

Announcement

Acquisition by RPM of Minvu

18 December 2017

RPMGlobal Holdings Limited (ASX: RUL) [RPM] has today announced it has entered into an agreement to acquire 100% of the issued share capital of MinVu, a privately owned Australian headquartered group of companies and leading global provider of mine-wide operational reporting and analytics software solutions to the mining industry.

The transaction is funded by an upfront payment on completion of \$1.2 million from cash reserves, followed by further post completion earn out payments over a two year period of up to \$1.28 million based on successful renewal and collections of annuity revenue from MinVu's current customers.

As part of the acquisition consideration RPM will also issue 3,000,000 RUL shares to the outgoing shareholders of MinVu and their nominees. Approximately one-third of the shares will be held in escrow for 3 months and a further one third for 6 months. As a key component of the transaction, these shares were agreed to be valued for consideration purposes at a price of 78 cents per share (\$2.34 million) as recognition by the Boards of both RPM and MinVu that the future growth opportunities of the combined product suites are considerable and the belief that the current RPM share price undervalues the business.

This transaction is expected to close on 31st of January 2018 subject to customary completion events.

The acquisition of MinVu is expected to provide RPM with the following benefits:

- Annual revenue of approximately \$2.8 million of which \$1.3 million is recurring in nature;
- First year annual EBITDA of \$1.2 million after realising synergies of approximately \$0.4 million;
- Accretive earning per share in 2018;
- Meaningful increase in the breadth of its software/services offering and customer base.

This transaction represents the 7th software acquisition RPM has undertaken in the past three and a half years. It continues RPM's determination to deliver a complete Commercial Off-the-Shelf enterprise platform for the mining industry, built on open industry standards which delivers a step change in value chain optimisation through investments in software innovation.

MinVu are headquartered in Brisbane, Australia and have been providing enterprise operational software to their global customers for over 18 years. Miners rely on the MinVu products to understand exactly what their mining equipment is doing at any time of the day or night.

Development of the MinVu product has involved significant customer engagement since formation of the company in 1999. This collaborative nature of development has resulted in a comprehensive suite of integration adaptors and data validation functionality being built. The integration adaptors feed operational data into a structured Operational Data Store which is used by more than 250 standard reports and real time dashboards.

The ability to connect and extract real-time data from operational systems and then turn this data into meaningful transaction based information is at the heart of the MinVu solutions. This includes, but is not limited to, Fleet Management Systems (FMS), Dragline Monitoring Systems, Dozer, Loader and Drill positioning Systems and On-board Machine Health Systems. All of this data is extracted, validated and augmented to ensure that the reports that are presented to operational management can be used with absolute confidence.

The mining companies that use MinVu every day in their mining operations include BHP, Glencore, Anglo American, South 32, Yancoal, US Steel, Canadian Natural Resources, PT Bumi, Ok Tedi, New Hope Corporation, Dominion Diamonds, and Wesfarmers.

The requirement to be able to view real-time operational data (from all of the discrete items of mining equipment operating in a mine) in one report has seen MinVu build integration into the following Operational Systems.

“Dispatch” - Modular’s (who are owned by Komatsu) Fleet Management Systems

“Provision” – Modular’s HPGPS system for Drills, Loading Units, and Dozers.

“MineCare” – Modular’s Machine Health System

“Pegasus” – MineWare’s Payload monitoring and positioning system for Draglines

“Minestar Fleet” – Caterpillars Fleet Management System

“Terrain” – Caterpillar’s HPGPS systems for Drills, Loading Units, Draglines and Dozers

“Health” – Caterpillar’s Machine Health System

“SAP”

“Ellipse” – ABB’s ERP System (SMU Hours and Production Stats)

“JFleet (Jigsaw)” – Hexagons Fleet Management System

“J2” - Hexagon’s HPGPS Drill, Shovel, Dragline

“JHealth” – Hexagon’s Machine Health System

“Ampla” – Schneiders Inventory Management System

“Wonderware” – Schneider’s information management system

“Citect” – Schneiders SCADA system

“Wenco” – Hitachi’s Fleet Management System

Commenting on this acquisition, RPM CEO and Managing Director Richard Mathews said, “Since acquiring a copy of the Fewzion Short Interval Control (SIC) product twelve months ago we have been building the underlying architecture to enable us to deliver a fully automated Short Interval Control system. Having the ability to automatically take live data feeds off our customer’s operational systems will dramatically accelerate our move into the Short Interval Control space where real time plan verses actual performance is the goal.”

“MinVu is the only company that we know of who have built a comprehensive suite of standard integration adaptors across all key operational systems that operate in a mine. As such we believe the integration, data validation, structured Operational Data Store (ODS) and associated reporting will give RPM a commanding head start over other software vendors who decide they want to provide a mining Short Interval Control system in the future.”

“While the major consideration for this acquisition was advancement of our Short Interval Control System many of our other products will benefit from access to operational data via our enterprise planning framework (EPF).”

“The company’s Ultra Short Term Planning product XECUTE will be able to immediately utilise the MinVu integration adaptors to bring back data such as Equipment GPS coordinates, actual bucket positions, material movements, drill-hole details, actual production rates and incorporate them into the production plan. This will extend the functionality of XECUTE whilst increasing the number of modules in the RPM suite.”

“Our strategic maintenance product AMT will use MinVu’s Operational Historian to store actual health data from on-board systems to be compared against planned maintenance events and feed this into our Dynamic Life Cycle Costing engine. This will bring together asset life cycle costing and condition based monitoring.”

“Having an Operational Data Store enables RPM to not only deliver rich plan vs actual analysis, but we can use this data to adjust planning parameters to align with what is actually happening in the operations. This seamless integration helps planners increase the level of predictability in their production plans.”

“RPM’s HAULSIM and SIMULATE products will also benefit from being able to take direct feeds from many different FMS systems. The GPS position data as well as a detailed breakdown of the haulage cycles will accelerate model calibration. Importantly MinVu already has the logic to clean the data (removing erroneous results) which has always been the major issue with the use of on-board data feeds.”

“The combination of RPM and MinVu’ product offerings will create the most advanced single vendor Short Interval Control System for mining companies. It will assist to reduce the cost of mining as operational staff will

be able to monitor the performance of their equipment in real-time using the most advanced user interface in the industry.”

Co-founder and Director of MinVu, Mike Taylor said “For the last 18 years we have worked tirelessly building software solutions with our customers that help them improve their operations. We have always wanted our products to be integrated with the industry’s leading production, costing and simulation systems and this transaction delivers exactly that.”

“We have been very impressed with RPM’s vision for the industry and the investment they are making in their products in what has been a difficult period for suppliers to the mining industry. We are convinced that the MinVu product suite will benefit from increased investment and the sales and marketing support which RPM can offer it right around the world. As evidenced by the structure of this deal and the consideration we have accepted for RPM shares, we firmly believe in this complementary combination of the two product suites and management teams.”

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About RPM:

RPMGlobal Holdings Limited (ASX: RUL) [RPM] is a global leader in the provision and development of mining software solutions, advisory services and professional development. With history stretching back to 1968, RPM’s experienced global team are the largest publicly traded independent group of technical experts in the world.

Listed on the Australian Securities Exchange on 27 May 2008, RPM is a global leader in the provision of software solutions, advisory consulting and professional development solutions to the mining industry. We have global expertise achieved through our work in over 118 countries and our approach to the business of mining is strongly grounded in economic principles.

About Minvu:

MinVu is an Australian mining technology company which transforms raw mine operational data into reliable and timely Mining Performance Management and Production Information. We provide a single, integrated reporting system which underpins all mining production reporting and directly supports operational decision making and business improvement initiatives.

We make sense of raw data and support our clients to make better decisions about the use of equipment, people and processes.

MinVu started developing its flagship product MinVu Core for mine production reporting and decision making support in 1999. Today, MinVu Core and its analytics solution MinVu Insights are used by some of the largest global mining companies for managing performance and driving business improvement initiatives

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