RPMGLOBAL

2017 Annual General Meeting
Chairman's Address

RPMGlobal Holdings Limited ACN 010 672 321

Held at:

Location	McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland, 4000
Date	Wednesday, 25 October 2017
Time	10:00 am (Brisbane time)

Chairman's Address

Dear Fellow Shareholders,

The past twelve months has seen commodity prices strengthen right across the board. Mining companies that have been able to reduce their cost structure over the last four years are reporting healthy profits and speaking with confidence about their future financial performance.

The majority of mining companies have spent the last year repairing their balance sheets by decreasing their debt and debt gearing ratios. In the current reporting period we have seen a marked increase in dividend payouts by the major mining companies which suggests they foresee a continuation of the current improvement in cash generation out of their operations.

While early days, there have been a few brownfield expansion announcements from the majors which would indicate that they have turned their minds to replenishing their depleted reserves which should see an increase in capital spending over the next four or five years.

While we expect the focus to remain firmly on keeping a lid on operational costs, it is likely that there will be more opportunities for mining services companies to support their customers through the provision of products and services.

For the first time in five years our Advisory and GeoGAS businesses have started to grow again. Those two divisions have latent capacity to grow on their current cost bases, so we expect to see continued improvements in their financial contributions in FY2018.

FY2017 was another year of above industry average investment by RPM in software development. This investment delivered three new software products during the period (Open Cut Coal, Stratigraphic Metals and Operations Manager) as well as significant enhancements to RPM's Financial, Simulation, Scheduling, Execution and Maintenance suites 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 the company's strategic move from providing desktop applications to enterprise systems has the support of the world's major mining companies.

The breadth and depth of our software offering along with the innovative nature of the functionality within these solutions has seen us become more competitive in the market place. The sizeable investment in Research and Development made by the company during the mining downturn has positioned us well to respond once competitive software tenders begin to filter out from the major mining companies.

It is clear that the next wave of productivity improvements will come through software innovation and integration between the major system providers to the mining industry. We have positioned ourselves to be at the forefront of this endeavour which has in turn facilitated the company holding a number of strategic conversations with the executive and senior management representatives of our customers.

It has been interesting to see how quickly mining companies have turned their attention towards better understanding the projected cost of maintenance across the lifecycle of their mobile mining fleet and the potential strategies to reduce that cost. RPM's market leading AMT software products are finding real favour in this space which is certainly pleasing given how recently RPM acquired these products.

At the start of the year RPM acquired the AMT solutions through its acquisition of iSolutions, an enterprise asset maintenance software business headquartered in Sydney Australia. Consideration for this acquisition was made up of $8 million in cash, earn-out payments estimated to total $7.1 million over three years and 9.16m company shares. These shares were issued to the outgoing shareholders of iSolutions and were held in voluntary escrow for 12 months before being released on 1 July 2017. The earn-out payment is based on a combination of successful collections and ongoing retention and growth in sales of software and annuity revenue from the software products which came with the business.

In September 2016 the company concluded a successful placement of 28.9 million ordinary shares at an issue price of 45 cents per share to institutional and sophisticated investors, raising $13 million before costs. This placement was significantly oversubscribed.

In October 2016 the company provided its retail investors with the ability to acquire up to $15,000 of the company's shares at the same price at which they were issued under the institutional placement (45 cents per share) via a Share Purchase Plan (SPP). The SPP was capped at $1.5 million. However, because of the demand the Board chose to close the SPP early to remove the arbitrage risk given that at the time the company's stock was trading at an average 20% premium to the SPP offer price during the SPP period. The SPP raised $1.72 million through the issue of 3.82 million ordinary shares at 45 cents per share.

At the time of the capital raise, the company confirmed that these funds would provide RPM with the capacity to continue to expand the business through further investments in our planning suite of software products, including being able to fund potential strategic acquisition opportunities to accelerate the delivery of these solutions for our customers.

Consistent with that objective, the capital raised has enabled the company to achieve the following strategic objectives during the period:

> In December 2016 the company acquired a copy of the source code and intellectual property rights of the Fewzion Short Interval Control (SIC) and Work Management software product. Fewzion is an Australian company headquartered in Newcastle and under the terms of this acquisition RPM acquired the non-exclusive right to rebrand, commercialise and further develop the Fewzion software. This product subsequently became RPM's Operations Manager solution.
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> In May 2017 RPM announced it had entered into a Software License and Distribution Agreement with Alford Mining Systems (AMS) to enable RPM to rebrand, bundle, market and distribute the AMS Stope Optimisation software (StopeOpt) within RPM's Underground software solutions.
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> During June 2017 the company reported that it had entered into a Software Integration Agreement with Chasm Consulting Pty Ltd (Chasm) which would see RPM and Chasm develop an integration between the industry leading Chasm mine ventilation software Ventsim™ and RPM's Underground software solutions.
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> In early August 2017 RPM announced the company had entered into a Share Purchase Agreement to acquire 100% of the issued share capital of MineOptima, a leading global private company with more than

20 years' experience developing software applications which design the optimal equipment access layouts for underground mines.

The company held an Extraordinary General meeting on 27 March 2017, where shareholders overwhelmingly voted to change the company's name from RungePincockMinarco Limited to RPMGlobal Holdings Limited (RPM).

On 31 May 2017, the company announced it was going to conduct an unmarketable parcel (minimum holding) buy-back which was concluded on 18 July. A total of 14,811 ordinary shares ($8,590.38) were acquired from 57 registered shareholders under the Buy-Back at a price of 58 cents per share which have since been cancelled.

RPM maintains a strong balance sheet with over $20 million of cash in the bank (as at 30 June 2017) and no debt. During FY2017 the company paid out the post completion payments for the iSolutions acquisition due during that period. The company also paid both the upfront and the five-year guaranteed earn-out cash consideration components associated with the purchase of the Fewzion short interval control and work management software product.

I would again like to acknowledge the effort and commitment of our staff who continue to perform especially well. The Board is particularly pleased on 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 2018 and beyond.

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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.

Our Software business now represents 67% of the company's annual Total Revenue (up from 59% in FY2016).

FY2017 again saw the company continue to invest heavily in its software business with $12.8 million invested on internal software development all of which was expensed. This represents a 23% ($2.4 million) increase on the previous year's investment of $10.4 million.

This investment directly contributed to the company's 101% increase in Software License Revenue in FY2017 and has established the foundation for continued Software Revenue growth in FY2018.

On 17 May 2016 the company announced it had agreed to acquire the iSolutions business with completion to occur on 1 July 2016. The transaction closed as planned, however as can often occur during an acquisition, the transaction had the effect of distracting the prior iSolutions management team during May and June of 2016 away from closing new sales. As a result, very little AMT software was sold in the last few months of their 2016 financial year which resulted in little to no consulting backlog coming across with the business on the 1st of July. As a result, revenue from the AMT software products (Software License Revenue and Consulting Revenue) got off to a slow start in the first half of FY2017.

There were also two large non-core AMT development commitments which were made by the outgoing iSolutions management team prior to closing which, whilst considered by RPM to be non-strategic, were honoured but in the process almost 10 months of strategic AMT development time was lost.

The acquisition of iSolutions was built on the simple premise that our sales team (who understand enterprise asset management very well) would be able to sell more AMT software than the previous owners. In addition, due to the operational relationship between maintenance and production activities in the mine, and our view that mining companies would turn their attention to maintenance budgeting and costing once the industry picked up again, we also believed that the AMT product would help us sell more of our other software products.

This is exactly what happened in the second half of FY2017. As our sales team started to better understand the AMT value proposition and the value it added to our scheduling and budgeting systems the size and strategic value of our deals increased. We are really pleased with the momentum that the AMT products have provided to our software division and look forward to their continuing upward trajectory in FY2018.

Just before year-end we released our latest Scheduling Solution - Underground Metals. This is an important product for us as it fills what was a large gap in our product offering. As with all of our new products it has been built with an innovative user experience in mind.

The first installation of this product is currently underway in Kazakhstan with positive results reported so far. Given the new user experience inherent within this product, we expect it to become very competitive in the second half of FY2018 once (as Allan referred to in his Chairman Report) the product includes the Stope Optimisation, Ventilation and Decline Optimisation functionality.

Our Ultra Short Term Scheduling product XECUTE is also undergoing its final user acceptance testing in the Oil Sands region of Canada. We remain really excited about the potential disruption this product could make in the market and are expecting it to have a big year in FY2018.

We have been pleased with the market acceptance of our relaunched Open Cut Coal Solution and have committed to significant enhancements to our Underground Coal Solution and development of a Steeply Dipping Coal Solution this financial year.

Demand for our mining Advisory services stabilised during FY2017 after four years of revenue decline. Management firmly believe that our mining Advisory market share again increased during FY2017, particularly in the areas of Mergers and Acquisitions, Independent Expert Advice and Asset Valuations. The Advisory team were again engaged to provide advice on the industry's largest Merger and Acquisition activities most of which came out of North Asia.

We expect demand for our Advisory services to rise in FY2018 as mining companies begin investigating new projects with a view to growing or replacing their resources and reserves base.

As the industry shifts to an "efficiency regime" post the downturn we are more and more involved in operations whereby utilising RPM's technology we are able to work with our clients on assessing multiple planning scenarios to a high level of confidence to assist them in re-setting their mine plans from survival to sustainable long term growth.

The increasing number of companies planning to raise finance through equity markets is driving activity to our Advisory division and is an area where we maintain an industry leading position as demonstrated by some of the recent large transactions filed for China Molybdenum and Yancoal on the Hong Kong Exchange. Of course if a sudden drop in commodity prices occurs this activity will quickly be put on hold again.

The substantial increase in price for both thermal coal and coking coal during the year has seen a real pickup in coal exploration. For at least the past four years, miners have consistently reduced their development expenditure which has in turn reduced the longwall float (time between development and production) in their underground coal mines. The only two ways to increase the longwall float are (a) do more development work (exploration) or (b) stop production - which given the current prices is unlikely to happen. Therefore, as you would expect, the miners have ramped up exploration which in turn has seen a significant increase in coal gas testing undertaken by our two laboratories in Mackay (Queensland) and Wollongong (New South Wales). While coal prices stay strong we expect the laboratories to remain busy.

The company's costs (excluding development costs and incentives) for the full year were $44.2 million, 1% lower than FY2016 ($44.4 million). This amount includes the costs of the iSolutions business which came onto our books at the start of the year with a cost base of $4.8 million.

The development costs incurred by the company in FY2017 increased by $2.4 million to $12.8 million (FY2016: $10.4 million). Based on our current product strategy we expect development costs to rise by 10% in FY2018 but then start to drop back to be more aligned with the industry average.

Due to the doubling of software license revenue, $3.0 million in once-off management incentives and software sales manager commissions were earned during the period.

The company incurred $0.8 million in redundancy costs during the period as it continued to streamline its management structures. The annual employment cost savings associated with this expenditure was $2.8 million. Whilst we will continue to carefully review the shape of our business, we are not expecting to see further headcount reductions in FY2018.

The last 12 months have seen us invest $12.8 million in internal software development, fully integrate the iSolutions business, acquire the intellectual property rights to a Short Internal Control system, sign integration agreements with the industry's leading Stope Optimisation and Ventilation software venders and announce the acquisition of the industry's leading provider of software for equipment access layout for underground mines. All of which provide us with a much more complete and richer set of software products than we had this time last year.

While we see little change in the demand for desktop software products, we remain enthusiastic about the potential growth in our enterprise, simulation, asset management and ultra-short term scheduling products in FY2018.

The response from our customers and shareholders to the Company's announcement on 11 October 2017 that it has commenced providing rental options for users of its software as an alternative to its customary perpetual licensing approach has been very positive. Technical mining software vendors have been slow to provide rental or subscription type offerings to their customers due to the strain this approach puts on the company's balance sheet with the licence revenue, development costs and potential infrastructure costs spread across multiple years.

Our new rental models will enable our customers to scale software usage up and down over time according to their actual requirements with minimal upfront risk or capital outlay.

While this change will affect many aspects of our business including sales, marketing and product development, the main impact will be a timing one as traditional upfront revenue will instead be spread across future years.

Annuity revenue delivered by software rentals will result in a stronger underlying business however our reported annual financial results will understandably be impacted in the first couple of years for the benefit of future years.

It has been interesting to see the perpetual license deals which were in our pipeline convert to rental type deals overnight which would suggest that the transition which we had thought may take up to three years will be quicker than we had first thought.

Thank you once again for the opportunity to share with you the progress we are making and our plans for the future.

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