APPENDIX 4D

The information contained in this report is for the half year ended 31 December 2019 and the previous corresponding period ended 31 December 2018 for RPMGlobal Holdings Limited and its controlled entities.

This report is presented in Australian dollars. The report has been subjected to independent review and is not subject to qualification.

Results for announcement to the market

$'000	**1H20**	**1H19**	**Movement**
Revenues from ordinary activities	**41,098**	**36,915**	11.3%
Profit/(Loss) from ordinary activities after tax	**452**	**(1,729)**	n/a
Profit/(Loss) for the period	**452**	**(1,729)**	n/a

Dividend information

	Amount per Share (cents)	**Franked Amount per Share (cents)**	**Conduit Foreign Income Amount per Share**
Interim dividend	-	-	-

Brief explanation to figures reported above

Refer to review of operations on page 2.

	31 Dec 2019	**31 Dec 2018**
Net tangible assets per security (cents)	13.1	12.8

Details of entities over which control has been gained or lost during the period

None

DIRECTORS' REPORT

Your Directors present their report on RPMGlobal Holdings Limited and its subsidiaries for the half year ended 31 December 2019 (referred to hereafter as "RPM" and the "Group").

Directors

The directors of RPMGlobal Holdings Limited at any time during or since the end of the period are:

Non-executive

Mr Allan Brackin – *Chairman*

Mr Stewart Butel - resigned 31 January 2020

Mr Ross Walker

Executive

Mr Richard Mathews – *CEO & Managing Director*

Review and Results of Operations

	Six months ended 31 Dec 2019 $m	Six months ended 30 Jun 2019 $m	Variance to 30 Jun 2019 %	Six months ended 31 Dec 2018 $m	Variance to 31 Dec 2018 %
Software Division	23.8	25.7	-7%	23.1	3%
Advisory Division	14.8	14.9	-1%	11.0	35%
GeoGAS	2.3	2.4	-4%	2.3	-
Other	0.2	0.1	100%	-	n/a
Revenue	**41.1**	**43.1**	-5%	**36.4**	13%
Direct costs	(4.6)	(3.9)	18%	(3.0)	53%
Net Revenue	**36.5**	**39.2**	-7%	**33.4**	9%
Operating Expenses**	(32.2)	(34.5)	-7%	(33.0)	-2%
Operating EBITDA*	**4.3**	**4.7**	-9%	**0.4**	975%
Depreciation & Amortisation**	(3.2)	(2.0)	60%	(2.0)	60%
Foreign exchange gain/(loss)	(0.2)	0.1	n/a	0.5	n/a
Net finance income**	(0.1)	0.1	n/a	(0.1)	-
Profit/(Loss) before Tax	**0.8**	**2.9**	-72%	**(1.2)**	n/a

* Operating Earnings before Interest, Tax, Depreciation, Amortisation, and Foreign exchange is a non-IFRS disclosure. In the opinion of the Directors, the Group's EBITDA reflects the results generated from ongoing operating activities and is calculated in accordance with AICD/Finsia principles. The non-operating adjustments outlined above are considered to be non-cash and/or non-recurring in nature. These items are included in the Group's consolidated statutory result but excluded from the underlying result. Operating EBITDA has not been audited or reviewed.

** The operating expenses, depreciation and finance income in December 2019 in this report are presented under the new standard AASB 16 Leases and are not comparable to June 2019 and December 2018. For further information see Operating expenses section of the directors' report and note 2 of this report.

DIRECTORS' REPORT

Review and Results of Operations (Continued)

Revenue

For the half year ending 31 December 2019, the Group's Revenue was $41.1 million a 13% increase over the previous corresponding six month period (December 2018: $36.4 million).

Software Division

	Six months ended 31 Dec 2019 $m	Six months ended 30 Jun 2019 $m	Variance to 30 Jun 2019 %	Six months ended 31 Dec 2018 $m	Variance to 31 Dec 2018 %
Licence Sales	2.6	7.0	-63%	5.0	-48%
Subscriptions	3.9	1.6	144%	0.8	388%
Support	10.9	10.9	0%	10.9	-
Consulting	6.4	6.2	3%	6.4	-
Software Revenue	**23.8**	**25.7**	-7%	**23.1**	3%
Cost of Sales	(0.9)	(0.6)	50%	(1.1)	-18%
Net Revenue - Software	**22.9**	**25.1**	-9%	**22.0**	4%

Net Revenue from the Software division increased to $22.9 million a 4% increase on the prior corresponding half (December 2018: $22.0 million).

Revenue from software subscriptions as at the end of December 2019 grew 388% on the prior corresponding period. The current Annual Recurring Revenue (ARR) for software subscriptions as at the date of this report is $10.7 million up $6.4 million from 30 June 2019 (June 2019 ARR of $4.3 million).

The Total Contracted Value (TCV) of software subscriptions sold during the financial year to date is $21.5m, $1.8m of which was recognised in the half year to 31 December 2019.

Operating Expenses

	Six months ended 31 Dec 2019 $m	Six months ended 30 Jun 2019 $m	Variance to 30 Jun 2019 %	Six months ended 31 Dec 2018 $m	Variance to 31 Dec 2018 %
Field	(21.7)	(21.8)	-1%	(20.7)	5%
Software Development	(5.8)	(6.4)	-9%	(6.4)	-9%
Corporate	(4.4)	(4.5)	-2%	(4.2)	5%
Premises	(0.3)	(1.8)	-83%	(1.7)	-82%
Operating Expenses	**(32.2)**	**(34.5)**	-7%	**(33.0)**	-2%

Field expenses relate to the operating divisions of the Group. Total Operating Expenses for the Group decreased by 7% to $32.2 million from the immediately preceding half year (June 2019: $34.5 million) primarily due to changes in the accounting standards for Operating Leases.

DIRECTORS' REPORT

Review and Results of Operations (Continued)

Whilst the Company's rental costs have not materially changed overall, under the new AASB 16 lease standard the majority of the Group's rental costs are now capitalised and depreciated over the term of the relevant lease. As a result of this standard, the Company has expensed $1.4 million less in rent in the December 2019 half-year than in the corresponding half-year. On the other hand depreciation and interest (which is shown below the Operating EBITDA) increased by the corresponding amount of $1.4 million (see note 2).

Profit for the period

The reported profit after tax of $0.5 million is a $2.2 million improvement over the comparative first half of last year (December 2018: $1.7 million loss).

Financial Position

On 31 December 2019 the Group had net assets of $61.3 million (June 2019: $59.7 million), including cash of $24.6 million (June 2019: $28.2 million) and no debt.

Net Operating cash outflow in the half was $0.7 million which is traditionally lower than the second half, given the majority of Software Support payments (approximately $20 million) are scheduled to be received by RPM in the second half of the financial year. The group paid out $1.9 million in earnout payments in this period.

Outlook

The move across to software subscription licensing is expected to accelerate as we offer this pricing alternative to our existing perpetual customer base as well as pursuing new opportunities.

The acceptance by mining companies to adopt enterprise software products plays to our competitive advantage and is an endorsement of the investments we have made in our products over the last six years.

We remain confident that our mobile equipment simulation products (HAULSIM/SIMULATE) will become the de-facto standard for the industry in calendar year 2020 and our ultra-short scheduling product (XECUTE) has the same potential over the next few years.

The decision to extend our offerings into the area of "Design" (which we announced in March 2019) is proving to be a positive one. Given the feedback which we have received from mining companies we now believe that our new software offerings will, over time, replace the common outdated approaches of the past.

Rounding of Amounts

RPMGlobal Holdings Limited is a company of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and in accordance with that Instrument amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the board of directors of RPMGlobal Holdings Limited.

Allan Brackin
Chairman
Brisbane
Dated: 24 February 2020

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Australia

DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF RPMGLOBAL HOLDINGS LIMITED

As lead auditor for the review of RPMGlobal Holdings Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of RPMGlobal Holdings Limited and the entities it controlled during the period.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 24 February 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Notes	31 Dec 2019 $'000	31 Dec 2018 $'000
Revenue from contracts with customers			
Services		23,497	19,646
Licence sales		2,552	5,011
Software subscriptions		3,884	791
Software support		10,892	10,870
Revenue from contracts with customers		**40,825**	**36,318**
Other income		273	71
Foreign exchange gains		-	526
Rechargeable expenses		(4,545)	(2,960)
Net revenue		**36,553**	**33,955**
Expenses			
Amortisation		(1,590)	(1,597)
Depreciation - right of use assets	2a	(1,233)	-
Depreciation - other		(419)	(443)
Employee benefits expense		(27,315)	(26,246)
Foreign exchange losses		(171)	-
Office expenses		(1,287)	(1,289)
Professional services		(766)	(953)
Rent		(340)	(1,660)
Other expenses		(2,510)	(2,859)
Total Expenses		**(35,631)**	**(35,047)**
Profit/(Loss) before finance costs and income tax		**922**	**(1,092)**
Finance income		191	201
Finance costs – right-of-use lease liabilities		(87)	-
Finance costs - other		(12)	(10)
Fair value adjustments – contingent consideration	5	(259)	(256)
Net Finance Income/(Costs)		**(167)**	**(65)**
Profit/(Loss) before income tax		**755**	**(1,157)**
Income tax	4	(303)	(572)
Net profit/(loss)		**452**	**(1,729)**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 Dec 2019 $'000	31 Dec 2018 $'000
Net profit/(loss)	**452**	**(1,729)**
Other comprehensive income		
Items that may be classified subsequently to profit or loss:		
Foreign currency translation differences	145	(52)
Other comprehensive income/(loss), net of tax	**145**	**(52)**
Total comprehensive income/(loss)	**597**	**(1,781)**
Earnings per share		
Basic earnings per share (cents)	0.21	(0.80)
Diluted earnings per share (cents)	0.19	(0.80)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	31 Dec 2019 $'000	30 June 2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents		24,556	28,207
Trade and other receivables		16,785	20,785
Contract assets		3,130	3,062
Current tax receivable		719	208
Other assets		3,036	2,414
Total current assets		**48,226**	**54,676**
Non-current assets			
Trade and other receivables		196	196
Property, plant and equipment		2,119	1,675
Right-of-use assets	2a	4,255	-
Deferred tax assets		2,689	2,729
Intangible assets		32,797	34,245
Total non-current assets		**42,056**	**38,845**
Total assets		**90,282**	**93,521**
LIABILITIES			
Current liabilities			
Trade and other payables		5,532	7,864
Provisions – employee benefits		4,193	4,244
Provisions – onerous lease contracts and make good obligations		161	299
Current tax liabilities		186	370
Contract liabilities		12,113	17,052
Contingent consideration		786	2,425
Right-of-use lease liabilities	2a	2,082	-
Lease liabilities		-	157
Total current liabilities		**25,053**	**32,411**
Non-current liabilities			
Provisions – employee benefits		1,162	1,012
Provisions – make good obligations		118	279
Right-of-use lease liabilities	2a	2,644	-
Lease liabilities		-	142
Total non-current liabilities		**3,924**	**1,433**
Total liabilities		**28,977**	**33,844**
Net assets		**61,305**	**59,677**
EQUITY			
Contributed equity		88,795	87,936
Reserves		(1,332)	(1,788)
Accumulated losses		(26,158)	(26,471)
Total equity		**61,305**	**59,677**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Contributed equity $'000	Reserves $'000	Accumulated Losses $'000	Total equity $'000
Balance at 30 June 2019	**87,936**	**(1,788)**	**(26,471)**	**59,677**
Adoption of IFRS 16	-	-	(139)	(139)
Balance at 1 July 2019	**87,936**	**(1,788)**	**(26,610)**	**59,538**
Profit / (loss) for the period	-	-	452	452
Other comprehensive income	-	145	-	145
Total comprehensive income for the period	**-**	**145**	**452**	**597**
Transactions with owners in their capacity as owners				
Contribution of equity, net of transaction costs	859	-	-	859
Employee share options	-	311	-	311
	859	311	-	1,170
Balance at 31 December 2019	**88,795**	**(1,332)**	**(26,158)**	**61,305**
Balance at 30 June 2018	**87,708**	**(2,284)**	**(20,125)**	**65,299**
Adoption of IFRS 9	-	-	(496)	(496)
Balance at 1 July 2018	**87,708**	**(2,284)**	**(20,621)**	**64,803**
Profit / (loss) for the period	-	-	(1,729)	(1,729)
Other comprehensive income	-	(52)	-	(52)
Total comprehensive income for the period	**-**	**(52)**	**(1,729)**	**(1,781)**
Transactions with owners in their capacity as owners				
Contribution of equity, net of transaction costs	75	-	-	75
Employee share options	-	337	-	337
	75	337	-	412
Balance at 31 December 2018	**87,783**	**(1,999)**	**(22,350)**	**63,434**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 Dec 2019 $'000	31 Dec 2018 $'000
Cash flows from operating activities		
Receipts from customers	42,495	40,571
Payments to suppliers and employees	(42,308)	(41,743)
Interest received	191	202
Finance costs	(100)	(10)
Income taxes paid	(957)	(430)
Net cash inflow/(outflow) from operating activities	**(679)**	**(1,410)**
Cash flows from investing activities		
Payments for property, plant and equipment	(595)	(318)
Payment for intangible assets	(142)	(240)
Payments for contingent consideration	(1,898)	(2,015)
Net cash outflow from investing activities	**(2,635)**	**(2,573)**
Cash flows from financing activities		
Contributions of equity	892	83
Share issue costs	(32)	(8)
Repayment of Right-of-Use lease liabilities	(1,376)	-
Net cash inflow/(outflow) from financing activities	**(516)**	**75**
Net increase/(decrease) in cash and cash equivalents held	(3,830)	(3,908)
Cash and cash equivalents at the beginning of the period	28,207	23,319
Effects of exchange rate changes on cash and cash equivalents	179	523
Cash and cash equivalents at the end of the period	**24,556**	**19,934**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

SELECTED NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

This general purpose interim financial report for the half year ended 31 December 2019 has been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*. The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual report of the Group for the year ended 30 June 2019 and any public announcements made by RPMGlobal Holdings Limited during the interim reporting period.

The accounting policies and methods of computation applied in this interim financial report are consistent with those applied in the previous financial year and the corresponding interim reporting period except for the adoption of new and amended standards as set out below.

1 (a). New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period and the group had to change its accounting policies as a result of adopting AASB 16 Leases. The impact of the adoption of the leasing standard and the new accounting policies are disclosed in note 2 below. The other standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

1 (b). Fair values

The fair values of Consolidated Entity's financial assets and financial liabilities approximate their carrying value due to being short-term in nature. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

2. Changes in Accounting Policies

This note explains the impact of the adoption of AASB 16 Leases on the group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019 in note 2(b) below.

The group has adopted AASB 16 from 1 July 2019 using the modified retrospective approach, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

2 (a) Adjustments recognised on adoption of AASB 16

On adoption of AASB 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average of lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 3.7%.

	$'000
Operating lease commitments disclosed as at 30 June 2019	5,457
Leases committed as at 30 June 2019, but not commenced	(517)
Effect of discounting using incremental borrowing rate at the date of initial recognition	(216)
Lease liability recognised as at 1 July 2019	**4,724**

Of which are:

Current	2,370
Non-current	2,354

SELECTED NOTES TO THE FINANCIAL STATEMENTS

2. Changes in Accounting Policies (continued)

2 (a). Adjustments recognised on adoption of AASB 16 (Continued)

	$'000
Right-of Use Assets recognised as at 1 July 2019	4,256
Deferred tax asset recognised as at 1 July 2019	-

The Group has elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases, Applying AASB 117 at the date of initial application. Therefore, the definition of a lease in accordance with AASB 117 and interpretation 4 Determining whether an arrangement contains a Lease will continue to be applied for those leases entered into or modified before 1 July 2019.

Applying AASB 16 for all leases the Group:

(i) Recognises right-of-use assets as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application;
(ii) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of comprehensive income; and
(iii) Separates the total amount of cash paid into a principal portion and interest in the statement of cash flows.

Lease incentives are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

2. Changes in Accounting Policies (continued)

2 (a). Adjustments recognised on adoption of AASB 16 (Continued)

The tables below show the impact AASB 16 has on the half-year ended 31 December 2019:

	Pre Application of AASB16	**Impact of AASB 16**	**As reported**
Impact on the Consolidated Statements of Comprehensive Income for the half-year ended 31 December 2019	**$'000**	**$'000**	**$'000**
Depreciation expense – Right-of-use assets	-	(1,233)	(1,233)
Finance costs – lease liabilities	-	(87)	(87)
Rent expense	(1,751)	1,411	(340)
Profit / (loss) before income tax	**(14)**	**91**	**77**
Basic earnings per share (cents)	-	0.04	0.04
Diluted earnings per share (cents)	-	0.04	0.03
Impact on the Consolidated Statement of Financial Position as at 31 December 2019			
Non-current assets			
Right-of-use asset	-	4,255	4,255
Deferred tax asset	2,615	71	2,686
Total assets	**37,730**	**4,326**	**42,056**
Current liabilities			
Right-of-use lease liabilities	-	2,082	2,082
Lease liabilities	119	(119)	-
Non-current liabilities			
Right-of-use lease liabilities	-	2,644	2,644
Lease liabilities	116	(116)	-
Total Liabilities	24,860	4,491	29,352
Net Assets/Liabilities	60,765	(165)	60,931
Impact on the Consolidated Statement of Cash Flows for the half-year ended 31 December 2019			
Payments to suppliers and employees	(43,771)	1,463	(42,308)
Finance costs	(13)	(87)	(100)
Net cash inflow/(outflow) from operating activities	**(2,054)**	**1,376**	**(678)**
Cash flows from financing activities			
Repayment of Right-of-Use lease liabilities	**-**	(1,376)	(1,463)
Net cash inflow/(outflow) from financing activities	**860**	**(1,376)**	**(516)**

SELECTED NOTES TO THE FINANCIAL STATEMENTS

3. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director in order to make decisions about resource allocations and to assess performance of the Group. The reports are split into functional divisions: Software Division, Advisory Division and GeoGAS.

From 1 July 2019 the GeoGAS consultants were transferred to the Advisory Division. Prior year results for GeoGAS and Advisory Division have not been restated.

Segment revenue, expenses and results include transfers between segments. Such transfers are priced on an "arms-length" basis and are eliminated on consolidation.

(a) Information about reportable segments

	December 2019				December 2018			
	Software Division	Advisory Division	GeoGAS	Total	Software Division	Advisory Division	GeoGAS	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue								
External Sales	23,755	14,757	2,329	40,841	23,080	10,983	2,260	36,323
Inter-segment sales	218	141	26	385	263	127	15	405
Total Revenue	**23,973**	**14,898**	**2,355**	**41,226**	**23,343**	**11,110**	**2,275**	**36,728**
Inter-segment expenses	(141)	(244)	-	(385)	(90)	(293)	(22)	(405)
Rechargeable expenses	(945)	(3,550)	(50)	(4,545)	(1,266)	(1,613)	(81)	(2,960)
Net revenue	**22,887**	**11,104**	**2,305**	**36,296**	**21,987**	**9,204**	**2,172**	**33,363**
Premises	-	(17)	(44)	(61)	(390)	(481)	(166)	(1,037)
Other expenses	(11,998)	(9,031)	(651)	(21,680)	(11,538)	(8,169)	(1,034)	(20,741)
Total Expenses	**(11,998)**	**(9,048)**	**(695)**	**(21,741)**	**(11,928)**	**(8,650)**	**(1,200)**	**(21,778)**
S. Development – Rent	-	-	-	-	(445)	-	-	(445)
S. Development - Other	(5,789)	-	-	(5,789)	(6,404)	-	-	(6,404)
Software Development	**(5,789)**	**-**	**-**	**(5,789)**	**(6,849)**	**-**	**-**	**(6,849)**
Segment profit/(loss)	**5,100**	**2,056**	**1,610**	**8,766**	**3,210**	**554**	**972**	**4,736**

(b) Disaggregation of revenue from contracts with customers

	December 2019				December 2018			
	Software Division	Advisory Division	GeoGAS	Total	Software Division	Advisory Division	GeoGAS	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment Revenue	23,973	14,898	2,355	41,226	23,343	11,110	2,275	36,728
Revenue from leases	-	-	(5)	(5)	-	-	(5)	(5)
Inter-segment revenue	(218)	(141)	(26)	(385)	(263)	(127)	(15)	(405)
Revenue from external customers	**23,755**	**14,757**	**2,324**	**40,836**	**23,080**	**10,983**	**2,255**	**36,318**
Timing of revenue recognition								
At a point in time	2,553	-	1,797	4,350	5,011	-	1,597	6,608
Over time	21,202	14,757	527	36,486	18,069	10,983	658	29,710
Revenue from external customers	**23,755**	**14,757**	**2,324**	**40,836**	**23,080**	**10,983**	**2,255**	**36,318**

SELECTED NOTES TO THE FINANCIAL STATEMENTS

3. Operating Segments (continued)

(c) Reconciliation of segment profit to reported profit / (loss)

	31 Dec 2019 $'000	31 Dec 2018 $'000
Segment profit	8,766	4,736
Adjustments:		
Foreign exchange gains/(losses)	(171)	526
Employment benefits – corporate and IT	(2,680)	(2,520)
Other unallocated costs – corporate and IT	(2,006)	(1,860)
Depreciation and amortisation	(3,242)	(2,040)
Net finance income/(costs)	(167)	(64)
Unallocated income	255	65
Profit / (loss) before income tax	**755**	**(1,157)**
Income tax benefit / (expense)	(303)	(572)
Profit / (loss) for the period	**452**	**(1,729)**

4. Income Tax Expense

Tax Recognised in profit or loss		
Income tax benefit/(expense)		
Current tax	(253)	(483)
Deferred tax	(50)	(128)
Adjustments to prior periods	-	39
Income tax expense	**(303)**	**(572)**
Numerical reconciliation of income tax expense to prima facie tax		
Profit/(Loss) before income tax	**755**	**(1,157)**
Tax at the Australian tax rate of 30% (Dec 2018: 30%)	(227)	347
Tax effect of amounts which are not taxable/(deductible) in calculating taxable income:		
Non-deductible expense	(41)	(221)
Tax losses not recognised	-	(596)
	(41)	(470)
Difference in overseas tax rates	(35)	(141)
Over provision in prior years	-	39
Income tax benefit/(expense)	(303)	(572)

SELECTED NOTES TO THE FINANCIAL STATEMENTS

5. Fair Value of financial instruments

Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

The following financial instruments are subject to recurring fair value measurements:

	31 Dec 2019 $'000	31 Dec 2018 $'000
Contingent consideration – level 3	786	3,067

The fair value of the contingent consideration of $786,000 has been estimated by calculating the present value of the future expected cash outflows based on a discount rate of 4%.

Changes to discount rate by 100 basis points would result in a change of the contingent consideration by $2,000. Changes to the annuity revenue by 10% would result in change of the contingent consideration by $69,000.

Reconciliation of level 3 movements

The following table sets out the movements in level 3 fair values for contingent consideration payable.

	31 Dec 2019 $'000	31 Dec 2018 $'000
Opening balance 1 July	2,425	4,826
Recognised on business combination	-	-
Payments of contingent consideration	(1,898)	(2,015)
Fair value adjustment – Finance Costs	259	256
Closing balance 31 December	786	3,067

Valuation processes for level 3 fair values

Valuations are performed every six months to ensure that they are current for the half-year and annual financial statements.

6. Contingent liabilities

There has been no changes to contingent liabilities since 30 June 2019.

7. Events occurring after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future years.

DIRECTORS' DECLARATION

In the opinion of the directors of RPMGlobal Holdings Limited:

a) the accompanying financial statements and notes comply with the *Corporations Act 2001,* including:

   (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the consolidated entity's financial position at as 31 December 2019 and of its performance for the half year ended on that date; and

b) at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Allan Brackin
Chairman
Brisbane
Dated: 24 February 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RPMGlobal Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of RPM Global Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 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 Group's financial position as at 31 December 2019 and its financial 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 the Group, 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.

Independence

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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

BDO

TMann

T R Mann
Director

Brisbane, 24 February 2020

CORPORATE DIRECTORY

Directors

Allan Brackin
Chairman

Richard Mathews
Managing Director

Ross Walker
Non-executive Director

Group General Counsel and Company Secretary

James O'Neill

Registered Office

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Auditor

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Brisbane QLD 4000

Share Registry

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Brisbane QLD 4000

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Limited (ASX: RUL)

ABN 17 010 672 321