
SERVTECH GLOBAL HOLDINGS LTD

ACN 614 814 041

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00 am

DATE: 11 April 2019

PLACE: Suite 1, 437 Roberts Road, Subiaco WA 6008

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approval under section 611 item 7 of the Corporations Act (refer to Resolution 2). The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this Resolution to the non-associated Shareholders. The Independent Expert has determined the Acquisition is fair and reasonable to the non-associated Shareholders.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on 9 April 2019.

ASX takes no responsibility for the contents of this Notice of Meeting.

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am (WST) on 11 April 2019 at Suite 1, 437 Roberts Road, Subiaco WA 6008.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and

- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6380 2555.

IMPORTANT NOTE

The acquisition of the O8k business requires Shareholder approval under the ASX Listing Rules and therefore may not proceed if that approval is not forthcoming. ASX takes no responsibility for the contents of this Notice of Meeting.

CHAIRMAN'S LETTER

Dear Shareholders

The Board of Directors of ServTech and its management have realised tremendous value for ServTech's shareholders during 2018, reinvigorating the Company through rigorous change management initiatives, strategically positioning the business in the dynamic software development space.

Over a brief period of time, we have delivered a transformational acquisition opportunity for ServTech, that will lead to an innovative, software driven international group.

The acquisition of Vection marks the first step of an international expansion strategy into new software development verticals that will continue to receive our strategic and investment focus. With advanced Virtual Reality and Augmented Reality software development capabilities, and a commercialised VR platform, ready for global scale, Vection integrates ServTech from a software technology and end to end service delivery perspective.

The existence of a client portfolio that includes world renowned clients including Lamborghini, Fendi Casa, Ferretti, Maserati, Volvo, Philip Morris and Bonfiglioli, will provide significant international market exposure and partnership opportunities for the combined group.

The most compelling aspect of the acquisition, however, is the joining of two highly talented and complementary teams. I am pleased to have an experienced and internationally recognised manager such as Gianmarco Biagi, former General Manager of Luxury Living Group, a multinational luxury group with revenues in excess of €140M per year, joining the board of ServTech as its Managing Director.

ServTech capabilities will be significantly improved with this acquisition, and the Board remains fully committed to continually building and improving our technology intellectual property.

I encourage Shareholders to support the Acquisition, which I believe has the potential to restore value and growth to ServTech.

I am really looking forward to an exciting year ahead.

Bert Mondello
Chairman

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of all Related Resolutions, the acquisition of the Business of O8k as described in the Explanatory Statement is approved under and for the purposes of ASX Listing Rule 11.1.2."

Short Explanation: The Company has entered into the Acquisition Agreement with O8k, pursuant to which the Company has agreed to acquire the Business of O8k (**Acquisition**). If successful, the Acquisition will result in the Company changing the nature and scale of its activities. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. Please refer to the Explanatory Statement for details.

If Resolution 1 is not passed and the Acquisition is not completed, the Company will continue to use its current funds to advance its current business activities. If any of the Essential Resolutions (being Resolutions 1, 2 and 3) are not passed, Resolution 4 will be withdrawn.

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, or an associate of that person (or those persons), if the Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – APPROVAL TO ISSUE CONSIDERATION SECURITIES TO O8K

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for:

- (a) the Company to issue 292,556,186 Shares (**Consideration Shares**) to O8k (or its nominees);
- (b) the Company to issue 150,000,000 Performance Rights (**Consideration Performance Rights**) to O8k (or its nominees); and
- (c) the acquisition of an increased relevant interest in the issued voting shares of the Company by O8k and associates, otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of Consideration Shares and Consideration Performance Rights,

on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and a party to the transaction and any

associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of this resolution to the Shareholders in the Company. The Independent Expert has determined the issue of the Consideration Securities, the subject of Resolution 2, to O8k (or its nominee) and the resulting Voting Acquisition by O8k (or its nominee) and their associates **is fair and reasonable** to the non-associated Shareholders in the Company.

3. RESOLUTION 3 – PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 111,111,111 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO DIRECTOR IN LIEU OF CONSULTANCY AND DIRECTORS' FEES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 8,130,435 Shares to Director Mr Bert Mondello (or his nominees) in lieu of consultancy and directors' fees payable, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Bert Mondello (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 12 March 2019

By order of the Board

**Derek Hall
Company Secretary**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Resolutions 1, 2 and 3 are referred to as Essential Resolutions throughout this Notice. The Essential Resolutions are inter-conditional on each other Essential Resolution being approved.

Resolution 4 is conditional on the Essential Resolutions being approved.

If any of the Essential Resolutions are not passed, then Resolution 4 will be withdrawn.

1. BACKGROUND TO PROPOSED ACQUISITION

1.1 Activities of the Company

ServTech Global Holdings Ltd (the **Company**) is a public company listed on the official list of ASX (ASX code: SVT). The Company was incorporated on 14 December 2016 and was admitted to the official list of the ASX on 17 March 2017.

On 14 December 2017 the Company announced the sale of its real estate related businesses to The Agency. The Company is now focused on software development. The Company has focused on the gaming, real estate and automotive segments as current key commercial opportunities. The software development team has proven pivotal in acquiring new clients and delivering successful outcomes for the Company's clients.

The Company is the holding company of a number of wholly-owned subsidiaries (the **Group**), which is organised under three business units offering a wide range of services:

(a) **Software Development:**

This business unit develops business to business (**B2B**) white labelled technology solutions for the Group's clients. These include:

- (i) **Mobile App Development:** generating high-impact, result driven, engaging mobile applications on all popular media platforms with native, IOS and Android, cross-platform and hybrid technologies;
- (ii) **Web Development:** leveraging the power of the internet to create a web presence for the Group's clients, including an information hub for businesses from front-end to back-end, covering a wide spectrum of solutions and frameworks;
- (iii) **User Interface/User Experience (UI/UX) Design:** creating conceptualizations, information architectures, visual identities and UX designs for maximum user engagement; and
- (iv) **Mobile Game Development:** the Company has successfully delivered highly interactive and exciting gaming experiences on web browser and mobile devices.

(b) **Software as Services (SaaS):**

This business unit has designed and developed a suite of SaaS transaction management technologies and service platforms (the **SaaS Application**). The Group currently has 27 fully developed SaaS products which it intends to market to drive subscription revenue.

(c) **Outsourced Solutions:**

This business unit provides back office support, marketing, social media, and a wide range of services, servicing both the Group and the Groups' clients. The Company engages with clients to identify internal tasks that can be outsourced and partners with those clients to develop tailored technology solutions that are scalable and cost effective.

The Group's product offerings are designed to disrupt traditional, self-limiting business models through the implementation of transaction management technology and service platforms to reduce overheads and improve efficiency and scalability. By providing tailored enterprise technology solutions, the Company has been able to assist entities to overcome the traditional challenges and obscurities involved with their back office day-to-day operations, allowing the Company's clients to focus on core revenue-generating businesses, reducing overheads and improving efficiency and scalability.

As communicated in past announcements, in addition to its principal business activities, the Company has been actively seeking to identify and evaluate new opportunities in related industries that may increase shareholder value. The Company has been approached by potential clients for virtual reality (**VR**) solutions, enabling effective cost reduction solutions to their current operations, including automotive, gaming, real estate, marketing and other industries.

Following these enquiries, the Company has had discussions with a company operating in the VR sector for potential collaborations and/or partnerships that could lead to a potential business combination. Based on the historical capability of its technology development division, the Company believes it can leverage its existing operations to expand its internal and external audience, by providing cross selling opportunities to a range of existing clients and industries of this VR company.

On 22 January 2019, the Company announced that it had entered into a binding agreement (**Acquisition Agreement**) to acquire 100% of European based software development business Officine 8k Srl (**O8k**) (to be renamed Vection) (**Business Acquisition**).

The consideration to be paid to O8k will be satisfied through the issue of the Consideration Shares and the Consideration Performance Rights (the subject of Resolution 2), and the Company making a payment of €42,000 to an O8k quota holder upon Settlement.

1.2 Overview of O8k

(a) **Background on O8k**

Since its incorporation in 2015, O8k has been developing technology and software solutions including SaaS products and has been profitable. O8k offers its customers customised technology and software development solutions including web and mobile applications; gaming development

and integration; rendering; VR; and 3D configuration and augmented reality (**AR**).

O8k has worked with internationally recognised blue-chip companies such as:

- Lamborghini Automobili (Luxury Automotive);
- Fendi Casa (Luxury interior furnishing);
- Maserati (Luxury Automotive);
- Philip Morris Italia (Tobacco products);
- Volvo Italia (Automotive);
- Ferretti Group (Luxury Yachts);
- G.D. (Coesia Group – Automatic Industrial Machines); and
- Bonfiglioli (gearmotors, gearboxes, inverters, electric motors).

(b) **Business model**

The historical business model for O8k involves collecting revenue from blue chip corporates for the provision of software development solutions.

An additional revenue opportunity is represented by the recently launched subscription-based VR SaaS solution which provides customers with an intuitive platform to access VR functionalities for a variety of industries.

To date, O8k has demonstrated the following growing revenue and profit generation¹:

- (i) December 2015: Revenue of \$155,021 and EBITDA of \$1,587;
- (ii) December 2016: Revenue of \$307,576 and EBITDA of \$33,725; and
- (iii) December 2017: Revenue of \$837,167 and EBITDA of \$156,796.

O8k operates as two business units:

- (i) **Software Development:** O8k develops business to business (**B2B**) software solutions to streamline and reduce costs associated with back office operational procedures, manufacturing processes and marketing efforts. Development expertise includes:
 - (A) **Web and Mobile Applications:** O8k develops software solutions for its clients, from web pages and solutions to mobile applications.

¹ O8K's presentation currency is EUR. These have been converted to AUD using the average rate for the year sourced from the Reserve Bank of Australia. Financial information sourced from O8k's audited accounts.

- (B) **Gaming:** O8k's developers have developed virtual gaming environments for use by a wide audience.
 - (C) **Rendering:** O8k generates photo-realistic images from 2D or 3D models, for architecture, video-games, simulations and other. A render is a high-level complete image to be visualised by the intended user;
 - (D) **VR:** VR is an interactive computer-generated experience taking place within an immersive simulated environment. O8k offers development of VR solutions to various industries and clients, allowing the visualisation of products and experiences in a simulated environment, to improve efficiency, reduce CAPEX and labour costs and to revolutionise back-office workflow procedures and customers' buying experiences; and
 - (E) **3D Configuration and AR:** AR layers virtual information over a live camera feed into a device giving the user the ability to view three-dimensional images. O8k develops interactive simulated virtual showrooms for customers to visualise and interact with products in high quality and definition, streamlining and improving the in-store purchase experience,
- (ii) **Software as a service:** O8k has developed a software as a service (**SaaS**) VR solution that is suitable to a wide range of industries, such as automotive, industrial manufacturing, real estate, architecture, gaming, fashion and others. This SaaS product allows designers and engineers to collaborate on product design in virtual environments, while customers can engage with a brand, within a unique buying virtual experience.

There are clear synergies between the Company's business units and technology offerings and that of O8k, in that both companies provide tailored software solutions for their clients and have SaaS products enabling clients to focus on their core revenue generating business operations.

(c) **Key Personnel**

- (i) **Gianmarco Biagi** - ServTech proposed Managing Director:

Gianmarco is an experienced executive, having served as CEO and board member of several Italian and multinational manufacturing corporations. His last experience was as general manager of Luxury Living Group (140M€ in revenues per year).

- (ii) **Lorenzo Biagi** – ServTech proposed Executive Director and CSO:

Lorenzo is an experienced company manager in the private sector, with extensive knowledge in virtual reality technology, sales and cost control management.

(iii) **Andrea Bortolotti** – Vection Chief Technology Officer:

Andrea's expertise in Virtual Reality, Augmented Reality and Mixed Reality stems from over 15 years in the IT sector, where he has developed a significant knowledge in technology, game design and history.

1.3 Acquisition Agreement

Set out below is a summary of the key terms of the Acquisition Agreement between the Company and O8k (together, the **Parties**).

- (a) **(Acquisition)**: the Company agrees to acquire the Business for consideration of 292,556,186 Shares (**Consideration Shares**) and 150,000,000 Performance Rights, in three classes (see Schedule 1 for further information) (**Consideration Performance Rights**) (together, **Consideration Securities**);
- (b) **(Conditions Precedent)**: Settlement of the Acquisition is conditional on:
 - (i) the Company having conducted and successfully completed a placement of 111,111,111 Shares, raising a minimum gross amount of \$2,000,000 at a Share issue price of \$0.018 per Share (**Placement**);
 - (ii) the Company receiving all necessary Shareholder approval of the content and objectives of the Acquisition Agreement;
 - (iii) the Placement being successfully concluded on or about 11 April 2019 (or such other date as may be agreed by the Parties In writing). The Placement is the subject of Resolution 3;
 - (iv) the Company receiving all necessary ASX approvals for the content and objectives of the Acquisition Agreement;
 - (v) the Company procuring employment or contracting agreements for O8k's senior management;
 - (vi) reimbursement of O8k's incurred cash expenses, incurred pursuant to the Company's written instructions in appointing Italian based professionals to assist with the Company's required due diligence endeavours such as third-party audit, legal and accounting endeavours. These expenses shall be reimbursed within 5 business days from execution of the Acquisition Agreement, in the total amount of \$105,000.00;
 - (vii) appointment to the Board of Mr Gianmarco Biagi and Mr Lorenzo Biagi, with such appointments being effective on and from Settlement;
 - (viii) O8k, having used all reasonable endeavours, obtaining written consent from all of its clientele for the use of their names and logos for the Company's marketing purposes, at the Company full and absolute discretion; and

- (ix) the Company making payment of €42,000 in full and final satisfaction of O8k's debt to its quota holder Settepuntonove Srl (a company incorporated in Italy), no later than 7 business days prior to Settlement.

The Acquisition Agreement also contains terms and conditions considered standard for an agreement of its nature.

1.4 Use of Funds

As at its last reporting date of 31 December 2018, the Company had cash reserves of approximately \$112,000.

Following Settlement of the Acquisition and completion of the Placement, the Company intends to apply funds available of \$2,112,000 (being, the cash reserves and funds raised from the Placement) as follows:

It is proposed that the Company's existing cash (together with funds raised under the Placement) will be applied in the next 12 months as follows:

Item	Amount *
Estimated costs of the Proposed Transaction	\$330,000
Expenditure on the Existing Assets ¹	\$420,000
Expenditure on the New Assets ²	\$750,000
Working capital and corporate administration ³	\$612,000
TOTAL	\$2,112,000

Notes:

1. Includes maintenance of offices, rent and employees of the existing divisions.
2. Includes marketing and distribution of New Asset capabilities as well as office, rent and research and development works to maintain any technology advantages.
3. Working capital includes the general costs associated with the management and operation of the business including administration expenses, costs associated with the capital raising and other associated costs.

The above table of proposed expenditure is a statement of current intentions as at the date of this Notice. Intervening events (such as changes in the technology sector) may alter the way funds are ultimately applied by the Company and may alter the costs estimated above.

1.5 Pro forma capital structure

The capital structure of the Company following completion of the Acquisition and the Placement contemplated by this Notice is:

Shares

	Number
As at the date of this Notice	213,373,944 ¹
To be issued pursuant to the Acquisition (Resolution 2)	292,556,186
To be issued pursuant to the Placement (Resolution 3)	111,111,111
To be issued to Bert Mondello in lieu of fees (Resolution 4)	8,130,435
On completion of the Acquisition and the Placement	625,171,676

Notes:

1. 48,284,995 of these Shares are subject to escrow until 16 March 2019.

Options

	Number
On issue as at the date of this Notice ¹	2,500,000
To be issued pursuant to the Resolutions	Nil
On completion of the Acquisition and Placement	2,500,000

Notes:

1. Unquoted options exercisable at \$0.30 each on or before 16 March 2020.

Performance Rights

	Number
On issue as at the date of this Notice	10,000,000
To be issued pursuant to the Acquisition (Resolution 2) ¹	150,000,000
On completion of the Acquisition and Capital Raising	160,000,000

Notes:

1. Refer to Schedule 1 for details of the three classes of Performance Rights to be issued pursuant to the Acquisition.

1.6 Anticipated timetable for the key business the subject of the Resolutions

Subject to the requirements of the ASX Listing Rules, the Company anticipates Settlement of the Acquisition will be in accordance with the following timetable:

Event	Date
ASX announcement of the Proposed Transaction	22 January 2019
Send Notice of Meeting seeking approval for issue of Shares as consideration for the Proposed Transaction	14 February 2019
Shareholder meeting	11 April 2019
Satisfaction (or waiver) of other Conditions	11 April 2019
Settlement of Proposed Transaction	12 April 2019

1.7 Composition of the Board of Directors

Pursuant to the terms of the Acquisition Agreement, the Company will appoint two (2) O8k representatives, being Mr Gianmarco Biagi and Mr Lorenzo Biagi to the Company's Board.

1.8 Advantages of the Acquisition

The Company's principal activity consists in software development targeted to businesses in a variety of industries. The Company wishes to acquire O8k as an additional and complementary business unit, to expand its software development capabilities and geographic outreach, from which O8k represents a key growth reality for the Company.

Both the companies develop software solutions for companies in a variety of industries and markets.

The Board believes that the Acquisition will deliver the following key benefits:

- (a) **Integration of software development team:** the Company retains deep knowledge and expertise in software development covering a multitude of software coding languages and design, gaming and a number of applications. The Company intends to integrate O8k's developers into its existing team, working cross-border on number of projects for its clients. O8k's clients and pipeline of future software development contracts will allow the Company to leverage its existing team and internalise development efforts currently outsourced by O8k. In addition to the above, O8k's expertise in 3D, VR&AR software development, will integrate into the existing pool of coding capabilities mastered by the Company's team;
- (b) **Economies of scale:** the Acquisition will offer additional organisational benefits from a staffing, expertise and resourcing level, with cost savings able to be realised by the utilisation of shared resources across technology development and operations, marketing, administration and management;
- (c) **Enhancement of sales efforts:** to date, the Company has utilised only its network of industry contacts to offer its services to Australian clients. O8k currently has 3 professionals dedicated to sales of its services. The Company intends to integrate O8k's current sales team into its day to day operations and will use a dedicated sales team (for the first time) to offer its products to its existing clients. The Company intends that the new sales team will be able to provide new clients with a full suite of custom technology and software development and outsourced solutions. In turn, the Company intends to offer VR and AR solutions to its existing client base.

The Company will also benefit from O8k's existing relationship with European multinational blue-chip brands and corporates;

- (d) **Organisational benefits:** as an immediate growth and expansion pathway, the Company seeks to expand its existing product offering, both in terms of SaaS and of service product capabilities. Following Settlement of the acquisition, the Company will be able to benefit from these synergies by offering additional organisational benefits and products to its customers, such as a SaaS VR platform that can be used in wide range of industries, from prototyping, manufacturing, marketing,

sales (including automotive and real estate), oil & gas and mining industry.

Acquiring O8k's suite of VR and AR products presents the Company with a ready-made opportunity to enter into the VR market and provide the effective cost reduction solutions that the Company's clients require;

- (e) **Geographical outreach:** to date the Company has operated predominantly in Australia. The proposed acquisition will allow it to sell its solutions into the European region, and to leverage an existing client base and sales team to further increase market penetration; and
- (f) **Incoming management:** one of O8k's proposed directors is a well-seasoned manager, former director of Luxury Living (a luxury furniture group with revenues of over €140,000,000 per year). The Company intends to leverage the proposed Director's network and reputation of a B2B solution provider in a wide range of industries.

1.9 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) Shareholders will have their interest in the Company diluted to 34.13% upon issue of the Consideration Shares (and before the conversion of existing unlisted options and the Performance Rights the subject of Resolution 2);
- (b) In the event of the conditions of all Consideration Performance Rights being met and converting into Shares, the Company's current Shareholders' interest will decrease from 34.13% to 27.53% whilst O8k's interest in the Company will increase from 46.80% to 57.09%.

1.10 Board intentions if Settlement occurs

Upon completion of the Acquisition, the Board intends to:

- (a) continue its day to day operations and the development of software solutions for its existing clients, and (as disclosed earlier in this Notice) the Company's underlying business model will not change;
- (b) integrate the incoming development team into its existing operations, to enable the organisational benefits set out above, and to internalise development endeavours that have been outsourced to date;
- (c) begin the integration of O8k's sales team to drive further revenue and cross selling opportunities to its existing operations;
- (d) begin discussions with software resellers and distributors, for the distribution and marketing of its VR SaaS platform and its other products, such as its AR configurator, in Australia and abroad;
- (e) utilise the advanced software technology developed by O8k and ServTech with the view to improve its product offering in terms of services and product suite;

- (f) share operating costs and take advantage of synergies and economies of scale; and
- (g) integrate incoming proposed Board members and management of the Company.

1.11 Plans for the Company if the Acquisition is not approved

If Resolutions 1 and 2 are not passed and the Acquisition is not completed, the Company will continue to use its current funds to advance its current business activities as well as looking for additional acquisition opportunities to further its disclosed business strategy with an aim to build a cashflow positive and self-sustaining operation.

1.12 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of all Resolutions contained in this Notice as they consider the proposed Acquisition to be in the best interests of Shareholders and after assessment of the advantages and disadvantages referred to in Sections 1.9, the Directors are of the view that the advantages outweigh the disadvantages.

The Directors do not have any material personal interest in the outcome of Resolutions 1-3.

2. RESOLUTION 1 – APPROVAL TO CHANGE THE NATURE AND SCALE OF ACTIVITIES

2.1 General

Resolution 1 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the proposed acquisition of the O8k Business.

A detailed description of the proposed Acquisition is outlined in Section 1 above.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has confirmed to the Company that it requires the Company to obtain the approval of its Shareholders for the proposed change of activities. For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are set out throughout this Explanatory Statement.

3. RESOLUTION 2 – APPROVAL TO ISSUE CONSIDERATION SHARES AND PERFORMANCE RIGHTS TO O8K

3.1 Background

As announced to ASX on 22 January 2019, the Company has entered into the Acquisition Agreement with O8k to acquire all of the Business of O8k. Under the terms of the Acquisition Agreement, the Company has agreed to issue the Consideration Securities to O8k (or its nominee) as consideration for the Acquisition (**Issue**).

Resolution 2 seeks Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act to allow the Company to issue 292,556,186 Consideration Shares and 150,000,000 Performance Rights to O8k (or its nominee) in consideration for the Company's acquisition of the Business. The issue of the Consideration Securities will result in O8k and its associates' voting power in the Company increasing from 0% up to a maximum of 57.09%.

Pursuant to ASX Listing Rule 7.2 (Exception 16), Listing Rule 7.1 does not apply to an issue of securities approved for the purpose of item 7 of section 611 of the Corporations Act. Accordingly, if Shareholders approve the issue of securities pursuant to Resolution 2, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and the additional 10% annual capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

3.2 Item 7 of Section 611 of the Corporations Act

(a) Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%.

(Prohibition).

(b) Voting Power

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) O8k's entitlements in the Company

O8k and its associates do not currently hold an interest in the Securities of the Company. Following the Issue (and completion of all Security issues contemplated by this Notice), O8k and its associates will hold the following shareholding and resulting voting power in the Company:

	Shares	Performance Rights	Voting Power
Following issue of Consideration Securities at Completion			
O8k	292,556,186	150,000,000	46.80%
Other Shareholders / Performance Right Holders	332,615,490	10,000,000	53.20%
Total	625,171,676	160,000,000	100.00%
Following issue of Shares on conversion of Consideration Performance Rights			
O8k	442,556,186	Nil	57.09%
Other Shareholders / Performance Right Holders	332,615,490	10,000,000	42.91%
Total	775,171,676	10,000,000	100.00%

(d) **Associates**

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

- (i) (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
 - (A) a body corporate the first person controls;
 - (B) a body corporate that controls the first person; or
 - (C) a body corporate that is controlled by an entity that controls the first person;
 - (D) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
 - (E) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

(e) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (i) a body corporate in which the person's voting power is above 20%; or
- (ii) a body corporate that the person controls.

The Corporations Act defines "control" broadly. Under section 50AA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of the Company.

3.3 Reason Section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Following Completion, assuming all Consideration Securities are issued, O8k and its associates will have a relevant interest in 292,556,186 Shares and 150,000,000 Performance Rights representing:

- (a) 46.80% voting power in the Company prior to the conversion of the Consideration Performance Rights; and
- (b) 57.09% voting power in the Company following the conversion of the Consideration Performance Rights.

Accordingly, Resolution 2 seeks Shareholder approval for the purpose of section 611 Item 7 to enable the Company to issue:

- (a) the Consideration Shares;
- (b) the Consideration Performance Rights; and
- (c) Shares on conversion of the Consideration Performance Rights.

3.4 Specific Information required by Section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by Nexia annexed to this Explanatory Statement.

(a) **Identity of O8k its associates and any other entities acquiring a relevant interest in the Consideration Securities**

O8k is a party to the Acquisition Agreement as summarised in Section 1 of this Explanatory Statement.

In addition to O8k acquiring a relevant interest in the Consideration Securities pursuant to the Issue, the following party (an associate of O8k under section 12(2)(a) of the Corporations Act) will also acquire a relevant interest in the Consideration Securities:

Entity	Party	Reason for relevant interest and association
O8k	VR Tech Srl	VR Tech Srl holds 68.36% of the shares in O8k therefore holds a relevant interest in any Shares held by O8k

Under section 12(2)(a) of the Corporations Act the following parties are considered associates of O8k by virtue of being part of the same corporate group:

Entity	Party	Reason for association
O8k	3D District Srl	Holds 35% of the shares in VR Tech Srl
O8k	Settepontonove Srl	Holds 65% of the shares in VR Tech Srl

Under section 12(2)(c) of the Corporations Act the following parties are considered associates of O8k as they are considered to be acting in concert in relation to the affairs of the Company:

Entity	Party	Background to association
O8k	Lorenzo Biagi	Sole director of VR Tech Srl, sole director and holds 50% of the shares in Settepontonove Srl
O8k	Roberto Ruspelli	Holds 50% of the shares and is the sole director of 3D District Srl
O8k	Andrea Bortolotti	Holds 50% of the shares of 3D District Srl
O8k	Monia Venturi	Holds 50% of the shares in Settepontonove Srl
O8k	Giacomo Biagi	Husband of Monia Venturi

The Company understands that no other associates of O8k currently have a relevant interest in the Shares of the Company or will prior to Completion have a relevant interest in the Shares of the Company.

(b) **Voting Power and Relevant Interest**

The relevant interest of O8k or VR Tech Srl in the Consideration Securities and the voting power of O8k and its associates in the Company (both current, and following the issue of the Consideration Securities to O8k (or its nominee) as contemplated by this Notice) are set out in the table below:

Party	Voting power as at the date of this Notice of Meeting	Number of Shares in which the Party will have a maximum Relevant Interest after the issue of Consideration Shares	Voting Power after the issue of the Consideration Shares	Number of Securities in which the Party will have a maximum relevant interest on conversion of Consideration Performance Rights	Voting Power on conversion of Performance Rights
O8k and its associates	0%	292,556,186	46.80%	442,556,186	57.09%
Other Share holders	100%	332,615,490	53.20%	332,615,490	42.91%
Total	100%	625,171,676	100%	775,171,676	100%

(i) **Summary of increases**

O8k and its associates will have voting power of 46.80% in the Company on Completion (as a result of O8k (or its nominee) and VR Tech Srl having a relevant interest in the Consideration Shares).

O8k and its associates will have voting power of 57.09% in the Company on Completion and conversion of the Consideration Performance Rights (as a result of O8k (or its nominee) and VR Tech Srl having a relevant interest in the Consideration Securities).

(ii) **Assumptions**

Note that the following assumptions have been made in calculating the above:

- (A) the Company has 213,373,944 Shares, 2,500,000 Options and 10,000,000 existing Performance Rights on issue as at the date of this Notice of Meeting;
- (B) no Options or existing Performance Rights are exercised;
- (C) the Company issues the Securities the subject of Resolutions 2, 3 and 4;

- (D) the amount of \$2,000,000 is raised under the Placement (and therefore 111,111,111 Shares are issued pursuant to the Placement); and
- (E) the Company does not issue any other Securities prior to Completion; and
- (F) O8k do not acquire a relevant interest in any additional Securities in the Company.

Further details on the voting power of O8k is set out in the Independent Expert's Report prepared by Nexia.

(c) **Reasons for the proposed issue of securities**

As set out in Section 1, the reason for the issue of Consideration Securities to O8k is as the consideration for the Company acquiring the Business pursuant to the Acquisition Agreement.

(d) **Date of proposed issue of securities**

If Shareholder approval is obtained, the Consideration Securities will be issued at Settlement, which will occur on that date which is 5 Business Days after the satisfaction (or waiver by the Company or O8k) of the Conditions set out in Section 1.3.

(e) **Material terms of proposed issue of securities**

As set out in Section 2, the Company is proposing to issue a total of 292,556,186 Consideration Shares and 150,000,000 Performance Rights to O8k to acquire the Business.

(f) **O8k's Intentions**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that O8k:

- (i) have no present intention of making any significant changes to the business of the Company;
 - (A) have no present intention to inject further capital into the Company;
 - (B) have no present intention of making changes regarding the future employment of the present employees of the Company;
 - (C) do not intend to redeploy any fixed assets of the Company;
 - (D) do not intend to transfer any property between the Company and themselves; and
 - (E) have no intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to O8k at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(g) **Changes to the Board**

As set out in Section 1.3, pursuant to the Acquisition Agreement it is proposed that Mr Gianmarco Biagi and Mr Lorenzo Biagi join the Board of the Company at Settlement.

Details of the additional Directors' qualifications and experience are set out in Section 1.

(h) **Interests and Recommendations of Directors**

(i) The Directors do not have any material personal interests in the outcome of Resolution 2 and unanimously recommend that Shareholders vote in favour of Resolution 2. The Directors' recommendations are based on the reasons outlined in Section 3.5 below.

(ii) The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

(i) **Capital Structure**

A table showing the Company's current capital structure and the pro forma capital structure on completion of the issue of the Consideration Shares (as well as other Shares contemplated by this Notice) is set out in Section 1.5.

3.5 Advantages of the Issue

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 2:

- (a) the issue of Consideration Shares to O8k will complete part of the Company's obligations under the Acquisition Agreement and will not require renegotiation of its terms; and
- (b) the Independent Expert has concluded that the issue of the Consideration Shares **is fair and reasonable** to the Shareholders of the Company.

3.6 Disadvantages of the Issue

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 2:

- (a) Existing Shareholders' interest in the Company will be diluted as a result of the issue of Consideration Securities to O8k; and
- (b) there is no guarantee that the Company's Shares will not fall in value as a result of the Issue.

3.7 Independent Expert's Report

The Independent Expert's Report prepared by Nexia (a copy of which is attached as Annexure A to this Explanatory Statement) assesses whether the transaction contemplated by Resolution 2 is fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transaction contemplated by Resolution 2 is **fair and reasonable** to the Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

3.8 Pro forma balance sheet

A pro forma balance sheet of the Company post the completion of the Issue (and other transactions the subject of this Notice of Meeting) is set out in the Independent Accountant's Report at Annexure A.

4. RESOLUTION 3 – PLACEMENT

4.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 111,111,111 Shares at an issue price of \$0.018 per Share to raise up to \$2,000,000 (**Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 111,111,111;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.018 per Share;

- (d) the Shares will be issued to institutional and professional investors. None of these subscribers are related parties of the Company/the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards completing the Acquisition and general working capital.

5. **RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO DIRECTOR IN LIEU OF CONSULTANCY AND DIRECTORS' FEES**

The Company has agreed, subject to obtaining Shareholder approval, to issue 8,130,435 Shares (**Related Party Shares**) to Mr Bert Mondello (or his nominee) in lieu of his consultancy or directors' fees, and on the terms and conditions set out below.

Resolution 4 seeks Shareholder approval for the grant of the Related Party Shares to Mr Bert Mondello (or his nominee).

The rationale for the issue of the Related Party Shares is to preserve cash within the Company, strengthen the Company's balance sheet, align Directors' remuneration with Company and Shareholders' objectives and to provide the Director with an incentive to enhance Shareholder value.

5.1 **Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Related Party Shares constitutes giving a financial benefit and Mr Bert Mondello is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Bert Mondello who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Shares because the agreement to grant the Related Party Shares, reached as part of the remuneration package for Mr Bert Mondello, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

5.2 **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

5.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the Related Party Shares will be granted to Mr Bert Mondello (or his nominee);
- (b) the number of Related Party Shares to be issued is 8,130,435;
- (c) deemed issue price per Related Party Share will be \$0.0115, which represents the 30-day VWAP as at 8 February 2019;
- (d) the Related Party Shares will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same day;
- (e) the Related Party Shares will be issued for nil cash consideration, accordingly no funds will be raised; and
- (f) the Related Party Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Shares to Mr Bert Mondello (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

Acquisition means the acquisition by the Company of O8k's Business that is subject to Resolution 1.

AR means augmented reality.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

B2B means business to business.

Board means the current board of directors of the Company.

Business means the complex of the assets held by O8k, functionally organised to ensure its business activity as a going concern. It is the economic activity of O8k and includes all relevant assets and liabilities necessary for the business activity, and all contracts and agreements of as disclosed to the Company, or otherwise required to conduct the business activity.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means ServTech Global Holdings Ltd (ACN 614 814 041).

Completion means the completion of the Acquisition.

Consideration Performance Rights means the 150,000,000 Performance Rights that, subject to Resolution 2, are to be issued to O8k as consideration for the Acquisition.

Consideration Securities means the Consideration Performance Rights and Consideration Shares that, subject to Resolution 2, are to be issued to O8k as consideration for the Acquisition.

Consideration Shares means the 292,556,186 Shares that, subject to Resolution 2, are to be issued to O8k as consideration for the Acquisition.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

O8k means Officine 8k Srl, a company incorporated in Italy, to be renamed as Vection.

Option means an option to acquire a Share.

Performance Right means the right to acquire a Share, subject to satisfaction of any performance milestones vesting, and the corresponding obligation of the Company to provide the Share, under a binding contract made by the Company and the holder of the Performance Right.

Placement means the placement of 111,111,111 Shares at an issue price of \$0.018 that is the subject of Resolution 3.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

SaaS means software as a service.

Security has the meaning given in Chapter 19 of the ASX Listing Rules.

Section means a section of the Explanatory Statement.

Settlement means settlement of the Acquisition Agreement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

VR means virtual reality.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF CONSIDERATION PERFORMANCE RIGHTS

The terms and conditions attaching to the Consideration Performance Rights are set out below.

- (a) **(Milestones):** The Performance Rights shall have the following milestones attached to them **(Milestones)**:
 - (i) **Tranche 1 Performance Rights:** 50,000,000 Performance Rights each converting into Shares (on a one for one basis) upon O8k's earnings before interest, tax, depreciation and amortization at the end of a financial year being at least \$500,000 (as verified by the Company's auditors) within 24 months of the settlement of the Acquisition;
 - (ii) **Tranche 2 Performance Rights:** 50,000,000 Performance Rights each converting into Shares (on a one for one basis) upon the revenue generated by the business of O8k achieving a minimum of \$1,500,000 (as verified by the Company's auditors) within 24 months of settlement of the Acquisition; and
 - (iii) **Tranche 3 Performance Rights:** means 50,000,000 Performance Rights each converting into Shares (on a one for one basis) upon:
 - (A) the volume weighted average price for the Shares on twenty (20) consecutive days on which sales are recorded being no less than \$0.03; and
 - (B) the revenue generated by the business of O8k achieving a minimum of \$2,500,000 (as verified by the Company's auditors) within 36 months of settlement of the Acquisition.
- (b) **(Notification to holder):** The Company shall notify the holder in writing when the relevant Milestones have been satisfied.
- (c) **(Vesting):** The relevant Performance Rights shall vest on the date that the Milestone relating to that Performance Right has been satisfied.
- (d) **(Consideration):** No consideration will be payable upon the vesting of the Performance Rights.
- (e) **(Conversion):** Upon satisfaction of the relevant Performance Rights vesting, each Performance Right will, at the election of the holder, vest and convert into one Share.
- (f) **(Lapse of a Performance Right):** If the Milestone attaching to a Performance Right has not been satisfied in the time periods stipulated, it will automatically lapse.
- (g) **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (h) **(Listing of Shares on ASX):** The Company will not apply for quotation of the Performance Rights on ASX. The Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.

- (i) **(Transfer of Performance Rights):** A Performance Right is not transferable except with the prior written consent of the board of the Company.
- (j) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (k) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the Vesting Conditions) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (l) **(Dividend and Voting Rights):** A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.
- (m) **(No rights on winding up or reduction of capital):** A Performance Right does not entitle the holder to any return of capital or to participate in the surplus profits or assets of the Company upon winding up of the Company, a reduction of capital or otherwise.
- (n) **(No other rights)** A Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

ANNEXURE A – INDEPENDENT EXPERTS REPORT

8 February 2019

The Directors
ServTech Global Holdings Limited
Suite 1, Ground Floor
437 Roberts Road
SUBIACO WA 6008

Dear Sirs

**INDEPENDENT EXPERT'S REPORT
PURSUANT TO SECTION 611 OF THE CORPORATIONS ACT AND ASX LISTING RULE 11.1.2
ISSUE OF SHARES TO OFFICINE 8K SRL**

1. INTRODUCTION

Nexia Perth Corporate Finance Pty Ltd ("NPCF") has been requested by ServTech Global Holdings Limited ("ServTech Global Holdings" or "the Company" or "SVT") to prepare an Independent Expert Report in relation to the proposed acquisition of 100% of the business of Officine 8K SRL ("O8K"), a private company ("the Proposed Transaction").

The transaction consideration comprises 292,556,186 Shares in the Company and 150,000,000 Performance Rights issued to O8K shareholders (or nominees) with no cash consideration and payment of €42,000 in satisfaction of O8K's debt. Shareholder approval is required in accordance with ASX Listing Rules and item 7 of Section 611 of the Corporations Act. The Proposed Transaction will be the subject of a Resolution of the Notice of Meeting to be considered at the Company's forthcoming Extraordinary General Meeting ("EGM"), provisionally set down to be held on or about 18 March 2019.

NPCF has concluded that **the Proposed Transaction is fair and reasonable** having regard to the interests of the non-associated shareholders of SVT.

Resolution 1 of the attached Notice of Meeting seeks shareholder approval of the Proposed Transaction, pursuant to Listing Rule 11.1.2.

Resolution 2 seeks shareholder approval for the issue of 292,556,186 shares and 150,000,000 performance rights as consideration for acquisition of O8K (or its nominees).

Resolution 3 seeks Shareholder approval for the issue of up to 111,111,111 Shares at an issue price of \$0.018 per Share to raise up to \$2,000,000 (Placement).

Resolution 4 seeks Shareholder approval for the issue of up to 8,130,435 Shares ("Related Party Shares") to Mr Bert Mondello, at an issue price of \$0.0115 per Share, with a maximum value of \$93,500, in lieu of his consultancy or directors' fees.

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To assist shareholders in making a decision on the Resolutions, the directors have requested that NPCF prepare an independent expert's report, which must state whether, in the opinion of the independent expert, the Proposed Transaction is fair and reasonable having regard to the interests of SVT shareholders other than those involved in the Proposed Transaction or associated with such persons and whose approval the Resolutions giving effect to these transactions are required at the General Meeting ("non-associated shareholders of SVT").

The Summary of our opinion is set out in Section 2 of this Report.

A brief summary of the Proposed Transaction is set out in Section 3 of this Report and a detailed outline is set out fully in the Explanatory Statement accompanying the Notice of Meeting of SVT to be held on or about 18 March 2019.

We understand that this Report will accompany the Notice of Meeting and Explanatory Statement. NPCF consents to the issue of this report in its form and context and consents to its inclusion in the Explanatory Statement.

2. SUMMARY OF OPINION

This section is a summary of our opinion and cannot substitute for a complete reading of this Report. Our opinion is based solely on information available as at the date of this Report.

The principal factors that we have considered in forming our opinion are summarised below.

2.1 Assessment of fairness

In considering whether or not the transaction is fair to SVT's non-associated shareholders, we have considered the fair value in SVT on a control basis prior to the Proposed Transaction to the fair value of a minority interest in SVT after the Proposed Transaction on a fully diluted basis.

The comparative positions are summarised below:

	LOW (cents)	MID (cents)	HIGH (cents)
NPCF valuation of an SVT share prior to the Proposed Transaction on a control basis (section 6.3)	0.2532	0.2532	0.2532
NPCF valuation of an SVT share post Proposed Transaction on a minority basis (section 7.3.1)*	0.6312	0.6918	0.7574

*The dilutory impact of the Performance Shares has also been considered but does not change the outcome of our assessment. Please refer to Section 8.

Based upon the information set out in this report, we are of the opinion that the **Proposed Transaction is fair and reasonable** having regard to the interests of the non-associated shareholders of SVT.

NPCF has formed the opinion that the Proposed Transaction is fair because the value of SVT's shares *post* the Proposed Transaction is greater than the value of the Company's shares prior to the Proposed Transaction.

NPCF has also had regard to other relevant considerations in assessing the reasonableness of the Proposed Transaction. Further details are set out in Section 8 of this Report.

Our opinion is based solely on the information available at the date of the report as detailed in Section 10.

2.2 Assessment of Reasonableness

As referred to in more detail in Section 5 of this report, in accordance with RG 111:

- an offer is considered 'fair' if the value of the offer price or consideration is equal to, or greater than, the value of the securities that are the subject of the offer.
- an offer is considered 'reasonable' if it is fair. It might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

In forming our opinion we have considered the following relevant factors (see Section 10).

Advantages of proceeding

- O8K's expertise in virtual reality (VR), augmented reality (AR), 3D modelling, design, gaming, web and application development, and a multitude of coding languages complements the Company's software development expertise which covers a multitude of software coding languages and in design, gaming and a number of applications;
- The combination of both parties' products/technologies allows the combined entity to have an expanded and more complete service offering;
- The appointment of Mr Gianmarco Biagi (O8K's current CEO) and Mr Lorenzo Biagi to the SVT board, who are both very knowledgeable and experienced in the industry and have strong relationships with O8Ks existing customers;
- SVT will be penetrating the international market and extending its footprint to Europe;
- The Proposed Transaction provides access to significant additional revenue streams in the short to medium term. This also gives SVT an appropriate platform on which to proceed with re-capitalising the Company - SVT currently has minimal net assets and acceptance of the Proposal will result in an increase in cash reserves;
- O8K has a history of profits which is not common for IT start-up companies;
- O8K's clients include many strong brands (including Lamborghini, Maserati and Volvo);
- O8K retains ownership of its source code allowing it to keep a strong and stable relationship with its clients;
- The Proposed Transaction is the only offer capable of acceptance at present and there is an absence of alternative offers;
- It may provide opportunity for enhanced liquidity in SVT shares; and
- It may give rise to a market repricing of SVT shares, having regard to the foregoing.

Disadvantages of proceeding

- Reduces the interest of SVT Shareholders to 34.13% on the issue of the Shares the subject of Resolutions 1, 2, 3, and 4 (and before the conversion of existing unlisted options and the Performance Rights the subject of Resolution 2 of the attached Notice of Meeting);

Disadvantages of proceeding (continued)

- In the event of the conditions of all Consideration Performance Rights being met and converting into shares, the Company's current shareholders' interest will decrease from 34.13% to 27.53% whilst the O8K shareholders' interest in the Company will increase from 48.10% to 58.14%. If this eventuates, O8K could thus effectively control SVT and will not have paid a control premium for the issue of the Proposal Shares;
- 68.36% of O8K's shares are indirectly held by Mr Gianmarco Biagi (O8K's current CEO) and Mr Lorenzo Biagi, Roberto Ruspelli and Andrea Bortolotti through a separate vehicle. This entity will effectively hold 31.99% of the combined entity. In the event of all the Performance Rights converting into shares, their shareholding will increase from 31.99% to 39.03% of the combined entity; and
- The Company may need to undertake further capital raising(s) to fund the development and expansion of the combined business which will further dilute the interest of SVT Shareholders.

The principal factors that we have taken into account in forming our opinion are set out in the supporting detail to this report.

2.3 Opinion

The decision of each shareholder as to whether to approve the Proposed Transaction is a matter for individual shareholders. These decisions should be based on each shareholder's views as to matters including value and future market conditions, risk profile, liquidity preferences, investment strategy, portfolio structure and tax positions. In particular, taxation consequences may vary from shareholder to shareholder. If shareholders are in any doubt, they should consult an independent professional adviser.

The opinion should be read in conjunction with the full text of this report which follows after our Financial Services Guide, which sets out our scope and findings.

The supporting detail of our Report (set out in the sections that follow after our Financial Services Guide and Qualifications Declarations and Consents), comprises the following sections:

3. Summary of the Proposed Transaction
4. Purpose of the Report
5. Basis of the Assessment
6. Valuation of SVT shares Pre Proposed Transaction
7. Valuation of SVT shares Post Proposed Transaction
8. Assessment as to Fairness and Reasonableness of the Proposed Transaction
9. Limitations and Reliance on Information
10. Sources of Information

Appendix 1 – Overview of valuation methodologies

Appendix 2 – Comparable Companies and Comparable Transactions

This assignment is a valuation engagement as defined by APES 225 Valuation Services as issued by the Accounting Professional & Ethical Standards Board Limited. Valuation engagement means an engagement or assignment to perform a valuation and provide a valuation report where the independent expert is free to employ the valuation approaches, valuation methods, and valuation procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the engagement or assignment available to the independent expert at that time.

Yours faithfully

NEXIA PERTH CORPORATE FINANCE PTY LTD

A handwritten signature in black ink, appearing to read 'TJ Spooner', is written over a horizontal line.

TJ SPOONER FCA FCA(UK) AGIA ACIS AMIIA CTA
DIRECTOR

Nexia Perth Corporate Finance Pty Ltd ("NPCF")
FINANCIAL SERVICES GUIDE

1. NPCF (ABN 84 009 342 661) provides valuation advice, valuation reports, Independent Expert's Reports and Investigating Accountant's Reports in relation to takeovers and mergers, prospectuses and disclosure documents, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes. NPCF holds Australian Financial Services Licence No. 289358.
2. NPCF has been engaged to provide general financial product advice in the form of the attached report to be provided to you.

Financial Services Guide

3. The Corporations Act 2001 authorises NPCF to provide this Financial Services Guide (FSG) in connection with its provision of an Independent Expert's Report (IER) to accompany the Notice of Meeting to be sent to SVT shareholders.
4. This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about NPCF generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

Financial services we are licensed to provide

5. Our Australian financial services licence allows us to carry on a financial services business to provide financial product advice for securities and deal in a financial product by arranging for another person to issue, apply for, acquire, vary or dispose of a financial product in respect of securities to retail and wholesale clients.

General Financial Product advice

6. The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. It is not intended to take the place of professional advice and you should not make specific investment decisions in reliance upon the information contained in this report.
7. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. You may wish to obtain personal financial product advice from the holder of an Australian Financial Service Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

8. NPCF charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity which engages NPCF to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us.
9. Neither NPCF nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.
10. All of our employees receive a salary and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.
11. We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

12. If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.
13. If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Industry Complaints Services (FICS), an external complaints resolution service. You will not be charged for using the FICS service.

Contact details

14. NPCF contact details are contained on the first page of our Independent Expert's Report.

QUALIFICATIONS, DECLARATIONS AND CONSENTS

Qualifications

1. NPCF is licensed under the Corporations Act to carry on a financial services business to provide the financial services referred to in Section 5 of our Financial Services Guide (refer above). NPCF's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have undertaken a significant number of valuations, IER's, IAR's and similar assignments.
2. This report was prepared by Mr TJ Spooner, who is an authorised representative of NPCF. Mr Spooner has substantial experience in the provision of valuation and similar advice and has been a qualified Chartered Accountant (UK and Australia) for over 25 years.

Declarations

3. This report has been prepared at the request of the Directors of SVT to accompany the Notice of Meeting to be sent to SVT shareholders. It is not intended that this report should serve any purpose other than as stated therein.

Interest

4. NPCF is not the auditor of SVT. At the date of the attached report, neither NPCF, nor Mr TJ Spooner or any other director, executive or employee of NPCF or NPCF has any material interest in SVT either directly or indirectly, or in the outcome of the offer, other than in the preparation of this Report for which normal professional fees of approximately \$24,000 (excluding GST) will be received. Such fee will be payable regardless of whether or not shareholders approve the Proposed Transaction.

Indemnification

5. As a condition of NPCF's agreement to prepare this report, SVT agrees to indemnify NPCF in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of SVT which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

6. NPCF was not involved in the preparation of any other part of the Explanatory Statement to accompany the Notice of Meeting (Explanatory Statement), and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Explanatory Statement. NPCF consents to the inclusion of this report in the Explanatory Statement in the form and context in which it is included. At the date of this report, this consent has not been withdrawn.

3. SUMMARY OF THE PROPOSED TRANSACTION

3.1 Background

On 22 January 2019, SVT announced that it had entered into a binding agreement to acquire 100% of European based software development business O8K Srl. (to be renamed Vection) ("the Acquisition")

Since its incorporation in 2015, O8K has been developing technology and software solutions including "Software as a Service" (**SaaS**) products and has been profitable. O8K offers its customers the following customised technology and software development solutions such as Web and Mobile Applications; Gaming Development and Integration; Rendering; Virtual Reality (**VR**); and 3D Configuration and Augmented Reality (**AR**).

O8K has worked with internationally recognised blue-chip companies such as:

- Lamborghini Automobili (Luxury Automotive);
- Fendi Casa (Luxury interior furnishing);
- Maserati (Luxury Automotive);
- Philip Morris Italia (Tobacco products);
- Volvo Italia (Automotive);
- Ferretti Group (Luxury Yachts);
- G.D. (Coesia Group – Automatic Industrial Machines);
- Bonfiglioli (gearmotors, gearboxes, inverters, electric motors); and
- Others.

The Proposed Transaction consideration for O8K comprises the issue of 292,556,186 Shares in the Company and 150,000,000 Performance Rights to O8K (or nominees) as well as a payment of EUR42,000. The Performance Rights are subject to certain conditions precedent (as listed in Section 6.4.3), with one of the conditions being the appointment of Mr. Gianmarco Biagi (O8K's current CEO) and Mr. Lorenzo Biagi (O8K Director) to the SVT Board.

A detailed outline is set out fully in the Explanatory Statement accompanying the Notice of Meeting of SVT to be held on or about 18 March 2019.

3.2 Terms of the proposal

As noted above, on 22 January 2019, ServTech Global Holdings Limited has announced that it has signed a binding agreement to acquire 100% of European based software development business Officine O8K Srl. (to be renamed "Vection") on the terms and conditions set out below ('Acquisition'). The consideration to be paid to O8K will be satisfied through the issue by SVT of 292,556,186 fully paid ordinary shares in the capital of SVT (SVT Shares) ('Proposal Shares'), 150,000,000 Consideration Performance Rights and the Company making a payment of €42,000 to an O8K quota holder on the Settlement Date (as defined in the term sheet).

The settlement of the transaction is conditional on:

- i. the Company having conducted and successfully completed a placement of 111,111,111 shares, raising a minimum amount of \$2,000,000 at a share issue price of \$0.018 per share (subject to Resolution 3);
- ii. all necessary shareholder approval is obtained;
- iii. the Placement being successfully concluded on or about 20 February 2019;
- iv. all necessary ASX approvals obtained;
- v. SVT procuring employment or contracting agreements for O8k's senior management;
- vi. reimbursement of approximately \$105,000 for required due diligence expenditure;
- vii. appointment to the Board of Mr Gianmarco Biagi and Mr Lorenzo Biagi;
- viii. O8k obtaining written consent from all of its clientele for the use of their names and logos for the Company's marketing purposes.

The Proposal Shares will be issued no later than 3 months after the date of the meeting and that the shares will be issued to O8K or its nominees for \$nil cash consideration. The Proposal Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

The Consideration Performance Rights will be issued on the terms and conditions provided in the attached Notice of Meeting and summarised below:

- i. 50,000,000 Performance Rights converting into 50,000,000 Shares upon O8K's earnings before interest, tax, depreciation and amortisation at the end of a financial year being at least \$500,000 within 24 months from Settlement;
- ii. 50,000,000 Performance Rights converting into 50,000,000 Shares upon O8K achieving a minimum of \$1,500,000 in revenue within 24 months from Settlement; and
- iii. 50,000,000 Performance Rights will convert into 50,000,000 shares upon the Company's Share price being a minimum of \$0.03 on a 20-day volume weighted average price within 36 months of the Acquisition and O8K achieving a minimum of \$2,500,000 in revenue within 36 months of Settlement.

3.2 Terms of the proposal (continued)

Pursuant to the Proposed Transaction (but prior to the conversion of any of the Company's Performance Rights into Shares), Mr Gianmarco Biagi (O8K's current CEO) and Mr Lorenzo Biagi (or their nominees) will hold a combined interest of 31.99% of the shares in the Company (including direct and indirect holdings).

Whilst the O8K shareholders the subject of Resolution 2 do not consider that they will be associates with respect to their interests in the Company following completion of the Acquisition Agreement, under section 12(2)(c) of the Corporations Act the O8K shareholders may be considered associates due to the O8K shareholders acting in concert in relation to the Company's affairs through their common understanding and intentions with respect to the Acquisition and by all agreeing to sell their shares in O8K to the Company.

Because of this possible associate relationship, at the point in time when the Shares are issued, O8K will have a voting power in the Company of 48.10% after the issue of all shares following the resolutions in the attached Notice of Meeting. In the event of all Performance Rights converting into shares, O8K's combined shareholding could increase to a maximum of 58.14%. There are however conditions attached to the Performance Rights for a period after the Proposed Transaction date (refer Section 6.4.3).

ServTech Global Holdings Limited ("SVT" or "the Company") has commissioned this Independent Expert's Report ("the Report") in respect of the issue of the Proposal Shares for the purposes of compliance with ASX Listing Rule 11.1.2 and item 7 of Section 611 of the Corporations Act 2001 ("the Act") which is the subject of Resolutions 1 and 2, so that shareholders may assess the merits of the issue of the Proposal Shares when voting on the Resolutions at an Extraordinary Shareholders Meeting to be held on or about 18 March 2019.

Unless otherwise specified, the terms and references in this Report have the same meaning as those used in the Explanatory Statement ("ES") accompanying the Notice of Meeting, to which this Report is attached as Annexure A.

4. PURPOSE OF THE REPORT

Section 606(1) of the *Corporations Act 2001* prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- a) from 20% or below to more than 20%; or
- b) from a starting point above 20% and below 90%.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the *Corporations Act 2001*. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates (as defined therein) have a relevant interest. Section 611 of the *Corporations Act 2001* provides that certain acquisitions of relevant interests in a company's voting shares are exempt from the prohibition in Section 606(1) above, including acquisitions approved previously by a resolution passed at a general meeting of the company in which the acquisition is made (Section 611, Item 7).

Accordingly, as the value of the consideration being issued by the Company to the O8K shareholders (or their nominees) will result in the O8K shareholders holding a total of 48.10% of the shares in the Company, this will result in their holding in excess of 20% of the voting power of the company for the purposes of Section 606 of the Corporations Act and hence shareholder approval is being sought.

Listing Rule 11.1.2 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- a. provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- b. if ASX requires, obtain the approval of holders of its shares and any requirement of ASX in relation to the notice of meeting (the notice of meeting must include a voting exclusion statement); and
- c. if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the Company were applying for admission to the official list of the ASX.

ASX has indicated to the Company that given the change and scale of the Company's activities resulting from the Proposed Transaction, it requires the Company to obtain Shareholder approval for the change in nature and scale of its activities but it will not be required meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the Company were applying for admission to the official list of ASX.

To assist shareholders in making a decision on the Proposed Transaction, the Directors have requested that NPCF prepare an Independent Expert's Report, which must state whether, in the opinion of the Independent Expert, the Proposed Transaction is fair and reasonable to the non-associated shareholders of SVT.

5. BASIS OF THE ASSESSMENT

Set out in the Notice of Meeting and Explanatory Statement accompanying this Report are the ASX Listing Rules and Corporations Act provisions relevant to the Proposed Transaction and information in relation thereto. In preparing our Report, we have had regard to ASIC Regulatory Guide 111 and 112 relating to Independent Experts' Reports.

The term 'fair and reasonable' has no legal definition although over time a commonly accepted interpretation has evolved. However, fair and reasonable has different meanings for different regulatory purposes.

ASIC Regulatory Guide 111 provides that the assessment of whether a proposal is fair and reasonable should involve a comparison of the likely advantages and disadvantages for non-associated shareholders if the Proposed Transaction is implemented and if it is not.

In essence, the proposal will be "fair and reasonable" if the non-associated shareholders are better off if the proposal is implemented. They will be better off if the expected benefits outweigh the disadvantages to the non-associated shareholders.

ASIC regulatory Guide 111, states, inter alia:

- an offer is considered 'fair' if the value of the offer price or consideration is equal to, or greater than, the value of the securities that are the subject of the offer.
- an offer is considered 'reasonable' if it is fair. It might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

ASIC Regulatory Guide 111 requires the assessment of 'fair' to be made assuming 100% ownership of the company. It considers it to be inappropriate to apply a discount to the value of the securities under the offer that would normally be considered in the valuation of a minority interest to reflect such factors as a lack of control.

ASIC Regulatory Guide 111 also provides examples of factors that are relevant in an assessment of reasonableness. The form of analysis the expert uses to evaluate a transaction should address the issues faced by security holders.

In our opinion, for the purposes of this report 'fairness' is taken to mean a reference to quantification of respective values of consideration being paid compared to the value of assets being transferred. This has been calculated in the context of the impact on SVT shares prior to and subsequent to the Proposed Transaction. 'Reasonableness' is taken to include consideration of other qualitative factors which can be assessed on objective grounds.

The assessment as to the fairness and reasonableness of the Proposed Transaction is set out in Section 8 of this Report.

6. VALUATION OF SERVTECH GLOBAL HOLDINGS LIMITED SHARES PRE PROPOSED TRANSACTION

6.1. VALUATION OVERVIEW

The usual approach to the valuation of an asset is to seek to determine what a willing but not anxious buyer, acting at arm's length, with adequate information, would be prepared to pay and a willing, but not anxious seller would be prepared to accept in an open market.

RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, acquisitions requiring approval by security holders, takeovers and prospectuses. These include:

- Discounted cash flow (DCF) approach;
- Capitalisation of future maintainable earnings (earnings based) approach;
- Orderly realisation of assets (asset based) approach;
- Quoted price of listed securities (market value) approach; and
- Comparable Market Transactions.

We have outlined these methodologies in Appendix 1 to this report. Each of these methodologies is appropriate in certain circumstances. The decision as to which methodology to use generally depends on the methodology most commonly adopted in valuing the asset in question and the availability of appropriate information. This is addressed further in Section 6.2 below.

6.2 VALUATION APPROACH

The traditional valuation method used to value companies is the capitalisation of future maintainable earnings, with such earnings being estimated using historical results. However, in order to adopt such a basis of valuation, a business must have a track record of profitability. As can be seen from the summary of historical statements of Profit or Loss and Other Comprehensive Income summarised in the table on the following page, SVT does not have a track record of profitability, we consider a valuation on this basis to be inappropriate.

NPCF believes that the most appropriate method for valuing the issued shares in SVT is the asset-based approach. The most common form of asset based approach is the Net Realisable Value method. The resultant net realisable assets of the Company can then be expressed in terms of a value per share.

As a crosscheck to the valuation on the above basis, NPCF has used the market value approach with reference to the market price of SVT shares. This valuation crosscheck calculation is set out in Section 6.4.5 of this Report.

6.2.1 ServTech Global Holdings Limited Historical Statements of Profit or Loss or Other Comprehensive Income

SERVTECH GLOBAL HOLDINGS LIMITED

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Consolidated Year Ended 30-Jun-18 (audited) \$	Year Ended 30-Jun-17 (audited) ¹ \$
Revenue			
Revenue from continuing operations	1	475,324	53,886
Expenses			
Employee benefits expense		2,167,591	1,421,307
Consulting and professional fees		684,588	773,066
Finance costs		196,566	1,202,593
Depreciation and amortisation		118,734	12,606
Other expenses		728,969	648,172
Share based payment		-	662,080
Total Expenditure		3,896,448	4,719,824
Loss before income tax expense		(3,421,124)	(4,665,938)
Income tax expense		-	-
Loss after income tax for the year		(3,421,124)	(4,665,938)
Discontinued operations			
Loss for the year after income tax from discontinued operations	1	(451,653)	(1,307,570)
Loss after income tax attributable to equity holders of ServTech Global Holdings Limited		(3,872,777)	(5,973,508)
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(1,294)	(1,712)
Total comprehensive loss for the year		(3,874,071)	(5,975,220)
Total comprehensive loss attributable to equity holders of ServTech Global Holdings Limited		(3,874,071)	(5,975,220)
Loss per share for the year attributable to the members of ServTech Global Holdings Ltd			
Discontinued operations Loss per share for the year (per share)		(0.00)	(0.02)
Continuing operations Loss per share for the year (per share)		(0.04)	(0.09)
Overall Basic loss per share		(0.04)	(0.12)
Overall Diluted loss per share		(0.04)	(0.12)

Notes

(1) FY2017 has been restated to exclude those operations classified as discontinued in the reporting period.

Source: SVT's audited financial statements for the year ended 30 June 2018.

6.2.1.1 Commentary on the above results

The company listed on ASX in March 2017, having completed an Initial Public Offering of \$6 million. Since listing, ServTech Global continued to pursue its expansion and diversification strategy to drive revenue and profit growth and to progressively reduce its exposure to any one sector of the economy. During the year ended 30 June 2018, the Group disposed of a number of its subsidiaries' businesses requiring the separation of results from continuing and discontinuing operations, including a restatement of prior year comparative information; we have excluded the results of discontinued operations from our analysis.

For the year ended 30 June 2018 the Group recorded a loss from continuing operations of \$3,421,124 (2017:\$4,665,938) and had negative cash flows from operating activities of \$4,434,306 (2017: \$3,248,212). These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

During the year the Group sold its real estate businesses to The Agency Group Australia Limited (The Agency) for cash consideration of \$950,000. Of this consideration, the Group has received \$300,000 to date. The Group also entered into a service arrangement whereby the Group would provide outsourced services to The Agency. As a result of these transactions, the Company is exposed to credit risk from The Agency as the Company's primary customer. The Agency represented the majority of sales and receivables of the continuing operations of the Group as at 30 June 2018 and is satisfied that The Agency does not represent an adverse credit risk.

The Group is continually assessing its ongoing cash requirements. As part of this process the Group maintains a strict internal cash flow management process which is based on numerous revenue and other assumptions. Should these assumptions not be achieved the directors believe the Group will reduce the cost base in line with revenue as required and raise additional capital as required. The Company has been successful in these efforts in the past including \$1,000,000 raised via the issue of convertible notes in the current financial year. Subsequent to financial year end, liabilities of \$1,140,078 in respect of the convertible notes were extinguished by way of the issuance of 81,300,813 fully paid ordinary ServTech Global Holdings Limited shares.

As a result of the above, we note that the independent auditor's report in the Company's Annual 30 June 2018 included an emphasis of matter of paragraph in respect of a material uncertainty related to going concern drawing attention to Note 1(f) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. The audit opinion is not modified in respect of this matter.

The audit report also included the following KAMs:

1. Accounting for Discontinued Operations – As disclosed in note 26, during the year the Group disposed of a number of its subsidiaries' businesses. The Group was required to calculate the gain or loss on disposal of these businesses which was complex due to the detailed terms in the sales agreements. The application of AASB 5 Non-current Assets Held for Sale and Discontinued Operations requiring the separation of results from continuing and discontinuing operations, including a restatement of prior year comparative information was also complex having a significant impact on the financial results of the Group. As a result, this was a key focus of our audit.

6.3 VALUE OF SVT'S SHARES *PRE* PROPOSED TRANSACTION

In establishing the value of SVT prior to the Proposed Transaction, the net asset backing per share has been determined based upon the unaudited position as at 31 December 2018, adjusted for certain significant subsequent events as referred to in the Notes to Section 6.3.1 below.

This has resulted in a net asset backing per share of 0.2532 cents *pre* Proposed Transaction as calculated in the table below:

SVT – NET ASSET BACKING PER SHARE

	Notes	Pre-Proposed Transaction 31-Dec-18 \$	Adjust for subsequent events \$	Pro Forma Pre-Proposed 31-Dec-18 \$
Current Assets				
Cash and cash equivalents	1	111,646	275,000	386,646
Receivables	1	747,973	(275,000)	472,973
Other assets		29,828		29,828
Total Current Assets		<u>889,447</u>		<u>889,447</u>
Non-Current Assets				
Property, plant & equipment		161,306		161,306
Total Non-Current Assets		<u>161,306</u>		<u>161,306</u>
Total Assets		<u>1,050,753</u>		<u>1,050,753</u>
Current Liabilities				
Payables		438,164		438,164
Other provisions		18,361		18,361
Interest bearing liabilities		53,960		53,960
Total Current Liabilities		<u>510,485</u>		<u>510,485</u>
Total Liabilities		<u>510,485</u>		<u>510,485</u>
Net Assets/(Liabilities)		<u>540,268</u>		<u>540,268</u>
Equity				
Issued capital		11,544,410		11,544,410
Reserves		269,494		269,494
Accumulated losses		(11,273,636)		(11,273,636)
Total Equity		<u>540,268</u>		<u>540,268</u>
no. of shares				213,373,944
Net asset backing per share				0.2532 cents

6.3.1 Notes to SVT – Net Asset Backing per share

1. In early January 2019, the Company banked late payments from its customers to the value of \$230,000 and received a Commonwealth Government research and development tax incentive credit of \$45,000 for FY17 activities. Accordingly there was a net cash inflow of \$275,000 subsequent to year-end however had no impact on the net asset backing value.
2. As the Net Asset backing per share considers the assessment of 100% of the company's net assets, this methodology effectively includes a control premium and hence does not require any adjustment in determining the value of an SVT share prior to the Proposed Transaction on a control basis.

6.4 ISSUED SHARE CAPITAL AND SHARE TRANSACTIONS

6.4.1 ISSUED CAPITAL (PER ANNUAL REPORT AND SUBSEQUENT APPENDIX 3B)

As at 30 June 2018 the total issued share capital of SVT comprised 129,073,131 fully paid ordinary shares. The movements in SVT's issued capital since 30 June 2018, the balance date of its last audited financial report, are provided in the table below. The values below are net of share issue costs.

	Number of Shares	Note	\$
Balance as at 1 July 2017	129,073,131	Per 30 June 2018 Annual Report	10,404,332
Subsequent movement	84,300,813	Approved at AGM 10.08.18	1,363,780
As at the date of this report ^{(1) (2)}	213,373,944	As at the date of this report ⁽¹⁾	11,768,112
Issue of shares under Resolution 2	292,556,186	Included at prevailing rate at \$0.018 in relation to this resolution	5,266,011
Issue of shares under Resolution 3	111,111,111	Included at prevailing rate at \$0.018 in relation to this resolution	2,000,000
Issue of shares under Resolution 4	8,130,435	Included at a deemed issue price of \$0.0115, which represents the 30-day VWAP as at 8 February 2019	93,500
Total if all resolutions passed ^{(2) (3)}	625,171,676		19,127,623

(1) The amounts credited to equity have been calculated based on the issue price in the Notice of Meeting. This will be recomputed after they have been issued.

(2) 48,284,995 of these shares are subject to escrow until 16 March 2019.

(3) Options

The above summary does not include the potential dilutory impact of the 2,500,000 unlisted Options. In the event that all these Options vest and are exercised and converted into ordinary shares, this would increase the number of ordinary shares on issue by a further 2,500,000 shares.

(4) Performance Rights

The above summary does not include the potential dilutory impact of the conversion of any of the existing Performance Rights or Performance Rights the subject of Resolution 2 of the Notice of Meeting. In the event that all these Performance Rights vest and are converted into ordinary shares, this would increase the number of ordinary shares on issue by a further 150,000,000 shares.

6.4.1.1 Top 20 shareholders – ungrouped (as at 31 July 2018 – per the 30 June 2018 Annual Report)

Rank	Shareholder	No. of shares	% Held
1	MR KEITH JAMES SCUDDS & MRS PATRICIA ANNE SCUDDS	18,202,994	14.10%
2	OUTSOURCED GLOBAL LIMITED	9,293,000	7.20%
3	MRS TANIA MCKIERNAN	8,889,000	6.89%
4	SURF COAST CAPITAL PTY LTD <MINNIE P/F A/C>	7,000,000	5.42%
5	MS MERLE SMITH & MS KATHRYN SMITH	6,500,000	5.04%
6	JALAVAR PTY LTD <FALCON PENSION A/C>	4,500,000	3.49%
7	MR PETER DAVIES	4,000,000	3.10%
8	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	3,333,333	2.58%
9	RAVEN INVESTMENT HOLDINGS PTY LTD <RAVEN INVESTMENT A/C>	2,666,667	2.07%
10	MR GREGORY MORTLOCK	2,589,130	2.01%
11	SLAM CONSULTING PTY LTD	2,333,333	1.81%
11	SCHAMMER PTY LTD <SCHAMMER FAMILY A/C>	2,333,333	1.81%
12	RIMOYNE PTY LTD	2,150,000	1.67%
13	BUZZ CAPITAL PTY LTD <ZI VESTMENT A/C>	1,997,742	1.55%
13	ATTOLLO INVESTMENTS PTY LTD <ATTOLLO INVESTMENT A/C>	1,997,742	1.55%
14	MR KEITH JAMES SCUDDS & MRS PATRICIA ANNE SCUDDS	1,769,123	1.37%
15	MR BRETT HUNGERFORD & MR JASON HUNGERFORD <THE HUNGERFORD FAMILY A/C>	1,616,000	1.25%
16	BR CORPORATION PTY LTD	1,333,333	1.03%
16	MR JOSEPH RE & MRS EVA RE <RE SUPER FUND A/C>	1,333,333	1.03%
17	MR PHILIP UMBERTO RE	1,331,000	1.03%
18	MR ALEXANDER SEBREGTS & MRS ELIZABETTA SEBREGTS <SEBREGTS FAMILY A/C>	1,308,000	1.01%
19	AH SUPER PTY LTD	1,200,000	0.93%
20	J & J BANDY NOMINEES PTY LTD <BANDY P/F A/C>	1,162,775	0.90%
Total		88,839,838	68.84%

6.4.1.2 Range of shareholders (as at 31 July 2018)

Spread of holdings	Number of holders	Number of shares	% Held
1 - 1,000	5	1,731	0.00%
1,001 - 5,000	21	75,171	0.06%
5,001 - 10,000	45	430,500	0.33%
10,001 - 100,000	206	8,935,396	6.92%
100,001 – and over	127	119,630,333	92.69%
Totals	404	129,073,131	100.00%

Unmarketable parcels Minimum \$500 parcel at \$0.017 per unit	Minimum parcel size	Holders	Units
	29,412	141	1,771,629

6.4.2 OPTIONS

As at the date of this report, the Company had the following Options on issue:

	Unlisted Options Number	Value \$	Note
Balance as at 1 July 2018 and as at the date of this report before resolutions passed	2,500,000	272,500	(1)
Options issued in accordance with Resolutions	-	-	
After AGM date	2,500,000	272,500	

Notes

(1) Unlisted Options as at 1 July 2018 expire on 17 March 2020 with an exercise price of \$0.30. These are out of the money as at the date of this report and are escrowed until 16 March 2019.

6.4.3 Performance Rights

As at the date of this report, the Company had the following Performance Rights on issue:

	Performance Rights Number	Value \$	Note
Balance as at 1 July 2018 and as at the date of this report	10,000,000	-	(1)
Issue of Performance Rights under Resolution 2	150,000,000	1,150,000	(2)
Total if all Resolutions passed	160,000,000	1,150,000	

Notes

(1) As none of the eligible participants who were granted the performance rights in the prior period continue to remain in service to the Group, all of these performance rights lapsed in the current period but have not been formally cancelled at the date of this report.

(2) The 150,000,000 Performance Rights are issued on the following summarised terms and conditions:

- i. 50,000,000 Performance Rights converting into 50,000,000 Shares upon O8K's earnings before interest, tax, depreciation and amortisation at the end of a financial year being at least \$500,000 within 24 months from Settlement;
- ii. 50,000,000 Performance Rights converting into 50,000,000 Shares upon O8K achieving a minimum of \$1,500,000 in revenue within 24 months from Settlement; and
- iii. 50,000,000 Performance Rights will convert into 50,000,000 shares upon the Company's Share price being a minimum of \$0.03 on a 20-day volume weighted average price within 36 months of the Acquisition and O8K achieving a minimum of \$2,500,000 in revenue within 36 months of Settlement.

6.4.4 SHARE TRADING

The following summary provides details of the monthly values and average daily volumes of SVT shares being transacted on ASX from 1 July 2018 to 23 January 2019:

	Open	High	Low	Close	Total Volume	Volume weighted average price
Jan-19	0.009	0.018	0.009	0.013	7,217,050	0.013
Dec-18	0.011	0.011	0.009	0.009	2,931,197	0.009
Nov-18	0.01	0.012	0.01	0.011	3,889,862	0.011
Oct-18	0.011	0.011	0.01	0.01	1,105,310	0.010
Sep-18	0.016	0.016	0.011	0.011	889,865	0.012
Aug-18	0.017	0.017	0.013	0.016	597,845	0.015
Jul-18	0.012	0.016	0.012	0.013	2,833,823	0.014

Source: Yahoo Finance

Based on the above table SVT's share price has fluctuated over the period since 1 July 2018 from a low of .9 cent in December 2018 to a high of 1.8 cents in January 2019. Trading volumes have been fairly low throughout the period prior to the announcement on 22 January 2019 of the proposed acquisition of O8K ('Vection announcement'). The highest single day trading volume was recorded on 16 November 2018 when 1,862,440 shares were traded. The average daily volume of shares traded over the period 1 July 2018 to 31 January 2019 was 128,907 shares, with 94 (out of 151 day period) where no trades were recorded. Of the 94 days with no trades, 92 of these days occurred prior to the Vection announcement (none of those days were non-trading days due to a trading halt in the company's securities). During the period a very small percentage (less than 0.1%) of the company's prevailing free float was traded per day.

SVT Recent Share Price History:

The chart below represents the movement in the share price of SVT listed shares in the past 7 months (to 31 January 2019):



Source: asx.com.au

6.4.5 SCHEDULE OF RECENT ASX ANNOUNCEMENTS

Company announcements released on the ASX platform since its 30 June 2018 financial year-end to the date of this report are summarised below:

January 2019

22nd	ServTech to Acquire Leading Software Development Company
21st	Trading Halt
17th	Appendix 4C - quarterly

November 2018

30th	Results of Meeting
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October 2018

31st	Quarterly Activities Report
30th	Notice of Annual General Meeting/Proxy Form
1st	Annual Report to shareholders
1st	Appendix 4G and Corporate Governance Statement

September 2018

3rd	Preliminary Final Report
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August 2018

23rd	Becoming a substantial holder
23rd	Ceasing to be a substantial holder
16th	Appendix 3B
16th	Cleansing Prospectus
10th	Results of Meeting
9th	Successful Launch of the REIWA Mobile App

July 2018

31st	ServTech June 2018 Quarterly Update and Appendix 4C
10th	ServTech Successfully Implements Agency Services Contract
9th	Notice of Annual General Meeting/Proxy Form
9th	Becoming a substantial holder

Source: *asx.com.au*

6.4.6 MARKET VALUE

SVT's share price has fluctuated over the period 1 July 2017 to 31 January 2019 from a low of 0.9 cent in December 2018 to a high of 1.8 cents in January 2019. This includes the announcement of the Proposed Transaction announced on 22 January 2019.

As can be seen from the very low trading volumes prior to the announcement of the Proposed Transaction reflected in Section 6.4.4 above, together with only a very small percentage of the company's free float being traded prior to the O8K (to be renamed "Vection") announcement, we consider that the share price methodology does not provide sufficient information to be the most appropriate methodology to use in this instance.

We therefore consider the Net Realisable Value method to be the most appropriate method to adopt in this instance.

7. VALUATION OF SERVTECH GLOBAL HOLDINGS LIMITED SHARES *POST* PROPOSED TRANSACTION

7.1 COMPONENTS OF THE PROPOSED TRANSACTION

The acquisition of a 100% of O8K's business, on the terms set out in the Explanatory Statement.

7.2 OVERVIEW OF O8K

7.2.1. O8K's Business Activities

O8K has been developing technology and software solutions including "Software as a Service" (SaaS) products since its incorporation in 2015. O8K offers its customers the following customised technology and software development solutions:

- Web and Mobile Applications;
- Gaming Development and Integration;
- Rendering;
- Virtual Reality (VR); and
- 3D Configuration and Augmented Reality (AR).

The software development that O8K offers to its clients consists of a customised approach, based on the client's specific technology requirements, and can include each of the above solutions to provide bespoke technology and software development solutions to corporate clients across Europe with the view to expand its operations to Australia, the UK and US.

O8K has provided technology solutions to the following key clients:

Fendi Casa

Fendi Casa's bespoke software solution allows potential customers to visualise Fendi Casa's products in a virtual showroom, whereby the customers interacted in real-time with Fendi Casa's products, improving the overall shopping experience and driving shopper engagement. The software solution automatically connects the orders processed through the software to Fendi Casa's logistics and accounting systems and can be utilised on PC, tablet and in mobile.

Lamborghini

O8K developed a software solution that replicates car designs in a virtual environment, allowing Lamborghini's engineers and designers to visualise and interact on new concepts in real-time. The software improves collaboration, efficiency and is hardware agnostic.

Bonfiglioli

O8K developed a software solution aimed at showcasing Bonfiglioli's products at international trade-shows, allowing potential clients to interact with the products in a visual and engaging way. As part of this engagement, O8K developed and integrated into the software a customised game to further increase customer engagement and involvement.

Maganetti SpA in partnership with Levissima SpA

O8K developed a customised software solution aimed at promoting their products to potential clients specifically for trade-shows. Through the software, users can visualise products and interact with them through a specifically developed gamification integration. Maganetti utilises the software at multiple trade-shows during the year, reducing its logistic and direct costs, and thus, increasing customer engagement and market outreach at nil OPEX cost.

7.2.2. O8K's Financial Information

Set out below are O8K's audited trading results for the period 1 January 2016 to 31 December 2017, together with the unaudited results for the year to 31 December 2018:

	Notes	31-Dec-16 EUR	31-Dec-17 EUR	31-Dec-18 EUR
Revenue		208,540	567,609	647,510
Other Income		5,120	4,922	16,995
Raw materials and consumables used		(1,498)	(35,359)	(12,010)
Consulting and other expenses		(162,538)	(312,143)	(432,254)
Employee benefits expenses		(26,758)	(145,719)	(125,888)
Capitalised Cost		-	27,000	-
Operating profit/loss		22,866	106,310	94,353
Depreciation and amortisation expenses		(4,898)	(11,282)	(8,000)
Finance cost and (expenses)		3	6	(2)
Profit/(loss) before taxation		17,971	95,034	86,351
Income Tax Expense		(2,173)	(27,418)	-
Profit/(loss) for the year		15,798	67,616	86,351
<i>Net Profit %</i>		<i>8%</i>	<i>12%</i>	<i>13%</i>
<u>Adjusted for:</u>				
Depreciation and amortisation expenses		4,898	11,282	8,000
Capitalised expenditure	1	151,877	400,060	379,734
Capitalised cost	2	-	(27,000)	-
Finance cost		(3)	(6)	2
Income Tax		2,173	27,418	-
EBITDA (EUR)		174,743	479,370	474,087
<i>EBITDA as % of Revenue</i>		<i>84%</i>	<i>84%</i>	<i>73%</i>
Ave FX conversion rate	3	1.4874	1.4717	1.5795
EBITDA (AUD)		259,913	705,489	748,820

Notes:

1. Capitalised expenditure has been adjusted for as this relates to capital rather than revenue and hence has been added back in determining EBITDA.
2. Capitalised cost of EUR27,000 comprises EUR22,000 of employee costs and EUR5,000 of subcontract work directly attributable to development projects of algorithms applicable in the 3D programming and has been adjusted for as this relates to capital rather than revenue and hence has been added back in determining EBITDA.
3. O8K's presentation currency is EUR. These have been converted to AUD using the average rate for the year sourced from the Reserve Bank of Australia.

7.2.3 VALUATION APPROACH

As referred to earlier in this report, we have outlined the valuation methodologies included within RG111 and these are covered in more detail in Appendix 1 to this report. Each of these methodologies is appropriate in certain circumstances. The decision as to which methodology to use generally depends on the methodology most commonly adopted in valuing the asset in question and the availability of appropriate information. This is addressed further below.

To determine a fair value of O8K we consider that the capitalisation of earnings to be the most appropriate approach to value this business. We have determined that Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) is the appropriate earnings basis for this valuation as it closely represents the underlying cash flows of the business operations.

We have summarised O8K's trading results for the four years ended 31 December 2018 in Section 7.2.2 above. The reported EBITDA has been adjusted to reflect certain normalisation adjustments to EBITDA.

7.2.3.1 Capitalisation Multiple

The capitalisation multiple has been determined with reference to identified listed companies and transactions that relate to Application Software Companies in Australia. The mean EBITDA multiples are summarised below and the details are set out in Appendix 2:

EBITDA multiple Comparable	Comparable Companies
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Mean	13.39
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Source: www.investsmart.com.au

It is difficult to identify a direct comparable company to O8K due to the nature of O8Ks business, the availability of public information and a large number of loss-making entities. However, the above companies identified share similar industry characteristics and therefore have been used as a basis for determining the capitalisation multiple.

To determine the capitalisation multiple to apply to O8K we have applied discounts to the average implied multiple to reflect differences in the size and lack of negotiability relative to the identified companies and transactions. In addition to this we have applied a premium for control to reflect the underlying valuation of SVT being on a control basis.

Based on the above we have determined that the appropriate capitalisation multiple is in the range of 4.08x to 5.02x with the preferred multiple to be 4.55x.

7.2.3.2 EBITDA based assessment

In assessing the business's continuing profitability, we have reviewed the last four years' trading results based on the business' most recent trading performance up to 31 December 2018. This is also to ensure that consideration is given to a number of years representing an appropriate business cycle. We have valued the business based on the results for the three years ended 31 December 2018. The impact of these factors is mitigated by applying a weighted average to the business' past results. In this instance, we have applied a weighted average of 50:35:15 to the results for the relevant years, as detailed below.

7.2.3.2 EBITDA based assessment (continued)

Weighted average computation

	Adjusted EBITDA	Weighting %	\$
FY18 (actual)	748,820	50	374,410
FY17 (actual)	705,489	35	246,921
FY16 (actual)	259,913	15	38,987

Adjusted EBIT			660,318

Based upon future maintainable earnings of \$660,318 before tax, and adopting a capitalisation rate of 21.98% before tax, this gives rise to a capitalised Enterprise Value for O8K of \$3,004,448 (before adjusting for surplus assets, interest-bearing debt and beneficiary loans).

In assessing the Net Tangible Assets of O8K, assuming an enterprise value of \$3,004,448, we have arrived at a fair value of 100% of the O8K business of **\$2,991,805**.

	\$
Enterprise Value	3,004,448
<u>Add surplus assets:</u>	
Cash	52,502
Director loan	306
Security Deposits	3,455
<u>Less Interest bearing debt:</u>	
Borrowings	(68,906)

Value of O8K Business	2,991,805

7.2.3.3 Intangible Assets

As a result, the total Intangible Assets held by O8K (including Intellectual property and Goodwill) is valued at **\$2,811,417**, calculated as follows:

	\$
Enterprise Value	3,004,448
Less: Net underlying assets	(193,031)
Total value attributable to Intangible Assets	2,811,417

Less: Opening balance of Intangible Assets	(108,635)

Movement in Intangible Assets	2,702,781

For the purposes of this report we have not undertaken an analysis pursuant to AASB3 *Business Combinations* of the identifiable intangible assets of the business acquired in order to determine the composition of separately identifiable intangible assets and goodwill. However we note the existence of a very substantial intellectual property asset.

7.2.4 Unaudited Adjusted Pro-Forma Balance Sheet of O8K as at 31 December 2018 *Post* the Proposed Transaction

	Notes	Pre-Proposed Transaction 31-Dec-18 \$	Adjustments	Pro Forma Pre-Proposed 31-Dec-18 \$
Current Assets				
Cash and cash equivalents		52,502		52,502
Receivables		636,830		636,830
Work in Progress		106,021		106,021
Other assets		88,100		88,100
Total Current Assets		883,453		883,453
Non-Current Assets				
Property, plant & equipment		2,267		2,267
Intangible assets	2	108,635	2,702,781	2,811,417
Other assets		4,734	(1,278)	3,455
Total Non-Current Assets		115,636		2,817,139
Total Assets		999,089		3,700,592
Current Liabilities				
Accruals and Payables		639,881		639,881
Total Current Liabilities		639,881		639,881
Non-Current Liabilities				
Interest bearing liabilities		68,906		68,906
Total Liabilities		708,787		708,787
Net Assets/(Liabilities)		290,301		2,991,805
Equity				
Issued capital		16,186		16,186
Reserves		6,618		6,618
Accumulated profits	2	267,497	2,701,503	2,969,000
Total Equity		290,301		2,991,805

Notes to the unaudited adjusted Pro-forma Balance Sheet

1. The net assets of the company have been based on their carrying values in the unaudited Balance Sheet as at 31 December 2018 except for Intellectual Property which has been revalued - see note 2 below.
2. In assessing the fair value of the company's intangible asset fair value (i.e. the company's intellectual property), we have considered applying the cost approach. However, since O8K has a proven operating history and a consistent earnings trend of generating profits which show the profitability has been maintained, we have valued the fair value of the intangible asset by applying the Capitalisation of future maintainable earnings (earnings based) approach. Refer to Section 7.2.3.

7.2.5 Economic overview

The global economy grew above trend in 2018, although it slowed in the second half of the year. Unemployment rates in most advanced economies are low. The outlook for global growth remains reasonable, although downside risks have increased. The trade tensions are affecting global trade and some investment decisions. Growth in the Chinese economy has continued to slow, with the authorities easing policy while continuing to pay close attention to the risks in the financial sector. Globally, headline inflation rates have moved lower due to the decline in oil prices, although core inflation has picked up in a number of economies.

Financial conditions in the advanced economies tightened in late 2018, but remain accommodative. Equity prices declined and credit spreads increased, but these moves have since been partly reversed. Market participants no longer expect a further tightening of monetary policy in the United States. Government bond yields have declined in most countries, including Australia. The Australian dollar has remained within the narrow range of recent times. The terms of trade have increased over the past couple of years, but are expected to decline over time.

The central scenario is for the Australian economy to grow by around 3 per cent this year and by a little less in 2020 due to slower growth in exports of resources. The growth outlook is being supported by rising business investment and higher levels of spending on public infrastructure. As is the case globally, some downside risks have increased. GDP growth in the September quarter was weaker than expected. This was largely due to slow growth in household consumption and income, although the consumption data have been volatile and subject to revision over recent quarters. Growth in household income has been low over recent years, but is expected to pick up and support household spending. The main domestic uncertainty remains around the outlook for household spending and the effect of falling housing prices in some cities.

The housing markets in Sydney and Melbourne are going through a period of adjustment, after an earlier large run-up in prices. Conditions have weakened further in both markets and rent inflation remains low. Credit conditions for some borrowers are tighter than they have been. At the same time, the demand for credit by investors in the housing market has slowed noticeably as the dynamics of the housing market have changed. Growth in credit extended to owner-occupiers has eased to an annualised pace of 5½ per cent. Mortgage rates remain low and there is strong competition for borrowers of high credit quality.

The labour market remains strong, with the unemployment rate at 5 per cent. A further decline in the unemployment rate to 4¾ per cent is expected over the next couple of years. The vacancy rate is high and there are reports of skills shortages in some areas. The stronger labour market has led to some pick-up in wages growth, which is a welcome development. The improvement in the labour market should see some further lift in wages growth over time, although this is still expected to be a gradual process.

Inflation remains low and stable. Over 2018, CPI inflation was 1.8 per cent and in underlying terms inflation was 1¾ per cent. Underlying inflation is expected to pick up over the next couple of years, with the pick-up likely to be gradual and to take a little longer than earlier expected. The central scenario is for underlying inflation to be 2 per cent this year and 2¼ per cent in 2020. Headline inflation is expected to decline in the near term because of lower petrol prices.

The low level of interest rates is continuing to support the Australian economy. Further progress in reducing unemployment and having inflation return to target is expected, although this progress is likely to be gradual. Taking account of the available information, the Board judged that holding the stance of monetary policy unchanged at this meeting would be consistent with sustainable growth in the economy and achieving the inflation target over time.

Source: Reserve Bank of Australia Statement February 2019

7.3 NET ASSET VALUATION *POST* PROPOSED TRANSACTION

7.3.1 Valuation assessment

As noted in section 2.1, in determining whether or not the transaction is fair, NPCF has determined the value of the combined entity immediately after the Proposed Transaction on a minority basis.

In establishing the value of SVT following completion of the Proposed Transaction, the net asset backing per share has been determined based upon the pro-forma position in accordance with Section 6.3 of this Report including the adjustments to SVT referred to in Section 6.3.1, together with the additional shares issued in accordance with Resolutions 1 to 4 shortly after the Proposed Transaction.

No adjustment has been made in respect of any potential taxation consequences in respect of the Proposed Transaction.

The fair value of SVT post Proposed Transaction is as follows:

	Note	LOW	MID	HIGH
		\$	\$	\$
Fair value of SVT on a control basis		540,268	540,268	540,268
Fair value of O8K		2,694,098	3,004,448	3,314,797
Fair Value of Combined Group on a control basis		3,234,366	3,544,716	3,855,065
Discount for control premium	1	0.35	0.3	0.25
		2,102,338	2,481,301	2,891,299
New shares issued post transaction (Resolution 3)		1,750,000	1,750,000	1,750,000
Shares issued to Bert Mondello (Resolution 4)		93,500	93,500	93,500
Fair value post Proposed transaction on a minority basis		3,945,838	4,324,801	4,734,799
Number of shares		Number	Number	Number
Shares on issue pre proposed transaction		213,373,944	213,373,944	213,373,944
Acquisition of O8K (Resolutions 1 and 2)		292,556,186	292,556,186	292,556,186
Shares issued under share placement (Resolution 3)		111,111,111	111,111,111	111,111,111
Shares issued to Bert Mondello (Resolution 4)		8,130,435	8,130,435	8,130,435
Number of shares on issue post Proposed Transaction		625,171,676	625,171,676	625,171,676
		<u>cents/share</u>	<u>cents/share</u>	<u>cents/share</u>
Fair Value (undiluted) of a share Post Proposed Transaction		0.6312	0.6918	0.7574
Fair Value (diluted) if 50 mil PRs were to vest	2	0.5844	0.6405	0.7013
Fair Value (diluted) if 100 mil PRs were to vest	3	0.5441	0.5964	0.6529
Fair Value (diluted) if 150 mil PRs were to vest	4	0.7025	0.7514	0.8043

The above table should be read in conjunction with the Notes below.

7.3.1 Valuation assessment (continued)

Notes to the table above, fair value of SVT post Proposed Transaction:

1. The fair value of SVT and O8K represents a controlling interest in each entity. Immediately following the transaction current SVT shareholders will hold a minority interest in the combined entity. Therefore an adjustment has been made to determine the fair value on a minority basis by eliminating a premium for control. Premiums for control generally range from 25% to 35%.
2. Assuming 50 million of the Performance Rights vest upon O8K achieving an EBITDA of a minimum of \$500,000 within 24 months of settlement. In this instance the post-Transaction SVT share price is diluted from 0.6918 to 0.6405 cents per share.
3. Assuming that an additional 50 million Performance Rights vest upon O8K achieving revenue of a minimum of \$1,500,000 within 24 months of settlement. In this instance the post-Transaction SVT share price is diluted from 0.6918 to 0.5964 cents per share.
4. Assuming an additional 50 million Performance Rights vest upon SVT's Share Price reaching a minimum of \$0.03 20-day VWAP within 36 months of settlement (and O8K achieving a minimum of \$2,500,000 in revenue within 36 months of Settlement). In this instance the post-Transaction SVT share price increases from 0.6918 to 0.7514 cents per share due to the cash inflow as a result of the exercise price being \$0.03 per share.

8. ASSESSMENT AS TO FAIRNESS AND REASONABLENESS OF THE PROPOSED TRANSACTION

8.1 Assessment as to Fairness

As noted in Section 5 of this Report, an offer is considered "fair" if the value of the consideration being offered is equal to, or greater than, the value of the securities that are the subject of the offer in the context of the impact on SVT shares prior to and subsequent to the Proposed Transaction. NPCF's assessment as to the fairness of the Proposed Transaction is set out below:

	LOW (cents)	MID (cents)	HIGH (cents)
NPCF valuation of an SVT share prior to the Proposed Transaction on a control basis (section 6.3)	0.2532	0.2532	0.2532
NPCF valuation of an SVT share post Proposed Transaction on a minority basis (section 7.3.1)*	0.6312	0.6918	0.7574

* The dilutory impact of the Performance Shares has also been considered but does not change the outcome of our assessment. Please refer to Section 7.3.1.

After consideration of the above, the Proposed Transaction is considered to be **fair** to the non-associated shareholders of SVT as the preferred value of a share after completion of the Proposed Transaction (being the Mid value in the above table) is greater than the value of an SVT share prior to the Proposed Transaction.

8.2 Assessment as to Reasonableness

ASIC Regulatory Guide 111 states that an offer is reasonable if it is fair. Under this criterion as the value of SVT shares after the completion of the proposed transaction is no less than the value prior thereto, the offer is reasonable. There are a number of other relevant factors to be considered in assessing the reasonableness of the Proposed Transaction. These factors are set out below as advantages and disadvantages (refer Sections 8.2.1 and 8.2.2 below).

8.2.1 Advantages and Disadvantages of the Proposed Transaction proceeding:

Advantages of proceeding

- O8K's expertise in virtual reality (VR), augmented reality (AR), 3D modelling, design, gaming, web and application development, and a multitude of coding languages complements the Company's software development expertise which covers a multitude of software coding languages and in design, gaming and a number of applications;
- The combination of both parties' products/technologies allows the combined entity to have an expanded and more complete service offering;
- The appointment of Mr Gianmarco Biagi (O8K's current CEO) and Mr Lorenzo Biagi to the SVT board, who are both very knowledgeable and experienced in the industry and have strong relationships with O8Ks existing customers;
- SVT will be penetrating the international market and extending its footprint to Europe;
- The Proposed Transaction provides access to significant additional revenue streams in the short to medium term. This also gives SVT an appropriate platform on which to proceed with re-capitalising the Company - SVT currently has minimal net assets and acceptance of the Proposal will result in an increase in cash reserves;

- *Advantages of proceeding (continued)*
 - O8K has a history of profits which is not common for IT start-up companies;
 - O8K's clients include many strong brands (including Lamborghini, Maserati and Volvo);
 - O8K retains ownership of its source code allowing it to keep a strong and stable relationship with its clients;
 - The Proposed Transaction is the only offer capable of acceptance at present and there is an absence of alternative offers;
 - It may provide opportunity for enhanced liquidity in SVT shares; and
 - It may give rise to a market repricing of SVT shares, having regard to the foregoing.

Disadvantages of proceeding

- Reduces the interest of SVT Shareholders to 34.13% on the issue of the Shares the subject of Resolutions 1, 2, and 3 (and before the conversion of existing unlisted options and the Performance Rights the subject of Resolution 2 of the attached Notice of Meeting);
- In the event of the conditions of all Consideration Performance Rights being met and converting into shares, the Company's current shareholders' interest will decrease from 34.13 to 27.53% whilst the O8K shareholders' interest in the Company will increase from 48.10% to 58.14%. If this eventuates, O8K could thus effectively control SVT and will not have paid a control premium for the issue of the Proposal Shares;
- 68.36% of O8K's shares are held by Mr Gianmarco Biagi (O8K's current CEO) and Mr Lorenzo Biagi and a third investor through a separate vehicle. This entity will effectively hold 31.99% of the combined entity. In the event of all the Performance Rights converting into shares, their shareholding will increase from 31.99% to 39.03% of the combined entity; and
- The Company may need to undertake further capital raising(s) to fund the development and expansion of the combined business which will further dilute the interest of SVT Shareholders.

8.2.2 Advantages and Disadvantages of the Proposed Transaction not Proceeding:

Advantages of not proceeding

- SVT will avoid the disadvantages referred to above.

Disadvantages of not proceeding

- The directors of SVT have indicated that they will seek other opportunities to raise capital and to identify other opportunities. It is uncertain, in light of current equity markets (a) when this may be achieved; and (b) if alternative proposals will add greater value or be more dilutive to SVT's Shareholders than the Proposed Transaction.

In our opinion, on balance, the advantages of approving the Proposed Transaction are greater than the disadvantages. These advantages arise both as a result of implementing the Proposed Transaction and of avoiding the disadvantages that may arise as a result of not implementing the Proposed Transaction. Accordingly, in our opinion, the Proposed Transaction is **reasonable** to the non-associated shareholders of SVT.

8.3 Conclusion

Based on the valuation of a SVT share and on the above assessment, NPCF is of the opinion that the Proposed Transaction is fair and reasonable to the non-associated shareholders of SVT.

9. LIMITATIONS AND RELIANCE ON INFORMATION

Our opinion is based on the economic, stock market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Our report is also based upon financial and other information provided by SVT and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS). We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.

The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Proposed Transaction from the perspective of SVT security holders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. Whilst NPCF has made what it considers to be appropriate enquiries for the purpose of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER. Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed Transaction, rather than a comprehensive audit or investigation of detailed matters.

The opinions and judgement of management of the relevant companies comprise an important part of the information base used in forming an opinion of the kind expressed in this report. This information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.

In forming our opinion, we have also assumed that:

- (a) the information set out in the Notice of Meeting is complete, accurate and fairly presented in all material respects; and
- (b) if the proposed transaction is approved it will be implemented in accordance with the terms set out in the Notice of Meeting.

10. SOURCES OF INFORMATION

In making our assessment as to whether the Proposed Transaction is fair and reasonable to the non-associated shareholders of SVT, we have reviewed relevant published available information and other unpublished information of the Company which is relevant in the circumstances. In addition, we have held discussions with representatives of the Company's Board. Information we have received includes, but is not limited to the following:

- SVT's audited annual report to 30 June 2018 and 30 June 2017;
- SVT's unaudited interim results to 31 December 2018;
- Recent ASX announcements lodged by SVT;
- Audited Financial Statements for the 3 years ended 31 December 2017 for O8K;
- Unaudited Financial Statements for the year ended 31 December 2018 for O8K;
- Share Price data for SVT;
- Draft Notice of Meeting and Explanatory Statement this Report will accompany;
and
- Fully Executed Terms Sheet - Acquisition Officine 8k Srl.

APPENDICES

APPENDIX 1 Overview of valuation methodologies

APPENDIX 2 Comparable Companies and Comparable Transactions

APPENDIX 1 OVERVIEW OF VALUATION METHODOLOGIES

Discounted cash flow ("DCF") approach

- DCF involve projected cash flows being discounted by a discount rate which reflects the time value of money and the risk inherent in the cash flows. DCF valuations are arguably the most technically accurate method of valuing an asset or business, however, they suffer from the practical impediment that few companies have prepared cash flow forecasts of sufficient reliability over the necessary long time frame.
- The DCF methodology is typically the most appropriate valuation methodology where there is adequate information about likely future cash flows and usually over a finite term.

Capitalisation of future maintainable earnings (earnings based) approach

- The capitalisation of earnings methodology involves capitalising the earnings of the business at a multiple which reflects the risks of the business and the stream of income it generates. This methodology requires the estimation of future maintainable earnings having regard to historical and forecast operating results, including sensitivity to key industry risk factors, future growth prospects and the general economic outlook. The estimated realisable value of any surplus assets is then added to the capitalised earnings.
- The determination of an appropriate capitalisation rate will typically reflect a potential purchaser's required rate of return, risks inherent in the business, future growth prospects and alternative investment opportunities. This methodology is the most commonly used method for the valuation of industrial companies, which have a proven operating history and a consistent earnings trend.

Asset based approach

- Asset based valuation methods estimate the value of a company based on the realisable value of its net assets less liabilities. There are a number of asset-based methods including orderly realisation; liquidation value; net assets on a going concern basis; replacement cost; and reproduction cost. Since wind-up or liquidation of the company may not be contemplated, these methods in their strictest forms may not necessarily be appropriate. The net assets on a going concern basis estimates the market values of the net assets without taking into account realisation costs. Asset-based valuation methods are considered most appropriate where a business or company is not making an adequate return on its assets, where there are surplus non-operating assets or where investments are the primary asset.

Quoted price for listed securities (market value) approach

- This approach reflects the quoted price for the listed securities of the company being valued and is most suited when there is a liquid and active market in those securities (and allowing for the fact that the quoted price may not reflect their value where 100% of the securities are available for sale).

Comparable market transactions approach

- This methodology entails obtaining information on any comparable transactions in the same industry for a similar entity to that being valued. If such transactions exist and the entity being valued is directly comparable to that being acquired, then the assets, revenue or earnings multiples, or other relevant measures employed in the actual transaction, can be utilised in the valuation.
- This methodology suffers from the difficulty in sourcing detailed information on the transaction to determine the basis of the consideration and the comparability of the two businesses or entities.

APPENDIX 2 COMPARABLE COMPANIES AND COMPARABLE TRANSACTIONS

2.1 ASX-Listed Comparable Companies

Technology One Ltd (ASX:TNE)

Technology One Limited (TNE) is a software provider and consultant, servicing government, local government, financial services, health & community services, education, and utilities and managed services markets. Products include financials, HR & Payroll, supply chain and business intelligence. TNE also offers custom software development services for large scale, purpose built applications. TNE has 14 offices throughout Australia, New Zealand, Asia, the South Pacific and the United Kingdom.

Adacel Technologies Limited (ASX:ADA)

Adacel Technologies Limited develops and sells simulation and software applications and services for the civil and military aerospace sectors in the United States, Canada, and Australia. The company offers MaxSim Tower for supporting local tower, and ground and ramp control; MaxSim Radar for radar and non-radar procedural training; MaxSim Mobile Systems that facilitates transport to alternative training locations; MaxSim Ultra 3D-Tabletop, an interpretation of standing ATC training tool; MaxSim in a Pod, MaxSim Virtual Reality simulator; InSight Visual Systems, a 3D scene-renderer that provides enhancements to realistic visual scene performance and visual acuity; and Aviation Phraseology Training ICE. The company was founded in 1987 and is headquartered in Australia.

Jcurve Solutions Ltd (ASX:JCS)

Jcurve Solutions Ltd (formerly Stratatel Limited) is a cloud technology company, engaged in development of telecommunication expense management and cost recovery proprietary software solutions and consulting services. Its solutions includes cloud accounting and integrated enterprise resource planning (ERP) software and telecommunications expense management (TEMS).

First Wave Cloud Technology Limited (ASX:FCT)

Firstwave Cloud Technology Limited operates in cloud security services market and is provider of managed SaaS security solution. FirstWave generates 'managed security services' delivered as Cloud based offerings. These include Cloud Secure Email Gateway Cloud Secure WEB gateway and Cloud Secure Next Generation Firewalls.

Flamingo AI Limited (ASX:FGO)

Flamingo AI Limited (formerly Cre8tek Limited) is based in NYC and Sydney, in the Conversational Commerce field, Flamingo is an Enterprise SaaS company which provides a Cognitive Virtual Assistant (AI) platform designed for selling financial products online. Flamingo's Cognitive Virtual Assistant or Chatbot is called ROSIE.

iCandy Interactive Limited (ASX:ICI)

iCandy Interactive Limited is an investment holding company involved in investments in prospective mobile interactive entertainment studios in the Asia region to produce quality and fun mobile interactive entertainment for the global mobile games market. The company operates through its subsidiaries Appxplore, Inzenstudio and Joyseed Gametribе.

Listed Company Comparables:

Name	ASX code	EV (m)	2018 EBITDA \$	EV/EBITDA
Technology One Ltd	TNE	1,663	70.50	23.58
Jcurve Solutions Technology Ltd	JCS	6	0.98	5.62
Adacel Technologies Limited	ADA	120	10.90	10.96
Firstwave Cloud Technology Limited (FCT)	FCT	N/A *	N/A *	N/A *
Flamingo AI Limited	FGO	N/A *	N/A *	N/A *
iCandy Interactive Limited	ICI	N/A *	N/A *	N/A *

* These entities had negative EBITDA and hence have been excluded from the analysis.

Mean

13.39

2.2 Comparable Transactions

Date	Transaction	EV/EBITDA Multiple
08.10.2018	MYOB Group acquisition by KKR & Co Inc	17.8X
13.12.2017	Wisetech Global Ltd acquisition of ABM Data Systems and CustomsMatters	81.00X
17.11.2017	EML Payments Ltd by undisclosed	32.9X
02.11.2017	Cirrus Networks Holdings Ltd acquisition of Correct Communications	48.1X

Source: S&P Capital IQ, ASX transactions: Software and Services.

Whilst the foregoing transactions all involve ASX-listed companies engaged in providing cloud-based businesses, none of the foregoing are engaged in providing primarily virtual reality solutions, and only one of the foregoing transactions has occurred in the past 12 months representing an Enterprise Value/EBITDA multiple of 17.8X which lies the range of ASX Listed comparable company EV/EBITDA multiples referred to 2.1 above.



SERVTECH

ServTech Global Holdings Ltd | ACN 614 814 041

GM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: SVT

Your proxy voting instruction must be received by **10.00am (WST) on Tuesday 9 April, 2019**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

Contact	Return your completed form  BY MAIL: Automic GPO Box 5193 Sydney NSW 2001  IN PERSON: Automic Level 5, 126 Phillip Street Sydney NSW 2000	Contact us – All enquiries to Automic  WEBCHAT: https://automic.com.au/  EMAIL: hello@automic.com.au  PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)
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STEP 1: Appoint Your Proxy	Complete and return this form as instructed only if you do not vote online I/We being a Shareholder entitled to attend and vote at the General Meeting of ServTech Holdings Limited, to be held at 10.00am (WST) on Thursday 11 April 2019 at Suite 1, 437 Roberts Road, Subiaco, WA 6008 hereby:
	Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.
	The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the “for,” against” or “abstain” box you will be authorising the Chair to vote in accordance with the Chair’s voting intention. AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 4 (except where I/we have indicated a different voting intention below) even though Resolution 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting	Resolutions	For	Against	Abstain
	1. Change to Nature and Scale of Activities	☐	☐	☐
	2. Approval to Issue Consideration Securities to O8k	☐	☐	☐
	3. Placement	☐	☐	☐
	4. Approval to Issue Shares to Director In Lieu Of Consultancy and Directors’ Fees	☐	☐	☐
	<i>Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</i>			

STEP 3: Sign Here + Contact Details	SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	Email Address:		
Contact Daytime Telephone			
Date (DD/MM/YY)			
/ /			
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			