

2018 Annual General Meeting Chairman's Address

RPMGlobal Holdings Limited ACN 010 672 321

Held at:

Location	Level 2, 295 Ann Street, Brisbane, Queensland, 4000, Australia
Date	Tuesday, 30 October 2018
Time	10:00am (Brisbane time)

Chairman's Address

Dear Fellow Shareholders,

The past twelve months has seen our business continue to execute on its strategy of being the leading provider of world class technology solutions to the mining industry. At the same time we have not lost focus on the value and strength of our Advisory and GeoGAS businesses which both continue to perform at a very high level.

Revenue from our Advisory division grew strongly during the year with increased utilisation of our professional staff. In the second half of Financial Year 2018 (FY2018) this division started to add additional headcount and capability. While pricing remained competitive in the low to medium sized projects, clients recognise value for transactional and complex multi-asset projects (which we specialise in).

The GeoGAS division also grew strongly during the year as the number of coal gas tests for both compliance and exploration increased year on year.

We expect to see continued improvement in both of these divisions in Financial Year 2019 (FY2019) assuming commodity prices remain at current levels.

FY2018 was another year of above industry average investment by RPM in software development. This investment delivered two new software scheduling products (Underground Metals and Steeply Dipping Coal) as well as significant enhancements to RPM's Enterprise, Financial, Simulation, Scheduling, Execution and Asset Maintenance suite of products.

We are not aware of any other technical mining software provider investing in software development to the level that we are. It is clear to us that our strategic move away from the desktop and up into the enterprise was the right one.

The breadth and depth of our software offering along with the innovative nature of them has seen 25 new customers start to use our software for the first time in FY2018. While all of these customers have purchased software modules to address a specific need, we hope that over time they will purchase and roll out our full suite of integrated products.

In Financial Year 2017 (FY2017) the Company raised capital to provide RPM with the capacity to continue to expand the business through further investments in its software products, including potential strategic acquisition opportunities to accelerate the delivery of these solutions for our customers.

Consistent with that objective, the capital raised in the prior year enabled the Company to achieve the following in FY2018:

Acquire MineOptima, a private Australian company with more than 20 years' experience developing software applications, which are recognised as the standard in the industry, for designing the optimal equipment access layouts for underground mines.

Acquire MinVu, a private Australian company who, during the past 18 years, has become the industry's leading provider of mine-wide operational reporting and analytics software solutions.

RPM maintains a strong balance sheet with over \$23 million of cash in the bank (as at 30 June 2018) and no debt. During FY2018 the Company paid out the post completion payments for the iSolutions acquisition and cash considerations for both the MineOptima and MinVu acquisitions.

On 30 June, Dr. Ian Runge announced his retirement as a non-executive director 41 years after founding the company (then Runge Associates) in 1977. Ian's worldwide knowledge of mining, insights into the culture of the industry and of particular companies in the industry, has been invaluable to the Board and on behalf of my fellow directors and all RPM staff and customers we all wish Ian the very best in his retirement and in furthering his interests in the economics side of the mining industry.

On 30 August 2018, the Board was pleased to announce the appointment of Mr Stewart Butel as a non-executive director. Stewart brings over 40 years of experience in the mining industry in both an executive and non-executive capacity to the RPM Board and his appointment enhances the collective experience and connections at the Board level within the mining industry in a demonstrable way.

The Board resolved not to pay a dividend this financial year.

I would again like to acknowledge the effort and commitment of our staff who continue to perform especially well. The Board is particularly pleased with the ability of our management and staff to execute on a clearly defined strategy that we believe will result in increased value for our shareholders.

The Board thanks its shareholders for their ongoing support of the Company's software strategy and remains firmly of the opinion that the investments made by the Company in both internal software development and in strategic software acquisitions will provide the growth engine for the business in 2019 and beyond.

2018 Annual General Meeting Managing Director's Address

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Thank-you Allan.

I would like to thank all our staff for their dedication and hard work and our shareholders for their ongoing support.

Market Commentary

Pleasingly for the industry commodity prices remained relatively stable during FY2018. Mining companies that have been able to reduce their cost structure over the last five years, are now reporting solid profits and are starting to think about replacing and expanding their reserves.

The number of new brownfield expansions has increased along with an increase in exploration and drilling expenditure.

Miners are reporting that the cost of mining is starting to rise again as labour shortages combined with increasing service provider costs start to impact on capital and operational costs.

While we are expecting mining companies to stay focused on keeping their operational costs as low as possible, at some stage they will have to increase their capital expenditure in order to maintain and replace production capacity.

From a mining technology perspective, while there have been numerous articles written about the next wave of productivity improvements in the mining industry being delivered through software innovation and integration, the mining companies themselves remain slow to embrace change.

Mining companies prefer to be “fast followers” rather than “innovators” and “test pilots”, however, once you can demonstrate the value associated with change they will, we believe, welcome it.

By way of an example, we are seeing a real interest by miners and mining contractors in projecting the cost of maintenance across the lifecycle of their entire mobile mining fleet and identifying potential strategies to reduce their maintenance cost.

This focus resulted in a strong rise in our asset maintenance software sales during the year.

High Level Financial Results

Net revenue for the year increased by \$0.8 million to \$67.6 million (FY2017: \$66.8 million).

The company increased its investment in Research and Development by \$1.2 million to \$14.0 million (FY2017: \$12.8 million).

EBITDA for the full year finished at \$4.4 million down \$0.2 million on the previous year's result (\$4.6 million).

Software Division

In FY2018 the company reported a decrease in software license revenue of \$9.8 million to \$13.6 million (FY2017: \$23.4 million).

It is worth noting in that comparison almost 50% of software license revenue in FY2017 was attributable to one singular customer. In FY2018, this customer turned their focus from procuring RPM software (through a number of large software transactions in FY2017) to implementing various RPM software products into 17 of its operating businesses during financial year 2018. We expect this customer to continue to purchase additional software products during FY2019.

Excluding this single customer, the company sold \$12.9 million of software license revenue to all other customers (FY2017: \$12.4 million) which represents a 4% increase over the prior year.

In October 2017 the company announced that it would introduce a subscription pricing option whilst maintaining its existing perpetual offering. As a direct result of this decision the company has for the first time reported subscription revenue as a separate line item. Subscription revenue in FY2018 was \$0.8 million (FY2017: \$0.5 million).

The current run rate of monthly subscription revenue is now \$135,000.

Ensuring customers receive high quality and timely local support during and after a software implementation project continues to be a focus for the company. As a result, the company registered new wholly owned subsidiaries in both Kazakhstan and Colombia during the year.

Software support revenue finished the year at \$19.6 million (FY2017: \$17.3 million) a 13% year on year increase.

The company recorded software consulting revenue of \$10.7 million in FY2018 (FY2017: \$9.0 million) a 19% increase over the previous year.

FY2018 again saw the company continue to invest heavily in its software business with \$14.0 million (FY2017: \$12.8 million) invested in internal software development, all of which was expensed in the year it was incurred. This we believe, will provide significant benefit over the next few years as these new products and enhancements attract new customers.

The acquisition of the AMT product suite continues to outperform our expectations. As a result of this growth we have increased the earn out provision in our financial statements to the outgoing iSolutions shareholders which is not something that you see very often in software acquisitions.

At the start of the year we released our Underground Metals solution. We now have a customer who has fully implemented this new product into four of their underground mines. This is an important product for us as it fills what was previously a large gap in our product offering. We are in the final development cycles of incorporating Stope Optimiser and Decline Optimiser functionality into Underground Metals which will significantly improve the competitiveness of this product.

In late April 2018 we released our new Steeply Dipping Coal Solution and have already sold this solution to two large mining companies who will each pilot the solution in their operating mines. This product is focused on a market niche which, to our knowledge, has not been specifically addressed by any technical software

vendor given the complexity associated with steeply dipping coal seams. We have high expectations for this solution given customer feedback to date.

The acquisition of MinVu continues our push into the shift operations of mining companies. Customers use the MinVu products to make operational decisions on a real time basis. It is clear (having owned the Minvu business for six months now) that MinVu customers are fiercely loyal and thoroughly committed to this product set. We expect that our global reach will see the MinVu products grow strongly in a similar manner to that experienced following our acquisition of the AMT product from iSolutions.

We are quickly realising the benefits from the extensive list of integration application program interfaces (API's) included in the MinVu acquisition as we continue to integrate our products with other large technology providers to the mining industry.

Advisory Division

Demand for our mining advisory services increased significantly during FY2018. This division is now positively contributing to the financial results of the business. There is no doubt that resisting the urge to compete for lower and riskier projects during the downturn and instead focusing on delivering the highest quality services (sometimes with little financial return), was the right approach.

Our advisory division's reputation for independent assessment and financier due diligence roles remains second to none, which positions us well for the larger and more complex projects now being evaluated by the finance community.

Our mining advisory market share again increased during FY2018, particularly in the metals space where we believe we are now one of the top suppliers of advisory services in that sector of the industry. We continue to remain the clear leader in the coal space.

The Advisory team continue to be engaged to provide advice on the larger Merger and Acquisition activities and IPO's, most of which are sourced from North Asian clients for assets right across the globe.

Our previously reported dispute with a Russian mining company (which dates back to June 2015) continues to work its way through the Russian court system. The Russian litigation provision of \$0.3 million which was taken up in the second half of the 2018 financial year relates solely to this legal process.

GeoGAS Division

The industry has seen a real pickup in underground coal exploration and development as a result of coal prices for both thermal coal and coking coal remaining relatively high by historical standards.

Underground Coal miners are beginning to invest again in increasing the size of their longwall float (buffer between development activities and operational mining). There are only two ways to increase a longwall float - do more development work (exploration) or stop production - which given the current prices is unlikely to happen.

The ramp up in coal exploration has resulted in a significant increase in coal gas testing undertaken by our two laboratories in Mackay (Queensland) and Wollongong (New South Wales). Given the variable cost structure of this division, as the number of tests increases, so does the margin per test.

Whilst coal prices stay strong we expect the laboratories to remain busy.

Company Expenses

Operating expenses (excluding Research and Development costs) for the full year came in at \$49.2 million, \$0.2 million lower than FY2017 (\$49.4 million). The FY2018 number includes \$0.7 million in costs attributable to the MinVu business which was acquired at the start of February 2018.

No one off restructuring costs were reported in the 2018 financial accounts (FY2017: \$0.8 million)

Net cash inflows from operations during the 2018 financial year was \$7.0 million (FY2017: outflows of \$3.0 million).

Future Outlook

While commodity prices remain stable we expect to see growth in our Advisory and GeoGAS divisions.

We also expect to see growth in our software support, software consulting and software subscriptions revenues in FY2019.

It is always difficult to predict how much software license revenue the company will book early in the year, given this revenue line is always backend loaded. We note that over the last 12 months, the company has:

- Invested \$14.0 million internally in software development

- Fully integrated the MinVu business

- Acquired the intellectual property rights to the MineOptima suite of products,

- Released two new scheduling solutions (Underground Metals and Steeply Dipping Coal), and

- Completed 24 major software upgrades and 51 major functional upgrades

All of which provide us with a more complete and richer set of software products than we had this time last year. As such, we remain enthusiastic about the potential for our software products to become the software of choice for the mining industry.

It is also clear that the competitive advantage that our asset maintenance products have in the heavy mobile equipment space, can also cross-over into other asset intensive industries.

I will now hand back to Allan to process through the formal part of the meeting.