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Announcement

Agreement to Divest RPM Advisory Business to SLR

24 February 2025

RPMGlobal Holdings Limited (ASX: RUL) (***RPM***, or the ***Company***) is pleased to announce it has entered into an agreement to divest its global Advisory division to SLR Consulting Australia Pty Ltd (***SLR***) for an enterprise value of AUD$63.0 million, with consideration to be paid in cash on completion (the ***Divestment***).[1]

Highlights:

- RPM made the strategic decision to divest its global Advisory business to focus solely on its Software business. This move aligns with the Company's long-term vision of becoming the leading software technology business within the global resources industry.
- The agreement with SLR was the outcome of a confidential, comprehensive global sales process, during which RPM engaged with multiple potential buyers to identify the best strategic fit for its Advisory business.
- The enterprise value of AUD$63.0 million represents a multiple of 2.0 times Financial Year 2024 (FY2024) Advisory net revenue and 8.1 times FY2024 Advisory profit contribution (before any apportionment of RPM's unallocated corporate costs to the Advisory division).[2]
- All RPM advisory employees will be transferred to SLR and, following the transition, will operate under the "SLR" brand.
- RPM expects the transaction to close early in Q4 FY2025, subject to customary conditions precedent.
- RPM will work with SLR under a Transition Services Agreement.
- Following completion, the net cash proceeds of this Divestment will be returned to shareholders via a capital return.

Background and overview of the Divestment

RPM is pleased to announce that it has signed a share sale agreement to divest 100% of the share capital of RPM Advisory Services Pty Ltd, together with the wholly owned global subsidiary companies relevant to the global Advisory division of RPM, to SLR for an enterprise value of AUD$63.0 million, subject to customary adjustments, primarily for working capital and net debt. The transaction represents a strategic shift for RPM, which will now focus solely on its software business with its primary objective of becoming the leading software technology business within the global resources industry.

From a corporate structure perspective, RPM's Software and Advisory divisions have been separate for some time in anticipation of a potential divestment process, which has helped facilitate this divisional carve-out. In terms of operational management, the two divisions are run independently from one another.

The enterprise value of AUD$63.0 million represents a multiple of 2.0 times FY2024 Advisory net revenue of $31.1 million and 8.1 times FY2024 Advisory profit contribution of $7.8 million (as reported in the full year 2024 Investor Presentation of 26 August 2024), before any apportionment of the Company's FY2024 unallocated corporate costs to the Advisory division.

[1] Enterprise value of AUD$63.0 million is on a cash-free, debt-free basis, before customary completion adjustments, including net working capital and indebtedness at completion of the Divestment.

[2] In FY2024, RPM had a total of AUD$12.5 million in corporate costs none of which are apportioned to its Software and Advisory divisions.

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Completion is expected to occur early in Q4 FY2025, subject to customary conditions precedent.

RPM will work with SLR under a Transition Services Agreement to facilitate an efficient transition and continuity of back-office support functions for the Advisory business. Once the transition to SLR is complete, the Company's total corporate costs will reduce.

Following completion, the net cash proceeds from the Divestment will be returned to shareholders via a capital return. This transaction will utilise all of the company's carried-forward capital tax losses and two-thirds of its carried-forward income tax losses in Australia.

Commenting on the Divestment, RPM Chairperson Stephen Baldwin said, *"Given RPM's focus and commitment to annually recurring revenue, it became increasingly apparent that divesting our Advisory business would deliver greater value to shareholders. Given the recent strong performance of our Advisory business, we considered the time was right to initiate a sale process. We engaged MA Moelis Australia to run a competitive process to find the best home for our Advisory business in the belief that a global, like-minded consulting company would see more value in our mining advisory division compared to being a division of a software company. The Board believes the all-cash offer made by SLR appropriately values the Advisory Division. We are pleased to enter into this transaction and believe it is in the best interests of RPM's shareholders."*

CEO and Managing Director Richard Mathews said, *"Throughout this process and building with every conversation the team has held, it has reinforced to us that SLR is a good home for our Advisory employees and clients. SLR has a very clear vision that is aligned with the leadership team of the Advisory business - being focused on becoming the leading global consultancy for environmental and business solutions by delivering quality advice to clients. I have admired SLR's commitment to its culture, vision, and values, which align with those deployed by RPM's advisory team. I am very pleased to have reached this agreement with SLR and know they will be the right home for our advisory staff and will continue to strengthen the quality of offering the advisory team delivers to its clients into the future."*

Once the Advisory division has been divested, RPM will focus solely on its software strategy, customers, products and business. Given there is little day-to-day operational overlap between the Advisory and the Software businesses with respect to employees or customer engagements, RPM believes the divestment of the Advisory division will have little impact on the continuing operations and prospects of its software business. The Board believes the sale of its Advisory division will remove any impediment software investors (who favour companies with annually recurring revenue) have when analysing RPM. It will also make the remaining business easier for investors to understand and evaluate.

SLR CEO Bradley Andrews said, *"SLR is dedicated to enabling the flow of energy and critical metals and minerals in a sustainable way by balancing economic, environmental, and social risks and opportunities. This is reinforced by our strategic advice to our responsible investment clients to deploy the capital the mining industry requires to meet society's needs. To have the Advisory business from RPM join SLR is an honour and delivers a significant enhancement to our market offering as we further that aim.*

It was very clear from the early discussions that the RPM Advisory business would be an excellent strategic fit for SLR, but more importantly, there was a definitive cultural bridge based on common values, vision and the spirit of collaboration and client mission focus. We welcome the Advisory team with their broad international experience, deep technical and market knowledge, and their dedication and passionate team, to SLR.

I want to thank the RPM Board and Executive team for their professionalism and values led approach during this process as they looked for the right outcome for RPM's shareholders as well as finding the right home for the Advisory team. I wish RPM well with their future strategy and welcome the Advisory team, partners and clients to SLR".

Advisors

RPM is advised by MA Moelis Australia, Baker McKenzie and Grant Thornton.

SLR is advised by KPMG and DLA Piper.

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About RPM:

RPMGlobal Holdings Limited (ASX: RUL) [RPM®] was listed on the Australian Securities Exchange on 27 May 2008 and is a global leader in the provision and development of mining software solutions, advisory services and professional development to the mining industry.

RPM has been advancing the global mining industry through the provision of innovative software solutions and deep domain expertise for more than 50 years. The company brings together its technology, mining advisory and professional development services to support mining clients extract more value at every stage of the mining lifecycle. In partnership with the industry, RPM has delivered safer, cleaner and more efficient operations in over 125 countries. For more information, please see www.rpmglobal.com.

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About SLR Consulting:

SLR's purpose is Making Sustainability Happen. Sustainability is central to our clients' strategic choices, but choice is not enough. Sustainability requires action to make a difference, carefully balancing economic, environmental and social factors. Our team of expert advisors, scientists, economists and engineers aim to positively influence our client's most critical sustainability decisions, support the execution of their choices and enhance their ultimate impact.

SLR is an international sustainability consultancy with a strong collaborative and entrepreneurial culture. It provides technical consulting and strategic advisory services to clients in the energy, financial, mining, infrastructure, manufacturing, and technology industries. For more information on our advisory, technical, and project development services, please see www.slrconsulting.com.

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