities	56,898	52,370

DEBT & CAPITAL

3.2 Borrowings

	2021 $'000	2020 $'000
Non-current borrowings		
Secured		
Bankwest	-	6,115
Commonwealth Bank of Australia	11,128	-
	11,128	6,115

	30-Jun-20	Cash flows		Non-cash changes			30-Jun-21
	$'000	Repaid $'000	Drawn $'000	Foreign Exchange Movement $'000	Reclassification $'000	Other $'000	$'000
Bankwest Facility							
Non-current borrowings	6,115	(6,129)	-	(155)	-	169	-
Commonwealth Bank of Australia							
Non-current borrowings	-	(2,000)	13,363	(163)	-	(72)	11,128
Total liabilities from financing activities	**6,115**	**(8,129)**	**13,363**	**(318)**	**-**	**97**	**11,128**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable fees, premiums paid and transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

On 29 September 2020, the Group replaced the previous Bankwest facility with a new facility from the Commonwealth Bank of Australia.

The key terms of the Commonwealth Bank Facility are as follows:

Term: The facility has no repayment requirements other than at expiry. The facility is due to expire on 1 July 2023.

Maximum Facility: $30 million.

Drawn Balance at 30 June 21: $10.9 million, and bank guarantees and credit card borrowings $0.25 million.

Undrawn Balance at 30 June 21: $18.9 million.

Weighted Average Interest Rate: 2.49%.

DEBT & CAPITAL

3.3 Issued Capital

	Notes	2021 Number	2021 $'000	2020 Number	2020 $'000
Issued and Paid-Up Capital - Fully paid ordinary shares					
Balance at beginning of the financial year		388,057,257	158,697	378,825,085	156,483
Issue of shares	(ii)	4,438,851	5,000	-	-
Issue of shares under performance rights	5.4	3,956,292	5,381	9,232,172	2,214
Closing balance at end of the financial year	(i)	396,452,400	169,078	388,057,257	158,697

(i) Fully paid ordinary shares carry one vote per share and carry the right to dividends.
(ii) During the current period, the Company issued 4.4 million shares to the owner of AusSpec International Limited. Refer to note 5.2.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Where any Group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued.

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

3.4 Financial Risk Management

Categories of financial instruments	2021 $'000	2020 $'000
Financial Assets		
Cash and cash equivalents	58,477	38,263
Trade and other receivables	61,951	43,520
	120,428	81,783
Financial Liabilities		
Trade and other payables	37,885	26,876
Lease liabilities	38,873	41,517
Borrowings	11,128	6,115
	87,886	74,508

Financial risk management objectives

The Group is exposed to financial risks through the normal course of its business operations. The key financial risks impacting the Group relate to its financial instruments as per those disclosed in the statement of financial position. Specifically, those key risks are considered to be foreign currency risk and interest rate risk. The Group monitors its exposure to these risks on a regular basis and may enter into derivative financial instruments to manage these risks where appropriate. There are no derivative financial instruments in operation at the reporting date.

DEBT & CAPITAL

3.4 Financial Risk Management (continued)

Foreign currency risk management

The functional currency of the Company is Australian dollars. Certain financial instruments of the Group are exposed to movements in various currencies. The Group undertakes certain transactions denominated in foreign currencies, hence exposures to foreign exchange rate fluctuations arise. Exchange rate exposures are managed with the use of natural hedges where possible and with the use of financial instruments where benefit outweighs cost within approved policy parameters. During the current and prior year no derivative instruments were used to manage foreign exchange risk.

Exposure

The carrying amount in Australian dollars of the Group's monetary assets and liabilities denominated in currencies other than Australian dollars at the reporting date are as per the table below. Non-Australian dollar liabilities include trade creditors and borrowings recorded in Australian as well as non-Australian entities. Non-Australian dollar assets include cash on hand and debtors recorded in Australian as well as non-Australian entities. Any fluctuation in exchange rates relative to the Australian dollar will cause the below assets and liabilities to change in value.

	Liabilities		Assets	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
United States Dollars	17,265	13,277	34,809	21,557
Euro	1,936	3,290	4,713	3,394
South African Rand	857	827	3,384	1,906
Canadian Dollars	1,500	1,609	10,335	5,094
Other	1,763	2,330	7,751	10,975

Sensitivity

The Group is mainly exposed to United States Dollars, Euro and Canadian Dollars. The following table details the Group's sensitivity to a 10% (2020: 10%) increase or decrease in the Australian Dollar against the relevant foreign currencies.

	United States Dollar Impact		Canadian Dollar Impact	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
10% increase	1,754	828	884	348
10% decrease	(1,754)	(828)	(884)	(348)

	Euro Impact	
	2021 $'000	2020 $'000
10% increase	277	10
10% decrease	(277)	(10)

Profit / (loss) impacts are mainly attributable to exposure on outstanding receivables and payables at the reporting date denominated in the applicable foreign currency.

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3.4 Financial Risk Management (continued)

Interest rate risk management

The Group's cash flow is exposed to interest rate risk as entities in the Group borrow, lend and deposit funds at floating rates of interest. The following table details the Group's pre-tax loss sensitivity to a 1% increase and decrease in variable interest rates:

	Consolidated Impact	
	2021 $ '000	2020 $ '000
Increased interest rate	(500)	(476)
Decreased interest rate	500	476

Credit risk management

The Group's maximum exposure to credit risk is the carrying amount of those assets as indicated in the statement of financial position. Credit risk on financial instruments refers to the potential financial loss to the Group that may result from counterparties failing to meet their contractual obligations. The Group manages its counterparty risk by limiting its transactions to counterparties of sound credit worthiness. The Group faced no significant credit exposures at the balance date.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who monitors short, medium and long term liquidity requirements through the use of financial models. The treasury function reports regularly to key management personnel and the Board on matters affecting liquidity risk. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. At 30 June 2021 the Company/Group has undrawn facilities of $18.9 million.

Maturity of financial liabilities

The following tables detail the Company's and the Group's remaining contractual maturity for its non–derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group may be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	0-3 months $'000	3 months to 1 year $'000	1-5 years $'000	5+ years $'000	Total $'000
2021						
Trade and other payables	-	37,885	-	-	-	37,885
Lease liabilities	4.50%	1,416	4,248	15,798	30,078	51,540
CBA credit facility	2.49%	-	-	11,128	-	11,128
		39,301	4,248	26,926	30,078	100,553
2020						
Trade and other payables	-	26,876	-	-	-	26,876
Lease liabilities	4.50%	1,475	4,426	15,861	31,194	52,956
Bankwest credit facility	2.11%	-	-	6,115	-	6,115
		28,351	4,426	21,976	31,194	85,947

DEBT & CAPITAL

3.4 Financial Risk Management (continued)

Maturity of financial assets

The following tables detail the Company's and the Group's remaining contractual maturity for its financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets except where the Company/Group anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	0-3 months	3 months to 1 year	1-5 years	5+ years	Total
	%	$'000	$'000	$'000	$'000	$'000
2021						
Trade and other receivables	-	58,243	-	3,708	-	61,951
Cash	0.27%	58,477	-	-	-	58,477
		116,720	-	3,708	-	120,428
2020						
Trade and other receivables	-	43,520	-	-	-	43,520
Cash	0.75%	38,263	-	-	-	38,263
		81,783	-	-	-	81,783

Non- derivative financial instruments

Recognition and measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis, where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Fair value of financial Instruments

The Directors consider that the carrying amount of financial assets and liabilities recorded in the financial statements represents or approximate their respective fair values.

3.5 Commitments for Expenditure

Capital expenditure commitments

At 30 June 2021 the Group had $8.8 million capital commitments (2020: $0.5 million).

OTHER ASSETS & LIABILITIES

4.1 Trade and Other Receivables

	Notes	2021 $'000	2020 $'000
Current			
Trade receivables	(i)	60,538	43,007
Less allowance	(ii)	(3,505)	(4,059)
		57,033	38,948
Other receivables		1,210	4,572
		58,243	43,520

(i) The average credit period on sales of goods is approximately 60 days. Trade receivables are interest free unless outside of terms at which point interest may be charged.

(ii) Movement in the loss allowance		
Balance at the beginning of the year	4,059	2,711
Amounts written off during the year	(1,313)	(805)
Increase in allowance recognised in profit or loss	759	2,153
Balance at the end of the year	3,505	4,059

The expected credit loss calculation for trade receivables considers both quantitative information from historic losses as well as qualitative information on different debtor profiles. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the loss allowance above.

Ageing of past due but not impaired debtors		
0 - 30 days past due	6,794	2,965
31 - 60 days past due	2,480	2,842
61 + days past due	4,968	3,330
	14,242	9,137

The above analysis shows debtors that are past due at the end of the reporting date where no provision has been raised as the Group believes that the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

4.2 Inventories

	2021 $'000	2020 $'000
Current		
Raw materials	1,624	1,376
Work in progress	1,034	692
Finished goods	38,843	39,093
	41,501	41,161

Inventories are valued at the lower of cost or net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

An allowance for diminution of stock of $2.2 million existed at 30 June 2021 (2020: $0.9 million).

OTHER ASSETS & LIABILITIES

4.3 Property, Plant and Equipment

	Notes	Plant and Equipment at cost $'000	Leasehold Improvements at cost $'000	Capital Works in Progress at cost $'000	TOTAL $'000
2021					
Cost		109,927	7,166	2,348	119,441
Accumulated depreciation		(68,131)	(5,689)	-	(73,820)
Total carrying value		41,796	1,477	2,348	45,621
Movement					
Carrying amount at the beginning of the year		38,768	2,098	2,277	43,143
Additions (i)		23,795	231	541	24,567
Acquisition of a subsidiary	5.2	3	-	-	3
Transfer to intangible assets	4.5	(1,482)	-	(503)	(1,985)
Depreciation expense	2.3	(19,450)	(831)	-	(20,281)
Foreign currency exchange differences		162	(21)	33	174
Carrying amount at the end of the year		**41,796**	**1,477**	**2,348**	**45,621**

2020				
Cost	82,295	9,276	2,277	93,848
Accumulated depreciation	(43,527)	(7,178)	-	(50,705)
Total carrying value	38,768	2,098	2,277	43,143
Movement				
Carrying amount at the beginning of the year	35,996	2,596	775	39,367
Additions (i)	21,157	307	1,707	23,171
Acquisition of a subsidiary	417	-	-	417
Disposals	801	(10)	(148)	643
Depreciation expense	(18,185)	(795)	-	(18,980)
Foreign currency exchange differences	(1,418)	-	(57)	(1,475)
Carrying amount at the end of the year	38,768	2,098	2,277	43,143

(i) Includes external acquisitions and transfers from inventory.

Property, plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital works in progress

Capital works in progress in the course of construction for production or supply purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Depreciation

Depreciation is calculated on a straight line basis in order to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the estimated useful life, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The annual depreciation rate for plant and equipment is 33% and the annual depreciation range for leasehold improvement is 10 – 33%. Depreciation of capital works in progress, on the same basis as other property, plant and equipment assets, commences when the assets are ready for their intended use.

OTHER ASSETS & LIABILITIES

4.4 Leases

Right of use assets	Land and Buildings $'000	Motor Vehicles $'000	Other $'000	TOTAL $'000
2021				
Cost	37,578	3,128	1,925	42,631
Accumulated depreciation	(7,582)	(1,299)	(790)	(9,671)
Total carrying value	29,996	1,829	1,135	32,960
Movement				
Carrying amount at the beginning of the year	**33,686**	**1,303**	**1,500**	**36,489**
Additions	1,128	1,202	78	2,408
Disposals	(29)	(73)	(5)	(107)
Lease remeasurements	(279)	497	-	218
Depreciation	(4,440)	(1,129)	(439)	(6,008)
Other	169	-	-	169
Foreign currency exchange differences	(239)	29	1	(209)
Carrying amount at the end of the year	**29,996**	**1,829**	**1,135**	**32,960**
2020				
Cost	37,542	1,986	1,840	41,368
Accumulated depreciation	(3,856)	(683)	(340)	(4,879)
Total carrying value	33,686	1,303	1,500	36,489
Movement				
Carrying amount at the beginning of the year	25,156	1,292	1,249	27,697
Additions	13,701	1,024	492	15,217
Acquisition of a subsidiary	72	-	-	72
Lease remeasurements	57	(69)	78	66
Depreciation	(4,682)	(910)	(351)	(5,943)
Foreign currency exchange differences	(618)	(34)	32	(620)
Carrying amount at the end of the year	33,686	1,303	1,500	36,489

Lease liabilities	2021 $'000	2020 $'000
Opening	41,517	31,824
Additions	2,408	15,217
Acquisition of a subsidiary	-	74
Disposal of lease liability	(11)	-
Lease remeasurements	218	66
Repayments	(6,890)	(6,392)
Accretion of interest	1,867	1,625
Net foreign exchange differences	(236)	(897)
Carrying amount at 30 June	**38,873**	**41,517**

	2021 $'000	2020 $'000
Current	4,064	6,385
Non-current	34,809	35,132
Carrying amount at 30 June	**38,873**	**41,517**

OTHER ASSETS & LIABILITIES

4.4 Leases (Continued)

The table below presents the contractual undiscounted cash flows associated with the Group's lease liabilities, representing principal and interest. The figures will not necessarily reconcile with the amounts disclosed in the consolidated statement of financial position.

	2021 $'000	2020 $'000
Due for payment in:		
1 year or less	5,664	5,901
1-2 years	4,594	4,952
2-3 years	4,035	4,090
3-4 years	3,797	3,647
4-5 years	3,372	3,172
More than 5 years	30,078	31,194
	51,540	**52,956**

The Group recognises a Right-of-Use asset at the commencement date of the lease, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any lease payments pre-commencement date plus any make good obligations. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

The Right-of-Use asset is depreciated over the shorter of the asset's useful life and the term of the lease, on a straight-line basis.

Lease Liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date.

The lease payments include:

- Fixed payments, offset by any lease incentives receivable;
- Variable lease payments linked to an index or rate;
- Exercise price of a purchase option (where the Group is reasonably certain to exercise that option); and
- Payment of penalties for terminating the lease (where the life of the lease has assumed termination).

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within 'other expenses' in profit or loss (30 June 2021: $0.7 million, June 2020: $0.2 million).

Key Estimates and Judgements

(a) Control

Judgement is required to assess whether a contract is or contains a lease at inception by assessing whether the Group has the right to direct the use of the identified asset and obtain substantially all the economic benefits of the use of that asset.

(b) Lease term

Judgement is required when assessing the term of the lease and whether to include optional extension and termination periods. Option periods are only included in determining the lease term at inception when they are reasonably certain to be exercised. Lease terms are reassessed when a significant change in circumstances occurs.

The Group included the renewal period as part of the lease term for the lease of the corporate head office and the lease of the Western Australian manufacturing and distribution facility, as both properties were purpose built for the Group and the extensions of these leases is reasonably certain. Renewal options for motor vehicles are not included as part of the lease term because the Group typically leases vehicles for not more than five years and is not likely to exercise any renewal options.

(c) Discount rates

Judgement is required to determine the discount rate, where the discount rate is the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to the Group's borrowing portfolio at the inception of the arrangement or the time of the modification.

OTHER ASSETS & LIABILITIES

4.5 Intangible Assets

	Notes	Goodwill $'000	Patents and licences with definite useful life $'000	Software (ii) $'000	TOTAL $'000
At cost		86,399	33,244	5,203	124,846
Accumulated amortisation		-	(5,802)	(1,806)	(7,608)
Accumulated impairment losses		(24,295)	-	-	(24,295)
Net carrying amount as at 30 June 2021		62,104	27,442	3,397	92,943
Movement					
As at 30 June 2020		57,784	25,798	-	83,582
Additions		-	-	2,572	2,572
Acquisition of assets/subsidiary	5.2	4,271	5,500	-	9,771
Transfer from property, plant and equipment	4.3	-	-	1,985	1,985
Disposals due to SaaS adjustment (i)		-	-	(513)	(513)
Amortisation expense	2.3	-	(3,847)	(647)	(4,494)
Foreign currency exchange differences		49	(9)	-	40
As at 30 June 2021		**62,104**	**27,442**	**3,397**	**92,943**
At cost		82,079	27,755	-	109,834
Accumulated amortisation		-	(1,957)	-	(1,957)
Accumulated impairment losses		(24,295)	-	-	(24,295)
Net book value as at 30 June 2020		57,784	25,798	-	83,582
Movement					
As at 30 June 2019		59,177	354	-	59,531
Additions		-	-	-	-
Acquisition of assets/subsidiary		-	27,059		27,059
Amortisation expense		-	(1,565)	-	(1,565)
Foreign currency exchange differences		(1,393)	(50)	-	(1,443)
As at 30 June 2020		57,784	25,798	-	83,582

(i) Effect of change in accounting policy for IFRS Interpretations in relation to accounting for cloud-based Software-as-a-Service (SaaS) arrangements. Refer to note 1.3 for further details.

(ii) Of which, $1.2 million of software is under development and not available for use at 30 June 2021.

	2021 $'000	2020 $'000
Goodwill is allocated to operating segments as follows:		
Africa / Europe	8,182	7,100
Asia Pacific	33,658	32,334
Americas	20,264	18,350
	62,104	57,784

OTHER ASSETS & LIABILITIES

4.5 Intangible Assets (continued)

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired. Where the fair value of the consideration paid for a business acquisition exceeds the fair value of the identifiable assets acquired and liabilities assumed, the difference is treated as goodwill.

Goodwill is not amortised but is tested for impairment at least annually.

Identifiable intangibles

Patents and licences with finite useful lives were acquired in the Flexidrill acquisition (completed January 2020) and AusSpec Acquisition (see note 5.2). These intangible assets are amortised on a straight-line basis over the estimated useful life (up to 10 years).

Impairment Testing of Assets

IMDEX assesses impairment at the Operating Segment level for Goodwill. Goodwill exists in relation to three Segments:

- Asia Pacific
- Africa / Europe
- Americas

IMDEX assesses impairment at the Cash Generating Unit (CGU) level for fixed assets and other intangible assets. A CGU being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs identified are at a lower level than each Operating Segment (based on regional hubs).

The Group has five CGUs:

- Asia Pacific
- Europe
- Africa
- North America
- South America

The Group reviews the carrying amounts of its CGU's at each reporting period, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, a formal estimate of the asset's recoverable amount is calculated.

Recoverable amount is the higher of Fair Value Less Costs to Sell and Value in Use. In assessing Value in Use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the carrying amount of the CGU exceeds its recoverable amount, the asset or CGU is written down and an impairment loss is recognised in the income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Significant accounting estimates and assumptions

The determination of impairment involves the use of judgements and estimates that include, but are not limited to, the cause, timing and measurement of the impairment.

Goodwill is tested at least annually and where there is an indicator of impairment through testing of the Operating Segments (groups of CGU's) to which the goodwill has been allocated.

Fixed assets and other intangible assets are grouped into CGUs that have been identified as being the smallest identifiable group of assets that generate cash flows, which are independent of cash flows of other assets or groups of assets. The determination of these CGUs is based on management's judgement in regard to shared infrastructure, geographical proximity, and similar exposures to market risk and materiality.

Determining whether goodwill, intangibles and fixed assets are impaired requires an estimation of the "Value in Use" of the Operating Segment or CGU to which these assets are attributable. The Value in Use calculation requires the entity to estimate the future cash flows expected to arise from the Operating Segment or CGU and a suitable discount rate in order to calculate present value. A forward-looking estimation of this nature is inherently uncertain.

Management is required to make significant judgements concerning the identification of impairment indicators, such as changes in competitive positions, expectations of growth, increased cost of capital, and other factors that may indicate impairment. In addition, management is also required to make significant estimates regarding future cash flows and the determination of fair values when assessing the recoverable amount of assets (or group of assets). Inputs into these valuations require assumptions and estimates to be made about forecast earnings before interest and tax and related future cash flows, growth rates, applicable discount rates, useful live and residual values.

IMDEX's forecasted results reflect the activity levels within the minerals industry. The judgements, estimates and assumptions used in assessing impairment are management's best estimates based on current and forecast market conditions. Changes in economic and operating conditions impacting these assumptions could result in changes in the recognition of impairment charges in future periods.

OTHER ASSETS & LIABILITIES

4.5 Intangible Assets (continued)

Management has considered a range of external, internal and other indicators that may indicate some level of impairment at the individual asset level. These include evidence of obsolescence or physical damage of an asset, and evidence available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The Group continues to monitor the impact of the COVID-19 pandemic. The below plan performance experienced in the South America (SAM) CGU in the prior period, impacted by COVID-19 disruptions, has continued to recover throughout the period, with a return to plan performance and expected return to pre-COVID levels in 2022. Whilst a level of uncertainty continues to remain around the economic impact and duration that COVID-19 related issues will have on the markets in which the Group operates, COVID-19 was not considered an indicator of impairment for the Group's asset values at 30 June 2021.

At 30 June 2021, the Group held intangible assets of $22.9 million relating to intellectual property acquired in the acquisitions of Flexidrill (completed January 2020). The Group continues to progress the development of the associated Maghammer and Corevibe technologies. Management assesses the recoverability of the associated intangible assets at each reporting date as these technologies progress towards commercialisation.

These assessments did not identify any indicators of impairment for any of the CGUs.

Value in Use assessments and sensitivities:

Inputs to impairment calculations

For Value in Use calculations, cash flow projections are based on IMDEX's corporate plans and business forecasts prepared by management and approved by the Board for the 2022 financial year.

The key assumptions impacting the discounted cashflow models used to determine the Value in Use for each CGU were as follows:

- Revenue growth has been based on a range of growth rates. Initial rates are based on the forecasted numbers approved by the Board of Directors for FY22 and are in the range of 8%-15%;
- Subsequent growth rates are between 2% - 5% for 5 years up to the terminal (5 years) period;
- Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 2.5%, which is based on Group estimates, taking into consideration historical performance as well as expected long-term operating conditions to arrive at a terminal value. Growth rates do not exceed the consensus forecasts of the long-term average growth rate for the industry in which the CGU operates.
- Capital investment for the 2022 financial year is based on the forecasted numbers approved by the Board of Directors. Going forward to terminal date, capital investment gradually increases each year so that it equals the replacement cost of assets, excluding growth capital investment by terminal date;
- Tax rates used were those applicable to the countries in the region; and
- Post-tax discount rates used were country risk adjusted and based on data supplied by external sources and ranged from 8.5%-11.5%.

Other assumptions are determined with reference to internal and external sources of information.

Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amounts to fall below carrying values. Management have considered various reasonably possible sensitivities in the Value in Use assessment, with changes to the following key assumptions:

- Increase/decrease of 1% to the terminal growth rate.
- Increase/decrease of 1-2% to the discount rate.
- Increase/decrease of 5% in operating margins.

The above sensitivities have been performed in isolation, with all other assumptions in the Value in Use assessment held constant. No reasonably possible change made to these key assumptions has given rise to an impairment. However, forward looking estimation of this nature is inherently uncertain and the outcomes of these sensitivities may vary in the future.

Impairment losses recognised by cash generating unit:

There have been no impairment losses for any CGU in the current or prior year.

OTHER ASSETS & LIABILITIES

4.6 Trade & Other Payables

	Notes	2021 $'000	2020 $'000
Trade payables	(i)	19,173	15,882
Accruals and other payables	(ii)	18,712	10,994
		37,885	26,876

(i) Trade payables are interest free for periods ranging from 30 to 180 days. Thereafter interest may be charged at commercial rates. The consolidated entity has financial risk management policies in place to endeavour pay all payables within the credit timeframe.

(ii) Accruals and other payables include a $6.0 million accrual for the FY21 STI bonuses.

4.7 Provisions

	2021 $'000	2020 $'000
Current provisions		
Employee entitlements	4,943	4,621
Others	750	-
	5,693	4,621
Non-current provisions		
Employee entitlements	233	253

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Significant accounting estimates and assumptions
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within short term, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within short term are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Termination benefit

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

OTHER ASSETS & LIABILITIES

4.8 Deferred Consideration

	Note	2021 $'000	2020 $'000
Gross Carrying Amount			
Balance at beginning of the financial year		14,726	-
Acquisition of assets/subsidiaries	5.2	2,100	14,825
Interest accretion	2.3	791	413
Fair value (gain)/loss on deferred consideration	2.5	(2,917)	-
Effect of foreign exchange movements		(33)	(512)
Balance at end of the financial year		14,667	14,726
Current deferred consideration		5,741	107
Non-current deferred consideration		8,926	14,619

Significant accounting estimates and assumptions

Fair Value of Deferred Consideration - Flexidrill acquisition

A deferred consideration liability of $12.2 million was recognised in respect of the acquisition of Flexidrill (completed in January 2020). The fair value of the deferred consideration includes the estimated fair value of revenue-based instalments associated with the Flexidrill technologies (Corevibe and Maghammer), determined after estimating the fair value of the dividend and share price appreciation components of the deferred consideration.

The fair value of the deferred consideration has been estimated using a Discounted Cash Flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, future dividends, future share prices of IMDEX, future AUD/NZD exchange rates and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value of the deferred consideration.

Estimates around future share prices of IMDEX were determined using an Option Pricing Model that included inputs for the IMDEX share price, volatility in IMDEX's share price and the risk-free interest rate at reporting date.

Current deferred consideration includes an amount of $1.0 million in relation to the acquisition of AusSpec. This was paid on 1 July 2021, following achievement of certain new revenue-generating contracts. The balance of the current deferred consideration ($4.7 million) relates to the acquisition of Flexidrill, including the issue of NZ$2.5 million of IMDEX Limited ordinary sharers and the payment of NZ$2.5 million cash upon the successful commercialisation of Maghammer.

Non-current deferred consideration includes the non-current portion of the consideration for AusSpec ($1.5 million), which includes the payment of $1.0 million cash and the issue of $0.5 million of IMDEX Limited ordinary shares in July 2022 on the achievement of certain new revenue-generating contracts. The balance of non-current deferred consideration relates to the acquisition of Flexidrill ($7.5 million), representing the fair value of the revenue-based instalments.

The estimated fair value of the deferred consideration at 30 June 2021 resulted in recognition of a fair value gain of $2.9 million in the profit and loss for the period.

OTHER

5.1 Taxation

	2021 $'000	2020 $'000
Income tax expense recognised in the income statement		
Tax expense comprises:		
Current tax expense	12,966	15,111
Deferred tax expense/(benefit) relating to the origination and reversal of temporary differences	74	(6,053)
Losses brought to account from prior year	(842)	(1,406)
Under/(over) provision in prior year income tax	666	(268)
Total tax expense	12,864	7,384

Income tax expense recognised in equity		
Deferred tax expense/(benefit) relating to the origination and reversal of temporary differences	(410)	-

Prima facie income tax expense on pre-tax accounting profit from continuing operations reconciles to income tax expense in the financial statements as follows:

	2021	2020
Profit before tax from continuing operations	44,531	29,142
Income tax expense calculated at 30% (i)	13,359	8,743
Tax losses not recognised or impaired	302	992
Other deferred tax assets brought to account	(237)	-
Non-assessable gain on VES sale	-	(1,909)
Other non-deductible and non-assessable items	1,085	1,418
Tax rate differential arising from foreign entities	(1,706)	(624)
Losses brought to account from prior year	(605)	(968)
Under/(over) provision in prior year income tax	666	(268)
At the effective income tax rate of 29% (2020: 25%)	12,864	7,384

(i) The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian law. There has been no change in the corporate tax rate when compared with the previous reporting year.

Recognised Current and Deferred Tax Balances

	2021 $'000	2020 $'000
Current tax assets and liabilities		
Current tax receivable	2,330	3,155
Current tax payable	(4,582)	(2,382)
Deferred tax balances		
Deferred tax assets comprise balances that relate to:		
Provisions	4,025	2,385
Inventory	2,657	1,645
Property, plant and equipment	9,250	10,485
Leases	1,581	1,474
Carry forward tax losses	5,574	7,613
Unrealised FX	(691)	(814)
Other	2,748	2,020
Net deferred tax balances	25,144	24,808

OTHER

5.1 Taxation (continued)

Unrecognised Deferred Tax Assets	2021 $'000	2020 $'000
Temporary differences relating to the translation of investments in subsidiary undertakings	2,859	3,901
Deferred Tax Assets in respect of unrecognised tax losses	1,378	1,771
Deferred Tax Assets in respect of unrecognised provisions	286	214

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Company and the Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company and the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company and the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Relevance of tax consolidation to the Group

The Company and its wholly-owned Australian resident entities are an income tax consolidated group and are taxed as a single entity. IMDEX Limited is the head company of the Australian tax consolidated group.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences in the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within Group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

OTHER

5.1 Taxation (continued)

Relevance of tax consolidation to the Group (continued)

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to tax amounts paid or payable between the parent entity and the other members of the tax consolidated Group in accordance with the arrangement.

Significant accounting estimates and assumptions

A net deferred tax asset of $25.1 million has been recognised on the face of the Consolidated Statement of Financial Position. The largest components of this asset are the future tax benefits available to the Group in respect of unused tax losses and timing differences between the recording of expenses for accounting purposes and the claiming of a deduction for the expense for taxation purposes. These tax benefits will be realised over the coming years when future taxable profits are available against which the unused tax losses can be utilised and as timing differences move. This net asset has been raised as it is considered more likely than not that it will be realised due to trading and/or sale of assets. In making this assessment of likelihood, a forward-looking estimation of tax payments and the likelihood of business success needs to be made. A forward-looking estimation of this nature is inherently uncertain.

As part of the process for preparing the Group's financial statements, management is required to calculate income tax accruals. This process involves estimating the current tax exposures together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the Consolidated Statement of Financial Position.

While the Group aims to ensure the accruals for its tax liabilities are accurate, the process of agreeing tax liabilities with the relevant tax authorities can take time. Management estimate is therefore required in determining the provision for income tax and the recognition of deferred tax assets and liabilities and therefore the actual tax liabilities could differ from the amounts accrued.

OTHER

5.2 Acquisition of Subsidiaries

On 22 July 2020, the Group acquired 100 per cent of the issued share capital of AusSpec International Limited ("AusSpec"), incorporated in New Zealand and operating out of premises located in New Zealand. AusSpec is a leading provider of spectral mineralogy through its unique aiSIRIS platform – Artificial Intelligence (AI) Spectral InfraRed Interpretation System. The AusSpec acquisition enhances IMDEX's rock knowledge offering with spectral mineralogy and AI technologies.

The agreed acquisition price was $8.5 million. The Group paid $1.0 million in cash and issued IMDEX Limited ordinary shares to the value of $5.0 million on the settlement date. The balance of the agreed acquisition price will be settled through:

- The payment of $1.0 million cash in July 2021 on the achievement of certain new revenue-generating contracts;
- The payment of $1.0 million cash and the issue of $0.5 million of IMDEX Limited ordinary shares in July 2022 on the achievement of certain new revenue-generating contracts.

Assets acquired and liabilities assumed at the date of acquisition:

	$'000
Cash	11
Receivables (i)	130
Property, plant & equipment	3
Intangibles	5,500
Payables	(150)
Deferred tax liability	(1,650)
Net assets acquired	**3,844**

(i) The fair value of the receivables of $0.1 million equals the gross contractual value of $0.1 million.

Satisfied by:

Cash	1,015
Equity instruments (4,438,851 ordinary shares of IMDEX Limited)	5,000
Contingent and deferred consideration arrangements	2,100
Fair value of consideration paid/payable	**8,115**

Goodwill arising on acquisition:

Estimated purchase consideration	8,115
Less: fair value of identifiable net assets acquired	(3,844)
Goodwill arising on acquisition	**4,271**

Goodwill of $4.3 million arose on the acquisition of AusSpec (including goodwill of $1.6 million associated with recognition of deferred tax liabilities in relation to identified intangible assets). The goodwill recognised reflects the growth potential and synergies arising from the acquisition.

Net cash outflow arising on acquisition:

Cash consideration	1,015
Less: cash and cash equivalent balances acquired	(11)
Net cash outflow	**1,004**

As at 30 June 2021, the balance of deferred consideration liability in relation to the acquisition of AusSpec is $2.5 million. Subsequent to year end, on 1 July 2021, a payment of $1.0 million was made. The remaining deferred consideration will be satisfied through the payment of $1.0 million cash and the issue of $0.5 million of IMDEX Limited ordinary shares in July 2022 on the achievement of certain new revenue-generating contracts.

Included in the Group result for the year is a loss after tax of $0.1 million in relation to AusSpec. Revenue for the year includes $0.8 million in respect of AusSpec. Had the acquisition occurred on 1 July 2020, the Group's financial performance for the period would not be significantly different.

OTHER

5.2 Acquisition of Subsidiaries (continued)

On 6 January 2020, the Group acquired 100 per cent of the issued share capital of Flex drill Constructions Limited and Flexidrill Limited (together "Flexidrill"), obtaining control of Flexidrill. Flexidrill are public unlisted companies involved in the Research and Development of Patent-Protected Drilling Technologies COREVIBE™ and MAGHAMMER™. The Group acquired Flexidrill for the purpose of commercialising those technologies.

The agreed acquisition price is NZ$40 million. The Group has paid $7.1 million in cash and issued IMDEX Limited ordinary shares to the value $5.2 million up to and including the settlement date. The balance of the agreed acquisition price will be settled through:

- The issue of NZ$2.5 million of IMDEX Limited ordinary shares and the payment of NZ$2.5 million cash upon the successful commercialisation of MAGHAMMER™;
- The payment of quarterly instalments equivalent to 10% of revenues generated from the COREVIBE™ and MAGHAMMER™ technologies;
- The payment of dividends on the IMDEX Limited ordinary shares issued over a 4-year period from the date of their issue; and
- The share price appreciation on those IMDEX Limited ordinary shares over a 4-year period from the date of their issue.

The Group chose to early adopt "AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*" in the prior year which resulted in this transaction being considered an asset acquisition, not a business combination under "AASB 3 *Business Combinations*".

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

	$'000
Cash	344
Receivables (i)	716
Inventory	1,778
Other assets	51
Property, plant and equipment	483
Intangibles	27,059
Payables	(1,082)
Loans	(2,126)
Provisions	(66)
Net assets acquired	**27,157**
Satisfied by:	
Cash	7,141
Equity instruments (4,737,656 ordinary shares of IMDEX Limited)	5,191
Contingent and deferred consideration arrangements	14,825
Fair value of consideration paid/payable	**27,157**
Net cash outflow arising on acquisition:	
Cash consideration	7,141
Less: cash and cash equivalent balances acquired	(344)
Net cash outflow	**6,797**

(i) The fair value of the receivables of $0.7 million equals the gross contractual value of $0.7 million.

A deferred consideration liability of $14.8 million was recognised in respect of elements of the acquisition price that was settled post 6 January 2020. We expect that the majority of this cash flow will be incurred over a six-year period and that all will be incurred by the end of FY26. The potential undiscounted amount of all future payments that the Group could be required to make in respect of the deferred consideration liability is estimated to be between $15.2 million and $20.2 million.

The fair value of the 4,737,656 ordinary shares issued as part of the consideration paid for Flexidrill ($5.2 million) was determined with reference to the volume weighted average price of IMDEX Limited securities over the 10 trading days preceding their issue.

Flexidrill operated as a Research and Development enterprise, focusing on the development of the Patent-Protected Drilling Technologies COREVIBE™ and MAGHAMMER™ with all Research and Development activities conducted during the financial year funded by IMDEX. If the acquisition of Flexidrill had been completed on the first day of the financial year 2020, Group revenue for the year would have been unchanged at $237.7 million and Group profit would have been unchanged at $21.8 million.

OTHER

5.3 Parent Entity & Subsidiary Information

The ultimate parent entity in the Group is IMDEX Limited, a company incorporated in Western Australia.

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

Financial Position	**30 June 2021 $'000**	**30 June 2020 $'000**
Assets		
Current Assets	47,151	32,038
Non-Current Assets	104,079	87,978
Total Assets	151,230	120,016
Liabilities		
Current Liabilities	10,532	7,102
Non-Current Liabilities	30,608	43,771
Total Liabilities	41,140	50,873
Net Assets	110,090	69,143
Equity		
Issued Capital	169,078	158,697
Employee Equity-Settled Benefits Reserve	7,436	9,805
Foreign Currency Translation Reserve	(1,695)	(1,695)
Accumulated Losses	(64,729)	(97,664)
Total Equity	110,090	69,143

Financial Performance	**Year Ended 30 June 2021 $'000**	**Year Ended 30 June 2020 $'000**
Profit for the year	26,708	9,313
Other comprehensive income, net of income tax	-	-
Total comprehensive profit/(loss)	26,708	9,313
Retained loss at the beginning of the financial year	(97,664)	(87,231)
Effect of change in accounting for cloud-based SaaS arrangements	(513)	-
Profit for the year	26,708	9,313
Effect of initial adoption of AASB16	-	(2,671)
Dividend paid	6,740	(17,075)
Retained loss at the end of the financial year	(64,729)	(97,664)

The profit for the year and associated increase in total assets is primarily due to the receipt of intercompany dividends which have no impact on the consolidated Group as a whole.

OTHER

5.3 Parent Entity & Subsidiary Information (continued)

	30 June 2021 $'000	30 June 2020 $'000
Guarantee provided under the deed of cross guarantee	103,377	93,523
Commitments for the acquisition of property, plant and equipment by the parent entity		
Within one year	334	14
	334	14

Subsidiaries	Notes	Country of Incorporation	Ownership Interest 2021 %	2020 %
Parent Entity				
Imdex Limited	(i),(ii),(iii)	Australia		
Controlled Entities				
Australian Mud Company Pty Ltd	(ii),(iii)	Australia	100	100
Samchem Drilling Fluids & Chemicals (Pty) Ltd		South Africa	100	100
Imdex International Pty Ltd	(ii),(iii)	Australia	100	100
Reflex Instruments Asia Pacific Pty Ltd	(ii),(iii)	Australia	100	100
Reflex Instrument North America Ltd		Canada	100	100
Reflex Instrument South America Ltda		Chile	100	100
Reflex Instruments Europe Ltd		United Kingdom	100	100
AMC Europe GmbH		Germany	100	100
Flexit Australia Pty Ltd	(ii)	Australia	100	100
Imdex South America S.A.		Chile	100	100
AMC Chile S.A.		Chile	100	100
AMC Reflex Argentina S.A.		Argentina	100	100
AMC Reflex Peru S.A.C.		Peru	100	100
AMC Drilling Fluids Pvt Limited		India	100	100
Imdex Nominees Pty Ltd	(ii)	Australia	100	100
Imdex USA Inc		United States of America	100	100
Imdex Technologies USA LLC		United States of America	100	100
AMC USA LLC		United States of America	100	100
Reflex USA LLC		United States of America	100	100
AMC Oilfield Services Pte Ltd	(iv)	Singapore	-	100
Imdex DO Brasil Industria e Comercio Ltda		Brazil	100	100
Imdex Global B.V.		Netherlands	100	100
AMC Oil & Gas International Limited BVI	(v)	British Virgin Islands	-	100
AMC Drilling Fluids & Products – Mexico S. de RL de C.V. Mexico		Mexico	100	100
AMCREFLEX CIA LTDA		Ecuador	100	100
Flexidrill Limited		New Zealand	100	100
Flexidrill Construction Limited		New Zealand	100	100
AusSpec International Limited	(vi)	New Zealand	100	-

OTHER

5.3 Parent Entity & Subsidiary Information (continued)

(i) IMDEX Limited is the ultimate parent company and is the head entity within the tax consolidated group.
(ii) These companies are part of the Australian tax consolidated group.
(iii) These wholly-owned subsidiaries entered into a deed of cross guarantee with Imdex Limited pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited financial report. Australian Mud Company Pty Ltd became a party to the deed on 29 Jun 2006, Imdex International Pty Ltd on 20 Oct 2006, Reflex Instruments Asia Pacific Pty Ltd on 14 Sep 2007, and Reflex Technology International Pty Ltd on 28 Apr 2011 (de-registered 19 Sep 2019).
(iv) This entity was liquidated on 2 June 2021.
(v) This entity was liquidated on 7 May 2021.
(vi) This entity was acquired on 22 July 2020.

The consolidated income statement of the entities which are party to the deed of cross guarantee are:

Income Statement	**2021 $'000**	**2020 $'000**
Revenue from sale of goods, rentals and software	125,345	118,625
Other income	23,049	37,362
Foreign exchange gain / (loss)	(903)	(390)
Raw materials and consumables used	(44,812)	(39,706)
Employee benefit expenses	(36,324)	(33,824)
Depreciation and amortisation expense	(11,070)	(11,516)
Write back / (down) of intercompany loans	-	11,183
Finance costs	(2,438)	(2,351)
Consulting and legal expenses	(9,192)	(6,553)
Commissions	(1,339)	(1,074)
Rent and premises costs	(1,161)	(374)
Travel and accommodation	(604)	(1,587)
Motor vehicle costs	(184)	(148)
Research and development costs	(12,289)	(2,432)
Doubtful debts	167	(632)
Other expenses	(11,319)	(5,739)
Profit/(loss) before income tax expense	16,926	60,844
Income tax expense	(1,869)	(6,919)
Profit/(loss) for the year	15,057	53,925

OTHER

5.3 Parent Entity & Subsidiary Information (continued)

The consolidated statement of financial position of the entities which are party to the deed of cross guarantee are:

Balance Sheet	2021 $'000	2020 $'000
Current assets		
Cash and cash equivalents	47,609	29,668
Trade and other receivables	41,122	41,523
Inventories	20,293	19,537
Other	1,426	64
Total current assets	110,450	90,792
Non-current assets		
Other financial assets	93,805	81,377
Property, plant and equipment	8,783	10,563
Right-of-use assets	26,352	29,565
Other intangible assets	3,397	1,043
Deferred tax assets	6,848	3,886
Total non-current assets	139,185	126,434
Total assets	249,635	217,226
Current liabilities		
Trade and other payables	36,773	32,395
Lease liabilities	1,923	3,279
Provisions	3,670	3,423
Total current liabilities	42,366	39,097
Non-current liabilities		
Other financial liabilities	19,489	17,098
Lease liabilities	30,161	30,960
Borrowings	11,128	6,115
Provisions	233	253
Total non-current liabilities	61,011	54,426
Total liabilities	103,377	93,523
Net assets	146,258	123,703
Equity		
Contributed capital	169,042	158,662
Employee equity-settled benefits reserve	7,534	9,903
Foreign currency translation reserve	7,239	7,239
Retained earnings (i)	(37,557)	(52,101)
Total equity	146,258	123,703
(i) Retained Earnings at the beginning of the financial year	(52,101)	(106,026)
Effect of change in accounting for cloud-based SaaS arrangements	(513)	-
Net profit/(loss)	15,057	16,563
Dividends received	-	37,362
Retained earnings at the end of the financial year	(37,557)	(52,101)

OTHER

5.4 Reserves

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of IMDEX, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of transition to A-IFRS are treated as assets and liabilities of the foreign entity and translated at exchange rates prevailing at the reporting date. Goodwill arising on acquisitions before the date of transition to A-IFRS is treated as an Australian dollar denominated asset.

Equity-settled performance rights with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by the use of the Black-Scholes Model, Binomial Tree Method or Monte-Carlo Simulation as appropriate. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the performance right is expensed over the vesting period, based on the Group's estimate of shares that will eventually vest.

At each reporting date, the Group revises its estimate of the number of performance rights expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the employee equity-settled benefits reserve.

Performance Rights Plan

At the Imdex Limited Annual General Meeting on 15 October 2009 the Shareholders approved the formation of a Performance Rights Plan (PRP or Plan) and subsequently renewed at the Annual General Meeting on 18 October 2012, 20 November 2015 and 4 October 2018. The Plan allows for the issue of performance rights to employees from time to time. The quantum of performance rights granted to employees is at the discretion of the Directors and is generally based on seniority and level of contribution to the strategic goals of IMDEX. A performance right is the right to receive one fully paid IMDEX ordinary share for nil consideration should set hurdles be achieved and tenure of employment be maintained. The hurdles are set by the Directors when performance rights are issued and are generally linked to the achievement of financial or other strategic goals of IMDEX.

OTHER

5.4 Reserves (continued)

Performance rights granted in the current year

Staff Performance Rights

3,640,787 performance rights were issued to employees (Level 5 and above) in July 2020. Upon successful achievement of the below hurdles, allotment of these performance rights will be in September 2023 (once the 2023 financial year independent audit report is signed).

The performance rights are subject to a number of hurdles: a market based vesting condition in Total Shareholder Return (TSR) and a non-market based vesting condition in Earnings Per Share (EPS). In the case of the TSR and the EPS hurdles, IMDEX's performance will be measured against the TSR and EPS of a peer group consisting of the ASX300 Resources Index over the 3-year measurement period (2021 to 2023 financial year).

The specified conditions for performance rights relating to each employee level are:

Employee Level	Specified Conditions
5, 6, 7 and 8	50% based on EPS and 50% based on TSR

Exercise of the performance rights at the end of the 3-year period (30 June 2023) will commence when the Company's performance (as calculated by the Performance Measures) is at 50% and above of the Peer Group performance. At 50%, the allocation will be 33% of the total entitlement. This entitlement increases on a linear scale and achieves 100% entitlement when the Company's performance is at the 90th percentile against the Peer Group.

The fair value of a market performance right (TSR) at grant date was $0.84 per right. The expected total cost of the estimated 1,780,521 fully paid ordinary shares to be issued in IMDEX will therefore be $1,495,638. This value will be expensed over the vesting period from July 2020 to June 2023, with $497,634 expensed in the current year.

The fair value of a non-market performance right (EPS) at grant date was $1.254 per right. For the purposes of the 2021 financial statements, the Directors have made an estimate that out of the 1,780,521 non-market performance rights issued, 75% will meet the required hurdles and will result in 1,335,391 fully paid IMDEX shares being issued. The expected total cost of the estimated 1,335,391 fully paid ordinary shares to be issued in IMDEX will therefore be $1,674,580. This value will be expensed over the vesting period from July 2020 to June 2023, with $557,173 expensed in the current year.

Performance rights granted in the prior year

Staff Performance Rights

3,407,658 performance rights were issued to employees (Level 5 and above) in July 2019. Upon successful achievement of the below hurdles, allotment of these performance rights will be in September 2022 (once the 2022 financial year independent audit report is signed).

The performance rights are subject to a number of hurdles: a market based vesting condition in Total Shareholder Return (TSR) and a non-market based vesting condition in Earnings Per Share (EPS). In the case of the TSR and the EPS hurdles, IMDEX's performance will be measured against the TSR and EPS of a peer group consisting of the ASX300 Resources Index over the 3-year measurement period (2020 to 2022 financial year).

The specified conditions for performance rights relating to each employee level are:

Employee Level	Specified Conditions
5, 6, 7 and 8	50% based on EPS and 50% based on TSR

Exercise of the performance rights at the end of the 3-year period (30 June 2022) will commence when the Company's performance (as calculated by the Performance Measures) is at 50% and above of the Peer Group performance. At 50%, the allocation will be 33% of the total entitlement. This entitlement increases on a linear scale and achieves 100% entitlement when the Company's performance is at the 90th percentile against the Peer Group.

The fair value of a market performance right (TSR) at grant date was $0.86 per right. The expected total cost of the estimated 1,450,462 fully paid ordinary shares to be issued in IMDEX will therefore be $1,247,397. This value will be expensed over the vesting period from July 2019 to June 2022, with $393,766 expensed in the current year.

The fair value of a non-market performance right (EPS) at grant date was $1.357 per right. For the purposes of the 2021 financial statements, the Directors made an estimate that out of the 1,450,462 non-market performance rights issued, 75% (FY20: 50%) will meet the required hurdles and will result in 1,087,847 fully paid IMDEX shares being issued. The expected total cost of the estimated 1,087,847 fully paid ordinary shares to be issued in IMDEX will therefore be $1,476,208. This value will be expensed over the vesting period from July 2019 to June 2022, with $547,714 expensed in the current year.

OTHER

5.4 Reserves (continued)

Former Managing Director's Performance Rights

381,760 performance rights were granted to the former Managing Director on 21 October 2019 following approval by the shareholders at the Annual General Meeting. The former Managing Director forfeited 254,158 performance rights on his retirement on 1 July 2020. Upon successful achievement of the below hurdles, the remaining 127,602 performance rights will vest and convert to fully paid ordinary shares in the Company (once the 2022 financial year independent audit report is signed).

The former Managing Director is subject to two hurdles each with equal weighting; a market based vesting condition in Total Shareholder Return (TSR) and a non-market based vesting condition in Earnings Per Share (EPS). In each case the TSR and the EPS of IMDEX will be measured against the TSR and EPS of a peer group consisting of the ASX300 Resources Index over the 3-year measurement period (2020 to 2022 financial year).

Exercise of the performance rights at the end of the 3-year period (30 June 2022) will commence when the Company's performance (as calculated by the Performance Measures) is at 50% and above of the Peer Group performance. At 50%, the allocation will be 33% of the total entitlement. This entitlement increases on a linear scale and achieves 100% entitlement when the Company's performance is at the 90th percentile against the Peer Group.

The fair value of a market performance right (TSR) at grant date was $0.86 per right. The expected total cost of the estimated 65,801 fully paid ordinary shares to be issued in IMDEX will therefore be $54,869. This value will be expensed over the vesting period from October 2019 to June 2022, with $2,040 expensed in the current year.

The fair value of a non-market performance right (EPS) at grant date was $1.357 per right. For the purposes of the 2021 financial statements, the Directors have made an estimate that out of the 63,801 non-market performance rights issued, 75% (FY20: 50%) will meet the required hurdles and will result in 47,851 fully paid IMDEX shares being issued. The expected total cost of the estimated 47,851 fully paid ordinary shares to be issued in IMDEX will therefore be $64,933. This value will be expensed over the vesting period from October 2019 to June 2022, with $11,049 expensed in the current year.

OTHER

5.4 Reserves (continued)

Outstanding Performance Rights

2021	Grant Date	Expiry Date	Exercise Price $	Market Value at Grant Date $	Estimated Number of Performance Rights: Opening balance	Granted	Satisfied by the allotment of shares	Expired ^	Closing balance
Tranche 19	1-Jul-17	Jul-20	-	0.740	3,888,120	-	(3,408,944)	(479,176)	-
MD Tranche	19-Oct-17	Jul-20	-	0.965	643,762	-	(547,348)	(96,414)	-
Tranche 20	1-Jul-18	Jul-21	-	0.947	2,626,391	-	-	(188,240)	2,438,151
MD Tranche	4-Nov-18	Jul-21	-	1.079	364,086	-	-	-	364,086
Tranche 21	21-Oct-19	Jul-22	-	1.109	3,300,386	-	-	(399,462)	2,900,924
MD Tranche	21-Oct-19	Jul-22	-	1.109	127,602	-	-	-	127,602
Tranche 22	1-Jul-20	Jul-23	-	1.047	-	3,640,787	-	(79,745)	3,561,042

2020	Grant Date	Expiry Date	Exercise Price $	Market Value at Grant Date $	Estimated Number of Performance Rights: Opening balance	Granted	Satisfied by the allotment of shares	Expired ^	Closing balance
Tranche 18	1-Jul-16	Jul-19	-	0.220	9,332,504	-	(7,510,042)	(1,822,462)	-
MD Tranche	25-Nov-16	Jul-19	-	0.620	2,268,946	-	(1,722,130)	(546,816)	-
Tranche 19	1-Jul-17	Jul-20	-	0.740	4,017,730	-	-	(129,610)	3,888,120
MD Tranche	19-Oct-17	Jul-20	-	0.965	643,762	-	-	-	643,762
Tranche 20	1-Jul-18	Jul-21	-	0.947	2,789,476	-	-	(163,085)	2,626,391
MD Tranche	4-Nov-18	Jul-21	-	1.079	364,086	-	-	-	364,086
Tranche 21	21-Oct-19	Jul-22	-	1.109	-	3,407,658	-	(107,272)	3,300,386
MD Tranche	21-Oct-19	Jul-22	-	1.109	-	381,760	-	(254,158)	127,602

^ - Performance rights expire either on failure to maintain employment tenure or on failure to satisfy performance hurdles.

Significant accounting estimates and assumptions

Share-based payments recorded for the performance rights are subject to estimation as they are calculated using the Black-Scholes option pricing, Binomial Tree Method or Monte-Carlo Simulation model, as appropriate, which is based on significant assumptions such as volatility, dividend yield, expected term and forfeiture rate.

OTHER

5.5 Contingent Assets & Liabilities

The Group is party to legal proceedings and claims which arise in the normal course of business. Any liabilities may be mitigated by legal defences, insurance, and third-party indemnities. Unless recognised as a provision (refer Note 4.7), management do not consider it to be probable that they will require settlement at the Group's expense.

(i) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

(ii) Contingent Assets

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

A subsidiary of the Group (Australian Mud Company Pty Ltd or "AMC") is currently a party to litigation in relation to infringement of patents by a third party. The courts have found in favour of AMC on the matter, and the company is awaiting an outcome on the quantum of the financial settlement.

5.6 Key Management Personnel Compensation

The aggregate compensation of the Key Management Personnel of the Group and the Company is set out below:

	2021 $	2020 (i) $
Short-term employee benefits	4,057,244	3,621,712
Post-employment benefits	166,817	167,857
Other long-term benefits	49,525	(45,339)
Termination benefits	111,024	-
Share-based payments	864,319	1,153,364
	5,248,929	4,897,594

(i) Included the compensation of former Managing Director.

5.7 Related Party Transactions

Other Transactions with Key Management Personnel (and their related parties) of IMDEX

Mr. I. Gustavino is a director and shareholder of the consulting company Atrico Pty Ltd, that provided consulting services to the IMDEX Group on normal commercial terms and conditions from 1 July 2020 to 30 September 2020 (when the agreement was terminated).

	2021 $	2020 $
Transactions with Directors		
Profit from ordinary activities before income tax includes the following items of expense:		
Consultancy expense	16,200	86,100

During the reporting period, at the direction of the vendors of AusSpec International Limited (Refer Note 5.2), the Group issued IMDEX shares to Atrico Pty Ltd to satisfy a fee owed by the vendors to Atrico Pty Ltd. Refer to ASX announcement 12 August 2020.

OTHER

5.8 Auditor Remuneration

The auditor of IMDEX is Deloitte Touche Tohmatsu.

During the year, the following fees were paid or were payable for services provided by the auditor of the parent entity and its related practices:

	Notes	2021 $	2020 $
Deloitte and related network firms			
Audit or review of the financial report			
- Group		407,500	367,850
- Subsidiary		125,480	78,410
		532,980	446,260
Other assurance and agreed-upon procedures under other legislation or contractual arrangements		12,750	12,350
Other services:			
- Tax and corporate compliance services		2,440	16,159
- Legal services		2,660	37,213
- IT support services	(i)	13,322	31,809
		18,422	85,181
		564,152	543,791
Other auditors and their related network firms			
Audit or review of the financial report			
- Subsidiaries		105,534	195,271
Other services:			
- Tax compliance services		-	24,687
- Accounting and other services		884	6,066
		884	30,753
		106,418	226,024

(i) IT support services performed by Presence of IT, an existing supplier to IMDEX, whose team joined Deloitte on 9 December 2019. Amounts paid are for support services during the period up to transition of this contract to a new service provider.

5.9 Subsequent Events

There have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the result of these operations, or the state of affairs of the Group in future financial years.

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Deloitte Touche Tohmatsu
ABN 74 490 121 060

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123 St Georges Terrace
Perth WA 6000
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Perth WA 6837 Australia

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www.deloitte.com.au

The Board of Directors
IMDEX Limited
216 Balcatta Road
Balcatta WA 6021

15 August 2021

Dear Board Members

Auditor's Independence Declaration to IMDEX Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of IMDEX Limited.

As lead audit partner for the audit of the financial report of IMDEX Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D K Andrews
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the members of IMDEX Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of IMDEX Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Accounting for the acquisition of AusSpec
 	
As disclosed in Note 5.2, effective 22 July 2020 Imdex Limited acquired 100% of the issued share capital of of AusSpec International Limited (“AusSpec”) for an agreed consideration of $8.1 million.
 	
The assets acquired consist largely of intangible assets in relation to the intellectual property associated with the the aiSIRIS platform.
 	
Judgement was exercised in:
• Assessing whether the transaction is accounted for as an asset acquisition or a business combination in accordance with the requirements of AASB 3 *Business Combinations*;
• Determining the value of the deferred consideration to be recognised as a liability at acquisition date; and
• Assessing the fair values of identifiable assets and liabilities acquired and the adjustment to carrying values on acquisition.
	Our audit procedures included, but were not limited to:
	• Reviewing the Share Sale Agreement to understand key terms and conditions, including the elements of consideration payable under the agreement;
	• Obtaining management’s assessment and calculations for the acquisition accounting and performing the following:
	    o Evaluating the fair value of the consideration payable, including assessing the probability of the contingent consideration being paid and calculating the fair value of the deferred consideration payable at acquisition date;
	    o Engaging our internal valuation specialists to challenge the fair value determined for the intangible assets acquired; and
	    o Assessing the fair value of the remaining identifiable assets acquired and liabilities assumed and the adjustments to derive the values at acquisition.
	• We also assessed the appropriateness of the disclosures in the Notes to the financial statements.

Recoverability of non-current assets Included in the Group’s consolidated statement of financial position at 30 June 2021 are goodwill, intangible assets, right of use lease assets and property, plant and equipment totalling $197 million. Management undertakes impairment testing to test the recoverability of goodwill annually. Additionally, an assessment is made as to whether any non-current asset or cash generating unit (‘CGU’) may be impaired at balance date. The assessment requires significant judgement due to assumptions and estimates involved in preparing a value in use model (‘VIU’) to estimate a CGU’s recoverable amount, including: - Forecast future cash flows; and - Discount rates.	Our procedures included, but were not limited to: • Evaluating the risk of impairment in each CGU, or group of CGU’s to which goodwill is allocated, by assessing whether a CGU’s implied EBITDA multiple exceeded an acceptable market-based EBITDA multiple at balance date; • Obtaining management’s impairment assessment carried out for CGU’s, and groups of CGU’s to which goodwill is allocated, and assessing the work performed against the requirements of the relevant accounting standard; • Assessed the recoverable value modelling for the African and South American CGU’s, as these CGU’s demonstrated characteristics that suggested impairment testing was required, by:

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	○ Inquiring of management and the directors in relation to forecasting assumptions within the VIU models and agreeing these to the board approved budgets; ○ Reviewing the mathematical accuracy and modelling integrity of the VIU models; ○ Challenging the assumptions contained in the cash flow forecasts, including the revenue projections, forecast gross margins and capital expenditures, including the ongoing impact of COVID-19; ○ Assessing the appropriateness of the discount rates used in the value in use models, with the assistance of our internal valuation specialists,, and ○ Performing sensitivity analysis on key assumptions within the model, including the expected revenues, margins, growth rates and discount rates. • We also assessed the appropriateness of the disclosures in the Notes to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

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because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in on pages 60 to 76 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of IMDEX Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D K Andrews
Partner
Chartered Accountants
Perth, 15 August 2021

ADDITIONAL SECURITIES EXCHANGE INFORMATION AS AT 11 AUGUST 2021

(a) Distribution of Shareholders

	Number of Fully Paid Ordinary Shareholders	Number of Performance Rights Holders
1 – 1,000	1,083	-
1,001 – 5,000	1,248	2
5,001 – 10,000	549	5
10,001 – 100,000	749	50
100,001 – and over	116	25
	3,745	82
Holding less than a marketable parcel	262	-

(b) Substantial Shareholders

Ordinary Shareholders	Fully Paid	
	Number	Percentage
MORGAN STANLEY	41,494,745	10.50
L1 CAPITAL PTY LTD	32,595,205	8.20
FMR LLC	22,495,350	5.70
YARRA FUNDS MANAGEMENT	17,712,047	4.50
FIL LIMITED	17,133,650	4.30

(c) Twenty Largest Holders of Quoted Equity Securities

Ordinary Shareholders	Fully Paid	
	Number	Percentage
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	83,942,117	21.17
CITICORP NOMINEES PTY LIMITED	76,802,773	19.37
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	76,731,074	19.35
NATIONAL NOMINEES LIMITED	21,207,642	5.35
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	20,683,224	5.22
BNP PARIBAS NOMS PTY LTD <DRP>	12,641,255	3.19
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	7,154,942	1.80
SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA A/C>	6,703,567	1.69
MR RICHARD KARL HILL <ICENA ACCOUNT>	5,100,000	1.29
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	4,565,645	1.15
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	4,535,398	1.14
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,894,579	0.98
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,349,126	0.84
UBS NOMINEES PTY LTD	3,161,279	0.80
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	2,369,715	0.60
MR BERNARD RIDGEWAY	1,883,859	0.48
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	1,666,611	0.42
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	1,453,101	0.37
MR BRUCE CRAIG MUNRO	1,300,258	0.33
WEAR SERVICES PTY LTD	1,015,166	0.26
	340,161,331	85.80

ADDITIONAL SECURITIES EXCHANGE INFORMATION AS AT 11 AUGUST 2021

(d) Director and Company Secretary Shareholdings

Name	Number of Shares	Number of Performance Rights
Mr. A. Wooles	400,000	-
Mr. K. Dundo	204,546	-
Ms. S. Layman	70,000	-
Mr. I. Gustavino	62,077	-
Ms T. Arlaud	-	-
Mr. P. Evans	687,611	410,377
Mr. M Tomasz	-	-
	1,384,234	410,377

(e) Company Secretary

Mr Paul Anthony Evans

Mr Michael Tomasz

(f) Registered Office

216 Balcatta Road
Balcatta
Western Australia
6021
Phone: (08) 9445 4010

(g) Share Registry

Computershare Investor Services
Level 11
172 St Georges Terrace
Perth
Western Australia
6000
Phone: (08) 9323 2000


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SHAREHOLDER INFORMATION

CORPORATE INFORMATION

Registered Company Name:	**IMDEX Limited**
ABN:	**78 008 947 813**
Exchange:	**Listed on the Australian Securities Exchange (ASX)**
ASX Code:	**IMD**
Listing Date:	**24 September 1987**
Registered Head Office:	**216 Balcatta Road Balcatta Western Australia 6021**
Registered PO Box:	**PO BOX 1262 Osborne Park Western Australia 6916**
Telephone:	**+61 (8) 9445 4010**
Email:	**imdex@imdexlimited.com**
Web Address:	**www.imdexlimited.com**
Bank Institutions:	**Commonwealth Bank of Australia**
Auditors:	**Deloitte Touche Tohmatsu**
Legal Advisors:	**HopgoodGanim**
Share Registry:	**Computershare**

SHARE REGISTRY ENQUIRIES

Investors seeking information about their shareholdings should contact IMDEX's share registry:

Computershare Investor Services Pty Limited

Computershare can assist with queries on share transfers, dividend payments, the dividend reinvestment plan, notification of tax file numbers and changes of name, address or bank account details.

Address: Level 11, 172 St Georges Terrace Perth WA 6000

Postal address: GPO Box D182 Perth WA 6840

Telephone: 1300 558 507 (within Australia) +61 3 9415 4632 (outside Australia)

Facsimile: +61 3 9473 2500

Email: web.queries@computershare.com.au

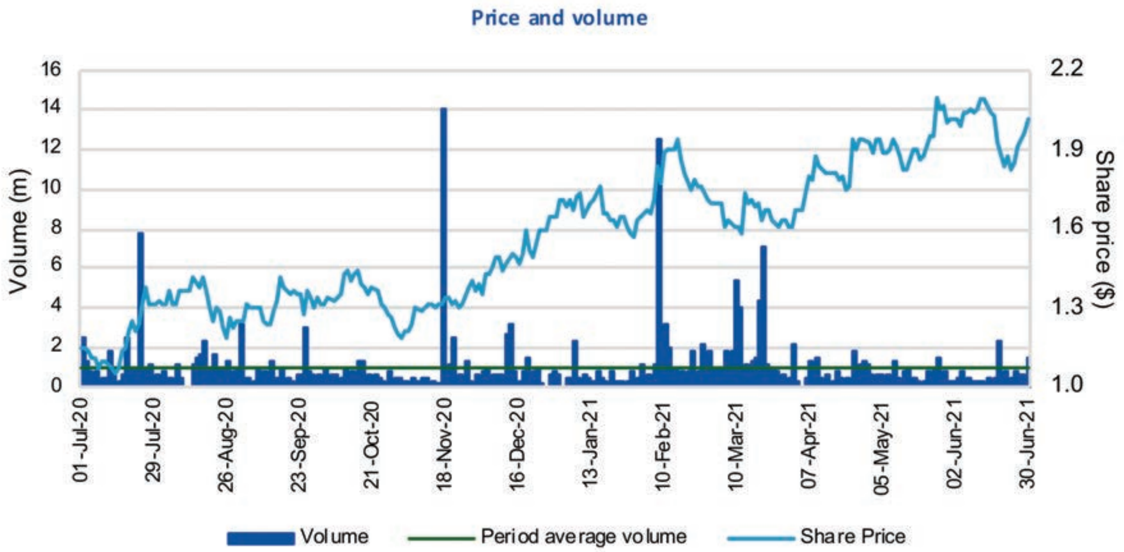
Further information and downloadable forms can be found at https://www.imdexlimited.com/investors/shareholder-services

SHAREHOLDER STATISTICS

SHARE PRICE AND MARKET CAPITALISATION AT 30 JUNE 2021

Share Price	Shares on Issue	Market Capitalisation
$2.04	$396.5m	$808.8m

SHARE PRICE PERFORMANCE



SHARES BY COMPOSITION

Total shareholder composition	%
Institutional	71%
Retail	7%
Broker	13%
Corporate	2%

SHARES BY GEOGRAPHY

Total shares by geography	%
Australia	60%
North America	16%
United Kingdom	12%
Europe	3%

KEY ANNOUNCEMENTS

16/6/2021	Macquarie Emerging Leaders Conference Market Update
4/6/2021	Appointment of Additional Company Secretary
11/2/2021	Director Appointment/Resignation
8/2/2021	IMDEX 2021 Half Year Results Teleconference Script
8/2/2021	Dividend/Distribution - IMD
8/2/2021	Half Yearly Results Presentation
8/2/2021	Half Yearly Results Announcement
8/2/2021	Half Yearly Report and Accounts
8/1/2021	1H21 Teleconference Details
26/10/2020	Change of Directors Interest Notice
15/10/2020	Results of Meeting
15/10/2020	Chairman's Address to Shareholders
23/9/2020	Employee Rights Plan Appendix 2A and Appendix 3G
11/9/2020	Notice of Annual General Meeting/Proxy Form
17/8/2020	FY20 Results Webcast Script
17/8/2020	Dividend/Distribution - IMD
17/8/2020	Full Year Results Presentation
17/8/2020	Full Year Results Announcement
17/8/2020	Appendix 4G and Corporate Governance Statement
17/8/2020	Full Year Statutory Accounts
17/8/2020	Annual Report to shareholders
17/8/2020	Preliminary Final Report
12/8/2020	Reinstatement to Official Quotation
12/8/2020	Change of Director's Interest Notice
12/8/2020	Court Orders Granted
12/8/2020	Suspension from Official Quotation
11/8/2020	Court Application Update
10/8/2020	Trading Halt
10/8/2020	Delayed Appendix 2A and Cleansing Notice
4/8/2020	FY20 Results Teleconference Details
22/7/2020	Proposed issue of Securities - IMD
22/7/2020	IMDEX completes strategic AusSpec acquisition
7/7/2020	Acquisition of AusSpec
1/7/2020	IMDEX confirms retirement of Managing Director

ANNUAL GENERAL MEETING

Our Annual General Meeting will be held on 7 October 2021, at 11:00 am (AWST) at IMDEX's Head Office 216 Balcatta Road, Balcatta, Western Australia.

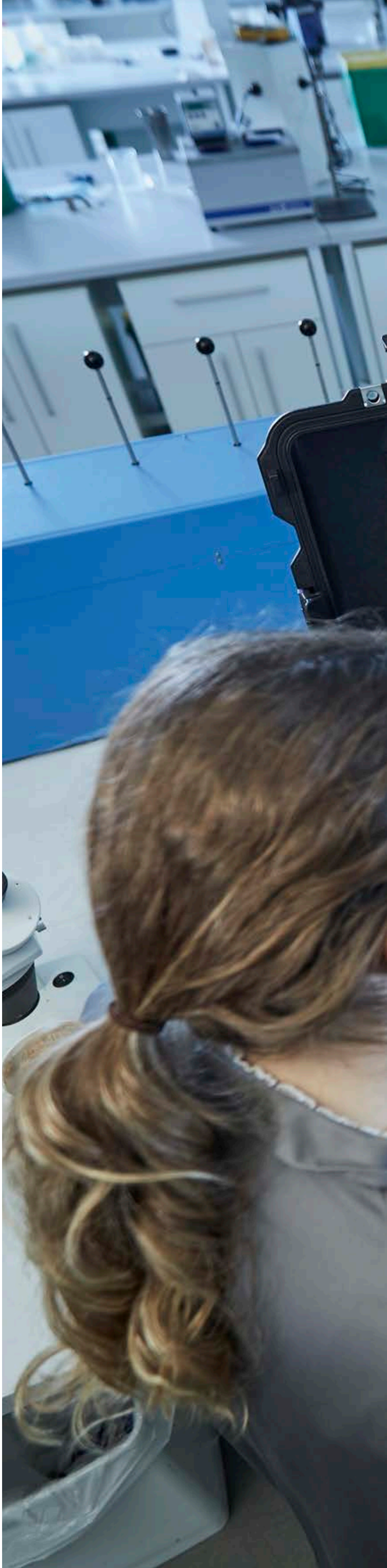
Members of our Board and Executive Leadership Team will be available to discuss the Company's performance, operations, and technologies.

CORPORATE CALENDAR

16 August 2021	Release of FY21 Full Year Financial Results
16 - 20 August 2021	FY21 Full Year Results Road Show
15 September 2021	Release of FY21 Sustainability Report
07 October 2021	FY21 Annual General Meeting
31 December 2021	1H22 Year End
7 February 2022	Release of 1H22 Results
7 - 11 February 2022	1H22 Results Road Show
30 June 2022	FY22 Full Year End
15 August 2022	Release of FY22 Results
15 - 19 August 2022	FY22 Results Road Show

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	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 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 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)
January 2020	Completed acquisition of Flexidrill
July 2020	Completed acquisition of AusSpec International



FORWARD LOOKING STATEMENTS

This report may contain certain 'forward-looking statements' and projections provided by or on behalf of Imdex limited (IMDEX).

Forward looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' 'outlook', 'guidance' and other similar expressions within the meaning of securities laws of applicable jurisdictions. These forward looking statements reflect various assumptions made by or on behalf of IMDEX.

You are cautioned not to place undue reliance on forward looking statements. The statements, opinions and estimates in this report are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance, and estimates.

The forward looking statements contained in this report are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of IMDEX, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. The forward looking statements are subject to significant business, economic and competitive uncertainties and contingencies associated with the Mining-Tech industry which may be beyond the control IMDEX, which could cause actual results or trends to differ materially, including but not limited to retention of key business relationships, environmental impacts and claims, operational and executional risks, research and development and intellectual property risks, an inability to meet customer demand, price and currency fluctuations, operating results, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries, approvals and cost estimates, environmental risks, ability to meet funding requirements and share price volatility. Accordingly, there can be no assurance that such statements and projections will be realised. IMDEX makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

A number of important factors could cause actual results, achievements or performance to differ materially from the forward looking statements, including the risks and uncertainties set out above. Investors should consider the forward looking statements contained in this report in light of those matters. the forward looking statements are based on information available to IMDEX as at the date of this report. Except as required by law or regulation (including the ASX listing rules), IMDEX undertakes no obligation to provide any additional or updated information whether as a result of new information, future events, or results or otherwise. indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.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INTAKE

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