ANNUAL REPORT 2022

RPMGLOBAL

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RPMGlobal Holdings Limited
ABN 17 010 672 321

CHAIRMAN'S REPORT

Dear Fellow Shareholders,

Financial Year 2022 ("FY22") was another year dominated by COVID. Once again, all of our operations around the world were affected in one way or another. Pleasingly, airline travel returned in the last quarter of the financial year, and we once again began visiting our customers and prospects in person.

At a time when other software vendors to the mining industry were reducing their software investments due to the impacts of COVID, RPM once again increased its research and development spend by an additional $3.3 million to accelerate its transition towards being a "software as a service" company. This investment continues to open new opportunities for the company, while enabling us to provide a more comprehensive service offering to our customers.

In February 2022, Russia invaded the Ukraine. Because Russia is a minerally rich country, we had, up to that point, been operating in Russia since 2009 when we opened our first office in Moscow. The introduction of international sanctions on Russia resulted in us closing our Moscow office, paying out our Russian employees and withdrawing from the country. These changes resulted in a one-off charge of $0.3 million in our FY22 accounts.

When Russia invaded Ukraine, we had two large active advisory projects underway in Ukraine, the largest of which was for the owners of the Azovstal steel mill in Mariupol. As a result of the ongoing conflict, the company had to write off $0.7 million against these Ukrainian projects in FY22.

In 2017, RPM commenced its journey to transition from selling perpetual software licenses to subscription licenses. We recognised that recurring revenue derived from subscription licenses is significantly more valuable than perpetual license revenue, which is one-off in nature and short-term. Subscription licenses deliver predictable and stable revenue over a longer term.

Perpetual licenses are reported as revenue immediately, thereby positively impacting the company's profitability and cashflow in the year they are sold. However, as the license can be used perpetually with no future additional license cost to the customer, no license revenue flows into future years. Because perpetual licenses are one-off and non-recurring, the company starts each year with zero contracted license revenue, which results in variability over time in terms of reported revenue, profitability and cashflows.

A subscription license is seen as more valuable than a perpetual license because they are "right to use" licenses. So, while the license is being used, revenue flows from it. Subscription licenses are accounted for over the duration of the committed subscription term, therefore the longer the committed contract term, the more valuable the subscription. Longer committed subscription terms provide more certainty with regards to revenue, profitability and cashflows.

Since 2017, annually reported revenue from one-time perpetual licenses has dropped $21.6 million, from $23.4 million in FY17 to $1.8 million in FY22. The company understood and planned for its revenue, profitability and cashflow to be negatively impacted until this transition was complete, and that year-on-year comparisons would be difficult until the transition was finished. It is only now, after five years, that recognisable subscription license revenue fully offsets the drop in perpetual licenses.

Subscription licenses by their nature provide the company with guaranteed and predictable forward revenue, which means the company starts each financial year with revenue already sold. As at 30 June 2022, RPM had $95.5 million in pre-contracted non-cancellable software subscription revenue which will be recognised in future years, up $29.8 million from the same time a year earlier ($65.7 million).

On 1 July 2022, RPM started the new 2023 financial year ("FY23") with guaranteed annually recurring software revenue of $48.5 million, which will easily cover all of the

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company's software division annual costs (research and development, selling, marketing and support).

Selling subscription licenses provides more commercial options for RPM as a company (e.g. pricing, renewals, bundling, security, delivery method, system access, collection risk etc.), all of which have positive impacts for the company. Subscription licenses also include software support and upgrades, which reduces the risk of non-renewal at the end of their contract term.

Whilst this transition has negatively impacted RPM over the last five years (from a year-on-year profitability comparison perspective), with the transition from perpetual software licenses to subscription licenses complete, our shareholders will begin to now see the leverage this operating model provides both in terms of profitability and free cashflow going forward.

Unfortunately, the growth in the business in FY22 did not deliver a corresponding increase in the company's share price over the same period, as it had in the previous two financial years. In January 2022, the Australian technology sector began to trade down, broadly in line with the global technology sector. This was driven by global inflation, together with a swift and significant increase in interest rates and the implied cost of equity capital. RPM was not immune to this trend, and at the time of writing, the company's share price is down around 30% from its high of $2.22 in December 2021.

In the last nine months, it was announced that two private software companies who are competitors to RPM in the "Design and Scheduling" space, were being acquired by listed entities. It has been reported that Deswik (with revenues of around $80 million) was acquired by Sandvik for between $700 - $750 million whilst Micromine (with revenues of around $70 million) will be acquired by AspenTech for approximately $900 million.

Both of these private companies were in the early stages of transitioning from perpetual license sales to subscription license sales, so it is very difficult to make direct comparisons on profitability. What is apparent to your Board of Directors, however, is that RPM as a publicly listed company is trading at a significant discount to its private sector peers.

The RPM Board is of the view that the company's share price currently undervalues RPM, and we therefore initiated a share buyback in late May 2022. Since the start of the buyback, the Company has (as at 29 August 2022) spent $4.16 million acquiring 2,600,085 of its shares on-market at an average cost of $1.60 per share.

The company started FY22 with 229,435,170 shares on issue and, as a result of options being exercised, shares being issued for the acquisition of two ESG businesses, and shares bought back on market, as at 29 August 2022, the company has 230,075,376 shares on issue.

During FY22, the company paid out $4.3 million in cash for the Nitro, Blueprint, Revolution and EmissionsManager acquisitions. RPM maintains a strong balance sheet with $34.5 million of cash in the bank as at 30 June 2022 and no debt.

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

I would again like to acknowledge the effort and commitment of our staff, who once again grew both our Advisory and Software businesses. The Board is particularly pleased that its clearly defined strategy to transition from selling perpetual licenses to subscription licenses is complete and the operating leverage provided by the $95.5 million in guaranteed future software subscription revenue can now begin to flow.

The Board also thanks its shareholders for their ongoing support over this five-year period of transitioning to subscription revenue. We remain firmly of the opinion that the software investments made by the company will support the business well into the future.

S Baldwin

Stephen Baldwin

Chairman

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Market Commentary

Environmental risks, including new regulations, became the new top risk in the KPMG 2022/23 Australian Mining Risk Forecast report which is a survey by KPMG of mining executives in FY22, replacing commodity price, which had held the top position for 12 years. Community relations and social licence to operate came in fourth, showing a continued and accelerating focus on all aspects of ESG across the mining industry, driven by investors, insurers and increasingly community expectations.

While COVID subsided during the year, it has left its mark with supply chain constraints becoming more prominent, impacting both operating and development projects with material growth in capital costs for most new projects year-on-year. Political instability, nationalisation and the global trade conflict threat have also become front-line factors. This has seen a significant level of investment by like-minded governments into the domestic battery and rare earth refining projects, as a diversification from a 'China-dominated supply chain' for these critical minerals.

As the world looks to decarbonise, investment into battery minerals mining, processing, refining and recycling continues to grow with deep-pocketed new players the likes of Ford, LGEnergy, POSCO and others, investing into mining and refining projects as a means of ensuring security of supply, aligned with their own battery factory development plans. Wood Mackenzie estimates that to meet a Net Zero world by 2050, an investment of USD$1.7 trillion will be required in the battery mineral supply chain to meet demand. This would require a six-fold increase in the volume of battery minerals above today's levels.

Coming off a strong couple of years, prices for most readily traded commodities are forecast to soften over the coming two years. This softening, set against an inflationary environment, will see miners again shift focus towards minimising costs and maintaining margins. While demand for staff across the entire industry is at an all-time high, talent shortages in most mature mining regions is forecast to continue with few new graduates entering the workforce, in part due to the negative view of the mining industry in the broader community. Combined with the ongoing retirement of the baby boomer generation, which still occupies a large percentage of the industry's workforce, the mining industry is likely to face ongoing resourcing constraints for years to come.

A combination of ongoing trade sanctions on the importation of coal between China/Australia and the Ukraine/Russia conflict combined in FY22 to drive all coal price benchmarks to their highest levels in recent history. This has resulted in a significant windfall for most coal miners, with a number of miners looking to pivot out of coal and into other minerals with their bolstered balance sheets. Consolidation at the smaller end of the industry continued, and we are still expecting a number of majors to exit from coal mining outright in the coming year, creating a new rank of mid-tier coal miners.

An agreement reached between the Guinea government, Rio Tinto and Winning Consortium Simandou (relating to the development of a rail link to export iron ore from the world class Simandou mine) sees the development of this long-awaited project back on track. Once in operation, this will allow China to bring leverage to the negotiation table and we would expect iron ore prices at that time to drop back to the longer-term averages of USD$70-$90 per tonne from the highs of the last few years.

Competition for funding of new and expansion projects remained high from both commercial debt and private equity. The introduction of government-backed funding into the mix, through mostly critical minerals and infrastructure funds, has provided cheap long-term debt options to some projects which would have struggled to secure financing through regular providers.

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With the recent drop in the share price of most miners, we expect Mergers and Acquisitions to pick up in FY23, with cashed-up majors looking for opportunities to grow their reserve base through acquisition rather than exploration.

With most major producers in 2021 setting Scope 1 and 2 greenhouse gas targets, and a few going as far as setting Scope 3 goals, the focus in 2022 moved to mapping out decarbonisation strategies and setting baselines. Collaborations between industry, Original Equipment Manufacturers (OEMs) and research institutes is continuing to look at the potential avenues for decarbonising mining, with transportation and power generation continuing to be the prime focus.

Development of regulatory frameworks for reporting of ESG performance on public exchanges continued in FY22 with most stock exchanges expected to release these frameworks as voluntary principles in the coming year. Scrutiny of these reports by activist investors focused on greenwashing will likely expedite rigour in the underlying processes used to compile and report to these frameworks.

High Level Summary of Financial Results

In FY22 the company reported total revenue of $84.1 million an increase of 20% ($14.0 million) over the previous year ($70.1 million). However, it is important to understand that $50.1 million of software subscription licenses sold during FY22 have not been included in the $84.1 million revenue recognised and reported in the current financial year, as this revenue will be recognised and reported over the next three to five years.

In FY22 RPM sold $54.1 million in TCV software subscription revenue up $6.4 million (13%) on the previous year ($47.7 million). As a result, on the 1st of July 2022 the company had $48.5 million in Annually Recurring Revenue (ARR) from previous software sold and $95.5 million in pre-contracted, non-cancellable software subscription revenue which will be recognised in future years.

As referenced in the Chairman's report, our overriding business strategy has been to replace perpetual software licenses with subscription license sales and in FY22 we reduced the value of perpetual license sales from $5.2 million in FY21 to $1.8 million in FY22. This $3.4 million reduction does of course reflect negatively in year-on-year overall profitability comparisons.

The company once again increased its investment in software development, spending $16.5 million during the year (up $3.3 million from the previous year). Most of this increased investment was targeted at moving the company's products to the cloud and transitioning to a software as a service company.

Revenue from our Advisory business lifted 52% as a result of growth and acquisitions and software consulting lifted by 13% which required these areas of the business to add staff to meet project demand.

88% of the company's operating costs relates to direct employee costs. During FY22 the company added 56 net new employees at an annual additional salary cost of $8.0 million. In response to the growing "war on talent", which debuted for the first time as the third highest risk for the industry in the KPMG 2022/23 Australian Mining Risk Forecast report, on average staff received a 5% pay increase during FY22 which equated to a $2.4m increase in the company's employment costs.

Earnings before Interest, Tax, Depreciation, and Amortisation (EDITDA) dropped $0.7 million versus the previous year to $4.5 million however this includes a $2.7 million annual drop in COVID subsidies reported as Other Revenue received in FY22 versus FY21.

Cash outflows from operations for the year were $1.5 million, primarily due to $5.3 million in late payments from two customers, and the company's inability to recoup $0.7 million in services work performed on two Ukrainian projects.

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Of the $10.0 million in other net cash outflows, $7.1 million related to once off events ($4.3 million in acquisitions, $1.4 million relating to the company's share-buyback, $1.1 million in Chilean back taxes, interest and penalties and $0.3 million withdrawing from Russia).

Software

For the first half year of FY22, the world was wrestling with COVID and then in February Russia invaded the Ukraine. It was not until the last two months of the financial year that the world started to return to normal and software sales started to accelerate. In FY22 we sold $55.9 million in software licenses, another record year for the company.

In the second half of FY22 we finished four new software products (Enterprise Optimiser, Underground Gas Drainage, Advanced AMT Mobile and EmissionsManager). Whilst these newly released products added little revenue in FY22, we expect to see good revenue coming from these new products in FY23.

Last year AMT and XECUTE were once again our standout software products. AMT continues to be adopted by the largest miners and OEMs in the world. Over the last 12 months a lot of work has been completed on AMT's underlying architecture to provide the system performance and scalability required for the world's largest miners. The pipeline of AMT sales opportunities is substantial and with the addition of a world class mobile solution, we are expecting AMT to have another stellar year in FY23.

XECUTE also received a major system performance and scalability upgrade along with extended testing schedules. The latest version, which was released in August 2022, is the fastest and most robust version of the product yet and the customers who have been involved in testing this version have been very impressed. With this rewiring work behind us, we expect XECUTE to continue its march into the short-term execution space which until now has been poorly serviced by any mining software vendor.

We are now starting to see a return on our six-year investment in ShiftManager. This product competes against only one small private company and in the last three months we have replaced this competitor at two of their larger sites. The conversion programmes we have developed have turned out to be simpler than we had expected, and we are now confident that ShiftManager (like AMT and XECUTE) will over time become the de-facto standard in this area for the industry going forward.

The company has employed additional AMT, XECUTE and ShiftManager software consultants in anticipation of a record year for all three products in FY23.

Customers have started asking us to host their RPM software, particularly AMT, and particularly the very large miners. There are some real operational benefits for both the customer and RPM in taking this approach. Currently, when a customer experiences an issue with our software, we work with the customer or their third-party hosting company and often the issue has been caused by something unrelated to our software, for example an issue a service provider has inadvertently created within the server or network environment which has impacted performance. Identifying the issue and resolving it on someone else's system (who generally doesn't want you accessing their environment) is not easy. Therefore, hosting our software for a customer will significantly speed up issue resolution, improve customer service and reduce service write-offs. From a financial perspective, the margin for hosting is lower than the margin from software, but the hidden cost of working with in our customer's IT environments and with third parties to triage and fix issues will drop away.

Our move to the cloud has been a major focus with all of our products now available as hosted offerings in the Microsoft Azure cloud platform. The pace at which large enterprise customers are moving to hosted cloud offerings is accelerating with 14% of new sales in FY22 now hosted in the cloud. Whilst we

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have six products currently running in a SaaS cloud environment, work continues to develop common SaaS components to handle authentication, security, administration, auditing and logging that can be utilised across all our products. As these are completed we will see an increase in the pace at which our products move to a SaaS model, delivering further scalability, performance and efficiency.

In FY23 we will be reducing our investment in brand new software products and module extensions so that we can direct our development investment into continued SaaS enablement. Once our products can be delivered in a SaaS environment, both our customers and RPM will be able to realise material cost benefits.

The breadth and depth of our innovative software offering resulted in 54 customers signing new product contracts with us in FY22. While all of these customers have purchased software to address a specific need, our expectation is that over time they will purchase and roll out additional products from our integrated suite of products.

Advisory

FY22 was a transformational year for the Advisory division, with the acquisition and successful integration of two ESG focused businesses into the Advisory division in the first half of the year. This additional capability has broadened our service lines for both miners and financiers with an industry-leading integrated team of technical and mining ESG specialists. FY23 will focus on leveraging the teams' combined capability to provide support to our clients in decarbonisation and engineering-led mine closures.

With COVID travel restrictions progressively lifted in the second half of FY22 we were once again able to undertake site visits which are an important part of many advisory engagements. We expect the opportunity to travel to continue growing in FY23, but it is unlikely to return to historical levels as clients take learnings from COVID into their project programs.

The insurance industry has been progressively withdrawing its support to the energy and resource sectors and providers of technical services to these industries. This has resulted in increased premiums, and insurance being withdrawn from some markets entirely. It has now reached the point where the smaller professional services firms cannot economically obtain the insurance required to undertake complex engagements, thereby reducing the number of services firms we are now competing with at the top end of the market.

FY22 saw a 52% increase in Advisory revenue compared to FY21. The additional revenue came from the ESG acquisitions and increased activity across the metals division. Our dedicated mining ESG services team is providing our customers with more and more advice to enable ongoing compliance with large volumes of new legislation and regulation in the industry. In FY23 we will continue to look to grow this team globally based on the forward demand we are currently seeing.

As at the end of FY22 we effectively had six months of precontracted work, including an increasing amount of long-term recurring work. With this backlog and the heightened activity in the market we expect another strong year from the Advisory team.

Future Outlook

In each of the last three years the company has set new software sales records and we expect to do so again in FY23. With four new software products to sell and an uplift in the performance of our largest and highest value products, we are excited about the year ahead. With the addition of software consulting capacity, we will be able to manage more software projects simultaneously.

In FY22 we started successfully hosting our largest software products (AMT and XECUTE) for some of the world's largest mining

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companies, all of whom have expressed a desire to extend this service offering as they expand their RPM software product footprint.

With the transition to subscription sales now complete, the operating leverage provided from the $95.5 million in pre contracted software subscriptions will become evident.

After a year of strong growth, we expect our advisory business to have another solid year. Our new ESG division is performing exceptionally well. Our understanding of where best to target these skills is improving as we work with our customers on their projects. We continue to look for opportunities to expand this division where it makes sense to do so.

With a strong balance sheet, plenty of M&A opportunities, competitive advisory and software offerings, strong pipelines, referenceable customers and market consolidation occurring, we are excited and optimistic about the year ahead.

Richard Mathews

Managing Director and Chief Executive Officer

DIRECTORS' REPORT

Your Directors present their report on RPMGlobal Holdings Limited (the "Company" or "RPM") and its subsidiaries (referred to hereafter as the "Group") for the year ended 30 June 2022.

1. Directors

The Directors of RPMGlobal Holdings Limited at any time during or since the end of the period were:

Non-executive

Stephen Baldwin – Chairman

Angeleen Jenkins – Appointed 1 July 2021

Paul Scurrah

Ross Walker

Executive

Richard Mathews – CEO and Managing Director

2. Principal Activities

The Group's principal activities during the financial year consisted of:

a) Software licensing, consulting, implementation and support;

b) Technical, advisory and training services; and

c) Laboratory coal gas testing (until 31 August 2021 when the GeoGAS business was divested).

Other than as set out above, there were no significant changes in the nature of the Group's principal activities during the financial year.

3. Dividends

No dividends were paid or declared during the financial year (2021: nil).

4. Review and Results of Operations

Total Revenue from continuing operations in the 2022 financial year grew by 20.0% to $84.1 million (2021: $70.1 million) with that increase attributable to strong growth of advisory revenue (52.0%) and software revenue (14.5%).

	2022 $m	**2021 $m**	**Change %**
Advisory	26.6	17.5	*52.0%*
Software			
- Licence subscriptions	*26.2*	*15.5*	*69.0%*
- Maintenance and Support	*16.4*	*17.9*	*-8.4%*
- Consulting	*11.6*	*10.3*	*12.6%*
- Perpetual Licence Sales	*1.8*	*5.2*	*-65.4%*
Total Software	56.0	48.9	*14.5%*
Other Revenue	1.5	3.7	*-59.5%*
Total Revenue	**84.1**	**70.1**	*20.0%*
Direct Costs	(4.9)	(3.2)	*53.1%*
Net Revenue	**79.2**	**66.9**	*18.4%*

4. Review and Results of Operations (Continued)

Analysis between IFRS and non-IFRS financial performance items used in the Directors Report is presented below:

	2022 $m	2021 $m	Change %
Net Revenue	**79.2**	**66.9**	*18.4%*
Operating Expenses	(74.7)	(61.7)	*21.1%*
EBITDA	**4.5**	**5.2**	*-13.5%*
Depreciation and Amortisation	(5.9)	(6.9)	*-14.5%*
Net Finance (costs)/income	(0.1)	(0.1)	-
Loss before income tax	**(1.5)**	**(1.8)**	*-16.7%*
Income tax expense	(0.9)	(0.6)	*50.0%*
Loss from continuing operations	**(2.4)**	**(2.4)**	*0.0%*
Russia and Ukraine write-offs, loss on Nitro Solutions sublease	(1.1)	-	*n/a*
Prior year tax adjustments and interest	(1.1)	-	*n/a*
Profit/(Loss) from discontinued operations	0.5	(3.1)	*n/a*
Loss for the period	**(4.1)**	**(5.5)**	*-25.5%*
Earnings Per Share from continuing operations (cents per share)	**(2.0)**	**(1.0)**	*-100.0%*

[1] Earnings before Interest, Tax, Depreciation, Amortisation and significant one-off costs 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. EBITDA has not been audited or reviewed.

From a management viewpoint, RPM monitors software subscription revenue in terms of Total Contracted Value (TCV [2]) being the total revenue to be received over the committed term of each contract. Whilst only a portion of the TCV is recognised as revenue during the financial year in which it is signed, we incentivise our sales team on TCV and monitor our financial performance on TCV. As such, we often refer to subscription sales during the year in terms of TCV, rather than the amount of subscription revenue that is recognised as revenue during that financial year.

Perpetual licence sales and subscription revenue recognised during the year was $28.0 million compared to $20.7 million in the previous year. However, more importantly, total contracted software licence revenue this year was $55.9 million, comprising $54.1 million in TCV subscription revenue and $1.8 million in perpetual software licence sales, compared to total contracted licence revenue of $52.9 million in the prior year.

Other revenue included $1.0 million from government COVID subsidies from around the world (2021: $3.7 million).

EBITDA from continuing operations decreased by $0.7 million to $4.5 million (2021: $5.2 million).

The Group's loss after tax of $4.1 million included a $1.0 million cost due to Russia's invasion of the Ukraine as well as $1.1 million in tax and interest paid in Chile for settling a tax dispute with the local tax office, relating to intercompany transactions charged by our Australian entity to our Chilean subsidiary.

During the year, the Group made final payments of $4.3 million to the owners of three businesses and one software product which were purchased over the last two years, and the Company bought back $1.4 million of its own shares (shares acquired up to 30 June 2022). As at 30 June it had cash reserves of $34.5 million and no bank debt.

[2] Total Contracted Value is a non-IFRS disclosure. In the opinion of the Directors, the Group's TCV better reflects software sales generated from ongoing operating activities. TCV has not been audited or reviewed.

4. Review and Results of Operations (Continued)

Software Division

Software revenue was up 14.5% on the previous year; however, the revenue mix was very different as the Group completed its transition from selling perpetual licenses to subscription licences.

Subscription revenue increased by $10.7 million to $26.2 million (2021: $15.5 million) whilst perpetual licence sales decreased by $3.4 million to $1.8 million (2021: $5.2 million) in-line with our strategy to increase the proportion of software subscription sales. Maintenance revenue reduced by $1.5 million to $16.4 million (2021: $17.9 million) as more customers decided to transition their perpetual licences to subscription licences.

The Annual Recurring Revenue (ARR [1]) run rate for subscription software licences and support (maintenance) revenue at year end was $48.5 million (June 2021: $38.8 million).

Consulting revenue increased by $1.3 million to $11.6 million (2021: $10.3 million).

The Group increased its investment in Research and Development by $3.3 million lifting the total investment in software R&D to $16.5 million this year (2021: $13.2 million).

The Company concluded agreements during the financial year with 54 customers who purchased new software products from RPM for the first time.

Advisory Division

The Advisory division provides independent consulting and advisory services which cover technical and economic analysis and assessment of mining activities and resources on behalf of mining companies, financial institutions, government agencies and suppliers to mining projects. The market for Advisory services is heavily reliant on expansion, development, financing and transacting of mining assets and projects.

Revenue from Advisory services for the year increased by $9.1 million (52%) to $26.6 million (2021: $17.5 million) due to growth in the Metals and ESG divisions.

5. Likely Future Developments - Business Strategies and Prospects for Future Financial Years

After a year of strong growth, we expect our Advisory business to have another strong year in 2023. The new ESG division is performing well and our utilisation of these skills in the wider Advisory business is improving as we work with our customers on projects. We continue to look for opportunities to expand this division where it makes sense to do so.

With four new software products to sell and an uplift in the performance of our largest and highest value products, we are excited about the year ahead. Further, the addition of software consulting capacity has enabled us to manage more software projects simultaneously.

The company invested another $16.5 million on its software products during FY22 so we have a more complete and richer set of products than we did this time last year.

In 2021 we started successfully hosting our largest software products (AMT and XECUTE) for some of the world's largest mining companies all of whom have expressed a desire to extend this service offering as they expand their RPM software product footprint.

With the transition to subscription sales now complete, the operating leverage provided from the $95.5 million in pre contracted software subscriptions will become evident.

With a strong balance sheet, plenty of M&A opportunities, competitive advisory and software offerings, strong pipelines, referenceable customers, and market consolidation occurring, we are excited and optimistic about the year ahead.

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[1] Annual Recurring Revenue is a non-IFRS disclosure. In the opinion of the Directors, the Group's ARR better reflects software subscription revenue from ongoing operating activities. ARR has not been audited or reviewed.

DIRECTORS' REPORT

6. Information on Current Directors and Company Secretary

Directors	Experience	Special responsibilities
Stephen Baldwin	Non-executive Director and Company Chairman (from 1 March 2021). Stephen joined the Board effective 1 July 2020 and was appointed Chairman of the Board in March 2021. Stephen is a professional company director and currently sits on the Board of three other companies (Taumata, Tiaki and Lignor). Other recent Board roles have included ASX-listed Wameja (sold to Mastercard in September 2021) and Axicom (sold to Australian Tower Network in May 2022). Stephen started his career as a chartered accountant with Price Waterhouse (now PwC), working in three countries over a decade. He then went into funds management, initially with Hambro-Grantham and subsequently with Colonial First State, where he rose to become that group's Head of Private Equity. For the past decade, Stephen has represented one of Australia's larger superannuation funds (UniSuper) as a director on the Boards of their private market investments. Stephen has a wealth of experience dealing with international business in the technology industry. He holds a Bachelor of Commerce (Honours), ACA.	*Company Chairman (from 1 March 2021)* *Independent Director* *Non-executive Director* *Member of Audit & Risk Committee*
Richard Mathews	Appointed Managing Director 28 August 2012. Richard's previous roles includes Senior Vice President, International at J D Edwards, CEO of Mincom Ltd, Chief Executive Officer and then Non-Executive Chairman of eServGlobal Limited. Qualifications: Bachelor of Commerce, Bachelor of Science, ACA Other listed company directorships in last three years: None in the last three years. Richard is a director on the Telstra Health Pty Ltd Board.	*Managing Director, Chief Executive Officer (CEO)*
Angeleen Jenkins	Non–executive Director. Joined the Board on 1 July 2021. Angeleen worked extensively in high risk commercial engineering & construction contracting throughout her executive career, including almost 25 years in the multi-national construction sector as a Director and Executive of a major construction group that delivered infrastructure projects to heavy industry clients (mining & metals and oil & gas sectors) throughout Australia, Asia, NZ/Pacific, and the Middle East. Angeleen has held company directorships since 2007 in construction, forestry and utilities and is presently employed as the Chairperson / Director of Central Highlands Water, and Director of VicForests, Tiaki Plantations Company and Taumata Plantations Limited, and a former Executive Director of McConnell Dowell (a major multi-national construction group). Qualifications: Bachelor of Arts in Psychology and is a Fellow of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia and a Member of the Institute of Directions New Zealand. Other listed company directorships in last three years: none	*Independent Director* *Non-executive Director* *Member of HR & Remuneration Committee*

DIRECTORS' REPORT

6. Information on Current Directors and Company Secretary (Continued)

Directors	Experience	*Special responsibilities*
Paul Scurrah	Non-executive Director. Paul joined the Board in December 2020. Paul has been involved in the transportation, logistics, travel and aviation industries for over 25 years at both executive and non-executive levels. Paul is currently the Managing Director & CEO of Pacific National, Non-Executive Director and Chairman at Whizz Technologies and Non-Executive Director of the Gold Coast Suns AFL Team. Qualifications: Finance for Senior Executives Harvard Business School Other listed company directorships in last three years: Director of Virgin Australia Holdings Limited.	*Independent Director* *Non-executive Director* *Chairman of HR & Remuneration Committee*
Ross Walker	Non–executive Director. Joined the Board in March 2007. Joined Pitcher Partners Brisbane in 1985, Managing Partner from 1992 to 2008 and again from 2014 to 2017. Predominantly involved in corporate finance, auditing, valuations, capital raisings and mergers and acquisitions for the past 20 years. Qualifications: Bachelor of Commerce, FCA Other listed company directorships in last three years: Wagners Holding Company Limited since its IPO in December 2017 and Sovereign Cloud Holdings Limited since December 2017	*Independent Director* *Non-executive Director* *Chairman of Audit & Risk Committee*

Company Secretary

James O'Neill, Group General Counsel and Company Secretary joined RPMGlobal Holdings Limited in December 2012. Qualifications: Bachelor of Laws and Bachelor of Information Technology from the Queensland University of Technology, Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia, Solicitor and Member of the Queensland Law Society and Associate Member of the Governance Institute of Australia (AGIA) and Chartered Institute of Secretaries (ACIS).

7. Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2022 and the number of meetings attended by each Director were as follows:

	Full meetings of Board of Directors		Audit & Risk Committee		HR & Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Stephen Baldwin	9	9	3	3	2 (by invite)	2
Richard Mathews	9	9	3 (by invite)	3	2 (by invite)	2
Angeleen Jenkins	9	9	3 (by invite)	3	2	2
Paul Scurrah	8	9	2 (by invite)	3	2	2
Ross Walker	9	9	3	3	2 (by invite)	2

DIRECTORS' REPORT

8. Directors' Interests

The relevant interest of each Director in the shares and options issued by the Company, as notified by the Directors to the ASX in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

RPMGlobal Holdings Limited	Ordinary shares	Options over ordinary shares
S Baldwin	3,272,987	-
R Mathews [1]	8,220,138	-
A Jenkins	25,000	-
P Scurrah	26,741	-
R Walker	1,000,000	-

1 Includes 175,560 shares held by R Mathews as trustee under a bare trust arrangement for a third party.

9. Shares Under Option

Unissued ordinary shares of RPMGlobal Holdings Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
1/10/2017[1]	31/10/2022	$0.77	555,001
15/03/2018	15/03/2023	$0.67	60,000
14/09/2018[1]	14/09/2023	$0.61	958,339
14/12/2018[1]	14/12/2023	$0.58	375,670
15/03/2019	15/03/2024	$0.58	421,668
14/09/2020	14/09/2025	$1.15	116,667
11/11/2020[1]	11/11/2025	$0.00	1,257,253
23/03/2021[1]	23/03/2026	$0.00	1,233,524
03/09/2021[1]	03/09/2026	$0.00	1,214,781
25/02/2022	25/02/2027	$0.00	759,775
			6,952,678

1 Included in these options were options granted as remuneration to the five highest remunerated officers during the year. Details of options granted to these remunerated officers who are also key management personnel are disclosed in section 20E of the Remuneration Report. There are no Officers in the Company who are not also identified as key management personnel. The Company's CEO has not received any options in current or prior periods.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

10. Shares issued on the exercise of options

During the financial year or since the end of the year up to the date of this report the following shares were issued following exercise of previously issued share options:

Option Grant Date	Number of shares issued	Exercise price paid, $
8/09/2015	66,666	40,666
9/02/2017	540,000	318,600
8/06/2018	16,668	9,501
31/10/2017	430,000	331,100
15/03/2018	135,000	90,450
13/09/2018	646,838	394,571
14/12/2018	104,001	60,321
15/03/2019	525,000	304,500
07/06/2019	100,000	60,000
14/09/2020	49,999	57,499

DIRECTORS' REPORT

11. Indemnity and Insurance of Officers

The Company has indemnified the Directors and Officers of the Company for costs incurred, in their capacity as a Director or Officer, for which they may be personally liable, except where there is a lack of good faith.

During the financial year, the Company paid insurance premiums to insure the Directors and Officers of the Company against certain risks associated with their activities as Officers of the Company. The terms of that policy prohibit disclosure of the nature of liability covered, the limit of such liability and the premium paid.

12. Environmental Legislation

RPMGlobal Holdings Limited and its controlled entities are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

13. Non-audit Services

Details of the amounts paid or payable to the auditor (BDO Audit Pty Ltd) for audit and non-audit services during the year are disclosed in note 18.

The board of directors, in accordance with advice provided by the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

14. Indemnity of Auditors

The Company has agreed to indemnify and hold harmless its auditors, BDO Audit Pty Ltd, against any and all losses, claims, costs, expenses, actions, demands, damages, liabilities or any other proceedings whatsoever incurred by the auditors in respect of any claim by a third party arising from or connected to any breach by the Company.

15. Auditor's Independence Declaration

In accordance with Section 307C of the Corporations Act 2001, a copy of the auditor's independence declaration is enclosed on pages 24 and 25.

16. Legal Proceedings on Behalf of the Group

No person has applied for leave of the Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

17. Significant Changes in the State of Affairs

There was no matter or circumstance during the financial year that has significantly affected the state of affairs of the Group not otherwise disclosed.

18. Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since 30 June 2022 that have significantly affected the Group's operations, results or state of affairs, or may do so in future years.

19. Rounding of Amounts

The Company is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest $1,000, or in certain cases, the nearest dollar.

20. Remuneration Report - Audited

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration;

B. Service agreements;

C. Details of remuneration;

D. Bonus and share-based compensation benefits;

E. Equity instruments held by key management personnel; and

F. Other transactions with key management personnel.

20A. Principles Used to Determine the Nature and Amount of Remuneration

Remuneration and compensation have the same meaning in this report.

This report discusses the Group's policies in regard to compensation of key management personnel (KMP). The identified KMP have authority and responsibility for planning, directing and controlling the activities of the Group.

In addition to the Directors, the Company assessed the Chief Financial Officer and Group General Counsel & Company Secretary as having authority and responsibility for planning, directing and controlling all activities of the Group, directly or indirectly.

The Board has established a HR and Remuneration Committee to assist with fair and responsible remuneration and incentive policies enabling the Group to attract and retain KMP and Directors who will create value for shareholders and support the Group's mission. The HR and Remuneration Committee obtains independent advice if required on the appropriateness of compensation packages given trends in comparative companies. In the 2022 financial year the Committee did not use a remuneration consultant. The Group's Corporate Governance Statement provides further information on the role of this Committee. The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic, operational objectives and achieve the broader outcome of creation of value for shareholders.

Executive Director and other Key Management Personnel

The compensation structures take into account:

- The capability and experience of the KMP;
- Their ability to control the relevant segment's performance;
- The segment or Group earnings; and
- the connection of remuneration policies to deliver an increase in the company's share price and therefore financial return to shareholders.

20. Remuneration Report - Audited (Continued)

20A. Principles Used to Determine the Nature and Amount of Remuneration (Continued)

Compensation packages include a mix of fixed, short-term and long-term performance-based incentives. In addition to their salaries, the Group also provides non-cash benefits to its KMP and contributes to a defined contribution superannuation plan (or equivalent pension plan) on their behalf.

Fixed Compensation

Fixed compensation is calculated on a total cost basis and includes salary, allowances, non-cash benefits, employer contributions to superannuation funds and any fringe benefits tax charges related to employee benefits, including motor vehicles parking provided.

Compensation levels are reviewed using an individual approach, based on evaluation of the individual, and a comparison to the market. A KMP's compensation is also reviewed on promotion.

Performance Linked Compensation

Performance linked compensation includes both short-term and long-term incentives and is designed to reward each KMP for meeting and exceeding their Key Performance Objectives (KPOs). The Short-Term Incentive (STI) is an 'at risk' incentive provided in the form of cash, while the Long-Term Incentive (LTI) is provided as options over ordinary shares of the Company under the rules of the Employee Share Option Plan (ESOP) (see note 23 to the financial statements). The current long-term performance incentive structure was first implemented in the 2013 year and was most recently approved by shareholders at the 15 October 2019 Annual General Meeting.

The table below sets out the performance-based compensation paid to KMP together with earnings for the same period. Performance based compensation consists of STI cash bonus and LTI share-based payments.

	Performance based compensation					
Year ended 30 June	**STI $'000**	**LTI $'000**	**Total $'000**	**TCV[1] $m**	**EPS cents**	**Share price $**
2018	-	46	46	16.1	0.11	0.62
2019	217	119	336	22.4	(2.7)	0.59
2020	867	68	935	41.4	(0.3)	1.05
2021	867	55	922	52.9	(2.4)	1.78
2022	**1,022**	**108**	**1,130**	**55.9**	**(1.8)**	**1.65**

[1] *Total Contract Value of software sold (non-IFRS disclosure)*

Short-term Incentive

Effective 1 July 2012, the Group implemented a variable pay structure, referred to as the Executive Incentive Plan (EIP). Each of the identified KMP has a portion of their remuneration linked to the EIP. The key objective of the EIP is to create clear alignment between individual and business performance and remuneration by providing a performance-based reward to participants in line with their relative contribution to the Group. The EIP achieves the alignment by focusing participants on achieving goals which contribute to sustainable shareholder value and providing a clear link between performance and the Group financial result.

During the 2018 financial year the business began transitioning from selling once-off perpetual software licenses to offering subscription licenses. In 2020 as a reflection of the strategic importance of growing subscription revenue, the Board introduced a software sales Total Contracted Value (TCV) target as a part of the EIP.

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20A. Principles Used to Determine the Nature and Amount of Remuneration (Continued)

Until January 2022, there was a clear correlation between the growth in TCV from software subscription sales and the increase in shareholder value through the positive movement in the company's share price. Because of this, the Board's logic when setting the full year 2022 management targets was if management could continue to grow the company's total revenue and software TCV (which delivers committed revenue to the company over future years), then there should be a corresponding increase in the company's share price and therefore financial return to shareholders as had been shown to occur in prior years.

Unfortunately, the Group's impressive revenue growth in 2022 did not deliver a corresponding increase in the company's share price over the same period, as it had in the previous two financial years. In January 2022, the Australian technology sector began to trade down, broadly in line with the global technology sector. This was driven by factors not controlled by management, including global inflation, together with a swift and significant increase in interest rates and the implied cost of equity capital. RPM was not immune to this trend.

In a year which started with worldwide COVID infections accelerating and vaccinations only just becoming readily available the 20% increase in total revenue and 13% increase in software subscription TCV growth year-on-year resulted in the EIP targets being achieved and therefore 100% of the EIP was awarded.

Cash bonuses are paid, provided for or forfeited in the year to which they relate.

The Board assessed performance of the KMP for the 2022 Financial Year as shown in the table below:

	Fixed Compensation	Variable Compensation	STI awarded	STI forfeited
R Mathews	50%	50%	100%	-
M Kochanowski	74%	26%	100%	-
J O'Neill	74%	26%	100%	-

Long-term Incentive

Options were issued in the 2015, 2016, 2017, 2018, 2019, 2021 and 2022 financial years under the Company's Employee Share Option Plan (ESOP) to KMP's at the discretion of the Board. Consistent with the current ESOP plan terms last approved by shareholders at the Company's 2019 Annual General Meeting, the rules of the ESOP Plan enable the Board to determine the applicable vesting criteria and to set a timetable for vesting of options in the Offer Document, including vesting in tranches over a defined period.

The Board has the discretion on whether or not to set performance hurdles for vesting or to link vesting solely to a defined service period in order to drive key staff retention and reward longevity of service. The options issued between November 2013 to September 2020 vest in tranches over a three-year period from the date of grant, have vesting conditions solely linked to the holder maintaining employment with the Group over that period and are issued at an exercise price based on the volume weighted average price of the Company's shares in the five days prior to each grant.

The options issued from November 2020 are zero exercise price options that vest in one single tranche three years from the grant date, with vesting conditions linked to the holder maintaining employment with the Group over that period and Total Shareholder Return on the company's shares overperforming the ASX 300 accumulated index (AXKOA).

The Board has a Margin Loan policy that restricts Directors and Executives of the Group from entering into financial contracts secured by shares and other securities of the Company. This policy requires the approval of the Chairman of the Board for any financial arrangements or facilities related to Company shares held by the Directors and Executives.

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20B. Service Agreements

Non-executive Directors

Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed periodically by the Board and are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The pool currently stands at $500,000, unchanged since it was approved in the 2009 Annual General Meeting.

Non-executive Directors' base remuneration was last reviewed with effect from 1 July 2018. Both the Chairman's and Non-executive Directors' remuneration is inclusive of committee fees. Details of contracts with the current Directors and KMP of the Group that received remuneration during the 2022 financial year are set out below.

	Terms of agreement	Base salary including superannuation (where applicable)	Termination benefit [1]	Notice Period
S Baldwin	Unlimited in term	$100,000	Nil	Nil
A Jenkins	Unlimited in term	$80,000	Nil	Nil
P Scurrah	Unlimited in term	$80,000	Nil	Nil
R Walker	Unlimited in term	$80,000	Nil	Nil
R Mathews	Unlimited in term	$780,000	6 months	6 months
M Kochanowski	Unlimited in term	$368,500	3 months	3 months
J O'Neill	Unlimited in term	$390,500	3 months	3 months

[1] *Termination benefit includes notice period at Base salary rate including superannuation plus statutory entitlements*

20C. Details of Remuneration

The KMP's are also entitled to receive upon termination of employment their statutory entitlements of accrued annual and long service leave (where applicable), together with any superannuation benefits (where applicable). Compensation levels are reviewed each year to meet the principles of the remuneration policy.

For the 2022 financial year, the Directors and Key Management Personnel were:

Directors

Executive Directors

Richard Mathews – CEO and Managing Director

Non-executive Directors

Stephen Baldwin – Chairman

Angeleen Jenkins – Non-executive Director (appointed 1 July 2021)

Paul Scurrah – Non-executive Director

Ross Walker –Non-executive Director

In addition to executive Directors mentioned above, the following persons were assessed by the Company as the executives who had the greatest authority and responsibility for planning, directing and controlling all activities of the Group, directly or indirectly, during the 2022 financial year:

20. Remuneration Report - Audited (Continued)

20C. Details of Remuneration (Continued)

Other Key Management Personnel

Name	Position
Michael Kochanowski	Chief Financial Officer
James O'Neill	Group General Counsel and Company Secretary

Details of remuneration of each Director of RPMGlobal Holdings Limited and each of the other KMP's of the Group are set out in the following tables.

	Short-term benefits				Post - employ ment benefits	Share-based payment (options)	Total	Proportion of remun-eration perform-ance related	Value of options as propor-tion of remun-eration
	Cash salary and fees	Movement in leave entitle-ments	STI cash bonus	Non – monetary benefits [1]					
2022	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
Directors									
S Baldwin	100,000	-	-	-	-	-	100,000	-	-
A Jenkins[2]	72,727	-	-	-	7,273	-	80,000	-	-
P Scurrah	80,000	-	-	-	-	-	80,000	-	-
R Walker	80,000	-	-	-	-	-	80,000	-	-
R Mathews	757,132	14,226	780,000	9,455	22,868	-	1,583,682	49%	-
	1,089,859	14,226	780,000	9,455	30,141	-	1,923,681	41%	-
Other Key Management Personnel									
M Kochanowski	341,000	12,836	117,250	9,455	27,500	53,665	561,706	30%	10%
J O'Neill	362,167	20,236	124,250	9,455	28,333	54,544	598,985	30%	9%
	703,167	33,072	241,500	18,910	55,833	108,209	1,160,691	30%	9%
Total	**1,793,026**	**47,298**	**1,021,500**	**28,365**	**85,974**	**108,209**	**3,084,372**	37%	4%

[1] Includes car park [2] Appointed effective 1 July 2021

	Short-term benefits				Post - employ ment benefits	Share-based payment (options)	Total	Proportion of remun-eration perform-ance related	Value of options as propor-tion of remun-eration
	Cash salary and fees	Movement in leave entitle-ments	STI cash bonus	Non – monetary benefits [1]					
2021	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
Directors									
S Baldwin[2]	86,667	-	-	-	-	-	86,667		-
P Scurrah[3]	40,000	-	-	-	-	-	40,000		-
R Walker	93,333	-	-	-	-	-	93,333		-
R Mathews	644,000	28,140	650,000	9,122	6,000	-	1,337,262	49%	-
	864,000	28,140	650,000	9,122	6,000	-	1,557,262	42%	-
Other Key Management Personnel									
M Kochanowski	313,825	12,744	108,500	9,122	25,625	27,310	497,126	27%	5%
J O'Neill	314,450	7,133	108,500	9,122	25,000	27,310	491,515	28%	6%
	628,275	19,877	217,000	18,244	50,625	54,620	988,641	27%	6%
Total	**1,492,275**	**48,017**	**867,000**	**27,366**	**56,625**	**54,620**	**2,545,903**	**36%**	**2%**

[1] Includes car park [2] Stephen Baldwin was appointed effective 1 July 2020. [3] Paul Scurrah was appointed effective 1 January 2021.

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20D. Bonuses and Share-based Compensation Benefits

All options refer to options over ordinary shares of RPMGlobal Holdings Limited, which are exercised on a one-for-one basis under the ESOP Plan.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, based on an estimate of the number of options likely to vest, and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Trinominal Lattice model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. For zero exercise price options, the Monte Carlo simulation run by the model takes into account multiple scenarios for the exercising of the options. Details of options over ordinary shares in the Company provided as remuneration to each Director and each of the KMP and the Group are set out below. When exercisable, each option is convertible into one ordinary share of RPMGlobal Holdings Limited.

Options granted under the ESOP plan carry no dividend or voting rights until the options vest, are exercised and converted to ordinary shares whereupon those ordinary shares carry dividend and voting rights consistent with all other ordinary shares of the Company.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above.

	Number of options granted during the year	Number of options vested during the year
S Baldwin	-	-
A Jenkins	-	-
P Scurrah	-	-
R Walker	-	-
R Mathews	-	-
M Kochanowski	52,635	100,001
J O'Neill	55,778	100,001

Details of options over ordinary shares in the Company provided as remuneration to key management personnel are shown in the table on the following page. The vesting conditions are set out in Section 20A. The table also shows the percentages of the options granted that vested and were forfeited during the year.

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20D. Bonuses and Share-based Compensation Benefits (Continued)

The terms and conditions of each grant of options affecting remuneration of a KMP in the current or a future reporting period are as follows:

Grant date	Vesting and exercise date	Expiry date	Exercise Price, $	Value per option at grant date
09/02/2017	09/02/2018	09/02/2022	0.59	$0.17
09/02/2017	09/02/2019	09/02/2022	0.59	$0.21
09/02/2017	09/02/2020	09/02/2022	0.59	$0.23
26/10/2017	26/10/2018	26/10/2022	0.77	$0.19
26/10/2017	26/10/2019	26/10/2022	0.77	$0.23
26/10/2017	26/10/2020	26/10/2022	0.77	$0.26
13/09/2018	13/09/2019	13/09/2023	0.61	$0.17
13/09/2018	13/09/2020	13/09/2023	0.61	$0.20
13/09/2018	13/09/2021	13/09/2023	0.61	$0.23
14/12/2018	14/12/2019	14/12/2023	0.58	$0.14
14/12/2018	14/12/2020	14/12/2023	0.58	$0.17
14/12/2018	14/12/2021	14/12/2023	0.58	$0.19
12/11/2020	12/11/2023	12/11/2025	-	$0.70
23/03/2021	23/03/2024	23/03/2026	-	$0.80

	Year (FY) of grant	Years in which option may vest	Number of options granted	Value of option at grant date [1]	Number of options vested during the year	Vested %	Number of options forfeited during the year	Value at date of forfeiture [2]	Forfeited %
S Baldwin	-	-	-	-	-	-	-	-	-
A Jenkins	-	-	-	-	-	-	-	-	-
P Scurrah	-	-	-	-	-	-	-	-	-
R Walker	-	-	-	-	-	-	-	-	-
R Mathews	-	-	-	-	-	-	-	-	-
	2019	2020-2022	300,000	$0.14 – $0.23	100,001	33%	-	-	-
M Kochanowski	2021	2024	164,235	$0.70 – $0.80	-	-	-	-	-
	2022	2025	52,635	$1.19	-	-	-	-	-
	2019	2020-2022	300,000	$0.14 – $0.23	100,001	33%	-	-	-
J O'Neill	2021	2024	164,235	$0.70-$0.80	-	-	-	-	-
	2022	2025	55,778	$1.19	-	-	-	-	-

[1] The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration

[2] The value of the options that were granted as part of remuneration and that were forfeited (lapsed) during the year because a vesting condition was not satisfied was determined at the time of lapsing, but assuming the condition was satisfied.

DIRECTORS' REPORT

20. Remuneration Report - Audited (Continued)

20E. Equity Instruments held by Key Management Personnel

No shares were granted as compensation in 2022 (2021: nil). The number of shares and options over shares in the Company held during the financial year by each Director of RPMGlobal Holdings Limited and each of the other key management personnel of the Group, including their personally-related entities, is set out below:

(i) Options

Name	Balance at start of year	Granted as compensation	Exercised	Balance at the end of the year	Vested and exercisable	Average Value at exercise date
S Baldwin	-	-	-	-	-	-
A Jenkins	-	-	-	-	-	-
P Scurrah	-	-	-	-	-	-
R Walker	-	-	-	-	-	-
R Mathews	-	-	-	-	-	-
M Kochanowski	264,236	52,635	(100,001)	216,870	-	$1.26
J O'Neill	264,236	55,778	(83,334)	236,682	-	$1.39

(ii) Ordinary Shares

	Balance at start of year	Exercise of Options	Sold During the year	Acquired during the year (on market)	Balance at the end of the year
Directors					
S Baldwin	3,272,987	-	-	-	3,272,987
A Jenkins	-	-	-	25,000	25,000
P Scurrah	26,741	-	-	-	26,741
R Walker	1,000,000	-	-	-	1,000,000
R Mathews[1]	8,220,138	-	-	-	8,220,138
Other key management personnel of the Group					
M Kochanowski	86,667	100,001	-	-	186,668
J O'Neill	55,000	83,334	(123,334)	-	15,000

[1] Includes 175,560 shares held by R Mathews as trustee under a bare trust arrangement for a third party.

20F. Loans and Other Transactions with Key Management Personnel and their related parties

There were no transactions or loans with Key Management Personnel and their related parties during the 2022 financial year.

20G. 2021 Annual General Meeting (AGM)

The Company's 2021 remuneration report was unanimously adopted by show of hands at 2021 AGM. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Remuneration report – End

This report is made in accordance with a resolution of the Directors.

Stephen Baldwin
Chairman
Dated: 29 August 2022

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DECLARATION OF INDEPENDENCE BY C K HENRY TO THE DIRECTORS OF RPMGLOBAL HOLDINGS LIMITED

As lead auditor of RPMGlobal Holdings Limited for the year ended 30 June 2022, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

C K Henry
Director

BDO Audit Pty Ltd

Brisbane, 29 August 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 $'000	2021 $'000
Continuing Operations Revenue from contracts with customers			
Services		38,162	27,741
Licence sales		1,791	5,246
Software maintenance		16,391	17,902
Software subscription		26,230	15,527
Total revenue from contracts with customers		**82,574**	**66,416**
Other income	3	1,534	3,653
Rechargeable expenses		(4,929)	(3,155)
Net Revenue		**79,179**	**66,914**
Expenses			
Amortisation	11	(2,055)	(3,179)
Depreciation	10	(3,808)	(3,709)
Employee benefits expense		(59,331)	(48,398)
Commissions and incentives		(6,120)	(5,324)
Foreign exchange losses		-	(264)
Impairment of receivables		(891)	(243)
Other employee costs		(1,274)	(695)
Office expenses		(2,515)	(2,369)
Professional services		(1,796)	(1,835)
Rent		(448)	(386)
Travel expenses		(1,040)	(266)
Other expenses		(2,387)	(1,923)
Total Expenses		**(81,665)**	**(68,591)**
Loss before finance costs and income tax		**(2,486)**	**(1,677)**
Finance income/(costs)			
Finance income		129	143
Finance costs		(383)	(272)
Fair value adjustments	21(d)	(52)	25
Net finance income/(costs)		**(306)**	**(104)**
Loss before income tax		**(2,792)**	**(1,781)**
Income tax expense	4	(1,823)	(567)
Loss after income tax from continuing operations		**(4,615)**	**(2,348)**
Profit/(Loss) from discontinued operation	28(c)	520	(3,111)
Loss for the period		**(4,095)**	**(5,459)**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

		2022 $'000	2021 $'000
Profit/(Loss)		**(4,095)**	**(5,459)**
Other comprehensive income			
Items that will not be classified subsequently to profit or loss:			
Re-measurements of defined benefit obligations		(84)	(25)
Items that may be classified subsequently to profit or loss:			
Foreign currency translation differences		435	(162)
Other comprehensive income / (loss), net of tax		**351**	**(187)**
Total comprehensive income		**(3,744)**	**(5,646)**
Total comprehensive income for the period attributable to owners of RPM Global Holdings Limited arises from:			
Continuing operations		(4,264)	(2,535)
Discontinued operations		520	(3,111)
		(3,744)	**(5,646)**
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:		**Cents**	**Cents**
Basic earnings per share	22	(2.0)	(1.0)
Diluted earnings per share	22	(2.0)	(1.0)
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	22	(1.8)	(2.4)
Diluted earnings per share	22	(1.8)	(2.4)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	2022 $'000	2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	34,458	44,628
Trade and other receivables	7	20,871	13,814
Contract assets	8	3,999	2,098
Current tax receivable		1,963	1,661
Other assets	9	4,832	3,652
		66,123	**65,853**
Assets classified as held for sale	28(b)	-	2,207
Total current assets		**66,123**	**68,060**
Non-current assets			
Trade and other receivables	7	205	192
Property, plant and equipment	10	3,978	7,154
Deferred tax assets	5	3,281	2,564
Intangible assets	11	29,245	25,671
Other assets	9	3,339	2,988
Total non-current assets		**40,048**	**38,569**
Total assets		**106,171**	**106,629**
LIABILITIES			
Current liabilities			
Trade and other payables	12	12,215	12,875
Provisions	13	6,098	4,953
Current tax liabilities		359	194
Other Liabilities	14	25,564	20,880
		44,236	**38,902**
Liabilities directly associated with assets classified as held for sale	28(b)	-	1,707
Total current liabilities		**44,236**	**40,609**
Non-current liabilities			
Provisions	13	1,066	1,132
Other Liabilities	14	755	3,453
Total non-current liabilities		**1,821**	**4,585**
Total liabilities		**46,057**	**45,194**
Net assets		**60,114**	**61,435**
EQUITY			
Contributed equity	15	100,427	98,574
Reserves	16	(4,712)	(5,704)
Accumulated losses		(35,601)	(31,435)
Total equity		**60,114**	**61,435**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Contributed equity	Reserves	Accumulated losses	Total equity
		$'000	$'000	$'000	$'000
Balance at 1 July 2021		**98,574**	**(5,704)**	**(31,435)**	**61,435**
Loss for the year		-	-	(4,095)	(4,095)
Other comprehensive income/(expense)		-	435	(84)	351
Total comprehensive income		**-**	**435**	**(4,179)**	**(3,744)**
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs	15	1,350	-	-	1,350
Employee share options expensed	16	-	1,073	-	1,073
Employee share options transferred	16	503	(516)	13	-
		1,853	**557**	**13**	**2,423**
Balance at 30 June 2022		**100,427**	**(4,712)**	**(35,601)**	**60,114**
Balance at 1 July 2020		**94,399**	**(5,067)**	**(25,998)**	**63,334**
Loss for the year		-	-	(5,459)	(5,459)
Other comprehensive income/(expense)		-	(162)	(25)	(187)
Total comprehensive income		**-**	**(162)**	**(5,484)**	**(5,646)**
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs	15	3,174	-	-	3,174
Employee share options expensed	16	-	573	-	573
Employee share options transferred	16	1,001	(1,048)	47	-
		4,175	**(475)**	**47**	**3,747**
Balance at 30 June 2021		**98,574**	**(5,704)**	**(31,435)**	**61,435**

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

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		84,064	69,434
Payments to suppliers and employees		(85,608)	(66,856)
Continued operations		(1,544)	2,578
Discontinued operations		712	2,585
Receipts of Covid subsidies		357	4,123
Interest received		129	143
Finance costs		(383)	(272)
Income taxes paid		(2,777)	(1,210)
Net cash (outflow)/inflow from operating activities	20	**(3,506)**	**7,947**
Cash flows from investing activities			
Payments for property, plant and equipment	10	(649)	(863)
Proceeds from sale of property, plant and equipment		-	1
Payment for acquisition of subsidiary, net of cash acquired	2	(3,883)	(2,235)
Payments for contingent consideration	21(d)	(104)	(3)
Proceeds from sale of subsidiaries, net of cash disposed		166	-
Proceeds from sublease		39	-
Payments for intangible assets	11	(518)	-
Net cash outflow from investing activities		**(4,949)**	**(3,100)**
Cash flows from financing activities			
Contributions of equity	15	1,606	3,217
Share buy back	15	(1,408)	-
Transaction costs	15	(45)	(47)
Repayment of lease liabilities		(3,245)	(2,997)
Net cash (outflow) / inflow from financing activities		**(3,092)**	**173**
Net (decease)/ increase in cash and cash equivalents held		(11,547)	5,020
Cash and cash equivalents at the beginning of the financial year		44,804	40,004
Effects of exchange rate changes on cash and cash equivalents		1,201	(220)
Cash and cash equivalents at the end of the financial year	6	**34,458**	**44,804**

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

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

RPMGlobal Holdings Limited is a listed public company, incorporated and domiciled in Australia.

The financial report comprises the consolidated entity ("Group") consisting of RPMGlobal Holdings Limited and its subsidiaries.

The financial report was authorised for issue on 29 August 2022.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001 (Cth).* RPMGlobal Holdings Limited is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of RPMGlobal Holdings Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by RPMGlobal Holdings Limited as at 30 June 2022 and the results of all controlled entities for the year then ended. RPMGlobal Holdings Limited and its controlled entities together are referred to in this financial report as the "consolidated entity" or the "Group".

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(j)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses in the tax jurisdiction in which they arose.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation legislation

RPMGlobal Holdings Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, RPMGlobal Holdings Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, RPMGlobal Holdings Limited also recognises the current tax liabilities or assets and the deferred tax assets arising from the unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable or payable to other entities in the Group. Details about the tax funding agreements are disclosed in note 4.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operational decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

The assets and liabilities of the Group are regularly reviewed on a consolidated basis but are not regularly reported to the chief operating decision maker at a segment level. As such this information has not been included in the Operating Segment note 26.

(e) Foreign Currency Translation

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is RPMGlobal Holdings Limited's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are initially translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities whose changes in the fair value are presented in other comprehensive income are recognised in other comprehensive income.

iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities on consolidation are translated at the closing rate at the reporting date;
- income and expenses are translated at the exchange rates prevailing at the dates of the transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

In disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(f) Revenue Recognition

i) Licence Sales

Revenue from the sale of perpetual licences is recognised at a point in time when the customer gains access and thus control of the software and where the licences are considered distinct from other services provided to the customer.

ii) Software subscription

Revenue from the sale of term (subscription) licences are recognised over time on a straight-line basis over the subscription term.

iii) Consulting

Revenue from the provision of consulting services is recognised typically over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for its performance completed to date.

iv) Software maintenance

Revenue for software maintenance is recognised over time on a straight line basis over the service period as performance obligations require the Group to respond to requests made by customers to provide technical product support and unspecified updates, upgrades and enhancements on a when-available and if-available basis.

v) Laboratory testing revenue

Revenue from sample testing is recognised at a point in time when the laboratory completes testing, and the customer receives testing results for their samples.

vi) Customer contract with multiple performance obligations

The Group frequently enters into multiple contracts with the same customer and where that occurs the Group treats those arrangements as one contract if the contracts are entered into at or near the same time and are commercially interrelated. The Group does not consider contracts closed more than three months apart as a single contract.

The Group's subscription contracts are combining an obligation to receive a licence, software support services and other services obligations. The provision of services and sale of licences is treated as a single performance obligation and recognised over time on a straight-line basis over the subscription term.

In all other cases, the total transaction price for a customer contract is allocated amongst the distinct performance obligations based on their relative stand-alone selling prices. Where the stand-alone prices are highly variable the Group applies a residual approach.

vii) Incremental Costs of obtaining Customer Contracts

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained, such as commissions or third party software costs.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

1. Summary of Significant Accounting Policies (Continued)

(f) Revenue Recognition (Continued)

The Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

viii) Trade Receivables and Contract Assets

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ix) Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

x) Financing components

The Group does not recognise adjustments to transition prices or Contract balances where the period between the transfer of promised goods or services to the customer and payment by customer does not exceed one year.

xi) Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(g) Investments and Other Financial Assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(g) Investments and Other Financial Assets (Continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(h) Cash and Cash Equivalents

For statement of cashflows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

(i) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable

• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

• amounts expected to be payable by the group under residual value guarantees

• the exercise price of a purchase option if the group is reasonably certain to exercise that option, and

• payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

• where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

• uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and

• makes adjustments specific to the lease, e.g., term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(i) Leases (Continued)

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. While the group re-values its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

Payments associated with short-term leases of equipment and vehicles and all 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 without extension options. Low-value assets comprise IT equipment and small items of office furniture.

(j) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group.

The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(k) Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(l) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over its estimated useful life to the consolidated entity, or in case of lease hold improvements, the shorter lease term. Estimates of remaining useful lives are made on a regular basis for all assets.

The estimated useful lives for plant and equipment ranges between 2 and 20 years. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets. These are included in profit or loss.

(m) Intangible Assets

i) Software developed or acquired for sales and licensing

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new areas of products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs and acquired software are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which varies from three to five years.

ii) Software – internal management systems

Software licences used in internal management systems, whether acquired or internally developed are stated at cost less amortisation. They are amortised on a straight-line basis over the useful life from 2.5 to 5 years.

iii) Patents and trademarks

Costs associated with patents and trademarks are expensed as incurred.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(m) Intangible Assets (Continued)

iv) Customer Contracts and Relationships

The net assets acquired as a result of a business combination may include intangible assets other than goodwill. Any such intangible assets are amortised in a straight line over their expected future lives. The estimated useful lives of customer contracts is 5 years.

v) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/business at the date of acquisition. Goodwill on acquisition is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from business combination in which goodwill arose, identified according to operating segments or components of operating assets (note 26).

(n) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(p) Employee Benefits

i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and long service leave is recognised in the provision for employee benefits.

Other long-term employee benefit obligations

The liability for long service leave and other benefits which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on commercial bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(p) Employee Benefits (Continued)

The obligations are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

ii) Incentives

The Group recognises a liability and an expense for incentives based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for incentive plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

iii) Superannuation

The Group has a defined contribution superannuation plan for its eligible employees. Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv) Share-based payments

Share-based compensation benefits are provided to employees via the RPMGlobal Holdings Limited employee share option plan (ESOP) and an employee share purchase plan. Information relating to these schemes is set out in note 23.

The fair value of options granted under the ESOP is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions, but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(q) Value Added Taxes (Including Goods and Services Tax)

Revenues, expenses and assets are recognised net of the amount of Value Added Tax (VAT), except where the amount of VAT is not recoverable from the relevant tax authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of the item as expense.

Receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the relevant tax authority is included as a current asset or liability in the consolidated statement of financial position. Cash flows are presented on a gross basis. The VAT components of the cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authority are classified as operating cash flows.

(r) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(s) Earnings per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

ii) Diluted earnings per share

Dilutive earnings per share adjusts the figures used in determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the loss allowance and the amount initially recognised less cumulative amortisation, where appropriate.

(u) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest $1,000, or in certain cases, the nearest dollar.

(v) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(w) Critical Accounting Estimates and Significant Judgments

The preparation of the financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes in the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial report such as:

- intangible assets, including goodwill (note 11);
- impairment of receivables (note 7, 21(a),note 1(g) and note 1(f) (viii)));
- deferred tax assets (note 5); and
- revenue recognition (note 1(f)).

NOTES ON THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

(w) Critical Accounting Estimates and Significant Judgments (Continued)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparation of the financial report are reasonable.

(x) Parent Entity Financial Information

The financial information for the parent entity, RPMGlobal Holdings Limited, disclosed in note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below:

(i) Investments in subsidiaries

Investment in subsidiaries are accounted for at cost in the financial statements of RPMGlobal Holdings Limited.

(y) New Accounting Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not yet mandatory for 30 June 2022 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity has assessed the impact of these new standards and interpretations and does not expect that there would be a material impact on the Consolidated Entity in the current or future reporting periods and on foreseeable future transactions.

(z) New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year. Amendments and interpretations were applied for the first time during the year included AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions [AASB 16).

Early adoption of standards

The Consolidated Entity has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

NOTES ON THE FINANCIAL STATEMENTS

2. Business Combinations

(a) Summary of acquisition

On 1 July 2021, the Group acquired 100% of the issued share capital of Nitro Solutions Pty Ltd (Nitro) located in Brisbane, to establish an ESG division in its Advisory division.

On 30 September 2021, the Group acquired 100% pf the issued share capital of Blueprint Environmental Strategies Pty Ltd (Blueprint), an ESG company located in Perth to increase the size of its Advisory division.

The net assets at the date of acquisition were as follows:

	Nitro $'000	Blueprint $'000	Total Fair Value $'000
Cash and cash equivalents	148	495	643
Trade receivables and other assets	320	353	673
Contract and other assets	155	3	158
Property, plant and equipment	250	7	257
Trade payables and other liabilities	(452)	(335)	(787)
Current tax liabilities	(56)	(47)	(103)
Provisions	(69)	(83)	(152)
Net identifiable assets and liabilities acquired	296	393	689
Intangibles on acquisition	1,915	3,119	5,034
Total consideration	**2,211**	**3,512**	**5,723**
Shares issued	166	1,031	1,197
Paid in cash	2,045	2,481	4,526
Cash acquired	(148)	(495)	(643)
Net Cash outflow	**1,897**	**1,986**	**3,883**

The fair value of 626,119 shares issued as part of consideration paid for Nitro and Blueprint were based on the closing price of $1.667 on 1 July 2021 and $1.945 on 30 September 2021.

Acquisition related costs of $106,000 were included in other expenses and in operating cash flows and included brought forward loss on the sublease of Nitro's office.

(b) Revenue and profit contribution

The acquired businesses contributed revenues of $3,069,000 for the Group. As all employees were transferred to the Group's various business units it is impractical to determine the profit contributed by these businesses during the financial year.

If the acquisitions had occurred on 1 July 2021, consolidated pro-forma revenue for the year, and loss for the year ended 30 June 2022, would have been $83,276,000 and $3,982,000 respectively. These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the Group and the subsidiary and tax rates applicable to the Group.

NOTES ON THE FINANCIAL STATEMENTS

3. Other income

	2022 $'000	2021 $'000
Foreign exchange gains	533	-
Government Covid-19 subsidies	1,001	3,653
Other revenue	**1,534**	**3,653**

Government subsidies relating mostly to the US Paycheck Protection Program of $999,000 (2021: Australian JobKeeper $3,653,000) are included within the 'other income' line of the Consolidated Statement of Comprehensive Income. There are no unfulfilled conditions or other contingencies attached to these grants.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4. Tax Expense

RPMGlobal Holdings Limited and its wholly-owned Australian controlled entities implemented the tax consolidation regime. Under the tax consolidation legislation, the entities in the tax consolidated Group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liabilities of the wholly-owned entities in the case of a default by the head entity, RPMGlobal Holdings Limited. The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate RPMGlobal Holdings Limited for any current tax payable assumed and are compensated for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to RPMGlobal Holdings Limited under the tax consolidated legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

Tax Recognised in profit or loss	2022 $'000	2021 $'000
Current tax	(831)	(874)
Deferred tax	728	(16)
Adjustments to prior periods	(1,720)	225
Income Tax expense	**(1,823)**	**(665)**
Income tax benefit/(expense) is attributable to:		
Loss from continuing operations	(1,823)	(567)
Profit/(Loss) from discontinued operation	-	(98)
	(1,823)	(665)

NOTES ON THE FINANCIAL STATEMENTS

4. Tax Expense (continued)

Numerical reconciliation of income tax expense to prima facie tax	2022 $'000	2021 $'000
Loss from continuing operations before income tax expense	(2,792)	(1,781)
Profit/(Loss) from discontinued operation before income tax expense	520	(3,013)
Profit/(Loss) before income tax	**(2,272)**	**(4,794)**
Tax at the Australian tax rate of 30% (2020: 30%)	682	1,438
Tax effect of amounts which are not taxable/(deductible):		
Non-deductible expense/non-assessable income	(654)	159
Unutilised foreign tax credits	(1,286)	(159)
Derecognised deferred tax assets	-	-
Unrecognised deferred tax assets	(259)	(2,556)
	(1,517)	(1,118)
Difference in overseas tax rates	277	258
Foreign Exchange movements	51	(30)
Over/(under) provision in prior years	(634)	225
Income tax expense	**(1,823)**	**(665)**

5. Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:		
Provision for impairment of receivables	193	409
Employee benefits provision	4,084	3,235
Lease liabilities	644	1,229
Contract liability	823	749
Accrued expenses	39	47
Share capital raising costs	50	58
Intangibles	(252)	(591)
Contract asset	(112)	(35)
Property, plant and equipment	(633)	(1,210)
Prepayments	(1,218)	(908)
Unrealised foreign exchange	(337)	(419)
Deferred tax assets	3,281	2,564
Deferred tax liabilities	-	-
Net Deferred tax assets	**3,281**	**2,564**

NOTES ON THE FINANCIAL STATEMENTS

5. Deferred Tax Assets and Liabilities (continued)

The group has not recognised deferred tax assets for a portion of tax losses in the parent entity and its subsidiaries located in China, Russia, Chile, Brazil, and USA because it is not probable that sufficient future taxable profit will be available. Capital losses do not expire; however, it is not probable that the Group would generate capital gains to utilise the benefit. Deductible temporary differences in subsidiaries located in China, Russia, Chile, Brazil, Kazakhstan, Turkey and USA have not been recognised because it is not probable that sufficient future taxable profit will be available.

Movements	**2022 $'000**	**2021 $'000**
Balance at 1 July	2,564	2,693
Recognised in profit or loss	728	(16)
Recognised in other comprehensive income	(21)	50
Recognised in equity	19	18
Classified as asset held for sale/Derecognised on sale		(137)
Over/(under) provision in prior years	(9)	(44)
Balance at 30 June	**3,281**	**2,564**
Unrecognised deferred tax assets		
Foreign tax credits	-	645
Tax losses	15,331	14,636
Capital losses	2,489	493
Deductible temporary differences	3,892	4,135
Unrecognised deferred tax assets	**21,712**	**19,909**
Unrecognised gross temporary differences	73,975	68,972

Significant Estimates – Deferred Tax Assets

The recognition of the deferred tax asset of $3,281,000 is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences. At each reporting period, the recoverability of the net deferred tax assets will be reassessed. This may lead to the recognition of this unrecognised tax benefit in future reporting periods or the derecognition of deferred tax assets that are currently recognised on the consolidated statement of financial position.

6. Cash and Cash Equivalents

Cash at bank	25,807	27,767
Short-term bank deposits	8,651	16,861
	34,458	**44,628**

(i) Reconciliation to the statement of cash flows

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Balance as above	34,458	44,628
Cash at bank shown in assets held for sale	-	176
	34,458	**44,804**

NOTES ON THE FINANCIAL STATEMENTS

7. Trade and Other Receivables

Current	2022 $'000	2021 $'000
Trade receivables	22,382	14,857
Allowance for expected credit loss	(1,520)	(1,052)
	20,862	**13,805**
Other receivables	9	9
	20,871	**13,814**
Non-current		
Other receivables and deposits	205	192
	205	**192**

8. Contract assets

Contract assets - Services	2,910	2,431
Contract assets – Software licences	1,117	-
Allowance for expected credit loss	(28)	(333)
Contract assets	**3,999**	**2,098**

Contract assets from services have increased in line with services revenue growth as the group has provided more services ahead of the agreed payment schedules for fixed-price contracts, see note 1(f). The group also recognised $1.1m contract assets in relation to the subscription licences issued ahead of the agreed payment schedule. The group also recognised a loss allowance for contract assets in accordance with AASB 9, see note 1(g) and 21(a) for further information.

9. Other Assets

Current		
Inventory	305	305
Incremental costs of obtaining a contract	1,749	1,380
Investment – Subleases	48	-
Prepayments	2,730	1,967
	4,832	**3,652**
Non-current		
Investment – Subleases	70	-
Incremental costs of obtaining a contract	3,269	2,988
	3,339	**2,988**

Incremental costs of obtaining a contract

The group recognised an asset in relation to sales commissions and 3rd party royalty costs. The asset is amortised on a straight-line basis over the term of the specific subscription contract it relates to which ranges between 1 and 5 years, consistent with the pattern of recognition of the associated revenue.

NOTES ON THE FINANCIAL STATEMENTS

10. Property, Plant and Equipment

	2022 $'000	2021 $'000
Plant and equipment - at cost	7,473	6,795
Less: accumulated depreciation	(6,093)	(5,199)
	1,380	**1,596**
Leased building at cost - Right-of-use asset	9,596	9,662
Less: accumulated depreciation	(6,998)	(4,104)
	2,598	**5,558**
	3,978	**7,154**
Plant and equipment - Balance at 1 July	1,596	2,049
Exchange differences	3	18
Additions	649	863
Assets classified as held for sale, depreciation and impairment	-	(532)
Depreciation	(868)	(802)
Balance at 30 June	**1,380**	**1,596**
Right-of-use asset - Balance at 1 July	5,558	4,424
Exchange differences	35	(22)
Additions	255	5,320
Business combinations	256	-
Assets classified as held for sale, depreciation of discontinued operation	(329)	(1,257)
Sublease	(237)	-
Depreciation	(2,940)	(2,907)
Balance at 30 June	**2,598**	**5,558**

11. Intangible Assets

Software developed and acquired for sale and licensing – at cost	18,786	18,286
Less: accumulated amortisation	(16,305)	(14,278)
	2,481	4,008
Software internal management systems – at cost	4,990	4,878
Less: accumulated amortisation	(4,881)	(4,851)
	109	27
Customer contracts and relationships – at cost	333	333
Less: accumulated amortisation	(324)	(309)
	9	24
Goodwill – at cost	37,155	36,872
Less: impairment losses	(10,509)	(15,260)
	26,646	21,612
	29,245	**25,671**

NOTES ON THE FINANCIAL STATEMENTS

11. Intangible Assets (Continued)

	Customer relationships	Software For Sales to Customers [1]	Software For Internal Use	Goodwill	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2021	**24**	**4,008**	**27**	**21,612**	**25,671**
Additions	-	402	116	-	518
Exchange differences	-	74	3	-	77
Business combinations	-	-	-	5,034	5,034
Amortisation	(15)	(2,003)	(37)	-	(2,055)
Balance at 30 June 2022	**9**	**2,481**	**109**	**26,646**	**29,245**
Balance at 1 July 2020	**91**	**4,682**	**70**	**26,533**	**31,376**
Additions	-	2,325	-	-	2,325
Exchange differences	-	67	4	-	71
Impairment - discontinued operations	-	-	-	(4,921)	(4,921)
Amortisation	(67)	(3,066)	(47)	-	(3,180)
Balance at 30 June 2021	**24**	**4,008**	**27**	**21,612**	**25,671**

[1] Software also includes capitalised development costs.

(a) Impairment Tests for Goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) according to business unit. A segment level summary of the goodwill is presented below.

	2022	2021
	$'000	$'000
Software Division	21,612	21,612
Advisory Division	5,034	-
	26,646	**21,612**

(b) Key assumptions used for value-in-use calculations

In the current and prior years, the recoverable amount of the Software and Advisory CGU has been determined by value-in-use calculations. These calculations were based on the following key assumptions:

	Margin[1]		Growth Rate[2]		Discount Rate[3]	
	2022	2021	2022	2021	2022	2021
Software Division	61%	53%	5.0%	2.5%	14.1%	12.6%
Advisory	20%	-	2.5%	-	17.5%	-

[1] Budgeted gross margin
[2] Weighted average growth rate used to extrapolate cash flows beyond the budget period
[3] In performing the value-in-use calculations for each CGU, the group has applied both pre-tax and post-tax discount rates to discount the forecast future attributable pre-tax and post-tax cash flows. The pre-tax discount rates are disclosed above

These assumptions have been used for the analysis of each CGU. Cash flows were projected based on financial budgets and management projections over a five-year period including current and projected COVID-19 economic conditions. Management determined budgeted gross margin based on past performance and its expectations for the future. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant segments.

NOTES ON THE FINANCIAL STATEMENTS

11. Intangible Assets (Continued)

(c) Impact of possible changes in key assumptions

No reasonable changes to any of the key assumptions indicate impairment for Software Goodwill.

12. Trade and Other Payables

	2022 $'000	2021 $'000
Current		
Trade payables	3,509	3,008
Other payables and accruals	8,706	9,867
	12,215	**12,875**

Trade payables are amounts due to suppliers for goods purchased or services provided in the ordinary course of business. Trade payables are generally due for settlement within 30 days and therefore are all classified as current. Other payables and accruals generally arise from normal transactions within the usual operating activities of the Group and comprise items such as employee taxes, incentives, employee on costs, GST and other recurring items.

13. Provisions

Current		
Annual leave	3,138	2,474
Long service leave	2,960	2,479
Employee benefits	**6,098**	**4,953**
Non-current		
Employee benefits – long service leave	**1,066**	**1,132**

The group also operates defined contribution plans in Australia, Canada and USA which receive fixed contributions from group companies. The group's legal or constructive obligation for these plans is limited to the contributions. The expense recognised in the current period in relation to these contributions was $3,705,000 (2021: $2,935,000).

NOTES ON THE FINANCIAL STATEMENTS

14. Other Liabilities

Current	2022 $'000	2021 $'000
Contract liabilities - software maintenance and licences	18,336	14,542
Contract liabilities - consulting and advisory	4,709	3,466
Contingent consideration – at fair value	143	86
Lease liabilities	2,376	2,786
	25,564	**20,880**
Non-current		
Contract liabilities - software maintenance and licences	-	37
Contingent consideration – at fair value	-	104
Lease liabilities	755	3,312
	755	**3,453**

Contract liabilities consist of unearned income for software maintenance, subscriptions, licences and consulting and advisory services. These liabilities have increased for software subscriptions in line with revenue compared to 2021 as noted in the Consolidated Statement of Comprehensive Income, see note 1(f)(ix).

From the opening contract liability balances of $18,008,000 the group has recognised $17,378,000 in the current reporting period. The group expects to recognise approximately all current contract liabilities in its 2023 revenues.

Additions to right-of-use assets and lease liabilities during the 2022 financial year were $255,000 (2021: 5,320,000), see note 10.

15. Contributed Equity

	2022 Number	2021 Number	2022 $'000	2021 $'000
Share capital				
Ordinary shares - fully paid	231,704,960	229,435,170	100,427	98,574

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a showing of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote. Ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

Options

Information relating to the RPMGlobal Holdings Limited Employee Share Option Plan (ESOP), including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of financial year, is set out in note 23.

NOTES ON THE FINANCIAL STATEMENTS

15. Contributed Equity (Continued)

Capital Risk Management

The Group's objectives when managing capital include safeguarding the ability to continue as a going concern, so they continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group does not have any externally imposed capital requirements.

Consistent with the industry practice, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

As the Group does not have any debt, the gearing ratios at 30 June 2022 and 30 June 2021 were not applicable:

	Notes	2022 $'000	2021 $'000
Total borrowings, trade and other payables		12,121	12,875
Less: cash and cash equivalents	6	(34,458)	(44,628)
Net (cash) / debt		(22,337)	(31,753)
Total equity		60,115	61,435
Total capital		**37,778**	**29,682**

Movements in Share Capital:

Details	Notes	Number of shares	$'000
Opening balance 1 July 2021		229,435,170	98,574
Exercise of options - proceeds received		2,525,171	1,606
Shares issues on business combinations		626,119	1,197
Exercise of options - transferred from share option reserve		-	503
Less: Transaction costs arising on share issues		-	(50)
Shares bought back		(881,500)	(1,408)
Transaction costs arising on share buyback		-	(14)
Deferred tax credit recognised directly in equity		-	19
Balance 30 June 2022		**231,704,960**	**100,427**
Opening balance 1 July 2020		224,238,684	94,399
Exercise of options - proceeds received		5,196,486	3,217
Exercise of options - transferred from share option reserve		-	1,001
Less: Transaction costs arising on share issues		-	(62)
Deferred tax credit recognised directly in equity		-	19
Balance 30 June 2021		**229,435,170**	**98,574**

NOTES ON THE FINANCIAL STATEMENTS

16. Reserves

	2022 $'000	2021 $'000
Share-based payments (i)	1,815	1,259
Foreign currency translation (ii)	(3,391)	(3,827)
Financial assets revaluation reserve (iii)	(1,601)	(1,601)
Revaluation surplus	18	18
Reserve arising from an equity transaction (iv)	(1,553)	(1,553)
	(4,712)	**(5,704)**

Nature and Purpose of Reserves

(i) Share-based payments

The fair value of options issued to employees is recognised as an employment cost during the option vesting period with corresponding increase in equity recognised in this reserve.

(ii) Foreign currency translation

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in accounting policy note 1(e).

(iii) Financial assets revaluation reserve

Changes in the fair value of investments are recognised in equity securities in other comprehensive income. These changes are accumulated in a separate reserve within equity. The Group has a policy on transferring amounts from this reserve to an asset realisation reserve.

(iv) Reserve arising from an equity transaction

Arose from the acquisition of an additional interest in the controlled entity, RPMGlobal Africa (Pty) Ltd.

Movement in Reserves

	Share-based payments		Foreign Currency Translation	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Balance at 1 July	1,259	1,734	(3,827)	(3,665)
Options expensed	1,072	573	-	-
Options exercised reclassified to share capital	(503)	(1,001)	-	-
Options lapsed reclassified to retained losses	(13)	(47)	-	-
Foreign currency translation	-	-	436	(162)
Balance at 30 June	**1,815**	**1,259**	**(3,391)**	**(3,827)**

There were no other movements in reserves in 2022 and 2021.

NOTES ON THE FINANCIAL STATEMENTS

17. Dividends

	Cents per share		Total	
	2022 Cents	2021 Cents	2022 $'000	2021 $'000
Fully paid ordinary shares	-	-	-	-

No dividend was declared in respect of the current financial year (2021: nil). The parent's franking account balance is nil (2021: nil).

18. Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by the auditors of the Group, its related entities, its network firms and unrelated firms.

	2022	2021
Auditors of the Group – BDO and related network firms:	$	$
Audit and review of the financial statements:		
Group	196,628	192,500
Auditors of subsidiaries	74,616	90,365
Total audit and review of the financial statements	**271,244**	**282,865**
Non -audit services		
Taxation and transfer pricing advice	26,854	53,500
Taxation compliance services	11,610	16,749
Total non-audit services	**38,464**	**70,249**
Total services provided by BDO	**309,708**	**353,114**

19. Commitments

Software Subscription payments

The Group sold its software under non-cancellable software subscription agreements expiring within one to five years. The agreements have varying terms and renewal rights. On renewal the terms of the subscriptions are generally renegotiated.

Future minimum payments to be received in relation to non-cancellable software subscriptions:

	2022 $'000	2021 $'000
Within one year	16,229	14,438
Later than one year but not later than 5 years	67,022	45,150
Over 5 years	59	722
Commitments not recognised in the financial statements	**83,310**	**60,310**

NOTES ON THE FINANCIAL STATEMENTS

20. Reconciliation of Net Profit to Net Cash Inflow from Operating Activities

	2022 $'000	2021 $'000
Net profit/(loss)	**(4,095)**	**(2,348)**
Depreciation and amortisation	5,863	6,888
Fair value movements	51	(25)
Impairments of trade receivables	891	244
Loss on sublease, sale of property, plant and equipment	90	-
Net exchange differences and comprehensive income	(320)	271
Employee share options	1,072	573
Change in operating assets and liabilities		
Decrease / (increase) in trade and other receivables	(7,042)	422
Decrease / (increase) in current tax asset	(301)	(392)
Decrease / (increase) in deferred tax asset	(717)	129
Decrease / (increase) in contract asset	(1,929)	(240)
Decrease / (increase) in other assets	(1,531)	(1,740)
Increase in assets and liabilities classified as held for sale	-	500
Increase / (decrease) in trade and other payables	(660)	2,618
Increase / (decrease) in contract liabilities	5,001	697
Increase / (decrease) in current tax liabilities	166	(207)
Increase / (decrease) in provisions	1,079	557
Net cash inflow from operating activities	**(3,506)**	**7,947**

Non-cash investing and financing activities disclosed in other notes are:

- acquisition of right-of-use assets, see note 10;
- partial settlement of a business combination with shares issue, deferred and contingent consideration, see note 2.
- Movement in lease liabilities reconciled to net cashflow is presented below

Balance as at 1 July (note 14)	6,098	4,784
Financing cash flows	(3,245)	(2,997)
New Leases (note 14)	255	5,320
Additions on business combinations	271	-
Lease early termination	(355)	-
Foreign exchange adjustments	81	(29)
Liabilities associated with assets classified as held for sale	26	980
Interest expense	(195)	(265)
Interest payments presented as operating cash flows	195	265
Balance as at 30 June (note 14)	**3,131**	**6,098**

NOTES ON THE FINANCIAL STATEMENTS

21. Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk.

The Board of Directors is ultimately responsible for reviewing, ratifying and monitoring systems of internal controls and risk management. The Board has established an Audit and Risk Committee, which is responsible for overseeing risk management systems. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group's finance division is responsible for development and maintenance of policies which deal with each type of risk related to use of financial instruments.

The Group holds the following financial instruments:

	2022	2021
Financial assets	**$'000**	**$'000**
Cash and cash equivalents	34,458	44,628
Trade and other receivables [1]	20,676	13,814
	55,134	**58,442**
Financial liabilities		
Trade and other payables [1]	12,121	12,875
Contingent consideration [2]	143	189
	12,264	**13,064**

[1] At amortised cost

[2] At fair value

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents and its receivables from customers.

The Group does not require guarantees or collateral of its trade and other receivables. In some foreign regions the Group works on a prepayment basis to avoid credit risk.

The maximum credit risk exposure of financial assets of the Group is represented by the carrying amounts of financial assets set out above. The Group had no significant concentrations of credit risk with any single counterparty or group of counterparties. The Group holds its cash with AA and A-rated banks, except for the banks located in Brazil (BBB), Kazakhstan (B), Mongolia (B), Turkey (B), South Africa (BB), Colombia (BB), China (BBB) and Russia (BBB).

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

NOTES ON THE FINANCIAL STATEMENTS

21. Financial Risk Management (Continued)

(a) Credit Risk (Continued)

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled satisfied performance obligation and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 30 June 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors including COVID-19 and sanctions against Russia that affect the ability of the customers to settle the receivables.

On that basis the loss allowance as at 30 June 2022 was determined as follows:

30 June 2022	Current	1 - 30 days past due	30 - 90 days past due	More than 90 days past due	TOTAL
Expected loss rate	*0.62%*	*0.98%*	*2.60%*	*63.98%*	
Gross carrying amount - trade receivables	14,885	2,740	2,675	2,091	22,391
Gross carrying amount – contract asset	3,351	-	-	-	3,351
Loss Allowance	**113**	**27**	**70**	**1,338**	**1,548**

30 June 2021	Current	1 - 30 days past due	30 - 90 days past due	More than 90 days past due	TOTAL
Expected loss rate	*2.48%*	*20.00%*	*1.28%*	*83.60%*	
Gross carrying amount - trade receivables	12,254	1,414	312	877	14,857
Gross carrying amount – contract asset	2,431	-	-	-	2,431
Loss Allowance	**365**	**283**	**4**	**733**	**1,385**

The closing loss allowances for trade receivables and contract assets as at 30 June 2022 reconcile to the opening loss allowances as follows:

	2022 $'000	2021 $'000
Opening loss allowance as at 1 July	**1,385**	**2,226**
Increase in loss allowance recognised in profit or loss during the period	891	292
Effects of foreign exchange	7	(48)
Impairment losses written off	(730)	(1,036)
Impairment losses discontinued operations	20	-
Impairment losses recovered	(25)	(49)
At 30 June	**1,548**	**1,385**

Of the above impairment losses $891,000 (2021 - $292,000) relate to receivables arising from contracts with customers. For Group's policy on impairment, see note 1(g).

NOTES ON THE FINANCIAL STATEMENTS

21. Financial Risk Management (Continued)

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. The Group regularly reviews cashflow forecasts and maintains sufficient cash on demand.

Contractual maturities of the Group's financial liabilities, including interest thereon, are as follows:

2022	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables	12,121	12,121	12,121	-	-	-	-
Lease Liabilities	3,120	3,225	1,385	1,065	619	156	-
Contingent consideration	143	143	143	-	-	-	-
Total	**15,384**	**15,489**	**13,649**	**1,065**	**619**	**156**	-
2021							
Trade and other payables	12,875	12,875	12,875	-	-	-	-
Lease Liabilities	6,098	6,383	1,495	1,475	2,562	851	-
Contingent consideration	190	193	86	-	107	-	-
Total	**19,163**	**19,451**	**14,456**	**1,475**	**2,669**	**851**	-

(c) Market Risk

Currency Risk

The current policy is not to take any forward positions. At 30 June 2022 and 30 June 2021, the Group had not entered into any derivative contracts to hedge these exposures. The Group does not engage in any significant transactions which are speculative in nature.

As a multinational corporation, the Group maintains operations in foreign countries and as a result of these activities, the Group is exposed to changes in exchange rates which affect its results of operations and cash flows.

The Group's exposure to foreign currency risk at reporting date expressed in Australian Dollars was as follows:

2022	USD	CAD	ZAR	Other	Total
	$'000	$'000	$'000	$'000	$'000
Cash and deposits	13,317	2,998	6,692	4,124	27,131
Trade and other receivables	11,568	2,065	474	1,098	15,205
Trade and other payables	(254)	(360)	(69)	(339)	(1,022)
Net exposure	**24,631**	**4,703**	**7,097**	**4,883**	**41,314**
2021					
Cash and deposits	13,506	2,407	5,837	2,435	24,185
Trade and other receivables	4,185	932	1,439	642	7,198
Trade and other payables	(1,897)	(563)	(235)	(340)	(3,035)
Net exposure	**15,794**	**2,776**	**7,041**	**2,737**	**28,348**

NOTES ON THE FINANCIAL STATEMENTS

21. Financial Risk Management (Continued)

(c) Market Risk (Continued)

A 10 percent strengthening of the Australian dollar against the above currencies at 30 June 2022 based on assets and liabilities at 30 June 2022 would have increased/(decreased) equity and profit or loss by the amounts shown in the table below on the next page. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

The Group manages its exposure to foreign currency fluctuations through a policy approved by the Board of Directors. There are no other significant market risks affecting the Group.

2022		2021	
Equity $'000	Profit/(Loss) $'000	Equity $'000	Profit/(Loss) $'000
(3,342)	(792)	(2,342)	(477)

A 10 percent weakening of the Australian dollar against the above currencies at 30 June 2022 would have had equal but opposite effect on the above currencies to the amounts shown above.

Interest rate risk

Details of the Group's borrowing facilities are presented below.

Borrowing facilities	Currency	Nominal interest rate	Maturity	2022 Facility $'000	2022 Utilised $'000	2021 Facility $'000	2021 Utilised $'000
Other facilities							
Bank guarantee	**AUD**	1.95%	n/a	1,250	1,139	1,250	1,206

In both 2022 and 2021 financial years bank guarantees were secured by the Group's term deposits.

(d) 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).

NOTES ON THE FINANCIAL STATEMENTS

21. Financial Risk Management (Continued)

(d) Fair Value of financial instruments (Continued)

Recurring fair value measurements

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

	2022 $'000	2021 $'000
Contingent consideration – level 3	143	190

Contingent consideration in 2021 was recognised on the acquisition of Revolution Mining Software in 2021 has been estimated by calculating the present value of the future expected cash outflows for the annuity of $160,000 Canadian Dollars discounted at 3.5%.

No reasonable changes to any of the key assumptions would result in a material change to contingent consideration.

Reconciliation of level 3 movements

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

	2022 $'000	2021 $'000
Opening balance 1 July	190	34
Recognised on business combination	-	183
Payments of contingent consideration	(104)	(3)
Foreign exchange differences	5	-
Fair value adjustments	52	(24)
Closing balance 30 June	**143**	**190**

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.

NOTES ON THE FINANCIAL STATEMENTS

22. Earnings Per Share

	2022 Cents	2021 Cents
From continuing operations attributable to the ordinary equity holders of the company	(2.0)	(1.0)
From discontinued operation	0.2	(1.4)
Total basic earnings per share attributable to the ordinary equity holders of the company	**(1.8)**	**(2.4)**

Earnings used in Calculating Earnings Per Share	**2022 $'000**	**2021 $'000**
Profit/(Loss) attributable to the ordinary equity holders used in calculating earnings per share:		
From continuing operations	(4,615)	(2,348)
From discontinued operation	520	(3,111)
	(4,095)	**(5,459)**

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	231,561,581	228,252,159
Dilutive options	-	-
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	231,561,581	228,252,159

Options are anti-dilutive when converted to ordinary shares as they reduce loss per share.

23. Share Based Payments

Tax Exempt Share Plan

The Employee Share Scheme enables the Board to issue up to $1,000 of shares tax free per employee of the Group each year. There were no shares issued under the $1,000 Share Purchase Plan in 2022 or 2021.

Eligibility for the tax exempt share plan is approved by the board having regard to individual circumstances and performance. No directors or key management personnel are eligible for the Tax Exempt Share Plan.

Employee Share Option Plan (ESOP)

The Employee Share Option Plan (ESOP) was approved by the Board of Directors on 5 February 2008, amended on 7 October 2009, 28 October 2011, 29 October 2013, 24 November 2016 and most recently following approval of shareholders at the Company's 2019 Annual General Meeting.

Eligible participants of the ESOP include any person who is employed by, or is a director, officer or executive (or their approved permitted nominee), of the Group and whom the Board or its nominee determines is eligible to participate in the Option Plan. A permitted nominee includes a company controlled by the employee, a trust in which the employee has, or may have entitlements or such other entity as approved by the Board. Options are granted at the discretion of the Board of Directors.

23. Share Based Payments (Continued)

All options under the ESOP are to be offered to eligible employees for no consideration. The offer to the eligible participant must be in writing and specify amongst other things, the number of options for which the eligible employee may apply, the period within which the options may be exercised, any conditions to be satisfied before exercise, the option expiry date and the exercise price of the options, as determined by the Board. The Board can impose any restrictions on the exercise of options as it considers fit.

The rules of the ESOP plan enable the Board to determine the applicable vesting criteria and to set a timetable for vesting of options in the offer document, including vesting in tranches over a defined period. The Board has the discretion on whether or not to set performance hurdles for vesting or to link vesting solely to a defined service period in order to drive key staff retention and reward longevity of service.

The options may be exercised, in part or full, subject to the employee continuing to be employed at the relevant vesting dates, by the participant giving a signed notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any options.

The rules of the plan allow the Board to set the exercise price per Option in the offer document.

Subject to the accelerated expiry terms set out in the ESOP plan (explained further below), options will expire five years after the date of grant subject to the option holder remaining employed by the Group. Unexercised options will automatically lapse upon expiry. Unless determined otherwise by the Board, in the event of stated events detailed in the plan, including termination of employment or resignation, redundancy, death or disablement or in the event of a change of control of an employee's permitted nominee, unvested options shall lapse and the expiry date of any vested options will be adjusted in accordance with the accelerated timetables set out in the ESOP plan rules (subject to the Board's discretion to extend the term of exercise in restricted cases).

Once shares are allotted upon exercise of the options the participant will hold the shares free of restrictions. The shares will rank equally for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue. Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the options (including number or exercise price or both) will be correspondingly changed to the extent necessary to comply with the Listing Rules. With this exception, the terms for the exercise of each Option remains unchanged. In the event of a change of control of the Company, all options will vest immediately and may be exercised by the employee (regardless of whether the vesting conditions have been satisfied). A holder of options is not entitled to participate in dividends, a new or bonus issue of Shares or other securities made by the Company to Shareholders merely because he or she holds options.

The Options are not transferable, assignable or able to be encumbered, without Board consent and the options will immediately lapse upon any assignment, transfer or encumbrance, with the exception of certain dealings in the event of death of the option holder.

The ESOP plan will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate terms and conditions (subject to the Listing Rules) in addition to those set out in the ESOP plan.

The ESOP plan may be terminated or suspended at any time by the Board. The ESOP plan may be amended or modified at any time by the Board except where the amendment reduces the rights of the holders of options, unless required by the Corporations Act or the Listing Rules, to correct any manifest error or mistake or for which the option holder consents. The Board may waive or vary the application of the ESOP plan rules in relation to any eligible employee at any time.

NOTES ON THE FINANCIAL STATEMENTS

23. Share Based Payments (Continued)

Employee Benefits expense Share-based payment expense recognised during the financial year	**2022** **$'000**	**2021** **$'000**
Options issued under employee option plan	1,072	573
	1,072	**573**

The options issued in prior years vest in tranches over a three year period from the date of grant, with vesting conditions solely linked to the holder maintaining employment with the Group over that period and are issued at an exercise price based on the volume weighted average price of the Company's shares in the five days prior to each grant. Options issued in 2022 vest in three years from the grant date, with vesting conditions linked to the holder maintaining employment with the Group over that period and Total Shareholder Return on shares overperforming ASX 300 accumulated index (AXCOA).

Grant date	Vesting date	Expiry date	Exercise Price $	Number beginning of year	Granted	Forfeited	Exercised	Share Price $ [1]	Number at end of year
2022									
Options granted to employees									
9/02/17	9/02/18	9/02/22	0.59	186,662	-	(6,666)	(179,996)	1.98	-
9/02/17	9/02/19	9/02/22	0.59	186,662	-	(6,666)	(179,996)	1.98	-
9/02/17	9/02/20	9/02/22	0.59	186,676	-	(6,668)	(180,008)	1.98	-
8/06/18	8/06/20	8/06/22	0.57	16,668	-	-	(16,668)	1.71	-
31/10/17	31/10/18	31/10/22	0.77	278,328	-	-	(109,999)	1.98	168,329
31/10/17	31/10/19	31/10/22	0.77	278,333	-	-	(109,999)	1.98	168,334

[1] Weighted average share price at the exercise date

23. Share Based Payments (Continued)

Grant date	Vesting date	Expiry date	Exercise Price $	Number beginning of year	Granted	Forfeited	Exercised	Share Price $ [1]	Number at end of year
2022									
Options granted to employees (cont.)									
31/10/17	31/10/20	31/10/22	0.77	428,340	-	-	(160,002)	1.98	268,338
15/03/18	15/03/19	15/03/23	0.67	56,669	-	-	(36,668)	1.79	20,001
15/03/18	15/03/20	15/03/23	0.67	56,669	-	-	(36,668)	1.79	20,001
15/03/18	15/03/21	15/03/23	0.67	81,662	-	-	(61,664)	1.79	19,998
13/09/18	13/09/19	13/09/23	0.61	263,382	-	(5,000)	(103,385)	1.92	154,997
13/09/18	13/09/20	13/09/23	0.61	471,713	-	(5,000)	(206,717)	1.92	259,996
13/09/18	13/09/21	13/09/23	0.61	951,748	-	(5,000)	(395,068)	1.92	551,680
14/12/18	14/12/19	14/12/23	0.58	79,331	-	-	(5,000)	1.94	74,331
14/12/18	14/12/20	14/12/23	0.58	129,335	-	-	(21,667)	1.94	107,668
14/12/18	14/12/21	14/12/23	0.58	271,005	-	-	(46,667)	1.94	224,338
15/03/19	15/03/20	15/03/24	0.58	159,999	-	-	(108,333)	1.89	51,666
15/03/19	15/03/21	15/03/24	0.58	393,333	-	-	(308,333)	1.89	85,000
15/03/19	15/03/22	15/03/24	0.58	393,336	-	-	(108,334)	1.89	285,002
7/06/19	7/06/21	7/06/24	0.60	100,000	-	-	(100,000)	1.84	-
7/06/19	7/06/22	7/06/24	0.60	100,000	-	(100,000)	-	-	-
14/09/20	14/09/21	14/09/25	1.15	66,665	-	-	(49,999)	1.92	16,666
14/09/20	14/09/22	14/09/25	1.15	66,665	-	(16,666)	-	-	49,999
14/09/20	14/09/23	14/09/25	1.15	66,670	-	(16,668)	-	-	50,002
12/11/20	12/11/23	12/11/25	0.00	1,323,835	-	(66,582)	-	-	1,257,253
23/03/21	23/03/24	23/03/26	0.00	1,316,282	-	(82,758)	-	-	1,233,524
3/09/21	3/09/24	3/09/26	0.00	-	1,252,101	(37,320)	-	-	1,214,781
25/02/22	25/02/25	25/02/27	0.00	-	814,436	(54,661)	-	-	759,775
TOTAL				**7,909,968**	**2,066,537**	**(484,655)**	**(2,450,171)**	**1.92**	**7,041,679**
Weighted average exercise price, $				0.43	0.00	0.50	0.62	-	0.24

[1] Weighted average share price at the exercise date

NOTES ON THE FINANCIAL STATEMENTS

23. Share Based Payments (Continued)

Grant date	Vesting date	Expiry date	Exercise Price $	Number beginning of year	Granted	Forfeited	Exercised	Share Price $ [1]	Number at end of year
2021									
Options granted to employees									
15/07/15	15/07/18	15/07/20	0.57	11,500	-	-	(11,500)	0.99	-
8/09/15	8/09/16	8/09/20	0.56	469,990	-	(28,332)	(441,658)	1.16	-
8/09/15	8/09/17	8/09/20	0.56	469,990	-	(28,332)	(441,658)	1.16	-
8/09/15	8/09/18	8/09/20	0.56	480,020	-	(28,336)	(451,684)	1.16	-
29/11/16	29/11/17	29/11/21	0.54	33,333	-	-	(33,333)	1.27	-
29/11/16	29/11/18	29/11/21	0.54	33,333	-	-	(33,333)	1.27	-
29/11/16	29/11/19	29/11/21	0.54	33,334	-	-	(33,334)	1.27	-
9/02/17	9/02/18	9/02/22	0.59	484,994	-	-	(298,332)	1.18	186,662
9/02/17	9/02/19	9/02/22	0.59	484,994	-	-	(298,332)	1.18	186,662
9/02/17	9/02/20	9/02/22	0.59	443,346	-	-	(256,670)	1.18	186,676
8/06/18	8/06/18	8/06/22	0.57	33,333	-	-	(33,333)	1.15	-
8/06/18	8/06/19	8/06/22	0.57	33,333	-	-	(33,333)	1.15	-
8/06/18	8/06/20	8/06/22	0.57	63,336	-	-	(46,668)	1.10	16,668
31/10/17	31/10/18	31/10/22	0.77	601,661	-	(33,333)	(290,000)	1.17	278,328
31/10/17	31/10/19	31/10/22	0.77	601,665	-	(33,332)	(290,000)	1.17	278,333
31/10/17	31/10/20	31/10/22	0.77	801,675	-	(8,334)	(365,001)	1.16	428,340
9/02/17	9/02/18	9/02/22	0.59	484,994	-	-	(298,332)	1.18	186,662
9/02/17	9/02/19	9/02/22	0.59	484,994	-	-	(298,332)	1.18	186,662
9/02/17	9/02/20	9/02/22	0.59	443,346	-	-	(256,670)	1.18	186,676
8/06/18	8/06/18	8/06/22	0.57	33,333	-	-	(33,333)	1.15	-
8/06/18	8/06/19	8/06/22	0.57	33,333	-	-	(33,333)	1.15	-
8/06/18	8/06/20	8/06/22	0.57	63,336	-	-	(46,668)	1.10	16,668
31/10/17	31/10/18	31/10/22	0.77	601,661	-	(33,333)	(290,000)	1.17	278,328
31/10/17	31/10/19	31/10/22	0.77	601,665	-	(33,332)	(290,000)	1.17	278,333
31/10/17	31/10/20	31/10/22	0.77	801,675	-	(8,334)	(365,001)	1.16	428,340
15/03/18	15/03/19	15/03/23	0.67	106,670	-	-	(50,001)	1.37	56,669
15/03/18	15/03/20	15/03/23	0.67	115,003	-	-	(58,334)	1.37	56,669
15/03/18	15/03/21	15/03/23	0.67	114,994	-	-	(33,332)	1.49	81,662
13/09/18	13/09/19	13/09/23	0.61	755,044	-	(16,667)	(474,995)	1.20	263,382
13/09/18	13/09/20	13/09/23	0.61	1,060,040	-	(16,666)	(571,661)	1.15	471,713

[1] Weighted average share price at the exercise date

NOTES ON THE FINANCIAL STATEMENTS

23. Share Based Payments (Continued)

Grant date	Vesting date	Expiry date	Exercise Price $	Number beginning of year	Granted	Forfeited	Exercised	Share Price $ [1]	Number at end of year
2021									
Options granted to employees (cont.)									
13/09/18	13/09/21	13/09/23	0.61	1,060,086	-	(108,338)	-	-	951,748
14/12/18	14/12/19	14/12/23	0.58	204,327	-	-	(124,996)	1.20	79,331
14/12/18	14/12/20	14/12/23	0.58	297,669	-	(10,000)	(158,334)	1.27	129,335
14/12/18	14/12/21	14/12/23	0.58	297,672	-	(26,667)	-	-	271,005
15/03/19	15/03/20	15/03/24	0.58	426,663	-	-	(266,664)	1.24	159,999
15/03/19	15/03/21	15/03/24	0.58	426,667	-	(33,334)	-	-	393,333
15/03/19	15/03/22	15/03/24	0.58	426,670	-	(33,334)	-	-	393,336
7/06/19	7/06/20	7/06/24	0.60	100,000	-	-	(100,000)	1.17	0
7/06/19	7/06/21	7/06/24	0.60	100,000	-	-	-	-	100,000
7/06/19	7/06/22	7/06/24	0.60	100,000	-	-	-	-	100,000
14/09/20	14/09/21	14/09/25	1.15	-	66,665	-	-	-	66,665
14/09/20	14/09/22	14/09/25	1.15	-	66,665	-	-	-	66,665
14/09/20	14/09/23	14/09/25	1.15	-	66,670	-	-	-	66,670
12/11/20	12/11/23	12/11/25	0.00	-	1,389,605	(65,770)	-	-	1,323,835
23/03/21	23/03/24	23/03/26	0.00	-	1,350,572	(34,290)	-	-	1,316,282
TOTAL				**10,671,342**	**2,940,177**	**(505,065)**	**(5,196,486)**	**1.18**	**7,909,968**
Weighted average exercise price, $				0.63	0.08	0.50	0.62		0.43

[1] Weighted average share price at the exercise date

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.9 years (2021: 2.9 years).

The fair values at grant date for the options were estimated using a Trinomial Lattice model which defines the conditions under which employees are expected to exercise their options after vesting in terms of the stock price reaching a specified multiple of the exercise price. For zero exercise price options, the Monte Carlo simulation run by the model takes into account multiple scenarios for the exercising of the options.

The model inputs for options granted during the 2022, 2021, 2019, 2018, 2017, 2016, 2015 financial years included:

Grant date	Vesting date	Share Price $	Exercise price $	Expected volatility %	Weighted average life, years	Expected dividends %	Risk-free interest rate[1],%	Fair value at grant Date, $
15/07/15	15/07/18	0.57	0.57	46	5.0	nil	2.29	0.22
8/09/15	8/09/16	0.55	0.56	46	5.0	nil	2.04	0.17
8/09/15	8/09/17	0.55	0.56	46	5.0	nil	2.04	0.19
8/09/15	8/09/18	0.55	0.56	46	5.0	nil	2.04	0.21

NOTES ON THE FINANCIAL STATEMENTS

23. Share Based Payments (Continued)

Grant date	Vesting date	Share Price $	Exercise price $	Expected volatility %	Weighted average life, years	Expected dividends %	Risk-free interest rate[1],%	Fair value at grant Date, $
29/11/16	29/11/17	0.50	0.54	43	5.0	nil	2.16	0.11
29/11/16	29/11/18	0.50	0.54	43	5.0	nil	2.16	0.14
29/11/16	29/11/19	0.50	0.54	43	5.0	nil	2.16	0.16
9/02/17	9/02/18	0.63	0.59	43	5.0	nil	2.12	0.17
9/02/17	9/02/19	0.63	0.59	43	5.0	nil	2.12	0.21
9/02/17	9/02/20	0.63	0.59	43	5.0	nil	2.12	0.23
8/06/17	8/06/18	0.54	0.57	43	5.0	nil	1.95	0.12
8/06/17	8/06/19	0.54	0.57	43	5.0	nil	1.95	0.15
8/06/17	8/06/20	0.54	0.57	43	5.0	nil	1.95	0.17
31/10/17	31/10/18	0.77	0.77	42	5.0	nil	2.24	0.19
31/10/17	31/10/19	0.77	0.77	42	5.0	nil	2.24	0.23
31/10/17	31/10/20	0.77	0.77	42	5.0	nil	2.24	0.26
15/03/18	15/03/19	0.67	0.67	42	5.0	nil	2.30	0.17
15/03/18	15/03/20	0.67	0.67	42	5.0	nil	2.30	0.20
15/03/18	15/03/21	0.67	0.67	42	5.0	nil	2.30	0.23
13/09/18	13/09/19	0.65	0.61	41	5.0	nil	2.22	0.17
13/09/18	13/09/20	0.65	0.61	41	5.0	nil	2.22	0.21
13/09/18	13/09/21	0.65	0.61	41	5.0	nil	2.22	0.23
14/12/18	14/12/19	0.58	0.58	41	5.0	nil	2.14	0.14
14/12/18	14/12/20	0.58	0.58	41	5.0	nil	2.14	0.17
14/12/18	14/12/21	0.58	0.58	41	5.0	nil	2.14	0.19
15/03/19	15/03/20	0.55	0.58	41	5.0	nil	1.60	0.12
15/03/19	15/03/21	0.55	0.58	41	5.0	nil	1.60	0.15
15/03/19	15/03/22	0.55	0.58	41	5.0	nil	1.60	0.17
7/06/19	7/06/20	0.59	0.60	41	5.0	nil	1.14	0.14
7/06/19	7/06/21	0.59	0.60	41	5.0	nil	1.14	0.16
7/06/19	7/06/22	0.59	0.60	41	5.0	nil	1.14	0.19
14/09/20	14/09/21	1.14	1.15	45	5.0	nil	0.40	0.28
14/09/20	14/09/22	1.14	1.15	45	5.0	nil	0.40	0.34
14/09/20	14/09/23	1.14	1.15	45	5.0	nil	0.40	0.39
12/11/20	12/11/23	1.12	0.00	45	5.0	nil	0.30	0.70
23/03/21	23/03/24	1.29	0.00	45	5.0	nil	0.46	0.80
3/09/21	3/09/24	1.96	0.00	45	5.0	nil	0.63	1.19
25/02/22	25/02/25	1.79	0.00	45	5.0	nil	1.94	1.12

[1] based on government bonds

The expected price volatility is based on the historic volatility compared to that of similar listed companies and the remaining life of the options.

NOTES ON THE FINANCIAL STATEMENTS

24. Parent Entity Disclosures

As at and throughout the financial year ending 30 June 2022 the parent entity of the Group was RPMGlobal Holdings Limited.

Summary financial information

The individual financial statements for the parent entity show the following aggregation:

Result of parent entity	2022 $000	2021 $000
Profit/(loss)	(4,112)	(5,684)
Other comprehensive income	-	-
Total comprehensive income	(4,112)	(5,684)
Financial position of parent entity at year end		
Current assets	48,194	51,223
Total assets	69,236	72,382
Current liabilities	10,554	9,987
Total liabilities	12,453	13,742
Total equity of the parent entity comprising of:		
Issued capital	100,427	98,574
Share-based Payments Reserve	1,815	1,259
Revaluation Surplus Reserve	18	18
Reserve Arising From an Equity Transaction	(600)	(600)
Accumulated losses	(44,877)	(40,611)
Total equity	**56,783**	**58,640**
Contingent liabilities	-	-
Contractual commitments for the acquisition or property, plant or equipment	-	-

25. Interests in other entities

(a) Material subsidiaries

The Group's principal subsidiaries at 30 June 2022 are set out below. All subsidiaries have share capital consisting solely of ordinary shares that are 100% (2021: 100%) held directly by the Group, and the proportions of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

NOTES ON THE FINANCIAL STATEMENTS

25. Interests in other entities (Continued)

(a) Material subsidiaries (Continued)

Name of entity	Place of business/ incorporation	Principal Activities
RPM Software Pty Ltd	Australia	Software Sales and Services
RPM Advisory Services Pty Ltd	Australia	Advisory Services
RPM Software International Pty Ltd	Australia	Software Sales and Services
RPMGlobal USA, Inc.	USA	Advisory Services
RPM Software USA, Inc.	USA	Software Sales and Services
RPMGlobal Canada Ltd	Canada	Software Sales and Services
PT RungePincockMinarco	Indonesia	Advisory Services
RPMGlobal Asia Limited	Hong Kong	Advisory Services
RPMGlobal China Limited	China	Advisory Services
RPMGlobal LLC	Mongolia	Advisory Services
CJSC Runge	Russia	Software and Advisory Services
RPMGlobal LLC	Russia	Software Sales and Services
RPMGlobal Africa (Pty) Ltd	South Africa	Software Sales and Services
RPMGlobal Chile Limitada	Chile	Software Sales and Services
RPMGlobal Software Do Brasil Ltda	Brazil	Software Sales and Services
Revolution Mining Software Inc	Canada	Software Sales and Services
IMAFS Inc	Canada	Software Sales and Services
iSolutions International Pty Ltd	Australia	Software Sales and Services
iSolutions Holdings Pty Ltd	Australia	Software Sales and Services
MineOptima Holdings Pty Ltd	Australia	Software Sales and Services
MineOptima Operations Pty Ltd	Australia	Software Sales and Services
Minvu Pty Ltd	Australia	Software Sales and Services
Minvu Holdings Pty Ltd	Australia	Software Sales and Services
Nitro Solutions Pty Ltd	Australia	Advisory Services
Blueprint Environmental Strategies Pty Ltd	Australia	Advisory Services
Kurilpa Investments Pty Ltd	Australia	Software Sales and Services
RPM Global Turkey Danışmanlık Hizmetleri ve Ticaret A.Ş.	Turkey	Advisory Services
RPMGlobal Kazakhstan LLP	Kazakhstan	Software Sales and Services
RPMGlobal Colombia SAS	Colombia	Software Sales and Services

All entities other than GeoGAS Pty Ltd trade as RPM and RPMGlobal.

(b) Significant Restrictions

Cash and short term deposits held in Chile, Brazil, South Africa, China, Indonesia, Mongolia and Russia are subject to local exchange control regulations. These regulations provide restrictions on exporting capital from those countries other than through normal trading transactions or dividends. The carrying amount of cash included within the consolidated financial statements to which these restrictions apply is $11,009,000 (2021: $12,721,000).

NOTES ON THE FINANCIAL STATEMENTS

26. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the CEO 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.

Software Division provides all of the Group's Software offerings, including support (maintenance), training and implementation services to mining companies. Advisory Division provides consulting and advisory services which cover technical and economic analysis and assessment of mining activities and resources on behalf of mining companies, financial institutions, customers of mining companies (e.g. coal fired electricity generators), lessors and potential lessors of mineral rights to mining companies, government departments and agencies and suppliers to mining companies and projects. GeoGAS division specialising in coal gas laboratory testing was divested in 2022 and removed from the segment report and its prior year comparatives. 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

	2022			2021		
	Software Division $'000	Advisory Division $'000	Total $'000	Software Division $'000	Advisory Division $'000	Total $'000
Revenue						
External Sales	56,051	26,644	82,695	48,800	18,038	66,838
Inter-segment sales	194	213	407	242	180	422
Total Revenue	56,245	26,857	83,102	49,042	18,218	67,260
Inter-segment expenses	(200)	(193)	(393)	(165)	(252)	(417)
Rechargeable expenses	(1,468)	(3,467)	(4,935)	(813)	(2,371)	(3,184)
Net revenue	**54,577**	**23,197**	**77,774**	48,064	15,595	**63,659**
Expenses	(27,495)	(19,523)	(47,018)	(23,724)	(15,040)	(38,764)
Software Development	(16,540)	-	(16,540)	(13,217)	-	(13,217)
Segment profit/(loss)	**10,542**	**3,674**	**14,216**	**11,123**	**555**	**11,678**

(b) Disaggregation of revenue from contracts with customers

Revenue						
Segment Revenue	56,245	26,857	83,102	49,042	18,218	67,260
Asset disposal	-	-	-	-	(2)	(2)
Inter-segment revenue	(194)	(213)	(407)	(242)	(180)	(422)
Revenue from external customers	56,051	26,644	82,695	**48,800**	**18,036**	**66,836**
Timing of revenue recognition						
At a point in time	1,791	-	1,791	5,246	-	5,246
Over time	54,260	26,644	80,904	43,554	18,036	61,590
Revenue from contracts with customers	**56,051**	**26,644**	**82,695**	**48,800**	**18,036**	**66,836**

Segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

NOTES ON THE FINANCIAL STATEMENTS

26. Operating Segments (Continued)

(c) Geographical Information	2022		2021	
	Revenues from contracts with customers $'000	Non-current assets[1] $'000	Revenues from contracts with customers $'000	Non-current assets[1] $'000
Australia	30,124	32,297	20,407	29,551
Asia	13,771	317	10,621	681
Americas	20,201	3,611	22,727	5,156
Africa & Europe	18,599	542	13,083	617
Operating Segment	**82,695**	**36,767**	**66,838**	**36,005**
Less: Discontinued operations:				
- GeoGAS revenue in Advisory	(121)	-	(422)	-
Total	**82,574**	**36,767**	**66,416**	**36,005**

[1] Excludes financial instruments and deferred tax assets

(d) Reconciliation of segment profit to reported net profit:	2022 $'000	2021 $'000
Segment result	14,216	11,678
Adjustments:		
Foreign exchange gains/(losses)	533	(264)
Employment benefits – corporate and IT	(6,699)	(5,697)
Employment benefits – options	(1,072)	(573)
Other unallocated costs – corporate and IT	(3,623)	(3,608)
Depreciation and amortisation	(5,862)	(6,888)
Ukraine Bad debts and Russian office closure	(936)	-
Advisory contribution from GeoGAS business	(44)	24
Net finance costs	(306)	(103)
Unallocated income	1,001	3,650
Loss before income tax	(2,792)	(1,781)
Income tax expense	(1,823)	(567)
Loss after income tax from continuing operations	**(4,615)**	**(2,348)**

27. Key Management Personnel Disclosures

(a) Compensation	2022 $	2021 $
Short term employee benefits	2,890,189	2,434,658
Post-employment benefits	85,974	56,625
Share-based payments	108,209	54,620
	3,084,372	**2,545,903**

No other transactions with Key Management personal occurred during the year.

NOTES ON THE FINANCIAL STATEMENTS

28. Discontinued operation

(a) Description

In May 2021 the board decided to divest its GeoGAS business via a Management Buy Out (MBO). The associated assets and liabilities were consequently presented as held for sale in the 2021 financial statements.

The subsidiary was sold on 14 August 2021 and is reported in the current period as a discontinued operation. The consideration to be paid for this divestment is equal to $500,000, being the net assets of the GeoGAS business as at 30 June 2021. The consideration was paid to the Group by the GeoGAS management in a once-off cash payment in full at closing plus or minus customary post-completion balance sheet adjustments.

(b) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were classified as held for sale in relation to the discontinued operation as at 30 June 2021:

Assets classified as held for sale	**2022 $'000**	**2021 $'000**
Cash and cash equivalents	-	176
Trade and other receivables	-	765
Contract assets	-	24
Other assets	-	8
Property, plant and equipment	-	1,097
Deferred tax assets	-	137
Total assets of disposal company held for sale	**-**	**2,207**
Liabilities directly associated with assets classified as held for sale		
Trade and other payables	-	195
Provisions	-	525
Other Liabilities	-	987
Total liabilities of disposal company held for sale	**-**	**1,707**

(c) Profit/(Loss) from discontinued operations

	2022	2021
Revenue from contracts with customers – services	901	4,512
Other revenue – Government subsidies and leases	2	184
Rechargeable expenses	(8)	(158)
Depreciation	(67)	(376)
Employee benefits	(270)	(1,725)
Other expenses	(35)	(206)
Impairment of Property Plant and Equipment	-	(317)
Interest expenses	(3)	(6)
Income tax benefit/(expense)	-	(98)
Impairment of Goodwill	-	(4,921)
Profit/Loss from discontinued operations	**520**	**(3,111)**

NOTES ON THE FINANCIAL STATEMENTS

28. Discontinued Operation (Continued)

(c) Cashflow from discontinued operations

Net cash inflows from operating activities	712	2,585
Net cash outflows from investment activities	(2)	(60)
Net cash outflows from financing activities	(42)	(275)
Net Increase of cash generated by subsidiary	**668**	**2,250**

29. Events occurring after the reporting period

No matter or circumstance other than COVID-19 related matters have arisen since 30 June 2022 that has significantly affected the Group's operations, results or state of affairs, or may do so in the future years.

30. Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets that require disclosure in the financial report.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 (a) to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;
- the remuneration disclosures included in pages 15 to 22 of the Directors' report (as part of audited Remuneration Report), for the year ended 30 June 2022, comply with section 300A of the *Corporations Act 2001;* and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors

Stephen Baldwin,

Chairman

Dated this 29 August 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of RPMGlobal Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RPMGlobal Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO

Revenue Recognition

Key audit matter	*How the matter was addressed in our audit*
The Group generates revenue from multiple streams, including: software sales (perpetual and SaaS), maintenance, advisory and consultancy. The Group continued to increase its software sales from recurring subscription sales. Revenue recognition under AASB 15 *Revenue from Contracts with Customers* is complex and subject to error, especially where revenue is recognised over time or with multiple performance obligations. The Group's disclosures about revenue recognition are included in Note 1(f), which detail the accounting policies applied under the requirements of AASB 15 *Revenue from Contracts with Customers*. The assessment of the Group's revenue recognition was significant to our audit due to the materiality of revenue to the financial report, and the complex nature of accounting for the appropriate timing of revenue related to the sale of software and related maintenance services under the requirements of AASB 15 *Revenue from Contracts with Customers*.	Our audit procedures included, amongst others: • Assessing the revenue recognition policy for compliance with AASB 15 *Revenue from Contracts with Customers*. • Selecting significant software licence contracts, and reconciling the contract from inception to reporting, alongside the revenue recognition under AASB 15. This included a focus on new subscription sales and the recognition of revenue '*over time*'. • Selecting a sample of licence sales, maintenance services and consulting fees recognised as revenue, and agreeing to supporting invoices, signed customer contracts and proof of delivery where available. • Obtaining and evaluating credit notes issued post year-end, and completing invoice cut-off testing, to ensure an appropriate revenue cut-off was achieved at balance sheet date. • Analytical review procedures on all significant revenue streams on a disaggregated balance against expected trends and prior year levels. • Selecting a sample of receipts and maintenance invoices from the clients' income in advance schedule and recalculating appropriate deferred portion of revenue. • Assessing the adequacy of the Group's revenue recognition disclosures within the financial statements.

BDO

Carrying value of Goodwill – impairment assessment

Key audit matter	*How the matter was addressed in our audit*
The Group's disclosures on Goodwill impairment are included in Note 11, detailing the allocation of Goodwill to the Group's various cash-generating units (‘*CGUs*’), setting out the key assumptions for value-in-use calculations and the impact possible changes in these assumptions would have. This annual impairment test is significant to our audit given the material balance of Goodwill as at 30 June 2022, and its importance to the financial statements. The continued impact of COVID-19 on inputs used in management's assessment required significant auditor attention. In addition, management's assessment process is complex and highly judgemental, based on assumptions, specifically forecast future cash flows, growth rates and discount rates, which are affected by expected future market and economic conditions.	Our audit procedures included, amongst others: • Obtaining an understanding of the value-in-use models, and critically evaluating management's methodologies and their key assumptions. • Assessing management's allocation of Goodwill, and assets and liabilities, including corporate assets to the CGU's. • Evaluating the inputs used in the value-in-use calculations, including growth rates, discount rates and underlying cash flows applied by management. Specific consideration was made as to the COVID-19 environment and the impact on forecast results. • Involving our internal specialists to assess the discount rates and terminal growth rates against comparable market information. • Assessing the disclosures related to the Goodwill and impairment assessment by comparing these disclosures to our understanding of the matter and the applicable accounting standards.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 22 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of RPMGlobal Holdings Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

C K Henry

Director

Brisbane, 29 August 2022

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement – Year Ended 30 June 2022

The Board and Management of RPMGlobal Holdings Limited (ASX:RUL) (the 'Company') consider that it is crucial to the Company's long term performance and sustainability and to protect and enhance the interests of the Company's shareholders and other stakeholders, that it maintains an appropriate corporate governance framework pursuant to which the Company and its related companies globally (the 'Group') will conduct its operations in Australia and internationally with integrity, accountability and in a transparent and open manner.

The Company regularly reviews its governance arrangements as well as developments in market practice, expectations, and regulation. The Company's Corporate Governance Statement, which is available to view at https://rpmglobal.com/wp-content/uploads/2022/08/CG_PY_00_Corporate-Governance-Statement-FY22-23-Final.pdf, has been approved by the Board of RPMGlobal Holdings Limited and explains how the Group addresses the requirements of the Corporations Act 2001, the ASX Listing Rules 2001 and the 4th Edition of the ASX Principles and Recommendations (the 'ASX Principles and Recommendations') and is **current as at 29 August 2022**.

The Company's ASX Appendix 4G, which is available to view at https://rpmglobal.com/wp-content/uploads/2022/08/RPM-FY22-23-Appendix-4g-4th-Edition-RUL.pdf, is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in the Company's Corporate Governance Statement, this 2022 Annual Report and other relevance governance documents and materials on the Company's website, which are provided in the Corporate Governance section of the Company's website at https://rpmglobal.com/company/investor-centre/. The Corporate Governance Statement together with the ASX Appendix 4G and the Company's 2022 Annual Report, were also lodged with the ASX on **29 August 2022**.

The Board of the Company strives to meet the highest standards of Corporate Governance and also recognises that it is also crucial that the Company's governance framework appropriately reflects the current size, operations and industry in which the Company operates.

The Company has complied with the recommendations of the ASX Principles and Recommendations. The Board believes that any areas of minor non-conformance, which are explained in the Corporate Governance Statement and the ASX Appendix 4G, do not materially impact on the Company's ability to achieve the highest standards of Corporate Governance, whilst at the same time ensuring the Company is able to achieve the expectations of its shareholders and other stakeholders.

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 15 August 2022.

A. Distribution of Equity Securities

Analysis of number of equity security holders by size of holding:

	No. Holders	Options
1 – 1,000	4,151	-
1,001 – 5,000	4,766	1
5,001 – 10,000	1,288	34
10,001 – 100,000	1,179	88
100,001 – and over	127	20
	11,511	**143**

The number of shareholdings held in less than marketable parcels of 313 shares is 531 (Close Price 12 August 2022 $1.60).

B. Equity Security Holders

The names of the twenty largest holders of quoted equity securities (as at 18 August 2021) are listed below:

Name	Number held	Percentage of issued shares
NATIONAL NOMINEES LIMITED	34,941,441	15.13
CITICORP NOMINEES PTY LIMITED	27,501,742	11.91
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,192,788	10.04
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	20,505,727	8.88
RUNGE INTERNATIONAL PTY LTD <RUNGE FAMILY A/C>	8,552,131	3.70
PAUA PTY LTD <THE PAUA A/C>	6,795,753	2.94
UBS NOMINEES PTY LTD	4,102,328	1.78
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	3,608,528	1.56
BOND STREET CUSTODIANS LIMITED <SALTER - D79836 A/C>	2,950,000	1.28
MR STEPHEN JOHN BALDWIN + MRS ANDREA MAREE BALDWIN <THE STEVE BALDWIN S/FUND A/C>	2,642,511	1.14
BNP PARIBAS NOMS PTY LTD <DRP>	2,602,481	1.13
TODD GLOBAL INVESTMENTS PTY LTD <TODD A/C>	2,360,676	1.02
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	2,193,780	0.95
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,038,719	0.88
THE RIDGE NZ PTY LTD <THE RIDGE NZ SUPER FUND A/C>	1,424,385	0.62
BRETTON PTY LTD <WALKER SUPER FUND A/C>	1,000,000	0.43
MR IAN JAMES LUXTON	982,934	0.43
BNP PARIBAS NOMS(NZ) LTD<DRP>	849,646	0.37
MR ALUN GWYN PHILLIPS + MRS ANDRE JOAN PHILLIPS <A & A PHILLIPS S/FUND A/C>	809,500	0.35
CRX INVESTMENTS PTY LIMITED	800,000	0.35
	149,855,070	**64.90**

Unquoted equity securities

6,952,678 options over unissued shares (as at the date of this report): for further details see note 23.

SHAREHOLDER INFORMATION

C. Substantial Holders

The names of the substantial shareholders listed in the holding register as at 30 June 2022 are:

Estimated beneficial holdings as at 30 June 2022	Number held	Percentage
Perennial Value Management	22,589,175	9.75%
Regal Funds Management	13,746,571	5.93%
First Sentier Investors	12,677,670	5.47%

D. Voting Rights

Refer to note 15 for voting rights attached to ordinary shares.

CORPORATE DIRECTORY

Directors

Richard Mathews
Managing Director

Stephen Baldwin
Chairman
Non-executive Director

Angeleen Jenkins
Non-executive Director

Paul Scurrah
Non-executive Director

Ross Walker
Non-executive Director

Company Secretary

James O'Neill
Group General Counsel and Company Secretary

Registered Office

Level 14, 310 Ann Street
Brisbane QLD 4000
Ph: +61 7 3100 7200
Fax: +61 7 3100 7297
Web: www.rpmglobal.com

Auditor

BDO Audit Pty Ltd
Level 10, 12 Creek St
Brisbane QLD 4000

Share Registry

Computershare Investor Services Pty Limited
Level 1, 200 Mary Street
Brisbane QLD 4000

Stock Exchange Listing

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

RPMGlobal Holdings Limited
ABN 17 010 672 321

RPMGLOBAL

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