

Announcement

Divestment of GeoGAS

16 August 2021

RPMGlobal Holdings Limited (ASX: RUL) [RPM ®] confirms that it has entered into a share sale agreement to divest 100% of its shareholding and control of the GeoGAS Pty Ltd coal gas testing business to the existing GeoGAS management and staff via a management buyout (MBO).

The GeoGAS laboratories in Mackay and Wollongong carry out coal gas compliance and exploration content testing services for underground coal mining companies on the East Coast of Australia. GeoGAS is a small but proud business that, whilst ultimately owned and controlled by RPM, operates independently from the rest of RPM with its own laboratory premises, contracts, assets, employees and management team. The GeoGAS team across both laboratories has been in place for many years and will continue to provide customers with excellent service.

Following the acquisition of Nitro Solutions, an Australian Environmental, Social and Governance (ESG) mining advisory company in July 2021, RPM intends to build a world class mining focused ESG offering and the Board's strategic imperative is for the entire RPM business to operate and exist in a sustainable manner. It was considered that continued ownership of a business 100% focused on coal was inconsistent with the company's key strategic long-term goals.

The Board further considered that, with investment communities significantly increasing their focus on ESG, the longer-term interests of RPM's shareholders were being negatively impacted by the company continuing to own GeoGAS. It was clear that RPM's ownership of GeoGAS, which for RPM is a non-core standalone business, was making it less attractive for shareholders in RPM and therefore having a negative impact on the long-term sustainability and growth of both RPM and GeoGAS. Accordingly, the Board considered it appropriate for GeoGAS to be divested into private hands rather than being owned by a public company.

While the GeoGAS business is small it does perform an important service for coal mining companies (who may also separately use RPM's advisory and software products and services) and accordingly the Board felt that divesting the business through an MBO to the existing staff and management of GeoGAS was important to ensure those customers continue to receive the highest level of quality of service already being delivered by the team who best know the products, services and service levels. As such, the Board strongly believe the current GeoGAS management team are the right and natural acquirers of the business.

The consideration to be paid to RPM for this divestment is equal to \$500,000, being the net assets of the GeoGAS business as at 30 June 2021. As a result of this transaction, RPM will report a \$4.9m GeoGAS goodwill impairment in its FY2021 financial accounts. The consideration will be paid to RPM by the GeoGAS management in a once-off cash payment in full at closing plus or minus customary post-completion balance sheet adjustments.

There are no changes to the RPM Board composition or Key Management Personnel as a result of this divestment. The RPM business will, following closure of this divestment, consist of two complementary business units, being Software and Advisory. The divestment is expected to close on 31 August 2021 subject to satisfaction of a number of conditions precedent and customary completion events.

Authorised by:

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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.

With history stretching back to 1968, RPM has been trusted by mining companies of all sizes and commodities to support their growth. Our global expertise has been achieved over the past 50 years through our work in over 125 countries and our approach to the business of mining being strongly grounded in economic principles.

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