

Investor Presentation

March 2024



Foraco at a glance

Foraco is a leading diversified drilling services company, providing innovative solutions to our 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



#3
Market position¹

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

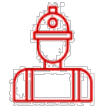
Water management services

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




- Expertise in deep water wells and 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




~2,800 employees



>300 rigs

World Class Customer Base



<i>In million US\$</i>	FY 2022		FY 2023
Revenue	\$331m	+12%	\$370m
EBITDA	\$67m	+30%	\$87m
EBITDA %	20%	+17%	23%

Note:
1. Based on fleet of drilling rigs worldwide

Investment highlights



What we do?

1
Critical services to the mining industry

2
High value added to customer

How we do it?

3
Well-diversified exposure

4
Capturing high-growth areas

5
Long-term customer relationships

6
Experienced management team

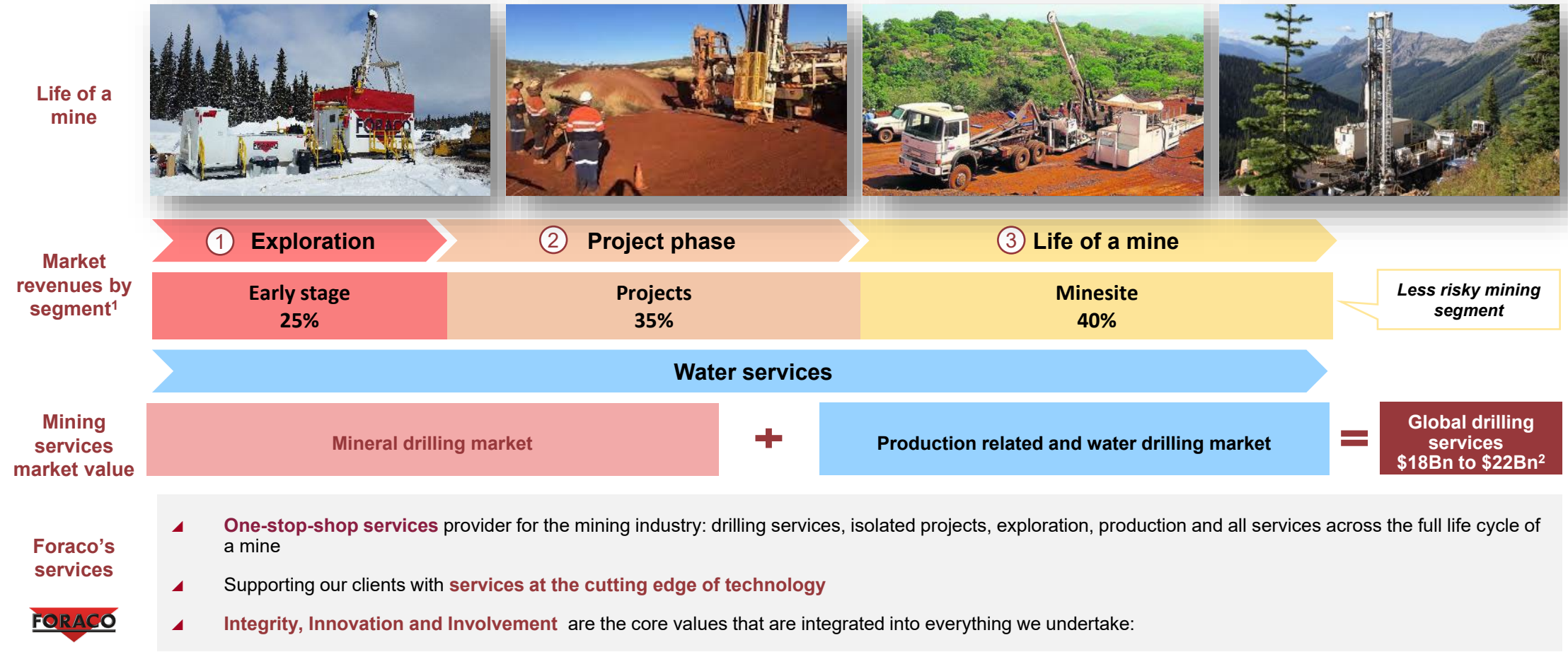
Why invest in Foraco?

7
Clear profitable growth vision to create value

8
Proven financial and ESG track record

① Foraco provides critical services to the mining industry through the entire life of a mine

Mining services overview



Source Management

Note:

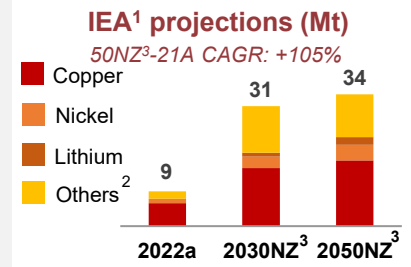
1. Market breakdown percentages based on 2022 market reported drilling expenses
2. Management estimates that the Global drilling services market is 140 to 170% of reported mineral exploration expenditures. Based on SP Global Markets figures, 2022 reported mineral drilling expenses represent c.\$13Bn (+16% YoY)

① Positioned on the most dynamic commodities and water

Key commodities markets

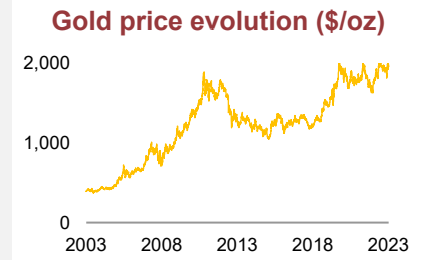
EV transition

- ▲ Battery metals, including lithium, nickel, and copper, are at the **forefront of the renewable energy revolution**
- ▲ As the world transitions to cleaner energy source, the **demand for critical metals is expected to surge** due to their critical role in the production of **electric vehicle batteries and energy storage systems**



Gold

- ▲ Gold is a **resilient and versatile commodity** characterized by **long-term stability**
- ▲ Value of gold has stood the test of time, making it an attractive and **reliable asset**
- ▲ Its **wide range of applications** spans industries such as jewelry, electronics, medicine, and finance, further **bolstering its demand and market stability**



Water management

- ▲ Foraco **delivers vital water services** with a primary emphasis on **environmentally responsible water management within mining operations**
- ▲ Helping clients to **monitor and manage their water resource** in the most sustainable way

A segment in line with some UN SGDs



▲ Foraco is a responsible contributor to ESG-driven transition: electrification and reasoned water management

Notes:
 1. International Energy Agency
 2. Others includes mainly Graphite, Manganese and Cobalt
 3. Net Zero scenario – A normative IEA scenario that shows a pathway for the global energy sector to achieve net zero CO2 emissions by 2050

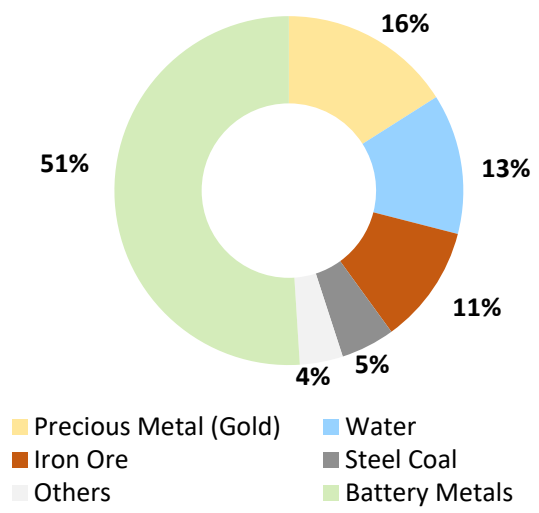
② High value added to customer

Mining segment			Water segment
Exploration drilling	Development drilling	Production drilling	Water management services
			
<p>We offer complete drilling solutions utilizing a variety of drilling techniques, specializing in operating under harsh environments and the most inaccessible locations on earth</p>	<p>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</p>	<p>Specializing in underground coring as well as long hole drilling and blasting which demands a high degree of accuracy to minimize dilution</p> <p>Both pneumatic and electric drills are used for these methods some of which require inverse and drop raising operations</p>	<p>Expertise in deep water wells and in all types of geological formations.</p> <p>Committed to environmentally responsible water management that support mining operations globally</p>

③ Well-diversified exposure

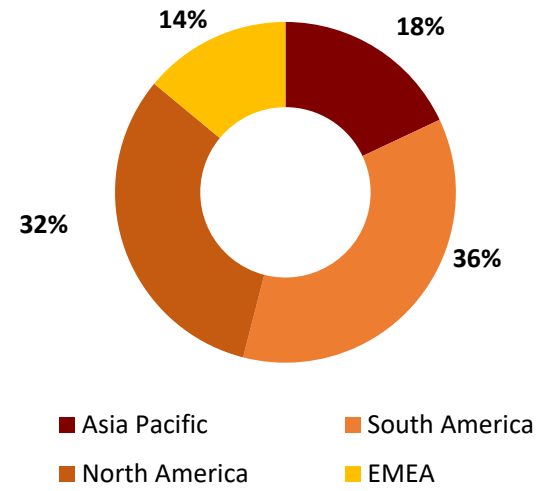
FY 2023 revenues of US\$370m

Revenue split by commodities (FY 2023)



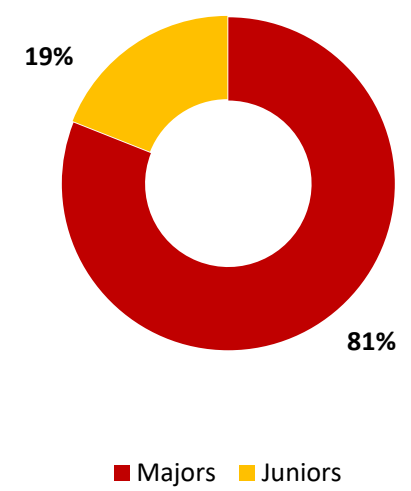
- ▲ **Gold and water:** secular demand supports c.30% of the business
- ▲ **Battery metals** fuels growth

Revenue split by geographies (FY 2023)



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

Revenue split by customers (FY 2023)



- ▲ **Tier 1 Customers** make up more than 80% of revenue.

④ Capturing high-growth areas

Core growth pillars

Growth with Tier 1 clients

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



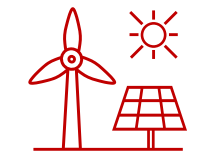
Strengthen leadership in water management services

New generation of in-house deep water well rigs




Increase exposure to transition metals

Global energy transition increasing demand for battery metals (copper, nickel and lithium)



Innovation in additional regions

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

⑤ Long-term customer relationships

Customer relationship characteristics

We are the **preferred one-stop-shop** services provider for the mining industry:

- ✓ **Loyal customer base:** 70% of our revenue consists of renewals of contracts which have been in place for more than 10 years
- ✓ **Multi-commodities contracts** with capacity to deliver services **all over the world**
- ✓ **Majors account for >80%** of revenues
- ✓ **Partnerships with clients** provide stability and visibility to build on a long-term vision

Primary customers

⑥ Experienced management team

Executive Committee organized to cover the main regional priorities

Executive oversight from C-suite



Timothy Bremner
Chief Executive Officer
40+ years
2006



Fabien Sevestre
Chief Financial Officer
23 years
2001



Laurence Girard-Mahieux
General Counsel
20 years
2008



Agile business model informed by diverse managerial experiences

Empowered regional heads



Olivier Demesy
Senior VP SAM & EMEA
26 years
2010



Hans Vanderlinden
Manager Canada
30 years
2011



Nathan Elford
VP Australia
24 years
2013



Focus on innovation, safety and environmental awareness



Balance and inclusion culture

Joined Foraco in

⑦ The path forward



Stay on top of our game...

- ✓ Deploy specific and innovative techniques across all regions
- ✓ Growth with Tier 1 clients and long term contracts
- ✓ Grow our US business
- ✓ Increased exposure to EV metals
- ✓ Strengthen leadership in water services management

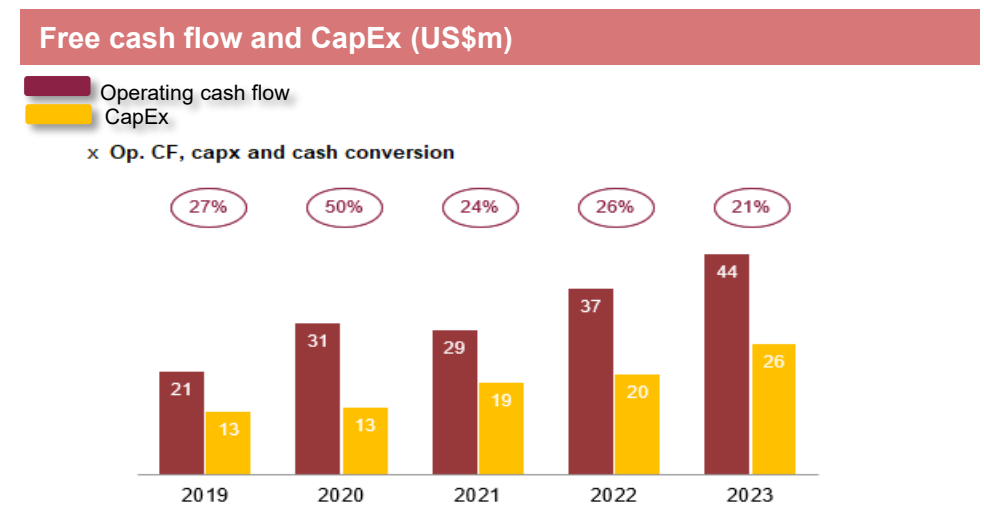
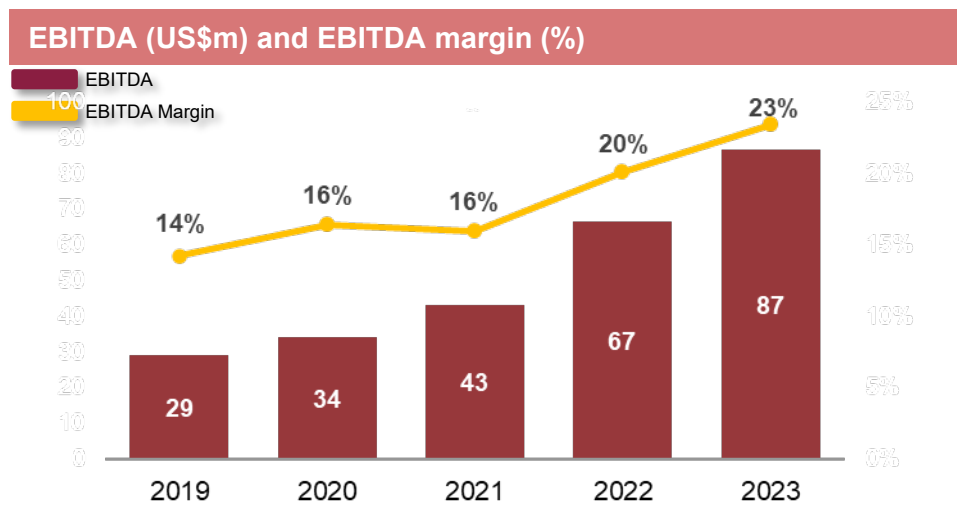
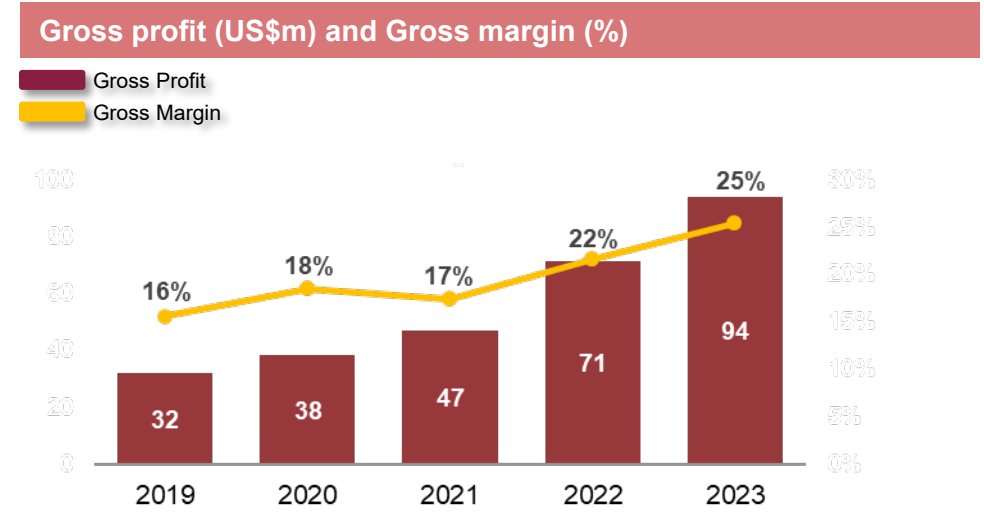
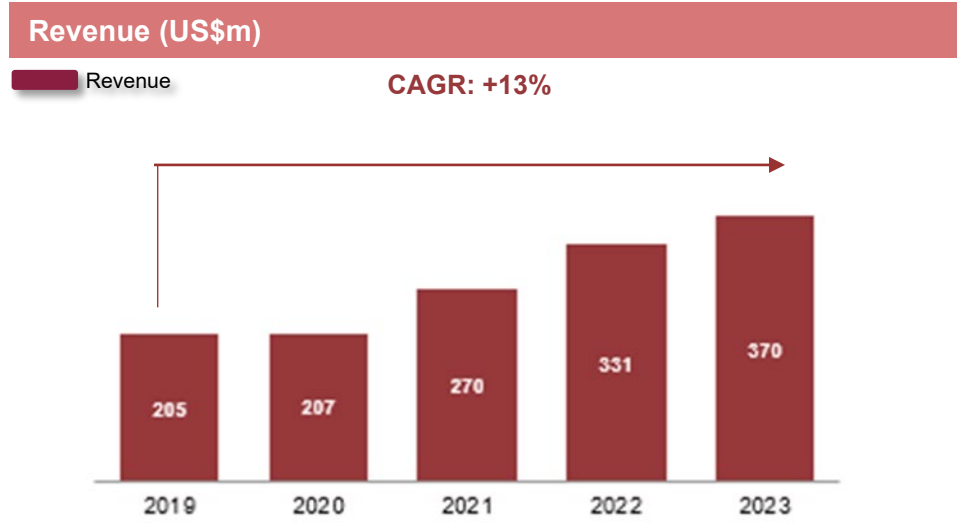


To create value for our stakeholders

- ✓ Generate significant cash flows on the back of solid economic activity
- ✓ Continue to deleverage the balance sheet (0.75x FY2023 Net debt to EBITDA)
- ✓ Optimize capital allocation

Demonstrated financial performance

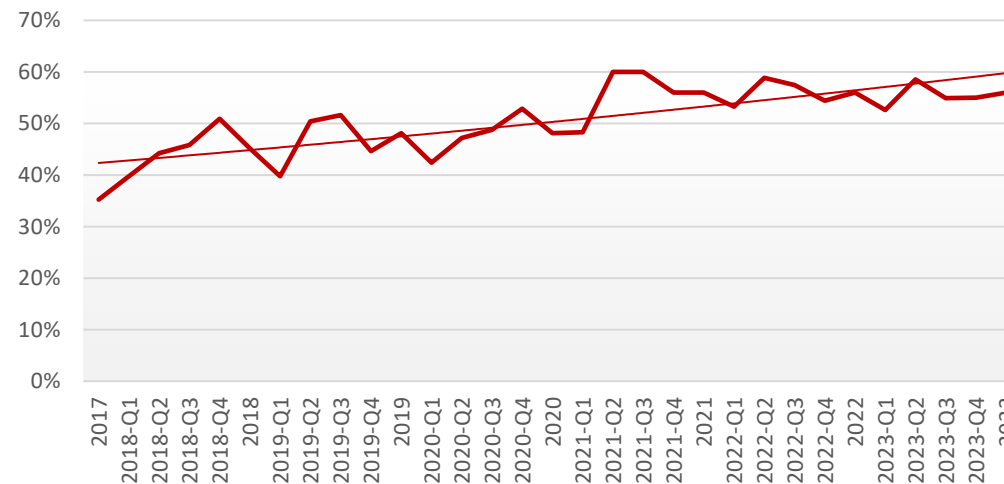
- Revenue growth fueled by market share acquisition and ability to capture the most dynamic segment of the market
- Improved margins through optimized rig utilization rate
- Disciplined cash conversion allowed by top industry standards



⑧ A versatile drill fleet in constant evolution

302 Drill rigs
54 Rotary & RC
196 Diamond
12 Combination
40 Underground

- 50 new rigs were added to the fleet since 2017
- All rigs purchased on the back of long-term contracts
- Current market value of equipment estimated at \$200m
- New rig has an operational life of 15 to 20 years (ability to refurbish for 10+ years)



Current utilization rate is near 60%

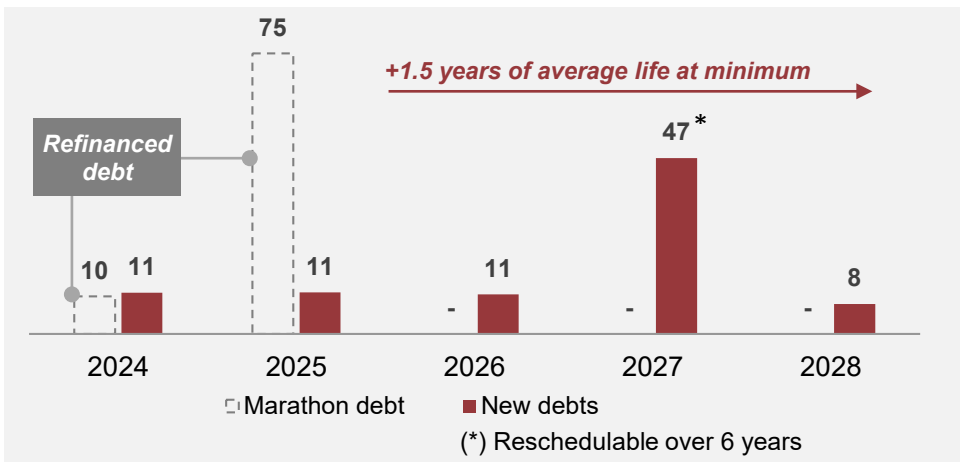


8 Solid balance sheet and liquidity

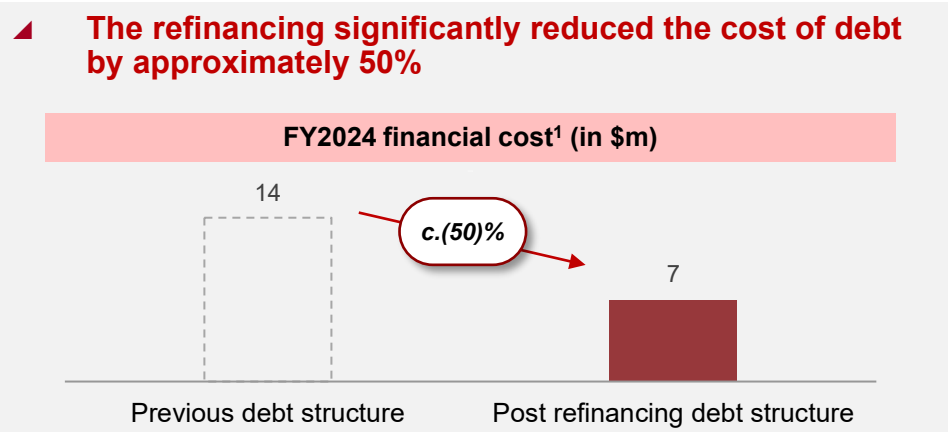
- On November 8th 2023, Foraco completed the early repayment of its US \$85 million outstanding senior secured bonds facility provided by Marathon Asset Management LP by raising US \$87 million in new debt from Desjardins and Caisse d'Epargne



Back-ended amortisation profile (US\$m)



Reduced financial expenses



Solid credit profile

	As of Q4'23
Long-term gross debt	\$93m
Net debt	\$65m
EBITDA FY 2023	\$87m
Net leverage	0.75x

Strong liquidity to finance growth

	As of Q4'23
Cash and cash equivalent	\$34m
Committed facilities from Desjardins (proforma refinancing)	\$11m

- ▲ **Strong cash profile amplified with the refinancing providing us with the opportunity to review our capital allocation**

Notes:
 1. Estimated financial interests, excluding other operational debts
 2. Excluding overdrafts

8 Strong ESG focus



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



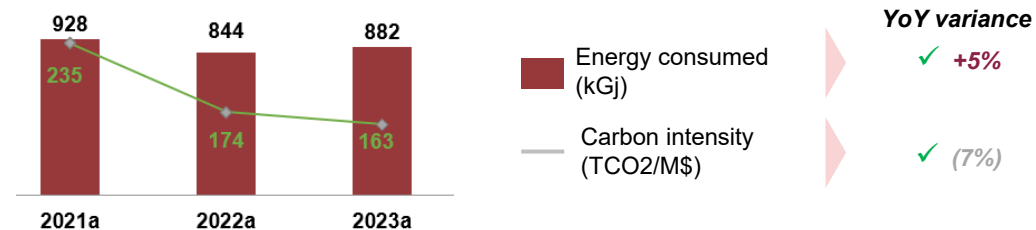
Foraco does not work in war zones and has developed a systematic cooperation approach with natives or local community groups wherever possible



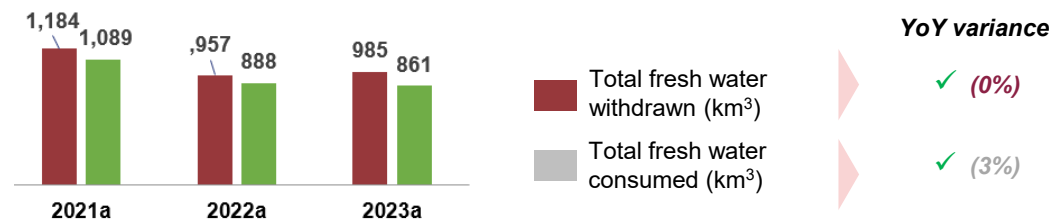
Foraco has a strong business ethics policy and procedures that are compliant with Europe's most stringent anti-corruption rules like Sapin 2 law and OECD rules (no whistleblow in 2023)

Strong ESG focus with significant reductions in the relevant Climate change SASB metrics

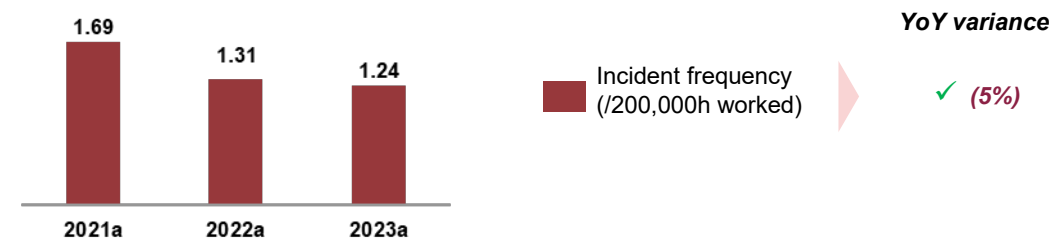
CO2 and energy evolution (Scope 1&2)



Water consumption



Health and safety



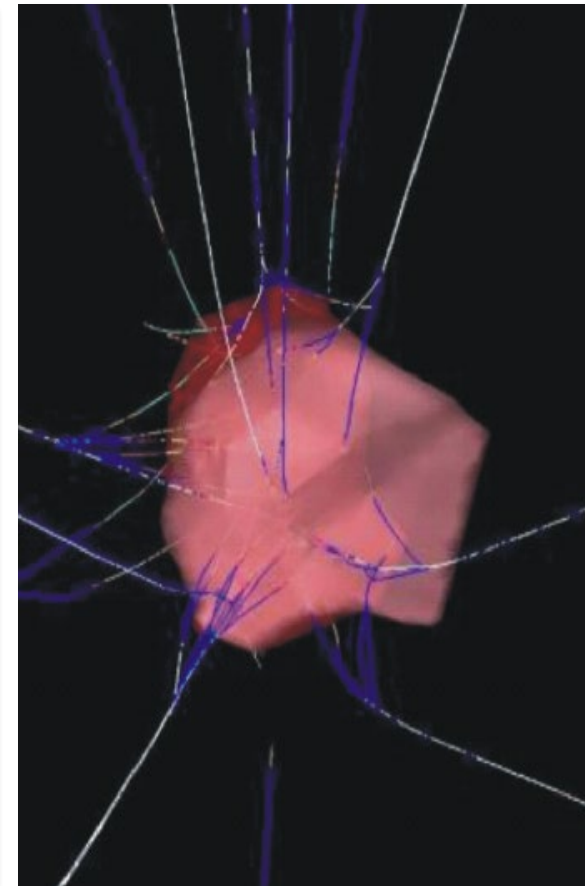
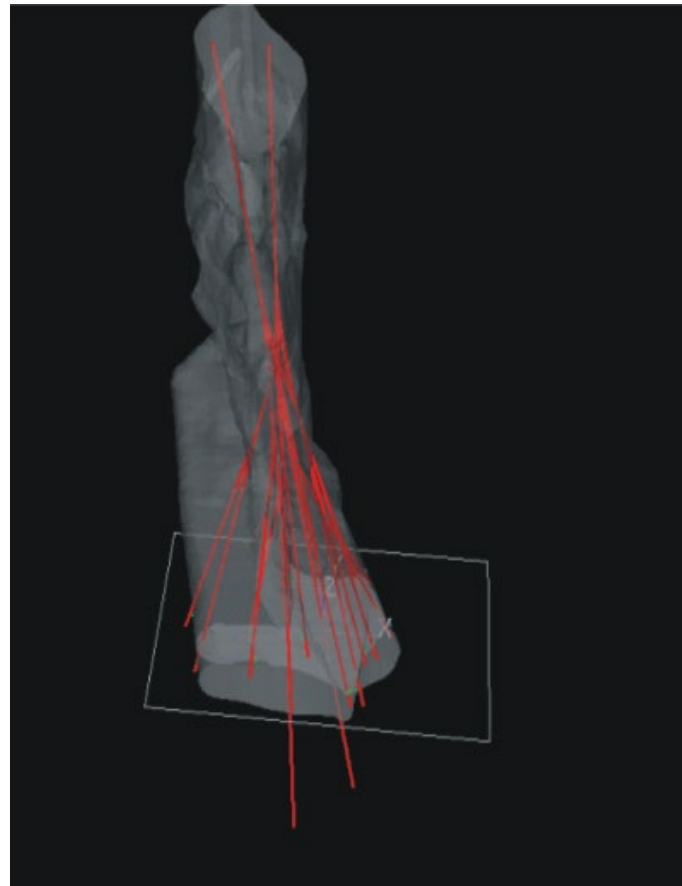


Appendix



Deep directional coring drilling lead

- Techniques and tools which allow 3D drill steering through hard rock in order to follow a preset 3D trajectory
- Without directional drilling, the hole geometry is dictated by the geological natural conditions
- FAR setup a JV with the developers of the Continuous Wedging Tool (CWT) to market and operate their tool in North America, Brazil and West Africa
- The CWT complements Foraco's existing deep directional drilling expertise
- Customer benefits: significant financial savings together with the best geo data



Innovation as one of our founding values

- Pioneered first wireless remote RC rig with fully featured Measure While Drilling (MWD)
- Awarded DMIRS Engineering Award of Merit
- In 2019, introduced next generation of remote RC (functional isolation / electronic exclusion zones)
- New generation of water well specialized rig – roll out in early-2023
- **We aim to reduce drill time and enhance crew safety**





B

Appendix – Financials



Historical performance

In US\$m, FYE 31/12	2019A	2020A	2021A	2022A	2023A	CAGR 19A-23A
INCOME STATEMENT						
Revenues	205.4	207.1	269.7	330.6	370.1	12.5%
% Growth	14.1%	0.8%	30.2%	22.6%	11.9%	
Gross Profit	21.1	38.2	46.8	71.3	93.9	34.8%
% Margin	10.3%	18.4%	17.4%	21.6%	25.4%	
EBITDA	29.3	34.1	43.0	66.5	86.7	24.2%
% EBITDA	14.3%	16.5%	15.9%	20.1%	23.4%	
EBIT	11.0	17.2	24.1	46.4	66.7	n.m
% EBIT	5.4%	8.3%	8.9%	14.0%	18.0%	
CASH FLOW STATEMENTS						
EBITDA	29.3	34.1	43.0	66.5	86.7	24.2%
Var. of Working Capital	(0.6)	3.3	(4.0)	(9.7)	(5.0)	
Other	(8.1)	(6.9)	(10.0)	(19.4)	(26.4)	
Cash from operations	20.6	30.5	29.0	37.4	55.3	
Capex	(12.5)	(13.3)	(18.6)	(20.0)	(26.1)	
Free Cash Flow (post interests and taxes)	8.1	17.2	10.4	17.4	29.1	
Rigs	302	302	302	302	302	
Employees	1,946	2,109	2,891	2,789	2,755	7.2%

Source: Management

Notes: (1) Includes amortization and depreciation expenses related to operations



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