

Foraco International SA

Corporate Presentation

April 2025



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Foraco at a glance

Foraco is a leading diversified drilling services company that has been providing innovative solutions to mining and water clients for over 60 years.

Mining segment

Drilling services offered to the mining and energy industry in exploration, development and the production of mining projects



Market Leader

- Advanced drilling techniques with ability to operate in complex environments
- Positioned to capitalize on battery metals commodities

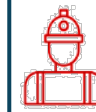
Water management

Vital water services with a primary emphasis on environmentally responsible water management within mining operations



- Expertise in deep water wells in all types of geological formations.
- Long-term historical presence results in deep technical capability and expertise enabling us to understand and manage the resource

Foraco by the numbers



~1,900 employees



>265 rigs

World Class Customer Base



*In million
US\$*

FY 2024

Revenue

\$293m

EBITDA (1)

**\$ 66 m
(23% of revenue)**

Net Debt

\$ 60.9 m

Notes

(1) Excluded one-off

Established global drilling solutions platform

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Worldwide footprint managed by regional offices



Global presence in countries representing 75% of global exploration spend (S&P source)

Modern and diversified fleet

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265 Drill rigs

174 Diamond

55 Rotary* & RC

36 Underground

* Includes rigs dedicated to water drilling services



- 70 new and upgraded rigs over the last 5 years including proprietary automated and remote-control rigs
- Current market value of equipment estimated at US\$250M

Providing critical services to the mining industry through the entire life of mine

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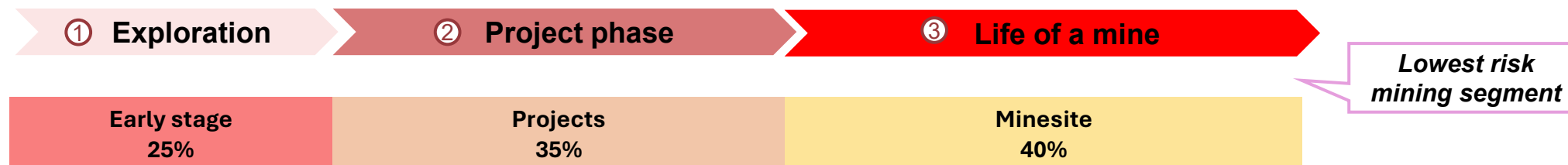


Mining services overview

Life of a mine



Market revenues by segment



Foraco services

- **Project phase and Life of Mine** provide the best opportunities for a diversified Drilling Services offering including Water
- Supporting our clients with **services at the cutting edge of technology**
- **Integrity, Innovation and Involvement** are the core values that are integrated into everything we undertake

Diversified services offering

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Mining segment

Exploration drilling



We offer **complete drilling solutions** utilizing a variety of **drilling techniques**, specializing in operating under **harsh environments** and the most **inaccessible locations** on earth.

Development drilling



It is during the development stage that we market some of our **more technical** drilling techniques given the **longer duration / higher volume** of these projects.

Underground drilling



Specializing in **underground coring** as well as **long hole drilling and blasting** which demands a **high degree of accuracy** to minimize dilution. Both pneumatic and electric drills are used, some of which require inverse & drop raising operations.

Water segment

Water management services



Expertise in deep water wells and in all types of geological formations. Committed to **environmentally responsible** water management that support mining operations globally.

Capturing high-quality & strategic growth areas

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Growth strategy

Focus on stable jurisdictions & Tier 1 clients

Deploy rigs in stable jurisdictions such as USA

Continue to broaden use of high-tech drilling services with Tier 1 clients



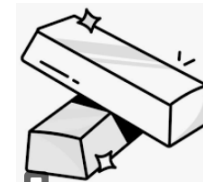
Strengthen leadership in water management services

New generation of in-house deep water well rigs



Increase exposure to leading metals

increasing exposure for key metals (gold and copper)



Continue to differentiate via innovation

Wireless remote RC rig and deep directional coring drilling lead



Continue to renew and extend long-term contracts

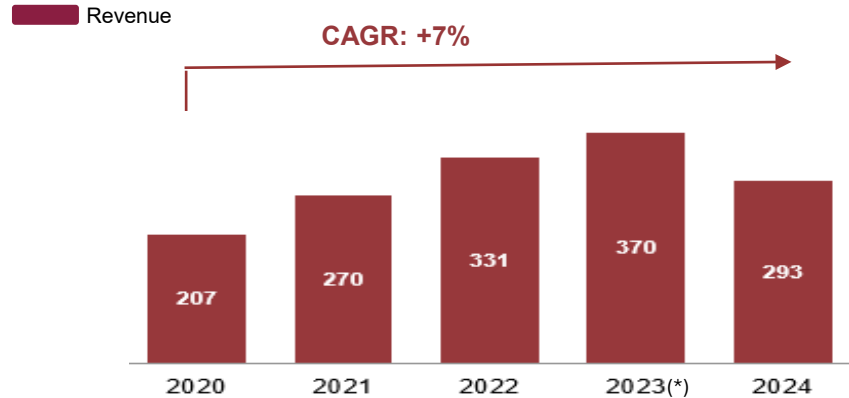
Sustained free cash flow generation and accelerated growth



Leading financial performance

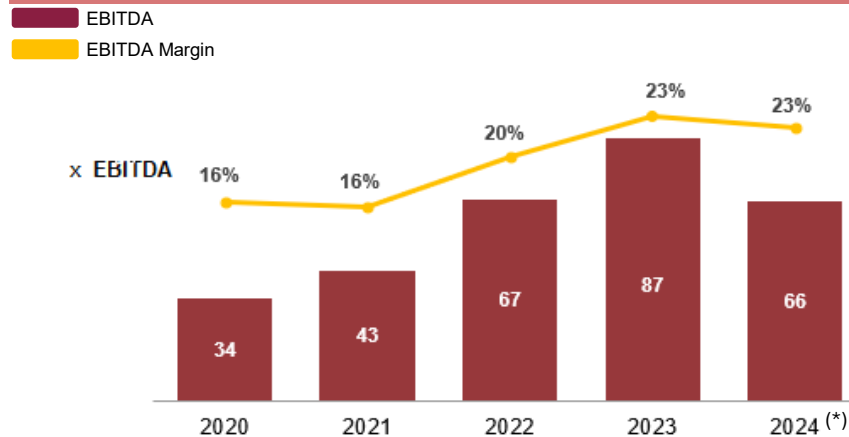
- Revenue growth fueled by market share acquisition and ability to capture the most dynamic segment of the market
- Improved margins through operational excellence
- Top ranking on EBITDA margin and disciplined Capex

Revenue (US\$m)



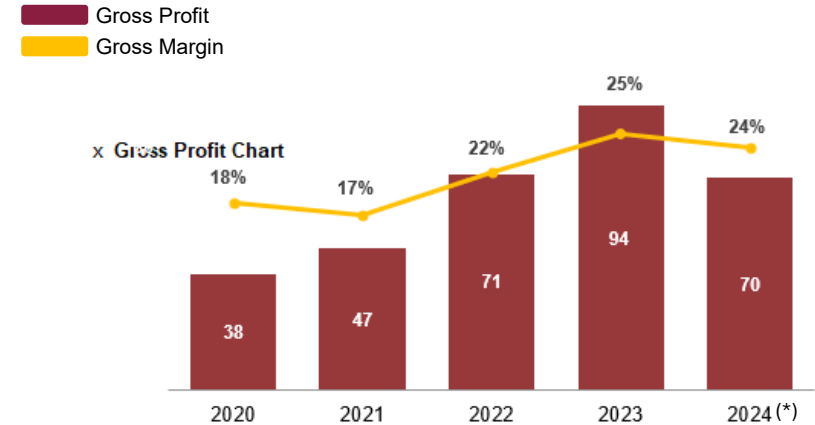
(*) includes US\$ 29 million from instable countries which the Company exited

EBITDA (US\$m) and EBITDA margin (%)



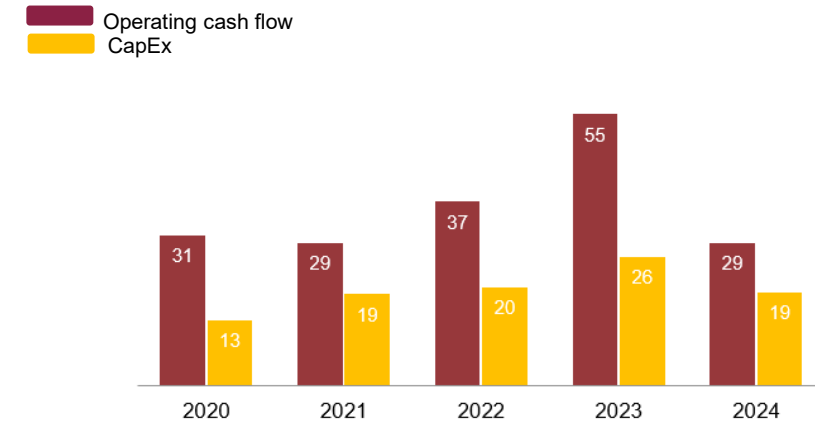
(*) Before one-off

Gross profit (US\$m) and Gross margin (%)



(*) Before one-off

Free cash flow and CapEx (US\$m)



Investment highlights

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1 A global market leader with differentiated focus on specialty drilling solutions and pioneering proprietary innovations

2 Key commodity markets experiencing compelling macro tailwinds to support prices and activity levels

3 Experienced management team

4 Solid financial performance under all market conditions.

5 Low PE multiple relative to peer group.

Capital Structure (February 24, 2025)

Ticker Symbol	FAR.TO
Last Price	C\$2.00
Average 3 Month Daily Trading Volume	63,058
Nb of Shares	99.3
Market Cap (M)	C\$199
Net Debt & NCI (M) ¹	C\$88
Enterprise Value (M)	C\$287
LTM EBITDA (M) ²	C\$86
Fiscal Year End	Dec 31

Analyst Coverage
Beacon | Paradigm
Clarus | Desjardins

Strong Insider Ownership: 35%+

Notes

1. Net debt excludes leases and is US\$56.0 M of net debt plus US\$5.8M of non-controlling interests converted from USD to CAD using 1.42 exchange rate for C\$108M
2. LTM EBITDA calculated as US\$60.5M as of December 31, 2024, converted to CAD at 1.42 USD/CAD exchange rate

1

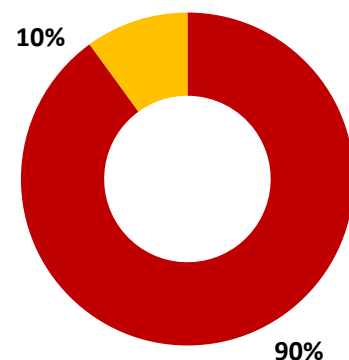
Well-diversified revenue exposure reduces risk

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FY 2024 revenue of US\$293M

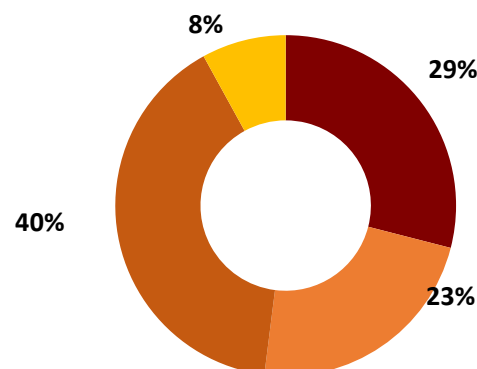
Revenue split by customers



■ Majors ■ Juniors

- ▲ **Tier 1 Customers** make up more than 90% of revenue
- ▲ **70% of revenue reoccurring** from contracts 10+ years old

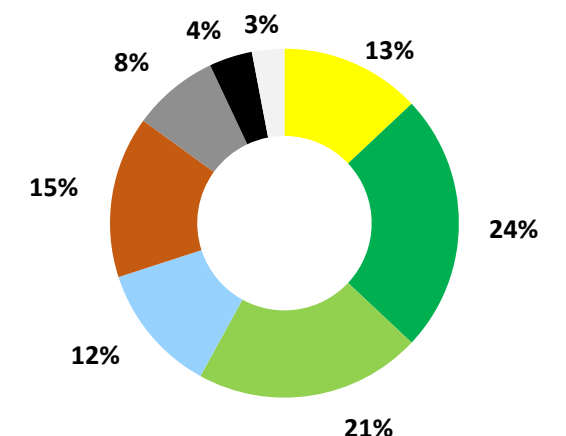
Revenue split by geographies



■ Asia Pacific ■ South America
■ North America ■ EMEA

- ▲ **Concentrated on stable jurisdictions**
- ▲ Focus on **Americas** where growth is expected to surge

Revenue split by commodities



■ Gold ■ Copper ■ Nickel ■ Water
■ Iron Ore ■ Steel Coal ■ Lithium ■ Others

- ▲ **Gold and water:** secular demand supports ~25% of sales
- ▲ **Copper and Gold** fuel growth



Customer relationship characteristics

We are the **preferred services provider** for the mining industry:

- ✓ **Loyal customer base:** 70% of our revenue consists of renewals of contracts which have been in place for 10+ years
- ✓ **Long term contracts** with capacity to deliver comprehensive solutions **all over the world**
- ✓ **Majors account for >90%** of revenues
- ✓ **Efficient, safe and on-time** performance drives long term relationship with key customers

Primary customers



Teck

RioTinto



BHP



GLENCORE

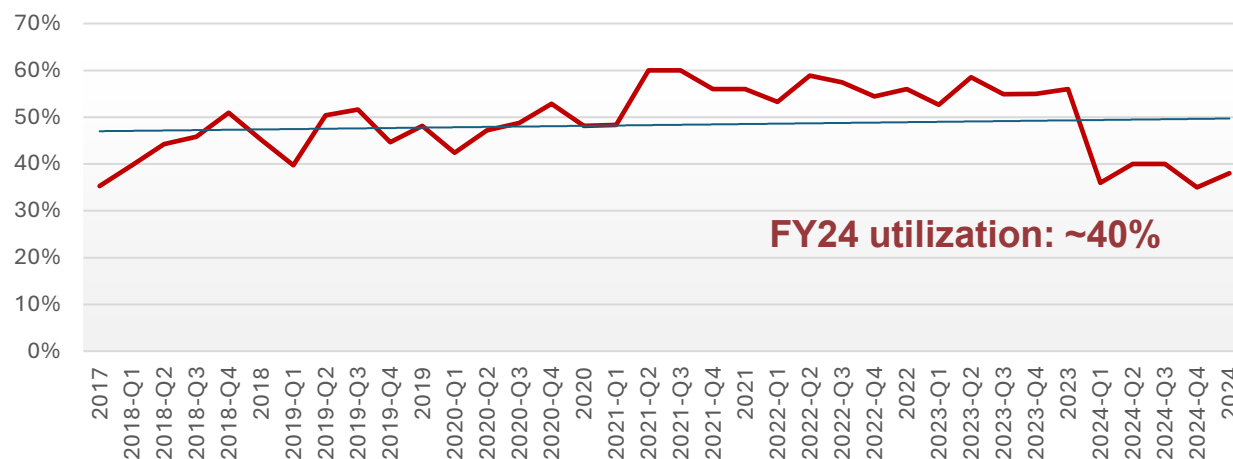


3 Growth strategy focused on increasing utilization rate by re-deploying rigs to lower-risk markets

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Leveraging established global drilling platform to drive growth in low-risk markets (e.g. USA)



- record revenue performance from North America and Asia-Pacific
- Decrease utilization due to limited access to capital for Juniors in South America
- Pipeline of opportunities remains robust and expecting significant conversion to backlog before year-end 2025

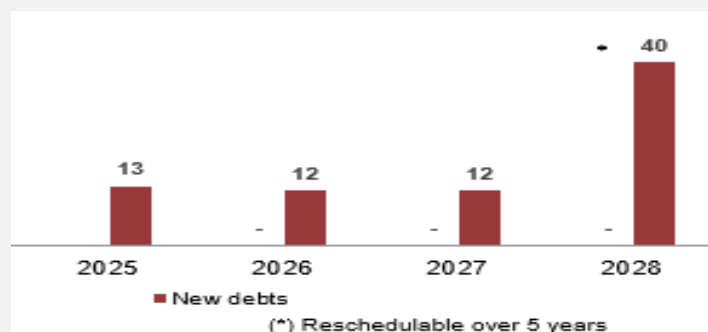
Executing disciplined capital allocation strategy & achieving differentiated results



Completed debt refinancing in November 2023 by raising US\$87M from Desjardins and Caisse d'Epargne

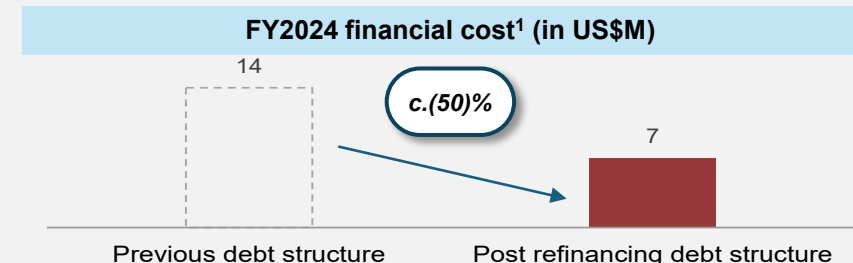


Achieved back-ended amortisation profile (US\$M)



Reduced financial expenses

- Significantly reduced cost of debt during rising/high-rate environment



Solid credit profile (US\$M) – Q3 2024

Net debt (excluded Lease)	\$56.0M
EBITDA FY24	\$60.5M
Net leverage	0.92x

Go-Forward Capital Allocation Plan:

- Maintain minimum cash balance of US\$30M
- Keep gross debt / NTM EBITDA <1.0x
- Use free cash flow to service debt and fleet
- Distribute excess free cash to shareholders ⁽¹⁾ up to 3% of market cap

(1) There is no certainty as to the amount of any dividend or that any dividend may be declared or paid in the future. Any decision to present dividends to the Company's shareholders would be made by the Company's board of directors on the basis of the Company's earnings, financial requirements and other conditions existing at such future time and would need to be approved by an ordinary resolution of shareholders. Although dividends are to be approved by an ordinary resolution of shareholders (being more than one-half of the votes cast by shareholders that carry a right to vote in person or by proxy at a meeting of shareholders), as the current Principal Shareholders (as defined herein) own a significant number of ordinary shares, they may effectively control any declaration of dividends."



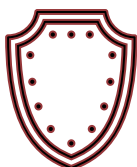
Comply with SASB Sustainability Accounting Standards: Metals and Mining 2018-2010



Foraco has collective bargaining agreements covering 56% of its workforce in complement of labor laws



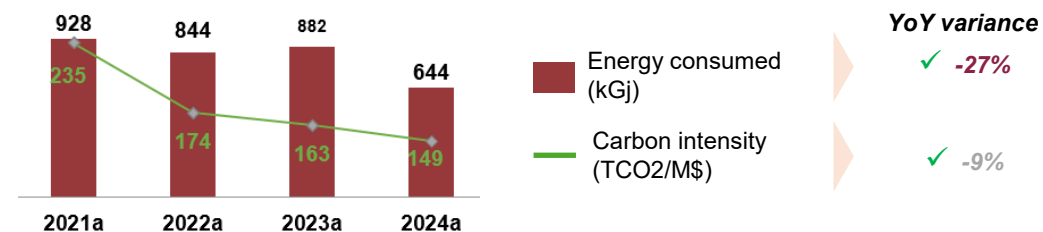
Foraco does not work in war zones and has developed a systematic cooperation approach with natives or local community groups wherever possible



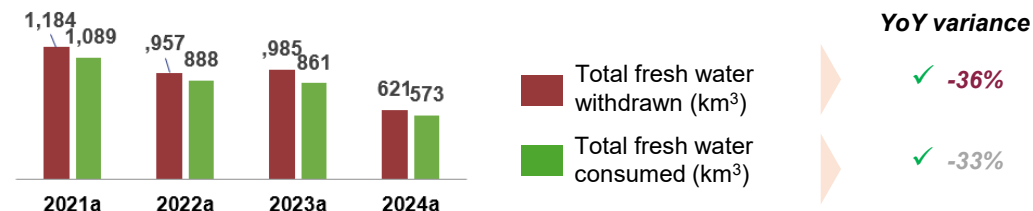
Strong business ethics policy and procedures that are compliant with Europe's most stringent anti-corruption rules like Sapin 2 law and OECD rules (no whistleblower in 2024)

Significantly reducing relevant climate change SASB metrics:

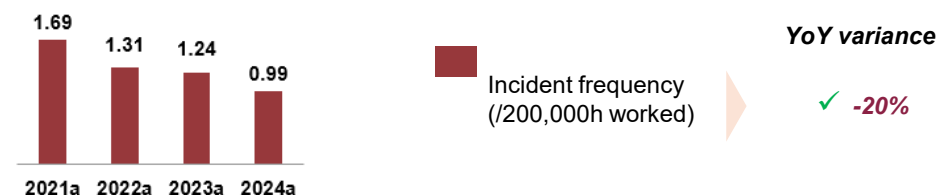
CO2 and energy evolution (Scope 1&2)



Water consumption



Health and safety





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