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ABN 78 008 947 813



19 February 2018

ASX Limited  
Company Announcements Office  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2001

BY ELECTRONIC LODGEMENT

Dear Sirs

**ASX APPENDIX 4D AND INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2017.**

Please find attached Imdex Limited's Appendix 4D and Interim Financial Report for the Half Year Ended 31 December 2017, inclusive of the Auditors Review Report and Independence Declaration.

Yours faithfully  
**Imdex Limited**

A handwritten signature in blue ink, appearing to read "P. Evans", with a long horizontal flourish extending to the right.

**Paul Evans**  
Company Secretary



# IMDEX LIMITED

ABN 78 008 947 813

## ASX Appendix 4D "Half Year" Report and Interim Directors' Report & Financial Report

for the Half Year ended 31 December 2017

The ASX Appendix 4D "Half Year" Report is provided to ASX in accordance with Listing Rule 4.2A for announcement to the market.

<b>Current Reporting Period:</b>	<b>31 December 2017</b>
<b>Previous Corresponding Reporting Period:</b>	<b>31 December 2016</b>

The Financial Report had been subject to review and is not subject to dispute or qualification. The auditors review report is included herein.

The interim Financial Report has been prepared in accordance with International Financial Reporting Standards ("IFRS").

The interim Financial Report does not include all the notes of the type normally included in an annual Financial Report and hence should be read in conjunction with the latest annual report of Imdex Limited, being for the financial year ended 30 June 2017.

In addition, reference should be made to any public announcements made by Imdex Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth).

# INDEX LIMITED

and its controlled entities

## APPENDIX 4D HALF YEAR REPORT 31 DECEMBER 2017

Consolidated				
	Notes	% Change up / (down)	Half Year Ended 31 Dec 2017 \$ 000's	Half Year Ended 31 Dec 2016 \$ 000's
<b>Continuing Operations</b>				
Revenue from ordinary activities	(i)	28%	104,747	81,806
<b>Profit / (Loss) for the period from continuing operations</b>	(i),(ii)	208%	10,634	(9,884)
<b>Discontinued operations</b>				
Profit / (Loss) for the period from discontinued operations	(i)	(100%)	-	70
Profit / (Loss) for the period attributable to members	(i)	208%	10,634	(9,814)
Net tangible assets per ordinary security (cents)			30.87	26.73

(i) The announcement made to ASX on 19 February 2018 provides an explanation of the Group's financial results and operating performance for the half year ended 31 December 2017.

(ii) The loss for the half year ended 31 December 2016 for the continuing operations includes \$16.2m (non cash \$11.5m) in financing costs expensed in relation to the Bain Capital financing facility which was paid out in full.

# IMDEX LIMITED

*and its controlled entities*

## DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2017

The Directors of Imdex Limited submit herewith the financial report of Imdex Limited and its subsidiaries (the Group or Consolidated Entity) for the half year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

### Directors

The Directors of the Company during or since the end of the Half Year are:

Name	Period of Directorship
Mr Anthony Wooles	Appointed as Non Executive Chairman on 1 July 2016
Mr Bernie Ridgeway, Managing Director	Appointed 23 May 2000
Mr Kevin Dundo, Non Executive Director	Appointed 14 January 2004
Mr Ivan Gustavino, Non Executive Director	Appointed 3 July 2015
Mrs Sally-Anne Layman, Non Executive Director	Appointed 6 February 2017

### Review of Operations

	Consolidated Half Year Ended 31 Dec 2017 \$'000	Half Year Ended 31 Dec 2016 \$'000
Total Revenue from continuing operations	104,747	81,806
Profit / (Loss) for continuing operations after tax for the half year	10,634	(9,884)
Profit / (Loss) for discontinued operations after tax for the half year	-	70
Total Profit / (Loss) after tax for the half year	10,634	(9,814)
Basic earnings / (loss) per share - continuing and discontinued operations	2.89 ¢	(3.40 ¢)
Basic earnings / (loss) per share - continuing operations	2.89 ¢	(3.42 ¢)

The profit after tax for the half year ended 31 December 2017 was \$10.6 million (31 December 2016: Loss \$9.8 million). The result was achieved on total revenue of \$104.7 million (31 December 2016: \$81.8 million).

Profit per share from total operations was 2.89 cents per share (31 December 2016: Loss of 3.40 cents per share).

Further details on the operations and overall results are contained in the Financial Report and the announcement made to the ASX on 19 February 2018 regarding the Group's financial results and operating performance for the half year ended 31 December 2017.

# INDEX LIMITED

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## DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2017

### **Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires the auditor, Deloitte Touche Tohmatsu, to provide the Directors of Index Limited with an Independence Declaration in relation to the review of the Half Year Financial Report. The Independence Declaration is on the next page.

### **Rounding of Amounts**

The company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports)* Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors pursuant to s.306(3) of the Corporations Act 2001.

Dated at Perth, 16 February 2018

A handwritten signature in black ink, appearing to read 'Anthony Wooles', with a long horizontal flourish extending to the right.

**Anthony Wooles**  
Chairman

The Board of Directors  
Imdex Limited  
216 Balcatta Road  
BALCATTA WA 6021

16 February 2017

Dear Directors

**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 review of the financial statements of Imdex Limited for the half year ended 31 December 2017, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



**DELOITTE TOUCHE TOHMATSU**



**D K Andrews**

Partner  
Chartered Accountants

## **Independent Auditor's Review Report to the members of Imdex Limited**

We have reviewed the accompanying half-year financial report of Imdex Limited, which comprises the condensed statement of financial position as at 31 December 2017 and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Imdex Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Imdex Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Imdex Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

  
**DELOITTE TOUCHE TOHMATSU**



**D K Andrews**

Partner

Chartered Accountants

Perth, 16 February 2018



# INDEX LIMITED

*and its controlled entities*

## DIRECTORS' DECLARATION

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; and
- (b) in the Directors' opinion, the attached Financial Report 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 Consolidated Entity.

Signed in accordance with a resolution of the Directors made pursuant to s. 303(5) of the Corporations Act 2001.

Dated at Perth, 16 February 2018

A handwritten signature in black ink, appearing to read 'A. Wooles', with a long horizontal flourish extending to the right.

**Anthony Wooles**  
Chairman

# IMDEX LIMITED

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## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Notes	Half Year Ended 31 Dec 2017 \$'000	Half Year Ended 31 Dec 2016 \$'000
<b>Continuing operations</b>			
Revenue from sale of goods and operating lease rental		104,701	81,729
Other revenue from operations		46	77
<b>Total revenue</b>		<b>104,747</b>	<b>81,806</b>
Other income		47	134
Raw materials and consumables used		(35,750)	(28,804)
Employee benefit expense		(29,517)	(23,898)
Depreciation expense		(6,576)	(5,102)
Amortisation expense		(222)	(291)
Finance costs		(419)	(16,194)
Other expenses		(19,333)	(15,768)
<b>Profit / (Loss) for the period before tax</b>		<b>12,977</b>	<b>(8,117)</b>
Income tax expense		(2,343)	(1,767)
<b>Profit / (Loss) for the period from continuing operations</b>		<b>10,634</b>	<b>(9,884)</b>
<b>Discontinued operations</b>			
Gain for the period from discontinued operations		-	70
<b>Profit / (Loss) for the period</b>		<b>10,634</b>	<b>(9,814)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange gain reclassified from foreign currency translation reserve to profit or loss on the sale of discontinued operations		-	(2,058)
Exchange differences arising on the translation of foreign operations		2,721	2,522
<b>Other comprehensive income / (loss) for the period, net of income tax</b>		<b>2,721</b>	<b>464</b>
<b>Total comprehensive profit / (loss) for the period</b>		<b>13,355</b>	<b>(9,350)</b>
<b>Profit / (Loss) attributable to owners of the parent</b>		<b>10,634</b>	<b>(9,814)</b>
<b>Total comprehensive profit / (loss) attributable to owners of the parent</b>		<b>13,355</b>	<b>(9,350)</b>
<b>Earnings / (Loss) per share</b>			
<b>From continuing and discontinued operations</b>			
Basic earnings / (loss) per share (cents)		2.89	(3.40)
Diluted earnings / (loss) per share (cents)		2.71	(3.40)
<b>From continuing operations</b>			
Basic earnings / (loss) per share (cents)		2.89	(3.42)
Diluted earnings / (loss) per share (cents)		2.71	(3.42)

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

# IMDEX LIMITED

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Notes	31 Dec 2017 \$'000	30 Jun 2017 \$'000
<b>Current Assets</b>			
Cash and Cash Equivalents		12,645	19,379
Trade Receivables		42,389	41,510
Inventories		36,032	29,904
Current Tax Assets		298	310
Other		4,365	3,659
<b>Total Current Assets</b>		<b>95,729</b>	<b>94,762</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment		33,664	32,225
Deferred Tax Assets		24,337	23,544
Goodwill and other intangibles		60,042	60,362
<b>Total Non Current Assets</b>		<b>118,043</b>	<b>116,131</b>
<b>Total Assets</b>		<b>213,772</b>	<b>210,893</b>
<b>Current Liabilities</b>			
Trade and Other Payables		24,062	30,441
Borrowings		253	4,462
Current Tax Liabilities		2,336	3,192
Provisions		7,541	10,027
<b>Total Current Liabilities</b>		<b>34,192</b>	<b>48,122</b>
<b>Non Current Liabilities</b>			
Borrowings		5,658	2,685
Deferred Tax Liabilities		104	104
Provisions		332	162
<b>Total Non Current Liabilities</b>		<b>6,094</b>	<b>2,951</b>
<b>Total Liabilities</b>		<b>40,286</b>	<b>51,073</b>
<b>Net Assets</b>		<b>173,486</b>	<b>159,820</b>
<b>Equity</b>			
Issued Capital	2	149,690	149,690
Reserves		2,166	(866)
Retained Earnings		21,630	10,996
<b>Total Equity</b>		<b>173,486</b>	<b>159,820</b>

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

# INDEX LIMITED

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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Reserves				Reserves	Fully Paid Ordinary Shares	Retained Earnings	Total Attributable to Equity Holders of the Entity
	Warrants Reserve	Shares reserved for Performance Rights Plan	Foreign Currency Translation Reserve	Employee Equity-Settled Benefits Reserve	Total			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2016</b>	7,964	-	(4,222)	5,344	9,086	99,174	7,333	115,593
Exchange differences on translation of foreign operations after taxation	-	-	2,522	-	2,522	-	-	2,522
Exchange gain reclassified from foreign currency translation reserve to profit or loss on the sale of discontinued operations	-	-	(2,058)	-	(2,058)	-	2,058	-
Loss for the period	-	-	-	-	-	-	(11,872)	(11,872)
Total comprehensive income for the period	-	-	464	-	464	-	(9,814)	(9,350)
Issue of shares under share placement, net of transaction costs	-	-	-	-	-	42,584	-	42,584
Shares purchased on market to satisfy performance rights	-	(151)	-	-	(151)	-	-	(151)
Share based payments - performance rights	-	151	-	530	681	-	-	681
<b>Balance at 31 December 2016</b>	<b>7,964</b>	<b>-</b>	<b>(3,758)</b>	<b>5,874</b>	<b>10,080</b>	<b>141,758</b>	<b>(2,481)</b>	<b>149,357</b>
<b>Balance at 1 July 2017</b>	-	(33)	(7,560)	6,727	(866)	149,690	10,996	159,820
Exchange differences on translation of foreign operations after taxation	-	-	2,721	-	2,721	-	-	2,721
Profit for the period	-	-	-	-	-	-	10,634	10,634
Total comprehensive income for the period	-	-	2,721	-	2,721	-	10,634	13,355
Issue of shares under share placement, net of transaction costs	-	-	-	-	-	-	-	-
Shares purchased on market to satisfy performance rights	-	(466)	-	-	(466)	-	-	(466)
Share based payments - performance rights	-	481	-	296	777	-	-	777
<b>Balance at 31 December 2017</b>	<b>-</b>	<b>(18)</b>	<b>(4,839)</b>	<b>7,023</b>	<b>2,166</b>	<b>149,690</b>	<b>21,630</b>	<b>173,486</b>

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

# IMDEX LIMITED

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Half Year Ended 31 Dec 2017 \$'000	Half Year Ended 31 Dec 2016 \$'000
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	115,509	94,204
Payments to suppliers and employees	(108,985)	(82,359)
Interest and other costs of finance paid	(344)	(5,457)
Income tax paid	(4,085)	(2,048)
<b>Net cash provided by Operating Activities</b>	<b>2,095</b>	<b>4,340</b>
<b>Cash Flows From Investing Activities</b>		
Interest received	46	77
Payment for property, plant and equipment	(7,670)	(1,670)
Net cash outflow from the sale of Oil & Gas subsidiaries	-	(318)
<b>Net cash used in Investing Activities</b>	<b>(7,624)</b>	<b>(1,911)</b>
<b>Cash Flows From Financing Activities</b>		
Shares purchased on market to satisfy performance rights	(466)	(151)
Hire purchase and lease payments	(238)	(331)
Proceeds from borrowings	-	12,999
Repayment of borrowings	(1,021)	(54,227)
Proceeds from share placement, net of costs	-	42,584
<b>Net cash (used in) / provided by Financing Activities</b>	<b>(1,725)</b>	<b>874</b>
<b>Net (decrease) / increase in Cash and Cash Equivalents Held</b>	<b>(7,254)</b>	<b>3,303</b>
Cash and Cash Equivalents At The Beginning Of The Period	19,379	12,977
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	520	557
<b>Cash and Cash Equivalents At The End Of The Period</b>	<b>12,645</b>	<b>16,837</b>

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

# INDEX LIMITED

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## NOTES TO THE FINANCIAL REPORT

### 1. Summary of Significant Accounting Policies

#### **Statement of Compliance**

The half year report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

#### **Basis of Preparation**

The half year condensed consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2017, other than for the impact of the adoption of new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the consolidated entity and effective for annual reporting periods beginning on or after 1 July 2017.

#### **Adoption of new and revised Accounting Standards**

The Group has adopted all new and amended Australian Accounting Standards and Interpretations mandatory as at 1 July 2017. The new standards have not had a significant impact on the measurement or disclosure requirements of the Group.

#### **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 various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# INDEX LIMITED

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## NOTES TO THE FINANCIAL REPORT

### 2. Issued Capital and Shares reserved for Performance Rights Plan

	Notes	31 Dec 2017 \$'000	30 Jun 2017 \$'000
Issued and Paid Up Capital - Fully paid ordinary shares	(i)	149,690	149,690

	Notes	31 Dec 2017 Number	31 Dec 2017 \$'000	30 Jun 2017 Number	30 Jun 2017 \$'000
<b>Issued and Paid Up Capital - Fully paid ordinary shares</b>					
Balance at beginning of the financial year		367,463,185	149,690	248,603,136	99,174
Issue of shares under share placement		-	-	81,818,182	45,000
Transaction costs relating to share placement		-	-	-	(2,448)
Conversion of Warrants				37,041,867	7,964
Closing balance at end of the financial year		367,463,185	149,690	367,463,185	149,690

(i) Fully paid ordinary shares carry one vote per share and the right to dividends.

No shares were issued in the current or prior years in satisfaction of performance rights.

### 3. Dividends

No dividend was paid during the current or prior period.

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## NOTES TO THE FINANCIAL REPORT

### 4. Segment Information

The Group comprises the following reportable segment which is based on the Group's internal management reporting system:

(i) Minerals Division (continuing): This segment comprises the manufacture, sale and rental of down hole instrumentation, the manufacture and sale of drilling fluids and chemicals and related equipment and the provision of innovative cloud-based data management solutions to the mining and mineral exploration industry globally; and

(ii) Oil & Gas Division (discontinued): This segment comprised the manufacture, sale and rental of down hole instrumentation and manufacture and sale of drilling fluids and chemicals to the oil & gas and geothermal industries globally. This segment was discontinued in the year ended 30 June 2016.

#### (a) Segment Revenues

	<b>Total</b>	
	<b>Half Year</b>	<b>Half Year</b>
	<b>31 Dec 17</b>	<b>31 Dec 16</b>
	<b>\$'000</b>	<b>\$'000</b>
Minerals (continuing operations)	104,701	81,729
Oil & Gas (discontinued operations)	-	9,286
Total of all segments	104,701	91,015
Interest income	46	77
<b>Total revenue</b>	<b>104,747</b>	<b>91,092</b>

#### (b) Segment Profit/(Loss)

Minerals (continuing operations)	19,788	11,869
Oil & Gas (discontinued operations)	-	1,070
Total of all segments	19,788	12,939
Central administration costs (i)	(6,811)	(19,986)
Profit / (Loss) before income tax expense	12,977	(7,047)
Income tax expense	(2,343)	(2,767)
<b>Profit / (Loss) attributable to ordinary equity holders of Index Limited</b>	<b>10,634</b>	<b>(9,814)</b>

(i) Central administration costs comprise net financing costs for the Group and 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.

Segment profit / (loss) represents the profit / (loss) earned by each segment without allocation of central administration costs, directors' salaries, net finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

#### (c) Segment Assets

	<b>Assets</b>	
	<b>31 Dec 17</b>	<b>30 Jun 17</b>
	<b>\$'000</b>	<b>\$'000</b>
Minerals (continuing operations)	189,435	187,349
Unallocated	24,337	23,544
<b>Consolidated</b>	<b>213,772</b>	<b>210,893</b>



# IMDEX LIMITED

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## NOTES TO THE FINANCIAL REPORT

### 5. Contingent Liabilities and Contingent Assets

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, management do not consider it to be probable that they will require settlement at the Group's expense.

A provision is recognised related to pending litigation or other outstanding claims where probable and estimable. Actual costs can differ from estimates for many reasons. For instance, settlement costs for claims and litigation can vary from estimates based on differing interpretations of laws, opinions on responsibility and assessments of the amount of damages. Our in-house legal counsel regularly assesses contingent liabilities and in certain circumstances, outside legal counsel is utilised.

On 20 November 2017 the Federal Court ordered Coretell Pty Ltd and others pay costs of Imdex subsidiaries, Australian Mud Company Pty Ltd (AMC) and REFLEX Instruments Asia Pacific Pty Ltd (REFLEX), in the amount of \$3.2M. AMC and REFLEX are taking steps to pursue recovery of these costs.

### 6. Subsequent Events

As announced to the ASX on 18 January 2018, the Group entered into an exclusive option and technology development agreement with FlexiDrill to acquire unique drilling productivity technologies. The Agreement is structured to provide IMDEX a period of exclusivity in which to further develop the Flexidrill technologies. It provides for an immediate payment of NZ\$5 million (comprising NZ\$2.5 million cash and NZ\$2.5 million worth of IMDEX shares based on the volume weighted average price (VWAP) 10 days prior to the issue date) which was completed in January 2018.

Other than the FlexiDrill announcement, there are no other matters or circumstances that have arisen since the end of the half-year which will significantly affect, or may significantly affect the state of affairs or operations of the reporting entity in future financial periods.