

# FULL YEAR REVIEW

12 MONTHS TO 30 JUNE 2020

**RPMGLOBAL**  
**INTELLIGENT MINING**

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# RPMGLOBAL INTELLIGENT MINING

## GLOBAL CLIENT BASE

COAL & ENERGY, IRON ORE,  
COPPER, GOLD & METALS,  
OIL, POTASH, DIAMONDS



## GLOBAL COMMODITY LEADERS

**50** | **125**  
YEARS | COUNTRIES

**22** OFFICES  
GLOBALLY



## OUR VALUES

DRIVE OUR VISION  
TO TRANSFORM THE  
MINING INDUSTRY  
FOUNDATIONS



TO INCREASE  
ECONOMIC AND  
EFFICIENCY YIELDS

OPERATING  
ENVIRONMENT AND  
PERSONNEL SKILLSET



WE VALUE OUR HISTORY, OUR EXPERIENCE,  
OUR PEOPLE AND OUR INNOVATION

## DIGITAL CONNECTED MINE



DELIVER VISIBILITY,  
TRANSPARENCY AND  
CONTROL ACROSS THE  
MINING VALUE CHAIN

## MAXIMISE PROFITABILITY & PERFORMANCE



## ENTERPRISE PLATFORM

INDUSTRY STANDARD, STRATEGIC PARTNERSHIPS  
INTEGRATED APPLICATIONS

# DIVERSIFIED CLIENT BASE

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## Global Resource Leaders

**GLENCORE**

**AngloAmerican**

**RioTinto**

**BHP**

**VALE**



## Global Commodity Leaders

### Coal & Energy



### Iron Ore



### Gold, Copper & Metals



### Oil sands, Potash & Diamonds



## Global Mining Contractors



## Original Equipment Manufacturers & Dealers



## JV Partners

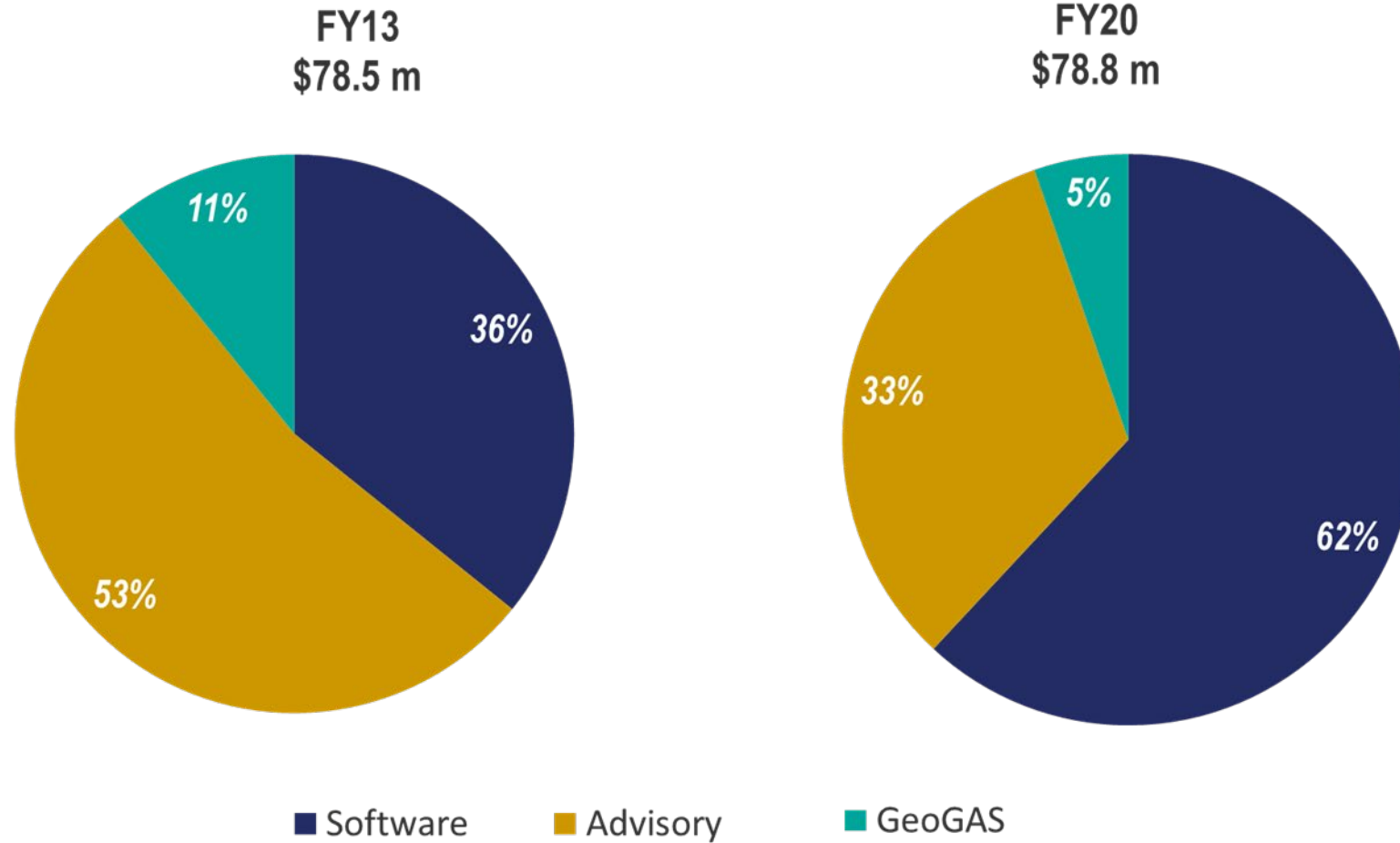


## Financial Institutions

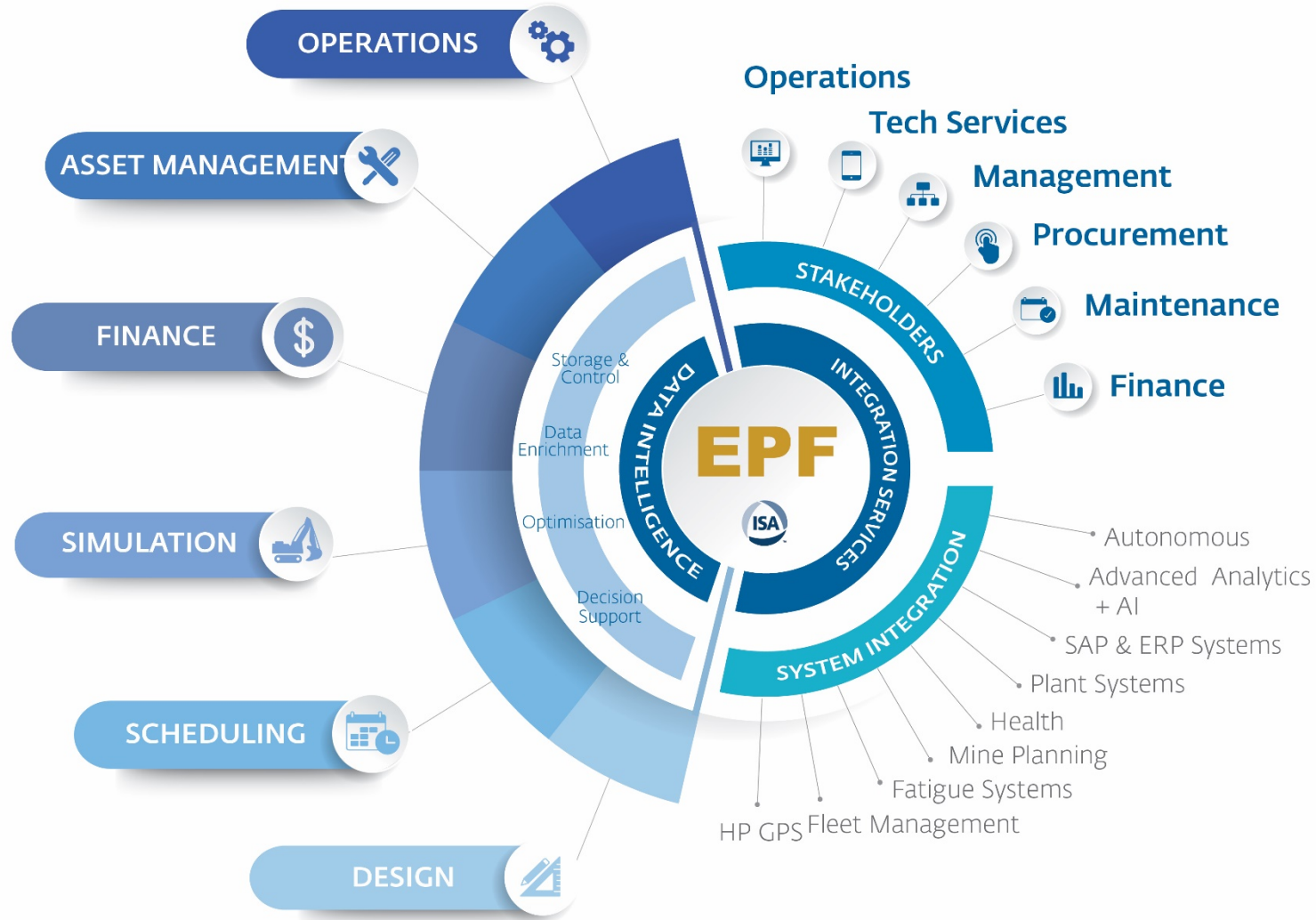


# HISTORICAL COMPARATIVE REVENUE BY DIVISION (FY2013 V FY2020 COMPARATIVE)

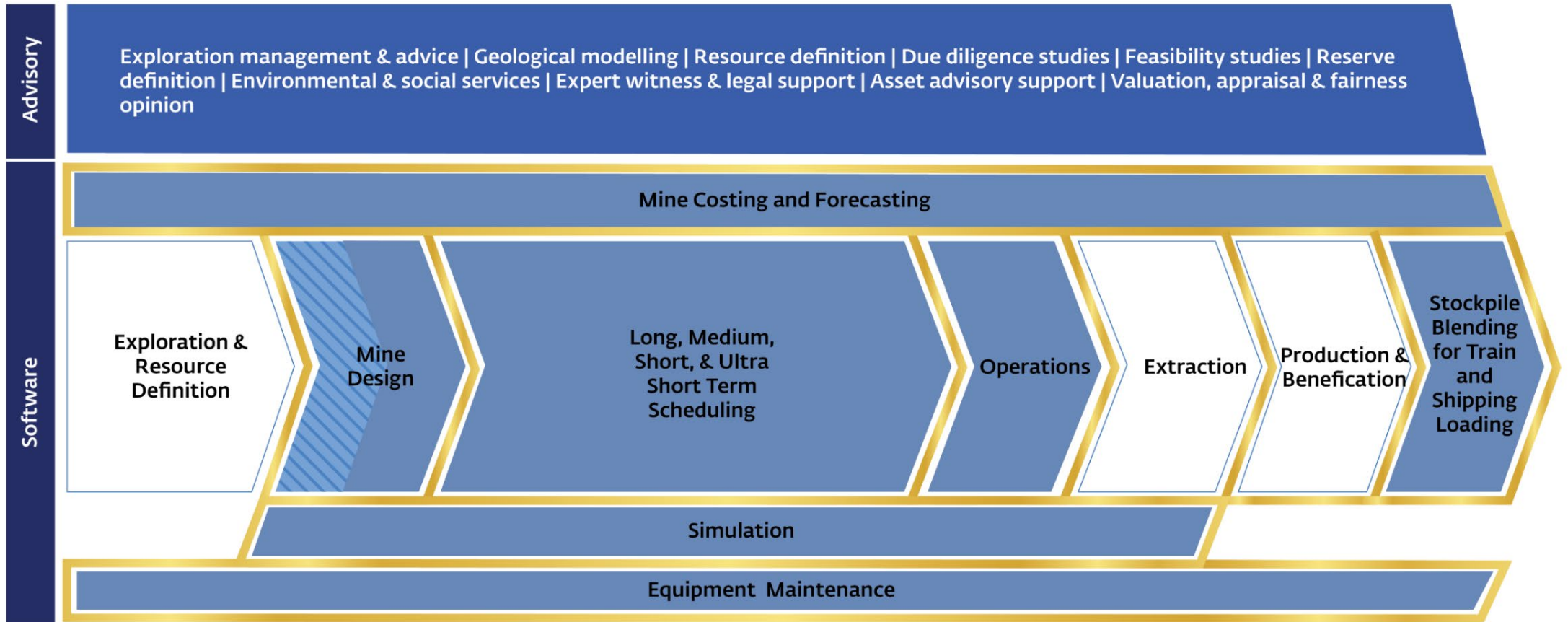
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# OUR INTELLIGENT MINING PLATFORM



**INTELLIGENT  
MINING**  
RPMGLOBAL



### Legend

- RPM Software Capabilities
- Intergration points between RPM software as well as key partners solutions
- In development

# FY2020 FINANCIAL RESULTS

Group revenue finished the year up \$1.2m to \$80.7m (FY2019: \$79.5m).

The Total Contracted Value (TCV) of software subscriptions sold during FY2020 increased by \$24.2m (235%) to \$34.5m (FY2019: \$10.3m). Of the total \$34.5m only \$6.1m was recognised in this year's financial accounts with \$28.4m from this year plus \$6.3m from prior years (i.e. \$34.7m total) to be recognised across the remaining duration of the committed term customer contracts which in most cases is 3 years.

This \$24.2m year-on-year increase in subscription TCV resulted in a \$1.3m increase in commissions/incentives in the FY2020 annual accounts. We believe the 235% increase in subscription TCV was the major driver for the 78% increase (from 59 cents to \$1.05) in company share price and resultant \$108m (86%) increase in market capitalisation over the twelve months.

The Company's Operating Contribution (EBITDAR before Foreign Exchange and one-off COVID-19 costs/provisions) finished the year at \$8.4m (FY2019: \$8.5m).

Due to COVID-19, the company incurred \$0.4m in retrenchment costs and increased its accounts receivable provisioning by \$0.4m.

The company's Loss After Tax for FY2020 was \$0.7m a \$5.2m (88%) improvement over FY2019 (Loss after Tax \$5.9m).

Cash inflows from operations for the year totalled \$15.8m (FY2019: \$7.3m) and as at June 30, 2020 the company had \$40m in cash (and no debt).

The company made the final acquisition earnout payments (\$2.6m) for the iSolutions and MinVu acquisitions during the year and therefore will not be required to share revenues from these products going forward.

\* Earnings Before Interest, Tax, Depreciation, Amortisation and Rent

# FINANCIAL RESULTS SUMMARY

A\$'m	2020	2019	\$ Var	% Var
Software Subscriptions Revenue	10.0	2.4	7.6	317%
Maintenance Revenue	20.6	21.8	(1.2)	(6)%
Perpetual Licence Revenue	6.9	12.1	(5.2)	(43)%
Laboratory Testing Revenue	4.2	4.2	-	-
Advisory & Consulting Services Revenue	37.1	38.9	(1.8)	(5)%
COVID-19 Government Assistance	1.7	-	1.7	-
Rent & Other Income	0.2	0.1	0.1	100%
<b>Revenue</b>	<b>80.7</b>	<b>79.5</b>	<b>1.2</b>	<b>2%</b>
Direct Costs	(6.8)	(6.9)	0.1	1%
<b>Net Operating Revenue</b>	<b>73.9</b>	<b>72.6</b>	<b>1.3</b>	<b>2%</b>
Development Expenses	(11.6)	(12.8)	1.2	9%
Operating Expenses	(49.4)	(48.1)	(1.3)	(3)%
Commission & Incentive Expenses	(4.5)	(3.2)	(1.3)	(41)%
<b>Operating Contribution</b>	<b>8.4</b>	<b>8.5</b>	<b>(0.1)</b>	<b>(1)%</b>
COVID-19 Retrenchments & Impairments	(0.8)	-	(0.8)	-
FX gain/(loss)	(0.3)	0.6	(0.9)	-
Depreciation, Amortisation, Rent & Interest	(7.3)	(7.4)	0.1	1%
<b>Profit before Tax</b>	<b>(0.0)</b>	<b>1.7</b>	<b>(1.7)</b>	<b>-</b>
Tax Expense	(0.7)	(7.6)	6.9	91%
<b>Net Loss after Tax</b>	<b>(0.7)</b>	<b>(5.9)</b>	<b>5.2</b>	<b>88%</b>

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# BALANCE SHEET

A\$m	2020	2019	\$ Var	% Var
Cash	40.0	28.2	11.8	42%
Receivables and WIP	16.0	23.8	(7.8)	(33)%
Plant and Equipment	2.1	1.8	0.3	17%
Right-of-use Assets (Leases)	4.4	-	4.4	100%
Intangibles	4.9	7.7	(2.8)	(36)%
Goodwill	26.5	26.5	-	-
Deferred Tax	2.7	2.7	-	-
Prepayments, Deposits, etc	6.4	2.8	3.6	129%
<b>Total Assets</b>	<b>103.0</b>	<b>93.5</b>	<b>9.5</b>	<b>10%</b>
Trade Payables	(10.3)	(7.9)	(2.4)	30%
Earnout	-	(2.4)	2.4	(100)%
Employee Provisions	(5.3)	(5.2)	(0.1)	2%
Unearned Income	(18.7)	(17.1)	(1.6)	9%
Leases	(4.8)	-	(4.8)	100.0
Other	(0.6)	(1.2)	0.6	(50)%
<b>Total Liabilities</b>	<b>(39.7)</b>	<b>(33.8)</b>	<b>(5.9)</b>	<b>17%</b>
Share Capital	94.4	87.9	6.5	7%
Reserves and Retained Earnings	(31.1)	(28.2)	(2.9)	10%
<b>Total Equity</b>	<b>63.3</b>	<b>59.7</b>	<b>3.6</b>	<b>6%</b>

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# CASH FLOW

<i>\$'m</i>	2020	2019	<i>\$ Var</i>
Net Cash Opening Balance	28.2	23.3	4.9
<b>Cash from Operations</b>	<b>15.8</b>	7.3	8.5
Non-Operating payments and rent:			
Property Plant & Equipment	(1.3)	(0.7)	(0.6)
Software Acquisitions	(0.3)	(0.2)	(0.1)
Earnout	(2.6)	(2.6)	
Repayment of Lease Liabilites	(2.9)	-	(2.9)
	<b>(7.1)</b>	<b>(3.5)</b>	<b>(3.6)</b>
Non-Operating receipts:			
Proceeds from Exercise of Options	4.6	0.2	4.4
<b>Net Increase in Cash</b>	<b>13.3</b>	4.0	9.3
FX Restatement	(1.5)	0.9	(2.4)
<b>Net Cash Closing Balance</b>	<b>40.0</b>	<b>28.2</b>	<b>11.8</b>

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# SOFTWARE DIVISION

The 235% increase in subscription TCV sold in FY2020 resulted in subscription revenue recognised in FY2020 increasing by 317%.

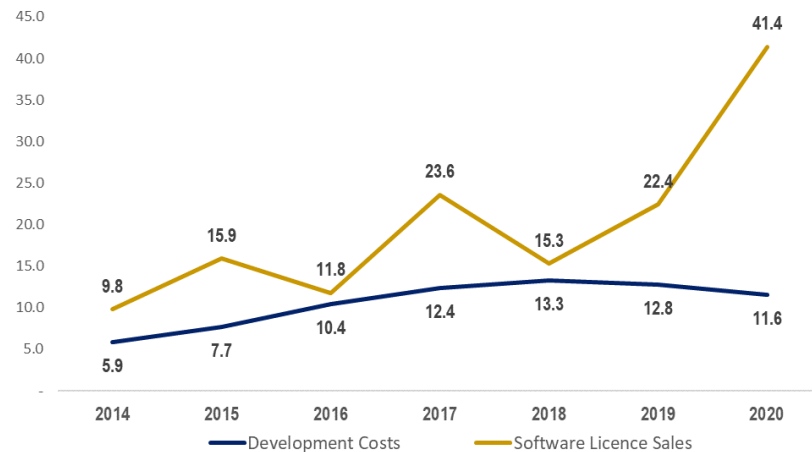
This strong increase in subscription sales had an adverse impact (as expected) on the amount of once-off perpetual license sales sold.

The 6% decrease in annually recurring maintenance revenue reflects the reduction in perpetual sales along with a handful of customers switching their perpetual licenses to longer committed term subscription licenses.

Travel restrictions negatively impacted consulting revenue (-\$1.2m) but positivity impacted (i.e. reduced) direct costs (+\$0.5m).

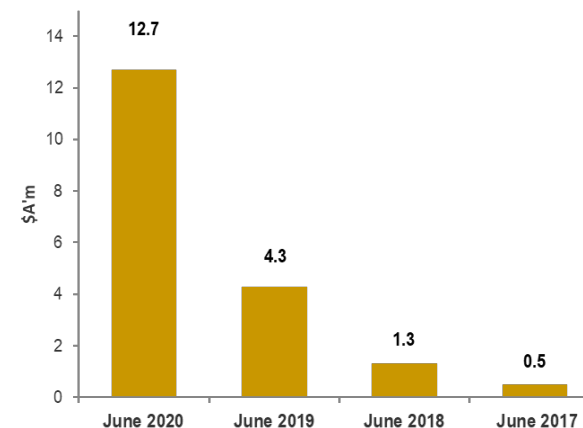
For FY2020 software development costs as a percentage of software licenses sold during the year dropped to 28% (FY2019: 57%). Software development costs are expected to decrease due to natural staff attrition.

TCV of Software Sold vs Development Costs

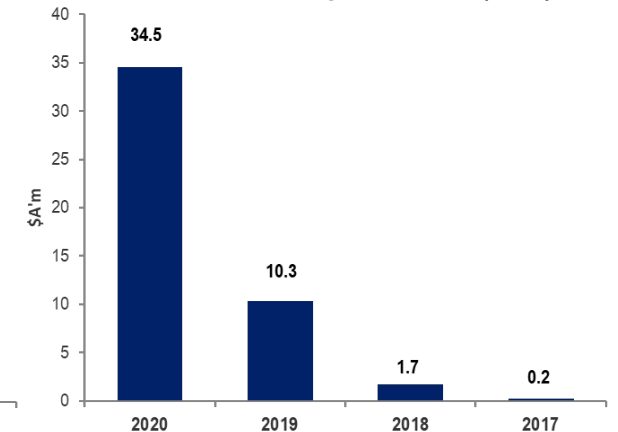


A\$m	2020	2019	\$ Var	% Var	2018
<i>Subscriptions</i>	10.0	2.4	7.6	317%	0.8
<i>Perpetual licences</i>	6.9	12.1	(5.2)	(43)%	13.6
<i>Maintenance</i>	20.6	21.8	(1.2)	(6)%	19.6
<i>Consulting</i>	11.3	12.5	(1.2)	(10)%	10.7
<b>Software Revenue</b>	<b>48.8</b>	<b>48.8</b>	<b>0.0</b>	<b>0%</b>	<b>44.7</b>
Direct Expenses	(1.2)	(1.7)	0.5	29%	(2.4)
<b>Net Revenue</b>	<b>47.6</b>	<b>47.1</b>	<b>0.5</b>	<b>1%</b>	<b>42.3</b>
Operating Expenses	(24.6)	(23.9)	(0.7)	(3)%	(20.0)
<b>Gross Contribution</b>	<b>23.0</b>	<b>23.2</b>	<b>(0.2)</b>	<b>(1)%</b>	<b>22.3</b>
Software Development	(11.6)	(12.8)	1.2	(9)%	(13.3)
<b>Contribution</b>	<b>11.4</b>	<b>10.4</b>	<b>1.0</b>	<b>10%</b>	<b>9.0</b>

Subscription ARR



Subscription Sales (TCV)

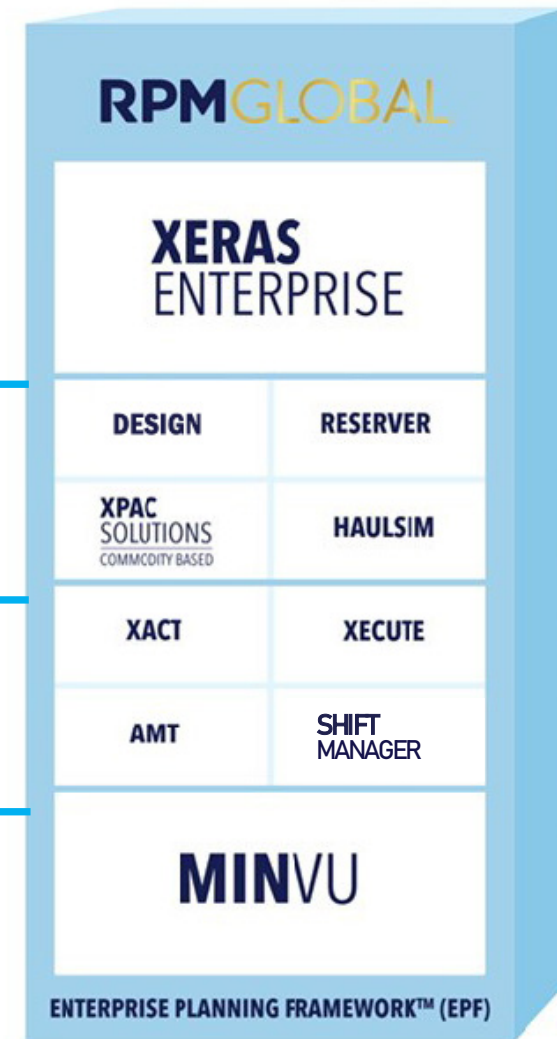


# SOFTWARE STRATEGY

*Deliver a complete Commercial-off-the-Shelf Enterprise Planning Framework built on open industry standards.*

*Release simplified, standardised, **integrated and optimised** solutions for different commodities and mining methods which cover the full mining value chain.*

*Provide software solutions that deliver a step change in mining productivity through **investments in innovation.***



# RPMGLOBAL

**25** NEW PRODUCTS



**8** ACQUISITIONS



**>100** NEW INTEGRATION ADAPTORS

**275%** INCREASE IN DEVELOPMENT RESOURCES



**\$130M+** INVESTMENT IN TECHNOLOGY

**1** ENTERPRISE PLATFORM

# OPERATIONAL SOFTWARE HIGHLIGHTS

Over the last seven years RPM has worked hard to build enterprise software solutions that by their very nature are “remotely enabled” which is a massive competitive differentiator for the company during these uncertain times where companies fully appreciate how important it is to be able to operate their businesses “remotely” through technology enablement.

RPM and Accenture partnered to provide a fully hosted XECUTE “Connected Mine” offering for one of the world’s largest copper miners.

We now have our first full Software as a Service (SaaS) offering which has been built on the Azure cloud platform. Our corporate strategy and investment over the last seven years to build new products “from the ground up” using the latest technology and architecture enables us to take advantage of newer delivery methods (such as the cloud) which most of our competitors are not able to do as easily.

During the year we provided our customers with over 110 new software releases across all our products (up 55% on the previous year) including a focus on mobility with new and upgraded mobile offerings for AMT, Shift Manager and XECUTE. We have also expanded our ERP integration offering connectors to Hitachi and ABB’s Ellipse product.

The mine design Optimisation functionality which we acquired in FY2018 from MineOptima has now been integrated into our new Underground Metals Development Optimiser which is an industry first with respect to combining both stope and decline optimisation into one single application. This and the new Underground Coal design application are in final stages of beta testing at customer sites.

In July 2020, RPM acquired Revolution Mining Software who own the industry’s only off-the-shelf strategic financial optimisation tool (SOT) for underground mines. The product is widely used throughout the industry and is white labelled and sold by a majority of the major mine planning vendors in the market to enable mine planners to improve productivity and profitability by optimising the Net Present Value (NPV) of their mine schedules. SOT and its two complimentary products will extend the strategic capability and competitiveness of RPM’s scheduling solutions.

We welcomed 28 new customers who started using our products for the first time in FY2020 up 87% on FY2019 (15 new customers).

# NEW PRODUCT ADOPTION (FY2020)

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**HAULSIM**             

**XECUTE**       

**XERAS**        

**AMT**     

**SIMULATE**   **TALPAC-3D**   

**OPMS | XPAC SOLUTIONS**      

**SDCS | XPAC SOLUTIONS**     

**UGCS | XPAC SOLUTIONS**     **SMS | XPAC SOLUTIONS** 

# OUTLOOK

Annual Recurring Revenue (ARR) from software subscriptions finished the year at \$12.7m and ARR from perpetual maintenance revenue finished the year at \$20.5m. As a result, the company starts FY2021 with \$33.2m in Total Annually Recurring Revenue (TARR). This \$33.2m in TARR for FY2021 represents 68% of all software revenue reported by the company in FY2020 delivering revenue certainty and resilience for the company even during uncertain times.

COVID-19's continuing impact across the world means our international employees (especially in North and South America, Africa, Eastern Europe and Asia) are impacted by high community transmission rates preventing them (like others) from direct access to customers and prospects. This is particularly true for our advisory and software consulting divisions who normally work on customers sites. While travel restrictions continue in place this issue will remain.

We continue to see solid growth in the software sales pipeline however currently we are experiencing delays in finalising deals as miners re-prioritise both their capital and operating expenditure in response to COVID-19. While these delays are understandable, we believe these deals will be concluded in the fullness of time. The continued heavy investment in our products now (when it may be hard for others to do the same) will we expect result in strong market share growth over the next three to four years.

28 companies purchased RPM's products for the first time during the year. We believe that as these customers become more familiar with the breadth and depth of RPM's software offering and the value that can be extracted through enterprise integration, they will look to expand their use across RPM's product suites.

With \$33.2m already in TARR for FY2021, \$40m in cash (and no debt) and \$15.8m in operating cashflow in FY2020 the Board has very few concerns about the company's financial viability and will continue investing in the company's products while making value accretive acquisitions where strategic opportunities present themselves.





*The material in this presentation is a summary of the results of the RPMGlobal Holdings Limited (RPM) group of companies for the full year ending 30 June 2020 including historical financial information from the prior financial year's results as announced to the market and an update on RPM's business and activities and is current at the date of preparation, 23 August 2020. Events (including changes to any of the data and information that RPM used in preparing this presentation) may have occurred since that date which may impact on the information contained in this presentation and make them unreliable. RPM is under no duty to update this presentation though it reserves the right to do so.*

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