



ASX RELEASE

ServTech Global Quarterly Update and Appendix 4C

29 April 2019 | Perth, Australia

ServTech Global Holdings Limited (**ServTech** or the **Company**) (**ASX: SVT**), a software development and Software as a Service (**SaaS**) solutions provider, presents the following report for the quarter ended on 31 March 2019.

HIGHLIGHTS

- **ServTech reports positive net cashflow result from software developments operations**
- **ServTech executed agreement to acquire 100% of established, revenue generating business, Officine 8K S.R.L ("Vection")**
- **Vection is an innovative Virtual Reality ("VR") & Augmented Reality ("AR") software development business and a commercialised VR platform, ready for global expansion**
- **Vection's client portfolio includes world renowned clients such as Lamborghini, Fendi Casa, Ferretti, Maserati, Volvo, Philip Morris and others**

Post 31 March 2019 end of quarter

- **ServTech completed acquisition of Vection and provided an update on its strong March 2019 quarter pre-acquisition performance**
- **ServTech completed a \$2M placement to sophisticated and professional investors**

Vection Acquisition

On 22 January 2019, the Company announced that it had executed an agreement to acquire 100% of European based software development business **Vection** (the "**Acquisition**").

Vection is an established, full-service software development company with advanced AR and VR development capabilities, providing practical and commercial software solutions for its clients, from web and mobile applications to AR and VR.

Vection has identified a niche market assisting luxury brands and corporates to establish a direct link between its clients' products and their target consumer, turning simple buying decisions into a comprehensive experience. This is done via a simulated virtual showroom for customers to visualise and interact with products in high quality and definition.

With this offering and other related applications, Vection has built a portfolio of world-renowned clients including Ferretti (yacht building), Lamborghini (luxury vehicles), Maserati (luxury vehicles), Philip Morris (tobacco products), Volvo (luxury vehicles), Fendi Casa (luxury furniture) and many others.

The Combined ServTech Group

Vection is highly complementary to ServTech's operations delivering increased scale, geographical expansion, development capabilities and growing revenues and EBITDA. ServTech and Vection's businesses are highly aligned in relation to target clients, creating an opportunity both domestically and internationally with an expanded development offering targeted to multinational clients.

Vection's advanced AR and VR development capabilities and innovative VR SaaS platform, will create opportunities and introductions to large-scale businesses for distribution partnership development. The Company plans to leverage Vection's existing Tier-1 clients' portfolio to generate software development and sale opportunities for the combined group, significantly increasing the group's commercial opportunities.

Investor Roadshow for Vection

Due to the high-profile Tier 1 client portfolio of Vection, the Company gained significant interest and inbound enquiries from a number of institutional and sophisticated investors, both locally and abroad. To further drive global exposure and brand awareness of the Vection offering, ServTech conducted a domestic and international investor roadshow (ASX: 5 March 2019).

The roadshow was targeted at sophisticated, institutional and high net worth investors in Australasia's most important financial districts (Kuala Lumpur, Hong Kong, Singapore, Sydney & Melbourne). The Company's roadshow presentation is available on the ASX (ASX: 13 March 2019).

Approval by Shareholders, Completion and Placement

Post period end, the Company held a general meeting of shareholders to seek approval pursuant to the ASX Listing Rules for the Acquisition of Vection. At this meeting, Shareholders approved the Acquisition and a placement to sophisticated and professional investors (ASX 11 April 2019).

Following the approval of Shareholders the Company completed the Acquisition (ASX: 12 April 2019). In accordance with the terms of the Acquisition, the Company issued 292,556,186 fully paid ordinary shares in the capital of the Company and 150,000,000 performance rights.

The Company also successfully completed the placement of 111,111,111 new Shares, at an issue price of \$0.018 per Share raising \$2 million (before costs).

Board Appointments

The Acquisition also brought the Company an experienced management team in the technology space to ensure continued growth and performance, enhancing the existing ServTech business. The Company announced the appointment of Mr Gianmarco Biagi as Managing Director and Mr Lorenzo Biagi as Executive Director and Chief Sales Officer.

Mr Gianmarco Biagi is an experienced executive, having served as CEO and board member of several Italian and multinational manufacturing corporations. He previously held the position of general manager of Luxury Living Group (a company with annual revenues of ~€140M).

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

Company Financial Overview

Cash at the end of the quarter was ~\$99,000 (not including the Placement).

During the quarter, the Company banked net cash receipts of ~\$486,000 and delivered a small positive net cashflows from operating activities result of ~\$40,000. This is the first time the Company has posted a positive net cashflow quarter since its listing.

Of the ~\$486,000 in cash receipts (December 2018 quarter: \$303,000) during the period \$353,000 related to contracts with The Agency and \$133,000 related to other contracts including Emerge, REIWA, JLL and 5P Group.

Cash outflows from investing activities included ~\$105,000 incurred in the relation to Vection due diligence costs. But for this one-off item, the Company would have posted an overall increase in its reported cash balance.

The Company still has an outstanding balance owed to it by The Agency in relation to the sale of the Company's real estate businesses. The Company is working closely with The Agency to agree payment of the outstanding balance in a timely manner, noting that The Agency is a key client and partner for ServTech, both now and into the future.

Outlook

ServTech's Board and management have been focussed on stabilising the business and concentrating resources on profitable software development services for external clients. This objective was accomplished along with the Acquisition of an exciting complementary business in Vection.

Post period end, the Company gave an update on the strong pre-acquisition performance of the Vection business. During the March 2019 quarter, Vection continued to build on its revenue base and pipeline of contract opportunities. The Company intends to utilise its combined group's geographical outreach to cross-sell its software development solutions to its existing customer base, and its existing suite of SaaS products, including Vection's SaaS VR Platform: **FrameS**.

ServTech will soon finalise a global launch strategy for FrameS and appoint distribution and reselling partners. This is an important initiative for the Company and its aspirations to make FrameS a leading and widely used SaaS platform.

For more information:

Bert Mondello

Non-Executive Chairman

📞 +61 8 6380 2555

🌐 bmondello@regencycorporate.com.au

For media enquiries:

MMR Corporate Services

Henry Kinstlinger

📞 +61 2 9251 7177

🌐 media@mmrcorporate.com

About ServTech (ASX:SVT):

ServTech is full-service software development company delivering solutions for renowned national and international businesses. ServTech's development team has a global footprint and boasts a skill set including, advanced Augmented Reality (AR) and Virtual Reality (VR) capabilities, back end and front-end PHP, database, native mobile iOS and Android as well as UI/UX developing, designing and testing.

www.servtechglobal.com.au

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

SERVTECH GLOBAL HOLDINGS LIMITED

ABN

93 614 814 041

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	486	1,071
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(120)	(415)
	(c) advertising and marketing	-	(7)
	(d) leased assets	-	-
	(e) staff costs	(207)	(733)
	(f) administration and corporate costs	(165)	(472)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(21)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	45	45
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	40	(532)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	(105)	(105)
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	50	246
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(55)	141

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	112	514
4.2	Net cash from / (used in) operating activities (item 1.9 above)	40	(532)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(55)	141
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	2	(24)
4.6	Cash and cash equivalents at end of quarter	99	99

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	99	112
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	99	112

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Item 6.1 includes aggregate amounts paid to directors including salaries and directors' fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Technical consultancy fees paid to a director related entity.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

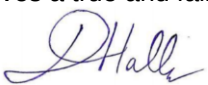
9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	150
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	200
9.6 Administration and corporate costs	150
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	500

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

* The acquisition of Vection and the \$2M placement were completed post quarter end.

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Company Secretary)

Date: 29 April 2019

Print name: Derek Hall

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.