PS&C Limited

(ACN 164 718 361)

Notice of General Meeting

Notice is hereby given that a General Meeting of PS&C Ltd (ACN 164 718 361) ('Company') will be held at the time and location, and to conduct the business, specified below:

Date:	29 January 2020
Registration:	10.30am (AEDT)
Meeting Start Time:	11.00am (AEDT)
Location:	Moore Stephens, Level 18, 530 Collins Street, Melbourne, VIC., 3000

Business

The following business will be conducted:

1. Sale of Glassandco Pty Ltd, a wholly owned subsidiary of PS&C Limited, to related parties

To consider, and if thought fit, pass the following resolution as an Ordinary Resolution:

Resolution 1

"That, for the purposes of ASX Listing Rules 10.1, section 208 of the Corporations Act and for all other purposes, approval is given for the Company and its subsidiary, Glassandco Pty Ltd, to complete the Glassandco Share Sale Transaction on the terms and conditions set out in the Equity Transfer Contract, as amended." (*Refer to the Explanatory Statement annexed for further details*).

An Independent Expert has determined that the Glassandco Share Sale Transaction, the subject of the Resolution in this Notice of Meeting, is fair and reasonable to the non-associated Shareholders.

Voting Exclusion Statement

The Company will disregard any votes cast on the Resolution by a party to the Glassandco Share Sale Transaction and any associate of that party (or those parties), namely:

(a) Glenn Fielding;

(b) Jeffrey Bennett;

(c) Wayne Custodio;

(d) Erin Brown; and

(e) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares in the Company if the Resolution is passed (and any of its associates).

However, the Company need not disregard a vote cast in favour of the Resolution if:

(a) it is cast by a person as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the proxy or attorney to vote on the Resolution in that way on the Voting Form; or

(b) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the chair to vote on the Resolution on the Voting Form to vote as the chair decides; or

(c) it is cast by a person as a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

    (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

    (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board of Directors

Date 20 December 2019

NOTES

The Explanatory Statement forms part of this Notice of General Meeting and should be read in conjunction with it.

VOTING ENTITLEMENTS

Pursuant to regulation 7.11.37 of the Corporations Regulations, the Board has determined that, for the purpose of voting at the meeting, members are those persons who are the registered holders of shares at 7.00 pm (AEDT) on 27 January 2020.

VOTING AT THE MEETING

Resolution 1 is to be voted on as ordinary resolution. Ordinary resolutions require a simple majority of votes cast by shareholders entitled to vote on the resolution.

The passing of Resolution 1 will be decided by a poll. Upon a poll, every person who is present in person or by proxy, corporate representative or attorney, will have one vote for each share held by that person.

PROXIES

In accordance with section 249L of the Corporations Act 2001 (Cth):

A member who is entitled to attend and vote at the General Meeting may appoint a proxy. A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

(a) appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act 2001 (Cth); and

(b) provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If satisfactory evidence of appointment as corporate representative is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. If the proxy appointments do not specify the proportion of the member’s voting rights that each proxy may exercise, each proxy may exercise half of the member’s votes. A proxy need not be a member.

To be effective, the proxy form (and, if the appointment is signed by the appointer’s attorney, the authority under which it was signed or a certified copy of the authority) must be received by the Company’s share registry, Boardroom Pty Limited, no later than 48 hours prior to the commencement of the General Meeting which will be held at 11.00 am (AEDT), on 29 January 2020.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

The Chairman of the Meeting intends to vote undirected proxies able to be voted in favour of all items of business.

The completed proxy form may be:

Mailed/delivered to the Company's share registry, Boardroom Pty Limited at:

Street Address:	Postal Address:	Street Address:
Boardroom Pty Limited	**Boardroom Pty Limited**	**Boardroom Pty Limited**
Level 12, 225 George Street, Sydney NSW 2000	GPO Box 3993, Sydney NSW 2001	+61 2 9290 9655

Or lodged online at http://www.votingonline.com.au/pszgm2020

CORPORATE REPRESENTATIVES

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act 2001 (Cth) in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act 2001 (Cth). The Certificate must be lodged with the Company before the meeting or at the registration desk on the day of the meeting. The Company will retain the certificate.

EXPLANATORY STATEMENT

Introduction

This Explanatory Statement has been prepared for the shareholders of PS&C Ltd (**Company**) to provide information about the item of business to be considered at the General Meeting of shareholders to be held on 29 January 2020.

This Explanatory Statement is to assist shareholders in understanding the background to and the implications of the Notice and the reasons for the Resolution proposed. It should be read in its entirety and in conjunction with the Notice. Other than the information set out in this Explanatory Statement, the Directors believe that there is no other information that could reasonably be required by shareholders to consider Resolution 1.

ITEM 1 - Sale of Glassandco Pty Ltd, a wholly owned subsidiary of PS&C limited, to related parties

General Background

In the Company's Annual Report to Shareholders for the year ended 30 June 2019 that was released to the Market on 26 September 2019, the Independent Auditor's Report to the Members of PS&C Limited contained the following with regard to the matter of Going Concern:

> ***"Material Uncertainty Related to Going Concern***
>
> *We [Moore Stephens Audit (VIC) – An independent member of Moore Stephens International Limited] draw attention to Note 1 in the financial statements, which identifies that during the year ended 30 June 2019 the Group incurred a consolidated net loss of $53.5m and that the Group's current liabilities exceed its current assets by $12.7m. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.*
>
> *Our opinion is not modified in respect of this matter."*

Note 1 in the financial statements contained the following statements:

> ***Going concern***
>
> *The consolidated financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the settlement of liabilities in the normal course of business. During the year ended 30 June 2019, the group incurred a net loss after tax of $53,489,313 (2018: loss of $10,155,815) and at that date, the group's current liabilities exceeded its current assets by $12,725,591. The above has been impacted by a $49,629,677 intangible asset impairment charge and the classification of the group's borrowings of $10,300,000 as a current liability.*
>
> *In determining that the going concern basis is appropriate, the Directors have had regard to:*
>
> - *The group has entered into an agreement with Scottish Pacific Business Finance Pty Ltd ('Scottish Pacific') to provide a receivables backed financing facility with a funding limit up to $15,000,000 – Refer Note 43: Subsequent Events;*
> - *The group successfully renegotiated the terms of its borrowings payable to ANZ*

after a $5,000,000 repayment in July 2019. The group's bank facility expires in December 2019 – Refer Note 43: Subsequent Events;

- *The group's cash flow forecast and budgets for the next 12 months show positive operating cash flows and an improvement in profitability/increased EBITDA;*
- *The group has positive net cash inflows from operating activities;*
- *The group's ability to raise equity; and*
- *The group's ability to divest business segments.*

The group's ability to continue to operate as a going concern is dependent upon the items listed above. Should these events not occur as anticipated, the group may not be able to pursue its business objectives and will have difficulty continuing to operate as a going concern, including realising its assets and extinguishing its liabilities at the amounts shown in the financial statements.

To address the uncertainty relating to the solvency of the Company, the Board has embarked on a program to divest certain assets to strengthen its Balance Sheet while maintaining a platform for future growth.As of the date of this Notice of General Meeting, the Company has successfully divested its Security Segment as announced to the Market on 3 October 2019 and its Canberra Operations as announced to the Market on 9 December 2019.

This Notice of General Meeting concerns the divestment of the Company's Queensland operations, specifically the divestment of Glassandco Pty Ltd (ACN 158 967 812) (**Glassandco**) to related parties as defined under ASX Listing Rules 10.1 and section 208 of the Corporations Act.

The Board of the Company formed the opinion that the divestment of Glassandco was in the best interests of shareholders to strengthen the Balance Sheet of the Company and allow the Company to focus its energies on the Victorian region, its largest and most profitable segment with unaudited FY20 forecasted revenues of $50m and Gross Margin before corporate overheads of $6m.

The divestment of Glassandco will have no effect on Shareholder interests as the transaction will be settled by way of cash.

The Board believes the divestment will have significant benefits for Shareholders, having regard to its current concerns surrounding solvency and the future viability of the business, by allowing the business to focus on growing and expanding the Victorian region organically and through strategic acquisitions.

The purchaser of Glassandco is Vitrics Pty Ltd (ACN 637 886 947) (**Buyer**), a company controlled by Glenn Fielding, the former CEO of the Company and now a Non-Executive Director of the Company, Jeffrey Bennett, the current CFO of PS&C and Company Secretary, Erin Brown, a current Sales Director of Glassandco and Wayne Custodio, a current Practice Director of Glassandco. The consideration payable by the Buyer is $1,600,000 cash consideration.

The Board has commissioned an Independent Expert Prepared to determine if the transaction is fair and reasonable and this report forms part of this Notice of Meeting. The Board recommends Shareholders read this report in its entirety prior to voting on the Resolution.

Director recommendations and voting intentions

The Directors (other than Mr Glenn Fielding who declines to give a recommendation in respect of the Resolution due to his material personal interest in the Resolution) have no personal interest in the outcome of the Resolution and unanimously recommend that Shareholders vote **IN FAVOUR** of the Resolution.

In relation to the Resolution in which each Director gives a recommendation and in consideration of the findings of the Independent Expert's Report, each Director is of the opinion that the Glassandco Share Sale Transaction contemplated by the Resolution is in the best interests of Shareholders for the reasons outlined in more detail throughout this Explanatory Statement.

The Shareholders associated with the Director, Mr Glenn Fielding, will not be voting on the Resolution. Otherwise, each Director intends to vote all of their (or their associates) shares in the Company in favour of the Resolution in which they (or their associate) are entitled to vote.

Background to the Glassandco Share Sale Transaction

(a) **Share Purchase Agreement**

The Company has entered into a binding, Share Purchase Agreement, dated 18 December 2019 for the sale of its shares in Glassandco (a wholly owned subsidiary of the Company) to the Buyer (**SPA Contract**), subject to Shareholder approval.

The Directors (other than Mr Glenn Fielding who abstained from considering and approving the SPA Contract due to his material personal interest in the transaction) approved the Company entering into the SPA Contract on 18 November 2019.

The key terms of the SPA Contract are set out in paragraphs (i) to (viii) below. The SPA Contract is otherwise on terms that are customary for agreements of this nature.

The material terms of the SPA Contract are as follows:

(i) (**Disposal**): Upon receipt of the full consideration, PS&C will dispose of its subsidiary, Glassandco, by transferring its 100% holding of shares in Glassandco to the Buyer.

(ii) (**Consideration**): The consideration payable by the Buyer for the shares in Glassandco is a cash consideration of $1,600,000.

(iii) (**Assets and Liabilities**): All assets and liabilities required to operate the business including debtors and creditors of the business are included in the sale. There are no additional payments for assets of the business including cash. The liabilities assumed are not to include bank debt.

(iv) (**Working capital**): The transaction is subject to there being a minimum of $300,000 of net working capital in the Glassandco business at the time of Completion.

(v) (**Conditions precedent**): The transaction is subject to satisfaction of due diligence by the Buyer, all necessary consents and approvals being obtained (including of the PS&C Board and Shareholders) and completion of the Independent Expert Report.

(vi) (**Approval**): The transaction is subject to approval by Shareholders as soon as practicable after the SPA Contract is executed.

(vii) (**Completion**) The parties intend that Completion will occur on 31st January 2020.

Details of Glassandco

Glassandco is a wholly owned subsidiary of the Company and provides professional services in the Queensland region.

Advantages of the Glassandco Share Sale Transaction

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 the Glassandco Share Sale Transaction:

(i) the Glassandco Share Sale Transaction will be beneficial to the Company and its Shareholders as a continuation of the Company's strategy to address the Going Concern status of the Company;

(ii) funds raised as part of the Glassandco Share Sale Transaction will strengthen the Company's Balance Sheet and give management the financial resources required for the development of the Victorian region operations;

(iii) the Company will be in a better position to seek other acquisition opportunities;

(iv) the Glassandco Sale Transaction will enable the Company to materially discharge its liabilities and further reduce its overall operating costs associated with operating businesses across multiple regions in Australia;

(v) the strengthened balance sheet will provide the Company with improved financial flexibility necessary to advance its remaining operations and to investigate investing in other initiatives going forward;

(vi) the Glassandco Share Sale Transaction falls within the Company's strategy to address the solvency concerns of the Company;

(vii) the transaction has been negotiated and agreed, and is comparatively cheaper and quicker than if the Company undertook a further prolonged sale process involving marketing and a due diligence process; and

(viii) the Glassandco Share Sale Transaction has been agreed and the SPA Contract has been entered into by the parties, providing certainty of the consideration receivable by the Company under the agreement.

Disadvantages of the Glassandco Share Sale Transaction

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 the Glassandco Share Sale Transaction:

(i) the Company will no longer be the direct legal and beneficial holder of Glassandco;

(ii) the Glassandco Share Sale Transaction will reduce the Company's overall revenue and EBITDA;

(iii) the Company will be changing the nature of its activities through the disposal of the Queensland operations to refocus on its Victorian Operations; and

(iv) If the Company continued to market the sale of Glassandco on the open market, it may be able to obtain a higher purchase price, even after marketing and due diligence costs.

Effect if the Glassandco Share Sale Transaction does not proceed

Should the Glassandco Share Sale Transaction not proceed, the $1,600,000 committed by the Buyer will not be payable and the Company may continue to experience solvency issues.

The Company may be forced to pursue other transactions or procure funding through other means, which is a costly redirection of the Company's resources away from progressing its business operations in the Victorian region.

The Glassandco Share Sale Transaction is important in ensuring that the Company can develop its Victorian region business and continue with assessment of potential targeted acquisitions.

Resolution - Glassandco Share Sale Transaction

(a) **General**

Pursuant to ASX Listing Rules 10.1 and section 208 of the Corporations Act, for the Company to complete the Glassandco Share Sale Transaction, Shareholder approval must be obtained.

The Resolution seeks this Shareholder approval.

(b) **ASX Listing Rule 10.1**

ASX Listing Rule 10.1 states that a listed entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons, a related party of the entity, a substantial holder or one of its associates, without the prior approval of shareholders.

Substantial Asset

For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts lodged with ASX.

According to those latest accounts, the net assets of Glassandco at 30 June 2019 were ($409,912) and the net assets of the Company at 30 June 2019 were $33,443,624. The consideration payable for Glassandco under the the Glassandco Share Sale Transaction is $1,600,000. As mentioned above, in the period since 30 June 2019, the Company has also divested its Security Segment and its Canberra Operations.

The value of the consideration payable for Glassandco as a proportion of the net assets of the Company as at 30 June 2019 is 4.78%. Although this is less than the 5% required for the the Glassandco Share Sale Transaction to be considered to be a substantial asset sale, the Company intends to seek Shareholder approval for the purposes of ASX Listing Rule 10.1

Related Party

For the purposes of ASX Listing Rule 10.1, a related party of an entity includes, amongst other persons, directors of a public company and an entity controlled by directors of a public company (unless that entity is also controlled by the public company).

The Buyer is a related party of the Company by virtue of being an entity controlled by Mr Glenn Fielding, a Director.

Substantial Holder

For the purposes of ASX Listing Rule 10.1, a substantial shareholder is a person who has a relevant interest (either directly or through its associates), or had at any time in the 6 months before the transaction, in at least 10% of the total votes attaching to the voting securities.

Entities associated with Mr Glenn Fielding hold 12,983,590 shares in the Company representing 4.25% of the voting shares of the Company. Entities associated with Mr Jeffrey Bennett hold 5,519,024 shares in the Company representing 1.81% of the voting shares of the Company. Entities associated with Ms Erin Brown Bennett hold 100,000 shares in the Company representing 0.03% of the voting shares of the Company. Entities associated with Mr Wayne Custodio hold 100,000 shares in the Company representing 0.03% of the voting shares of the Company. Mr Fielding, Mr Bennett, Ms Brown and Mr Custodio are neither individually nor collectively substantial shareholders of the Company.

Associates

The Buyer is an associate of Mr Glenn Fielding, as it is an entity controlled by him.

Requirement for shareholder approval

As a result of the above conclusions, the completion of the Glassandco Share Sale Transaction will result in the disposal of a substantial asset to an entity that is a related party of the Company (and an associate of a related party) and accordingly, the Company seeks Shareholder approval for the purposes of ASX Listing Rule 10.1.

(c) Independent Expert's Report

ASX Listing Rule 10.10.2 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert.

The Independent Expert's Report accompanying this Explanatory Statement, prepared by Findex Corporate Finance (Aust) Ltd, sets out a detailed independent examination of the Glassandco Share Sale Transaction to enable non-associated Shareholders to assess the merits and decide whether to approve the Glassandco Share Sale Transaction.

To the extent that it is appropriate, the Independent Expert's Report accompanying this Notice of Meeting sets out further information with respect to the Glassandco Share Sale Transaction and concludes that it is fair and reasonable to the non-associated Shareholders.

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

(d) Chapter 2E of the Corporations Act – related party transactions

Section 208 of the Corporations Act states that 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:

(i) obtain the approval of the public company's shareholders in the manner set out in sections 217 to 227 of the Corporations Act; and

(ii) 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 sale of shares in Glassandco constitutes giving a financial benefit and the Buyer is a related party of the Company for the reason set out in paragraph 5(b).

Accordingly, the Company seeks Shareholder approval for the purposes of section 208 of the Corporations Act for the Glassandco Share Sale Transaction referred to in this Explanatory Statement pursuant to the terms of the SPA Contract, as amended.

Impact of the Glassandco Share Sale Transaction on the Company

If the Glassandco Share Sale Transaction is approved by Shareholders, the proceeds from the sale will be available to be deployed to address the ongoing Going Concern matter the

Company continues to face and to also concentrate its energies on further developing the Victorian region while also assessing targeted acquisitions.

The Company will divest its interests in its directly owned subsidiary Glassandco. The likely impact on the Company's financial position, revenue and earnings are set out in the following table:

Particulars	Before Transaction	Increase/(Decrease) due to Transaction	After Transaction	% Change due to Transaction
Method of Calculation	**Unaudited Management Accounts - 31 October 2019**			
Total Consolidated Assets $	63,668,087	(344,189)	63,323,898	-0.54%
Total Consolidated Liabilities $	29,598,460	(716,414)	28,882,046	-2.42%
Total Equity Interests $	-	-	-	0.00%
Cash and Cash Equivalents $	1,017,144	(10,002)	1,007,142	-0.98%
Total Share Capital $*	92,721,118	-	92,721,118	0.00%
Total Securities on Issue #*	305,657,326	-	305,657,326	0.00%

* as at the date of this Notice of Meeting

Particulars	Before Transaction	Increase/Decrease due to Transaction	After Transaction	% Change due to Transaction
Method of Calculation	**Unaudited Management Accounts - 31 October 2019**			
Annual Profit (EBITDA) $	7,756,228	(1,072,580)	6,683,648	-13.83%
Annual Revenue $	93,727,450	(7,251,112)	86,476,339	-7.74%

The strengthened balance sheet will provide the Company with the financial flexibility necessary to advance its Victorian region and to investigate other targeted acquisitions. The board composition of the Company will change as a result of the Glassandco Share Sale Transaction with Mr Glenn Fielding stepping down as a director of the Company.

Indicative Timetable

Subject to the ASX Listing Rules and the Corporations Act requirements, the Company anticipates completion of the Glassandco Share Sale Transaction in accordance with the following timetable (which is subject to change by the Company without prior notice to Shareholders):

Event	Date
Execution of the SPA Contract	18 December 2019
Announcement of the Glassandco Share Sale Transaction	18 December 2019
Dispatch of Notice of Meeting	20 December 2019
General Meeting to approve the Resolution	29 January 2020
Settlement of the Glassandco Share Sale Transaction (provided the Resolution is passed)	31 January 2020

Glossary

ASX means the Australian Securities Exchange**;**

Buyer means Vitrics Pty Ltd ACN 637 886 947**;**

Board means the board of Directors of the Company**;**

Company means PS&C Limited ACN 164 718 361**;**

Corporations Act means Corporations Act 2001 (Cth)**;**

Director means a director of the Company**;**

Explanatory Statement means the explanatory statement comprising part of this Notice of Meeting;

Glassandco means Glassandco Pty Ltd ACN158 967 812, a wholly owned subsidiary of the Company;

Glassandco Share Sale Transaction means the sale of 100% of the shares in Glassandco by PS&C to the Buyer pursuant to the SPA Contract**;**

Independent Expert means Findex Corporate Finance (Aust) Ltd**;**

Independent Expert's Report means the report of the Independent Expert accompanying this Explanatory Statement;

Listing Rules means the ASX Listing Rules as amended from time to time and available on the ASX website;

Meeting means the extraordinary general meeting to be held in accordance with the Notice of Meeting;

Notice of Meeting means the notice of meeting attached to, and forming part of, this document;

PS&C means PS&C Limited ACN 164 718 361;

Resolution means the ordinary resolution proposed to approve the Glassandco Share Sale Transaction, as set out in the Notice of Meeting;

Share means any share in the capital of the Company;

Shareholder means the registered holder of a Share in the Company; and

SPA Contract means the binding term sheet dated 16 December 2019 for the sale of 100% of the issued capital of Glassandco by PS&C to the Buyer referred to in page 7 of this Explanatory Statement;

Voting Form means the voting form relating to the Meeting in the form accompanying this Explanatory Statement and the Notice of Meeting.

FINDEX

PS&C Limited
ABN 50 164 718 361
ACN 164 718 361

INDEPENDENT EXPERT'S REPORT

We conclude the Proposed Transaction is Fair and Reasonable for the non-associated shareholders of PS&C Limited whose votes are not to be disregarded.

12 December 2019

12 December 2019

Findex Corporate Finance (Aust) Ltd
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The Independent Directors
PS&C Limited
Level 10, 410 Collins Street
MELBOURNE VIC 3000

The Independent Directors,

RE: INDEPENDENT EXPERT'S REPORT (THE "REPORT")

1 Introduction

1.1 Overview of the Proposed Transaction

On 26 September 2019, PS&C Limited (ASX: PSZ) ("**PS&C**" or "**the Company**") issued its Annual Report to its shareholders. Subsequent to the issue of the Annual Report, it was resolved by the board of PS&C, based on the matter of uncertainty related to the going concern of PS&C, that it would realise some of the company's assets.

The first realisation has been the announcement of the sale of the PS&C Security Division to ASX listed Tesserent (ASX: TNT). This was announced on 3 October 2019.

The second realisation has been the announcement of the sale of Nth. Consulting Pty Ltd (a wholly owned subsidiary of PS&C) to TNT Cyber Services Pty Ltd (a wholly owned subsidiary of ASX: TNT). This was announced on 10 December 2019, and is subject to shareholder approval of the acquirer (i.e. TNT Cyber Services Pty Ltd).

The third realisation is the potential sale of GlassandCo Pty Ltd ("**GlassandCo**") (ABN 47 158 967 812) (ACN 158 967 812), which has operations in the Queensland market and comprises the Discovery + Insights Division of PS&C, to related parties. GlassandCo is proposed to be sold for cash consideration, thereby allowing PS&C to focus on the core Melbourne operations.

Consequently, PS&C are considering the potential sale of GlassandCo to related parties as at 12 December 2019 ("**Valuation Date**") for a cash consideration of $1.6 million ("**Proposed Transaction**").

The Proposed Transaction is a management buyout, the purchasers are expected to be as follows:

- Glenn Fielding, the former CEO of PS&C and now a Non-Executive Director of the Company; and
- Jeffrey Bennett, the current CFO of PS&C and Company Secretary.

The Proposed Transaction will be affected via a Share Sale and Purchase Agreement ("**SSPA**") for 100% of the shares held by PS&C in GlassandCo. For completeness, we note the Proposed Transaction is subject to finance and a working capital adjustment (post the transaction). Furthermore, it is expected that Jeffrey Bennett will maintain his role at PS&C and fulfil his duties until after the mid-year audit is completed and Glenn Fielding will resign from the Board of PS&C upon the approval of the Proposed Transaction. As at the date of this Report, a binding Term Sheet has been entered into for the Proposed Transaction (dated 9 December,2019, signed 6 December 2019).

Prior to the current PS&C Board resolutions (discussed above), two separate parties previously undertook due diligence on GlassandCo which resulted in one party deciding not to proceed with a transaction (after making an indicative cash offer), and the other party also making a non-binding cash offer. The Board rejected this offer as it was not considered acceptable.

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1.2 Purpose of the Report

As outlined above, the Proposed Transaction relates to the disposal of a significant business asset to a related party. In line with Chapter 10 of the Listing Rules of the Australian Securities Exchange Limited ("**ASX**") ("**the Listing Rules**") when the disposal of a substantial asset to related parties is proposed (in this case GlassandCo), the preparation of a report by an independent expert stating whether the proposed transaction is fair and reasonable to the non-associated shareholders, is mandatory. In addition, the directors may request the preparation of a report by an independent expert, when a transaction with a related party requires member approval under Chapter 2E of the Corporations Act 2001 (Cth) (the "**Corporations Act**").

The Independent Directors of PS&C have appointed Findex Corporate Finance (Aust) Ltd ("**Findex**") to prepare an Independent Expert's Report expressing our opinion as to whether or not the Proposed Transaction is fair and reasonable to the non-associated shareholders.

We have prepared this report having regard to Chapter 10 of the Listing Rules, Chapter 2E of the Corporations Act, and Australian Securities and Investments Commission ("**ASIC**") Regulatory Guide 111, ASIC Regulatory Guide 112 and ASIC Regulatory Guide 76.

This Report is to be included in the notice of the meeting (19 December,2019) to approve the Proposed Transaction ("**Notice of Meeting**") and Explanatory Notes ("**Explanatory Notes**") to be sent to shareholders. Shareholders will be required to vote on the Proposed Transaction in an Extraordinary Meeting to be held on or around 29 January 2020.

1.3 Approach to Our Assessment

We assessed the fairness of the Proposed Transaction. Furthermore, we also considered the reasonableness of the Proposed Transaction by considering the advantages and disadvantages of the Proposed Transaction in forming our opinion, as set out below.

Regulatory Guide 111 'Content of Expert Reports' ("**Regulatory Guide 111**") issued by ASIC considers that all transactions involving the disposal of a substantial asset to a related party, is deemed a related party transaction (refer further information **Section 2**).

Accordingly, we are required to assess the fairness and reasonableness of the Proposed Transaction

In forming our opinion on whether or not the Proposed Transaction is fair for PS&C non-associated shareholders, we compared:

- The equity value of GlassandCo on a controlling and non-marketable basis, as outlined above; to

- The consideration offered in the Proposed Transaction.

Based on the intended timing of the Proposed Transaction, we adopted a Valuation Date of 12 December 2019 for the purpose of this Report ("**Valuation Date**"), as a reasonable proxy for the value as at the date of the Extraordinary Meeting.

Under Regulatory Guide 111, an offer is deemed to be "reasonable" if it is fair, however, an offer might also be reasonable if, despite being "not fair", the expert believes that there are sufficient reasons for non-associated shareholders to accept the offer in the absence of a superior alternative.

In assessing whether the Propose Transaction is reasonable, we first considered whether the Proposed Transaction is fair. Additionally, we have compared the potential advantages and disadvantages of the Proposed Transaction to PS&C non-associated shareholders and assessed whether the advantages outweigh the disadvantages. The advantages and disadvantages in relation to the Proposed Transaction are discussed in detail in **Section 7.4.**

Additionally, we have given due consideration to relevant matters in other guidelines, including Regulatory Guide 112 'Independence of Experts' ("**Regulatory Guide 112**") issued by ASIC.

We have also considered Regulatory Guide 76 'Related Party Transactions' ("**Regulatory Guide 76**") issued by ASIC, when undertaking our analysis of the Proposed Transaction.

1.4 The Proposed Transaction is Fair

Summarised below is a comparison of the assessed value of the equity in GlassandCo on a controlling and non-marketable basis (refer to **Section 6**) with comparison to the cash consideration to be paid under the Proposed Transaction.

Table 1: Fairness Assessment

GlassandCo Fairness Assessment - Controlling & Non - Marketable Basis ($000s)			
	Low	Mid	High
Equity value - controlling & non - marketable basis	1,314	1,379	1,445
Proposed Transaction - cash consideration	1,600	1,600	1,600
Value Differential	(286)	(221)	(155)

Source: Findex calculations

In accordance with the requirements of Regulatory Guide 111, we are required to consider the Proposed Transaction as a control transaction in forming our opinion.

1.4.1 Conclusion on Fairness

The fact that the equity value (controlling and non-marketable basis) range of GlassandCo is less than the cash consideration offered under the Proposed Transaction, indicates in our opinion that the Proposed Transaction is fair for PS&C's non-associated shareholders.

1.5 The Proposed Transaction is Reasonable

Notwithstanding that fact that the Proposed Transaction is fair, in our opinion, the advantages of the Proposed Transaction outweigh the disadvantages of the Proposed Transaction, and accordingly, the Proposed Transaction is reasonable.

1.5.1 Advantages to PS&C shareholders from the Proposed Transaction

The primary advantages to the shareholders of PS&C in proceeding with the Proposed Transaction are as follows:

a) The Proposed Transaction aligns with the PS&C Boards resolution to undertake a realisation of the Company's assets, keeping in mind the audit opinion received at 30 June 2019

As outlined in the 2019 PS&C Annual Report, the auditors for the Company (Moore Stephens) indicated that there was material uncertainty surrounding the going concern of the business. This was due to the fact that the PS&C Group incurred a consolidated net loss of $53.5 million and its current assets versus current liabilities position was negative $12.7 million.

As a result of the above, the PS&C board resolved to undertake a realisation of the Company's assets. The Proposed Transaction aligns with the PS&C boards resolution and strategy. Furthermore, the Proposed Transaction complements PS&C's first realisation, comprising the sale of the Security Segment to ASX listed Tesserant (ASX: TNT), as well as the second realisation, which is the proposed sale of Nth. Consulting Pty Ltd (a wholly owned subsidiary of PS&C) to TNT Cyber Services Pty Ltd (a wholly owned subsidiary of ASX: TNT).

b) The Proposed Transaction allows for immediate relief in PS&C working capital requirements

The Proposed Transaction, given the fact that it would be for cash consideration, would provide immediate relief to the PS&C's working capital position. Taking into account the negative current asset versus current liability position, the cash would further assist in reducing this gap, aiding the liquidity of the PS&C Group.

c) The Proposed Transaction will allow for greater focus on the Melbourne operations of PS&C Group

The Management of PS&C have advised that they deem the Melbourne operations the company's biggest asset. The Proposed Transaction would allow for the shift of focus back to the core Melbourne operations, as well as a more focused and detailed program to develop, grow and generate cash flows from the Melbourne operations.

d) Ability for shareholders to participate in the future growth of PS&C

Non-associated shareholders have the ability to participate in the future growth and development of PS&C, which is expected to be positive, following renewed focus on the future direction of the Company. This may increase the value of a share in PS&C in the future.

e) No superior alternatives exist

The Directors of PS&C have explored a number of other strategic alternatives, which either did not progress, or it was determined were not in the best interests of PS&C shareholders. At the date of this Report, the Directors of PS&C were not aware of any superior alternatives to the Proposed Transaction.

1.5.2 Disadvantages to PS&C shareholders from the Proposed Transaction

The primary disadvantages to the shareholders of PS&C in proceeding with the Proposed Transaction are as follows:

a) The Proposed Transaction may leave some shareholders disgruntled

Some current shareholders may not agree with the Proposed Transaction. The main reason for this is that some shareholders may have invested in PS&C due to the fact that they viewed GlassandCo as a positive aspect of the business operations, diversifying its revenue stream and ultimately increasing the wider PS&C Group's earnings.

b) The Proposed Transaction will reduce the wider PS&C Group's revenue and EBITDA

Based on the 2019 PS&C Annual Report (pp 32), GlassandCo in FY19(a), contributed approximately $6.921 million worth of revenue to the PS&C Group as well as earnings before interest, taxes. depreciation and amortisation ("**EBITDA**") of approximately $1.026 million. In the short term the Proposed Transaction would result in a revenue and EBITDA reduction for the wider PS&C Group.

c) Potential emergence of a superior alternative

The non-associated shareholders of PS&C may consider that a superior alternative opportunity to the Proposed Transaction will emerge. Notwithstanding, the Directors have explored a number of alternatives, which either did not progress, or it was determined were not in the best interests of PS&C shareholders. At the date of this Report, the Directors were not aware of any superior alternatives to the Proposed Transaction. In addition, the available time for viable alternative opportunities to emerge is running short, given the concerns of the auditors that there is material uncertainty surrounding the going concern of the business.

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1.7 Other

This letter is a summary of Findex's opinion on the Proposed Transaction. This letter should be read in conjunction with the detailed Report and appendices as attached. Unless the context requires otherwise, references to "we", "our" and similar terms refer to Findex.

Our limitations and reliance on information, is set out in **Section 2.4.1.**

For the avoidance of doubt:

- The term "FY" refers the years ended 30 June; and
- All figures are in "AUD" unless otherwise stated

Yours faithfully,

Findex Corporate Finance (Aust) Ltd.

FINDEX CORPORATE FINANCE (AUST) LTD

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Table of Contents

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2 Scope of Report

2.1 Purpose of the Report

Chapter 10 of ASX Listing Rules requires, when the disposal of a substantial asset to related parties is proposed, the preparation of a report by an independent expert stating whether the proposed transaction is fair and reasonable to the non-associated shareholders is required. In addition, the directors may request the preparation of a report by an independent expert, when a transaction with a related party requires member approval under Chapter 2E of the Corporations Act.

The Independent Directors of PS&C have appointed Findex Corporate Finance (Aust) Ltd ("**Findex**") to prepare an Independent Expert's Report expressing our opinion as to whether or not the Proposed Transaction is fair and reasonable to the non-associated shareholders.

We have prepared this report having regard to Chapter 10 of the Listing Rules, ASIC Regulatory Guide 111, ASIC Regulatory Guide 112 and ASIC Regulatory Guide 76.

The ultimate decision of voting for or against the Proposed Transaction should be based on each PS&C shareholder's assessment of their own circumstances. The factors which PS&C shareholders should have regard to in making this assessment include (but are not limited to) their risk profile, expectations as to the value of PS&C shares and future stock market conditions.

PS&C shareholders should read the Explanatory Notes issued by PS&C in relation to the Proposed Transaction. If PS&C shareholders are in doubt about the action they should take in relation to the Proposed Transaction, they should seek independent professional advice.

2.2 Guidance and Basis of Evaluation

In undertaking the work associated with this report, we have had regard to ASIC Regulatory Guide 111 in relation to the content of expert's report and ASIC Regulatory Guide 112 in respect of the independence of experts. We have also considered ASIC Regulatory Guide 76 pertaining to related party transactions, when undertaking our analysis of the Proposed Transaction.

2.2.1 ASIC Regulatory Guide 111

This regulatory guide provides guidance in relation to the content of independent expert's reports prepared for a range of transactions.

ASIC Regulatory Guide 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling stake in a company that could be achieved, for example, by way of a takeover offer, scheme of arrangement, approval of an issue of shares using item 7 of s611 of the Corporation Act 2001, a selective capital reduction or selective buy back under Chapter 2J.

2.2.2 Basis of Evaluation

In respect of control transactions, under ASIC Regulatory Guide 111 an offer is:

- Fair, when the value of the consideration is equal to or greater than the value of the equity subject to the Proposed Transaction. The comparison must be made assuming 100% ownership of the target company (i.e. including a control premium); and

- Reasonable, if it is fair, or, despite not being fair, after considering other significant factors, shareholders should accept the offer under the Proposed Transaction, in the absence of any higher bids before the close of the offer.

To assess whether the Proposed Transaction is fair and reasonable to non-associated shareholders, we have adopted the tests of whether the Proposed Transaction is either fair and reasonable, as set out in ASIC Regulatory Guide 111.

For the purposes of this Report, Findex has treated "fair" and "reasonable" as separate concepts.

Additionally, we have given due consideration to relevant matters in other guidelines, including Regulatory Guide 112 and Regulatory Guide 76 issued by ASIC.

2.3 ASX Listing Rules

2.3.1 Listing Rule 10

Listing Rule 10.1 outlines the certain criteria required for certain acquisitions or disposals. These Listing Rules are been outlined below

- *10.1 An entity (in the case of a trust, the responsible entity) must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, any of the following persons without the approval of holders of the entity's ordinary securities.*
- *10.1.1 A related party of the entity.*
- *10.1.2A child entity of the entity.*
- *10.1.3A substantial holder in the entity, if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities in the entity.*
- *10.1.4 An associate of a person referred to in rules 10.1.1 to 10.1.3.*
- *10.1.5 A person whose relationship to the entity or a person referred to in rules 10.1.1 to*
- *10.1.4 is such that, in ASX's opinion, the transaction should be approved by security holders.*

Outlined below is what constitutes a substantial asset:

- *10.2 An asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the listing rules.*
- *10.2.1 In calculating the value, each of the following rules applies:*
  - *Intangibles will be included.*
  - *Provisions for depreciation and amortisation will be deducted.*
  - *Liabilities acquired as part of an +acquisition will not be deducted.*
  - *Separate transactions will be aggregated if, in ASX's opinion, they form part of the same commercial transaction.*

Exceptions to rule 10.1:

10.3 Rule 10.1 does not apply to any of the following:

- *A transaction between the entity and a wholly owned subsidiary.*
- *A transaction between wholly owned subsidiaries of the entity.*
- *An issue of securities by the entity for cash.*
- *In the case of a trust, a transaction involving a substantial asset that was not beneficially held for the trust before the transaction and is not beneficially held for the trust after the transaction.*
- *A transaction between the entity and a person who is a related party by reason only of the transaction and the application to it of section 228(6).*

Based on our analysis, we note that the disposal of GlassandCo by PS&C would constitute a related party transaction (as previously mentioned). Furthermore, we note based on our analysis (refer to **Section 6**), the value of GlassandCo (equity value, controlling and non-marketable basis) does exceed the substantial asset value 'test'. Therefore, the Management of PS&C are seeking the approval of the Proposed Transaction, Listing Rules (i.e. Section 10).

2.3.2 Listing Rule 7

Prima facie, shareholder approval is also required for the Proposed Transaction under Chapter 7 of the Listing Rules, however, since PS&C is seeking shareholder approval under Section 611 and Listing Rule 10, approval under Chapter 7 is not required by virtue of Exception 16 to Listing Rule 7.1.

2.4 Limitations and Reliance on Information

2.4.1 Overview

Findex's opinion is based on economic, share market, business and trading conditions prevailing at the date of this Report. These conditions can change significantly over relatively short periods. If they did change materially, the valuation and our opinion could vary significantly. Should we become aware of any factors that alter our assumptions as given, we reserve the right to alter our Report.

This Report is based upon financial and non-financial information provided by PS&C and their advisers. Findex has used and relied on this information for the purposes of its analysis.

Findex has considered and relied upon the information provided by PS&C and has no reason to believe that any material facts have been withheld. The information provided to Findex has been evaluated through analysis, inquiry and critical review for the purposes of forming an opinion as to whether the Proposed Transaction is fair and reasonable to non-associated shareholders of PS&C. Findex does not warrant that its inquiries have identified or verified all of the matters that an audit, extensive examination or due diligence investigation might disclose.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, continuous disclosure rules, regulations, and policies, Findex:

- Assumes no responsibility and offers no legal opinion or interpretation on any issue; and
- Has generally assumed that matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no legal proceedings, other than as publicly disclosed.

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3 Profile of Industry

3.1 Industry Overview

As GlassandCo provides a conglomerate of services to the market, the business could fit into multiple industries as ascribed by IBISWorld, namely;

- Computer System Design Services in Australia;
- Information Technology ("**IT**") Security Consulting in Australia; and/or
- Management Consulting in Australia.

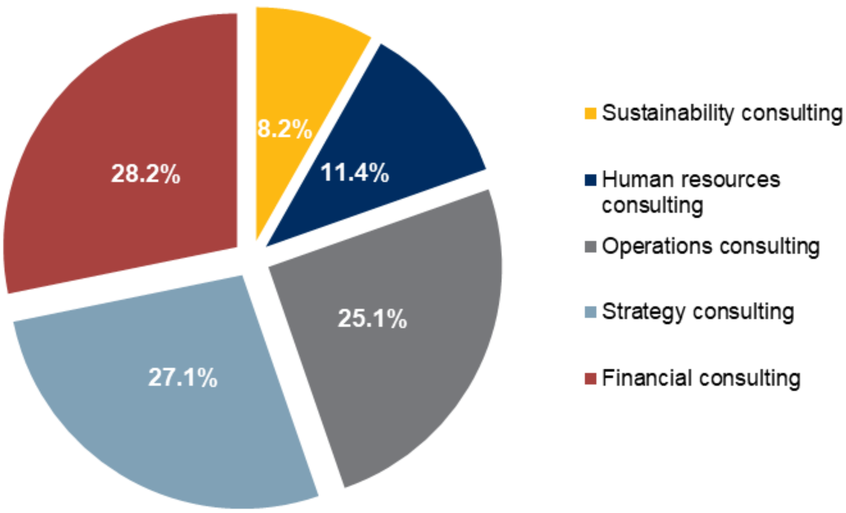
After consulting with the Management of GlassandCo it is deemed that the most applicable industry category that it operates in is: Management Consulting in Australia, as defined by IBISWorld[1].

According to IBISWorld, operators in this industry provide clients with advice and strategies to solve a range of complex business issues. These issues include financial performance, business strategy and operational structure. Management consultants aim to improve a client's overall business performance. The industry excludes public relations services, and financial planning and investment advice.

3.1.1 Segmentation

The following chart summarises revenue segmentation of the industry for FY19(f).

Figure 1: Products & Services Segmentation in FY19(f)



Source: IBISWorld

GlassandCo's services fit into the operations and strategy product and services segment(s).

3.1.2 Market Share Concentration

The Management Consulting industry is characterised by a low level of market share concentration, with the top four players accounting for less than 40% of the industry market share in FY19(f). Although many larger players have undertaken acquisition strategies over the past five years, concentration is expected

[1] Management Consulting in Australia, IBISWorld, May 2019

to remain stable over the period. Low concentration stems from the low barriers to entry, which encourage smaller businesses or sole proprietors to enter the industry.

3.1.3 Competition

Competition in the industry is high and increasing due to the large number of operators, ranging from large, international entities to small firms, employing less than 20 people. Over the past five years competition has increased, especially among smaller businesses providing niche services, as the industry's low barriers to entry have allowed small players to easily establish operations. During periods of economic difficulty, competition is mainly price based, and service offerings focus on cost cutting and redundancies rather than growth strategies. Other factors, such as reputation, work quality, expertise and service range are also important elements that influence competition.

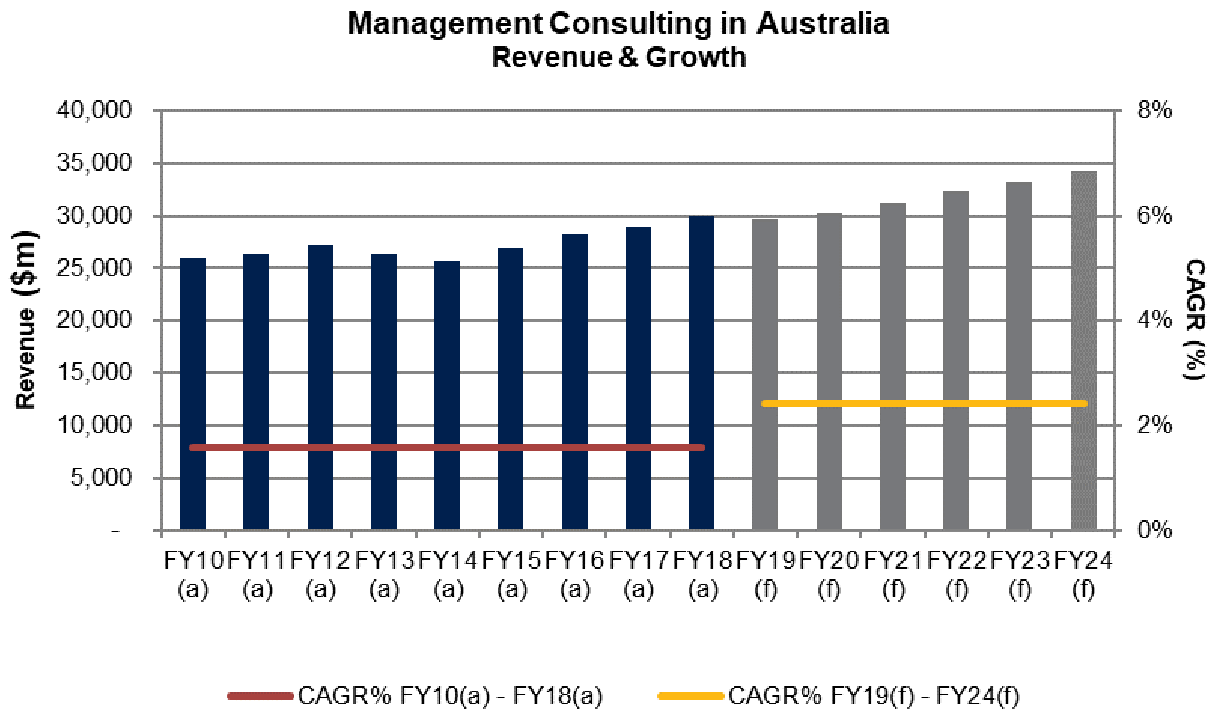
3.2 Industry Growth and Outlook

The following chart summarises the historical and forecast revenue and growth of the Management Consulting industry:

Industry revenues:

- Increased at a CAGR of 1.58% from FY10(a) to FY18(a); and
- Are forecast to increase at a CAGR of 2.41% from FY19(f) to FY24(f).

Figure 2: Revenue & Growth for Management Consulting in Australia



Source: IBISWorld

3.3 Key Factors Impacting Industry Players

Key industry factors impacting the GlassandCo's operations include:

- ***Capital expenditure by the private sector:*** Capital expenditure by the private sector measures the amount of business investment in the economy. As businesses increase expenditure, firms are more likely to hire management consultants for external advice prior to implementing initiatives.

Consequently, a rise in capital expenditure can represent an opportunity for the industry to expand. However, private capital expenditure by the private sector is expected to decrease in 2020;

- ***Business confidence index:*** Fluctuations in business confidence influence demand for management consulting services. During times of business uncertainty, firms may seek risk management and financial performance consulting services. However, while management consultants can help companies improve business performance, clients typically consider their services discretionary. As a result, when business confidence is negative, firms tend to cut discretionary spending to reduce costs, which can threaten industry revenue. Business confidence is expected to remain positive in 2020;

- ***Capital expenditure by the public sector:*** Capital expenditure by the public sector affects demand for industry services, as it represents one of the industry's major markets. The government generally requires evaluation and advice on projects and policies before execution. Generally, an increase in government expenditure allows the government to outsource these services to management consultants. Capital expenditure by the public sector is expected to increase in 2020;

- ***Total business profit:*** Fluctuations in total business profit indicate the performance of reporting companies. However, this measure excludes the profit of banks, insurance companies and healthcare providers. Although firms may seek management advice in times of poor performance, low profit margins often mean that firms are unable to afford consulting services. Consequently, a rise in business profit increases demand for industry services, as profitable firms are more likely to have the finances to employ advisory services. Total business profit is expected to increase in 2020;

- ***Demand from finance***: Finance companies represent the largest market for management consultants. These companies generally seek a range of services from the industry. Services include advice and strategy regarding financial performance, operational structure, risk management and human capital. Demand from finance is expected to increase in 2020; and

- ***Number of businesses***: The number of businesses, particularly new medium and large-size businesses, positively correlates with demand for consulting services. New firms often seek external advice for sustainable growth strategies and operational efficiency. The Management Consulting industry has benefited from business numbers increasing over the past five years. In 2020, the number of businesses is expected to increase.

3.4 Conclusion

The Management Consulting industry is projected to perform strongly over the next five years, with government departments, finance companies and technology, media and communications firms anticipated to drive industry revenue growth over the period. These markets are forecast to seek advice on new projects and developments, and strategies to maximise operational efficiency.

Industry operators are also anticipated to continue incorporating analytical tools and increase their IT consulting capacity through acquisitions to further expand their range of services. Although IT consulting is not included in the Management Consulting industry, increased demand for IT consulting is anticipated to create a flow-on effect for the industry, as players such as Accenture Australia Pty Ltd typically provide these services together. Growth throughout the Asia-Pacific region is also anticipated to drive greater demand for industry services, as companies seek expansion advice and strategies to enter overseas markets. Industry revenue is forecast to grow at an annualised 2.9% over the five years through 2023-24, to $34.3 billion.

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4 Profile of GlassandCo

4.1 PS&C Limited

4.1.1 Operational Overview

PS&C is one of Australia's leading end-to-end information and communications technology ("**ICT**") and digital consulting organisations, with over 300 expert consultants, and locations in Melbourne, Sydney, Brisbane and Canberra.

Founded in 2013, PS&C is listed on the ASX (ASX: PSZ) and works with many of Australia's leading corporations and government agencies. Over time, PS&C has acquired a number of expert consultancies, with the expressed aim of creating an Australian end-to-end ICT consultancy that understands the unique landscape and gives competitive advantage to Australian businesses.

As PS&C has grown over time, so has the services it offers. PS&C has four main divisions, each with a series of acquired companies operating within them. These are described below;

- ***Discovery + Insights:*** shape digital ambition, strategy and business case based on insights. Management has confirmed that here is only one Company within this division which is: GlassandCo;

- ***Design + Process:*** reinvent and prototype new capabilities and journeys as part of the program. The Companies within this division include Bexton IT Services, Artisan, Seisma, Systems + People and North Consulting;

- ***Delivery + Cloud:*** activate an ecosystem to rapidly deliver at scale. The Company within this division includes Sacon; and

- ***Defend + Secure (the Security Division):*** reduce operational, financial and reputational risk. Companies within this division include Pure Hacking, Hacklabs, Securus Global and Certitude.

Through these four divisions PS&C design and develop solutions that connect clients with their customers, strengthen the security of their operations, streamline their processes and create competitive advantage. By enabling its knowledge, platforms and processes, PS&C aim to make the world a smaller, more connected place.

The growth of PS&C over time has enabled it to forge strategic partnerships with many leading vendors including Amazon Web Services Australia Pty Ltd, SAP Australia Pty Ltd, Microsoft Pty Ltd, Salesforce Pty Ltd, Cisco Systems Australia Pty Limited, Red Hat Asia-Pacific Pty Ltd, VMWare Australia Pty Ltd and IBM Australia Ltd.

4.2 GlassandCo

4.2.1 Operational Overview

GlassandCo is the advisory and consulting division of PS&C Group and formulates the Discovery + Insights division of PS&C (as outlined above). Founded in 2017 by Erin McCarthy, Nahshon Pinto and Wayne Custodio, the focus of GlassandCo is to create a consultancy business that is not only known and trusted for its industry leading innovation and digital enablement, but also to create and foster a positive working culture.

GlassandCo's vision is 'to create exceptional future' and their mission is to 'partner with passionate people who want to transform'. The vision and mission of GlassandCo is underpinned by: 'The Be Theory' (i.e. their values). The Be Theory incorporates the following values;

- Be Bold;
- Be Focused;

- Be Proud;
- Be Real;
- Be Fun; and
- Be Diverse.

4.2.2 Revenue Streams

Outlined below are the various revenue streams/service offerings which are currently offered by GlassandCo to the Queensland market. The revenue streams sit under four main categories; Innovation, Data & Analytics, Strategy & Advisory and Technology Enablement[2]. Highlighted below are the types of services offered under each of the revenue streams.

Innovation

- ***Innovation Maturity Assessment:*** A highly interactive engagement utilising a framework for assessing an organisation's innovation maturity level. The framework encompasses organisation and leadership strategy, people (Business As Usual ("**BAU**")/External), processes and tools while including elements of organisation urgency to innovate, external ecosystem influencers and internal knowledge sharing;

- ***Innovation*** Germination: GlassandCo works with organisations to enable strategies to spark ideas and trigger innovations from employees. This includes;
    - Innovation Jams/Hackathons;
    - Innovation Bounties;
    - Innovation Hub; and
    - Job Shadowing.

- ***Think Spin – (Design Thinking):*** GlassandCo works with the client's teams to have them reframe their thinking about ideas, tasks, processes and organisation future through empathy, experimentation and exploration. Design Thinking and Human Centric Design;

- ***Runway Program:*** The Runway Program is a gate-based methodology framework used for the implementation of innovation solutions. The Program enables an organisation to take the solution from functional prototype to embedded within the organisation. GlassandCo connects clients to start-ups in their extensive network, running workshops alongside them to understand new technology and potential disruptors to a client's day to day business;

- ***Start-up Plugs:*** GlassandCo connects clients to start-ups in their extensive network, running workshops alongside them to understand new technology and potential disruptors to your day to day business; and

- ***Innovation Tool Kit:*** GlassandCo brings tools and techniques so that organisations have a springboard to innovation rather than start from scratch. This includes;
    - Change Management in Innovation; and
    - Data and Metrics to identify areas ripe and ready for transformation.

Data & Analytics

- ***Maturity Assessment:*** The Data Maturity Assessment ("DMA") is structured such that it can be used by organisations to not only assess their current state of capabilities, but also to build a customised roadmap for data management implementation. GlassandCo's interactive framework scores all areas of Governance, Usage, Architecture and Technology;

- ***Amplified Intelligence (Web Robots ("BOTS") Internet of Things ("IOT")):*** Collecting and analysing data from the Internet of Things is different from doing it in mobile and web enterprise

[2] http://www.glassandco.com.au/services/

systems because the data isn't located in resource-rich data centres. Instead, it's out there in the real world. GlassandCo's approach to amplified intelligence is to use versatile data connectivity that sits in today's web infrastructure, including social media and web apps as well as "smart" devices (drones)***;***

- ***Data warehouse/Lakes:***
    - Data warehouse – central repository of integrated data from one or more disparate sources that stores current and historical data that is used for creating trending reports; and
    - Data Lake – Repository that stores vast amount of raw data in its native format, including structured, semi-structured, and unstructured data.

- ***Visualisations:*** Drive insight discovery with the data visualisation app that anyone can use. The GlassandCo approach offers everyone in an organisation an approach to easily create flexible, interactive visualisations and make meaningful decisions;

- ***Machine Learning:*** Enterprises are now becoming curious about the applications and benefits of Machine Learning ("**ML**") in business. ML is a data analysis process which leverages algorithms to iteratively learn from the existing data and help computers find hidden insights without being programmed for. The GlassandCo approach to ML leverages the latest algorithms to assist in sales forecasts, facilitate medical predictions, simplify time intensive data entry, improve precision of financial rules, increase efficiency of predictive maintenance and better customer segmentation; and

- ***Big Data Drive:*** Explore any path you want to find the answer to the question you're asking. Discover valuable insights to questions you didn't know to ask. Sometimes the most interesting insight is the data that isn't related to your current analysis. The GlassandCo platform highlights this data to aid discovery. The GlassandCo platform allows clients to accelerate their analytical journey by entering simple, intuitive natural searches and let the platform present the possibilities across all data sources.

Strategy & Advisory

- ***Strategy:*** GlassandCo hone a client's vision into actionable, focused strategies that will enable a targeted approach to achieve their goals;

- ***Enterprise Architecture:*** Using an action-based methodology GlassandCo provide insight into how strategy translates to practice in business. This includes;
    - Business model strategy review and advisory;
    - Business case development;
    - Business process review for best practice; and
    - Business architecture methodology development.

- ***Business Transformation:*** GlassandCo enables clients to transform their current way of working, by leveraging best practice and innovative solutions to take their business to the next level of performance, providing the clients customers with an improved experience. This includes;
    - Strategic alignment;
    - Governance;
    - Models and frameworks;
    - Functional design;
    - Capability; and
    - Culture and change

Technology Enablement

- ***Application Development;*** Effective application development is vital in today's digital world. GlassandCo assists clients at every stage of the software development life cycle — from conceptualisation and consulting to development and support;

- ***Application Modernisation:*** GlassandCo assist clients in benefiting from scalability, stability and speed. The experts at GlassandCo assist clients address the "lag of legacy". The user centric approach to Application modernisation allows GlassandCo to identify systems that are obstacles to operational growth. Once identified they collaborate, consolidate and re-architect to produce platforms for increased productivity and creativity resulting in better business value;

- ***Process Automation:*** Continuous Development ("**CD**") and Continuous Integration ("**CI**") is the new paradigm for creating and improving applications while enabling automation and code integration. Implementing a CD/CI strategy is an effective way of increasing output while reducing demand on staff and budget. GlassandCo's approach to CD and CI is enhanced by continuous testing ("**CT**"), best practices and automated processes; and

- ***Managed Applications:*** GlassandCo take the stress and costs of managing a client's newly deployed application from the client's own teams with their Managed Services for Applications. GlassandCo provide the capability for ongoing management and monitoring of a client's applications in their respective production environments. GlassandCo's services can be integrated with a client's CI/CD offerings to provide a seamless delivery from development and testing through to managed production.

4.2.3 Growth Strategy

GlassandCo has experienced a developing level of financial growth since its inception in July 2017 (we have analysed the financial growth below in **Section 4.4**). The growth of GlassandCo has been wholistic across the business as it develops its strategy and builds a presence in its selected markets, this growth has been evident in its people, brand, project delivery and the go-to-market strategy, with a developing financial profile. To date, the strategy has been to organically grow the business around existing services and clients.

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4.3 Financial Performance

For the purposes of our analysis in the section below, we have independently scrutinised the financial information which has been provided by the Management of GlassandCo. From our independent analysis, coupled with discussions with Management, we are satisfied that the information presented below is an accurate representation of the financial performance of GlassandCo.

Summarised below is the historical and forecast financial performance of GlassandCo for FY18(a) to FY20(f). Annualised FY20 represents actual financial performance to 31 October 2019:

Table 2: Historical and Forecast Financial Performance

GlassandCo Financial Performance ($000s)					
	FY18(a)	FY19(a)	31-Oct-19	Annualised FY20(a)+(f)	Budgeted FY20(f)
Services Revenue	1,461	6,921	1,814	5,443	7,251
Total revenue	**1,461**	**6,921**	**1,814**	**5,443**	**7,251**
YOY growth %	*n/a*	*373.9%*	*n/a*	*-21.4%*	*4.8%*
Cost of sales	(1,117)	(4,399)	(1,142)	(3,425)	(4,372)
Gross margin	**343**	**2,522**	**673**	**2,018**	**2,879**
Margin %	*23.5%*	*36.4%*	*37.1%*	*37.1%*	*39.7%*
Employee expenses	(1,546)	(1,132)	(504)	(1,511)	(1,522)
Occupancy expenses	(40)	(105)	(40)	(119)	(114)
Advertising & marketing expenses	(5)	.3	(2)	(7)	(6)
Administration & other expenses	(155)	(259)	(63)	(190)	(164)
Total expenses	**(1,745)**	**(1,496)**	**(609)**	**(1,827)**	**(1,806)**
Reported EBITDA	**(1,402)**	**1,026**	**64**	**191**	**1,073**
Margin %	*-96.0%*	*14.8%*	*3.5%*	*3.5%*	*14.8%*
Depreciation & amortisation	-	(.2)	(.1)	(.4)	(.3)
Reported EBIT	**(1,402)**	**1,026**	**63**	**190**	**1,072**
Margin %	*-96.0%*	*14.8%*	*3.5%*	*3.5%*	*14.8%*
Reported NPBT	**(1,402)**	**1,026**	**63**	**190**	**1,072**
Income tax expense	417	(309)	-	-	(322)
Reported NPAT	**(985)**	**717**	**63**	**190**	**751**

Source: Management Financial Information

Notes:

- ***Revenue:*** increased by 373.9% from FY18(a) to FY19(a). The substantial increase in revenue can be attributed to the fact that in FY18(a) the business was very much in the go to market and pitching for business phase of a business life cycle. In FY19(a), a large proportion of the business development completed in FY18(a) converted into revenue, hence the large uplift in revenue. In line with the growth strategy of the business (as outlined in **Section 4.2.3**) the business anticipated to continue to grow in the budgeted FY20(f), however upon analysing the actual 31 October 2019 results, it can be seen that this growth is expected to taper and decline in the annualised FY20(a) + (f) results;

- ***Employee expenses***: represents the salaries and wages expense as well as the sales labour expenses. Whilst initially being quite large in FY18(a) and then incurring a significant drop in FY19(a), due to a director leaving the GlassandCo business (wages of circa $350,000).

Management anticipates that in FY20(f) and beyond that employee expenses will remain relatively steady at the FY18(a) levels, with only a minimal incremental year on year increase. For completeness we note that the full-time employee versus contractor split is 70/30;

- ***Administration & other expense***: represents the building lease and utilities, travel, subscriptions and finance overhead charges incurred by GlassandCo based on the allocation of PS&C Group;

- ***EBITDA Margin:*** whilst negative in FY18(a), the EBIDTA margin returned to positive in FY19(a), as a result of the strong year of growth. Management anticipates that into the future the EBITDA Margin will equate to levels similar to FY19(a). This improvement in this margin is attributed to the business achieving economies of scale and a continually developing revenue pipeline, with expenses staying relatively stable; and

- ***Depreciation & amortisation: is quite minimal due to the fact that GlassandCo adopting*** a 'bring your own device' policy, and the current premises not requiring any fit***-outs or fittings.***

For completeness, we note that Management has confirmed there were no abnormal or non-recurring income or expenses and expenses of a private nature that have been included in the financial information presented to us. Based on this representation, and also via undertaking our own analysis of the financial performance we did not identify any required normalisations.

4.4 Financial Position

For the purposes of our analysis in the section below, we have independently scrutinised the financial information which has been provided by the Management of GlassandCo. From our analysis and discussions with Management, we are satisfied that the information presented below is an accurate representation of the financial position of GlassandCo.

Summarised below is the historical audited financial position of GlassandCo for FY18(a), FY19(a) as well as the financial position of GlassandCo as at 31 October 2019 (unaudited monthly management accounts, provided by the Management of GlassandCo).

Table 3: Financial Position

GlassandCo Financial Position ($000s)	FY18(a)	FY19(a)	31-Oct-19
Trade & other receivables	661	1,126	395
Prepayments	-	-	22
Other current assets	66	37	49
Trade & other payables	(313)	(618)	(599)
Provisions	181	(433)	(104)
Working capital	**595**	**113**	**(236)**
Fixed assets	-	1	0.4
Other assets	44	56	44
Other liabilities	(3)	(11)	(14)
Other capital employed	**41**	**46**	**31**
Cash	10	10	10
Inter-company loans	(1,773)	(579)	(176)
Net (debt) / cash	**(1,763)**	**(569)**	**(166)**
Net assets	**(1,127)**	**(410)**	**(372)**

Source: Management Financial Information

Notes:

- ***Other current assets:*** primarily relates to accrued revenue and other current assets;
- ***Provisions:*** relates to the provision for Goods and Services Tax ("**GST**"), Taxation and employee provisions;
- ***Other assets:*** relates to the deferred tax assets benefits;
- ***Other liabilities:*** relates to the non-current portion of the employee provisions (i.e. long-service leave);
- ***Cash:*** Management has advised that as part of their cash sweeping arrangement they only leave $10,000 in the cash account daily, and if there is a surplus or deficit of this amount, it gets transferred out or into the PS&C cash account, therefore indicating use for working capital purposes and there is no surplus cash.
- ***Inter-company loan:*** relates to a loan from PS&C Group, which has assisted in the start-up of GlassandCo. Management has confirmed that the inter-company loan is not interest bearing or fully repayable. The inter-company loan eliminates upon consolidation and will be forgiven by both parties if there is any sale/buyout of GlassandCo. This inter-company loan for the purposes of our analysis in **Section 6**, would be removed, as it doesn't represent a true interest-bearing liability.

4.5 Adjusted Financial Position – 31 October 2019

As outlined in **Section 4.4**, the inter-company loan does not represent a true interest-bearing liability of GlassandCo, therefore, we have adjusted the Net Assets of GlassandCo as at 31 October 2019 to reflect this allocation. For completeness we note that this Adjusted Financial Position, will have relevance in our analysis in **Section 6**.

Table 4: Adjusted Financial Position - 31 October 2019

GlassandCo Net Assets as at 31 October 2019 ($000s)							
	Adjusted net assets			Allocation of adjusted net assets			
	Reported	Adjs	Adjusted	Business assets	Debt	Surplus assets	Total
Trade & other receivables	395	-	395	395	-	-	395
Prepayments	22	-	22	22	-	-	22
Other current assets	49	-	49	49	-	-	49
Trade & other payables	(599)	-	(599)	(599)	-	-	(599)
Provisions	(104)	-	(104)	(104)	-	-	(104)
Working capital	**(236)**	**-**	**(236)**	**(236)**	**-**	**-**	**(236)**
Fixed assets	0.4	-	0.4	0.4	-	-	0.4
Other assets	44	-	44	44	-	-	44
Other liabilities	(14)	-	(14)	(14)	-	-	(14)
Other capital employed	**31**	**-**	**31**	**31**	**-**	**-**	**31**
Cash	10	-	10	-	10	-	10
Inter-company loans	(176)	176	-	-	-	-	-
Net (debt) / cash	**(166)**	**176**	**10**		**10**	**-**	**10**
Net assets	**(372)**	**176**	**(196)**	**(206)**	**10**	**-**	**(196)**

Source: Findex Calculations

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5 Valuation Methodology

5.1 Overview

The best determinant of value is the price at which the business or a comparable business or an equity interest in that business has been bought or sold in an arm's length transaction. In its absence, estimates of value are made using methodologies that infer value from other available evidence.

In order to calculate the fair market value of GlassandCo, we have considered the following generally accepted valuation methodologies.

5.2 Asset Based Methods

Asset based methods estimate the market value of a company's shares based on the realisable value of its identifiable net assets. Asset based methods include:

- Net tangible assets;
- Orderly realisation of assets; and
- Liquidation of assets.

The ***net assets method*** is based on the value of the assets of the business less certain liabilities, at book values, adjusted to market value.

The ***orderly realisation of assets method*** estimates fair market value by determining the amount that would be distributed to shareholders assuming the Company is wound up in an orderly manner realising a reasonable market value for assets.

The ***liquidation method*** is similar to the orderly realisation of assets method except for the fact that the liquidation method assumes the assets are sold in a shorter period, under a "distressed seller" scenario.

These approaches ignore the possibility that a company's value could exceed the realisable value of its assets. Asset based methods are appropriate when companies are not profitable, not actively trading or a significant proportion of a company's assets are liquid.

5.3 Market Based Methods

Market based methods estimate a company's fair market value by considering the market price of transactions in its shares or the market value and valuation metrics of comparable companies. Market based methods include:

- Capitalisation of maintainable earnings;
- Analysis of a company's recent share trading history; and
- Industry specific methods.

The ***capitalisation of maintainable earnings method*** estimates fair market value by multiplying the Company's future maintainable earnings by an appropriate capitalisation multiple. An appropriate earnings multiple is derived from price earnings multiples and market transactions involving comparable companies. The capitalisation of maintainable earnings method is appropriate where the Company's earnings are relatively stable and comparable companies have similar cost structures and growth profiles.

The ***most recent share trading history*** provides strong evidence of the fair market value of the shares in a company where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using industry benchmarks. These methods generally provide less persuasive evidence on market value of a company, as they may not account for company specific factors. Industry specific methods are only used as a cross check to the primary valuation methodology.

5.4 Discounted Cash Flow Method

The discounted cash flow method ("**DCF**") estimates market value by discounting a company's future cash flows to their present value. This method is appropriate where a projection of future cash flows can be made with a reasonable degree of confidence (ideally for a period of three to five years for a going concern business). The discounted cash flow method is commonly used to value early stage companies or projects with a finite life.

5.5 Selection of Methodologies

In selecting our valuation methodology, we considered:

- That sophisticated and robust forecasts for a sufficient period of time do not exist (i.e. greater than five years);
- There is no reasonable basis for the preparation of such forecasts under Regulatory Guide 170 *Prospective Financial Information* ("**RG 170**");
- Positive historical or forecast earnings do exist (i.e. GlassandCo generated positive earnings in FY19(a) and is projected to continue to do so into the future); and
- PS&C, the parent entity of GlassandCo, provides the market with significant and regular information in relation to its strategy, environment and ongoing operational and financial performance.

Based on the above, there is insufficient information available to adopt either a discounted cash flow or asset-based methodology (an asset-based methodology does not account for the future growth potential of GlassandCo and furthermore the service-based operations of the entity are not asset intensive).

Furthermore, whilst the market is well informed in relation to PS&C's strategy, environment and ongoing operational and financial performance, this is not specifically relevant to GlassandCo as the GlassandCo business comprises a small portion of the wider PS&C operations.

With the above in mind, we have adopted a capitalisation of future maintainable earnings ("**FME**") as our primary valuation methodology. Given the lack of stability in GlassandCo's EBITDA and limited forecast information at an EBITDA level, we adopted revenue as an appropriate basis to undertake our FME methodology and therefore selected a future maintainable level of revenue ("**FMR**") in our valuation analysis, set out in **Section 6**.

As cross checks we:

- Considered the EBIT multiple implied by our Enterprise Value of GlassandCo; and
- Constructed a high level DCF to validate the valuation outcomes under our primary approach. As well as this, we also considered the quantum of the previous offers made for GlassandCo, however, note that neither of these offers proceeded and were not considered acceptable.

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6 Valuation of GlassandCo

6.1 Approach

As outlined above we have adopted the capitalisation of future maintainable revenue methodology. Application of this methodology involves:

- Estimation of FMR having regard to historical and forecast stand-alone financial performance of the business;
- Consideration of an appropriate (revenue) capitalisation multiple having regard to the market rating of comparable businesses and the availability of comparable transaction multiples, the extent and nature of competition, whether earnings for valuation purposes reflect historical or projected earnings, the quality of earnings, growth prospects and relative business risks; and
- Multiplying FMR by the capitalisation multiple to establish enterprise value.

We then considered the operating assets and liabilities, surplus assets and liabilities, and financing of GlassandCo and made certain adjustments to calculate the value of 100% of the equity in GlassandCo on a controlling basis and marketable basis.

Following this, we applied a discount for lack of marketability to determine the value a 100% interest in GlassandCo on a controlling and non-marketable basis.

6.2 Future Maintainable Revenue

FME represents the level of maintainable earnings that the existing operations could reasonably be expected to generate on a sustainable or maintainable basis or the earnings level below which, in the absence of unforeseen and exceptional circumstances, the entity's earnings should not fall below.

We adopted revenue as an appropriate level of earnings, given the lack of stability in GlassandCo's EBITDA, which has fluctuated significantly since inception. Further, limited forecast information is available at an EBITDA level. Accordingly, we consider revenue to represent the most appropriate basis to undertake our FME methodology. Furthermore, a revenue multiple is suitable for valuing early stage businesses such as GlassandCo, and comparable company data is available to undertake our analysis.

We adopted the average of FY19(a) and FY20(a)+(f) reported revenue of $6.182 million as the appropriate FMR of GlassandCo as at the Valuation Date. We consider this time period to be the best representation of FMR of GlassandCo, given that FY18(a) reflects establishment of the entity, and forecasts outside of FY20(f) are not sufficiently reliable. We note that the FMR equates to circa $250k per consultant in billable revenue (based on 24 consultants as at the date of this Report), which is not too dissimilar to management's expectations, thus we do not consider the FMR as unreasonable.

6.3 Capitalisation Multiple (Revenue)

The selection of a revenue multiple takes into account the unique features of the company including its business profile, assessed risks, the specific characteristics of the industry within which it operates and the appropriateness of a control premium.

In selecting revenue multiples, we considered:

- Trading multiples of selected companies that we consider comparable to GlassandCo;
- Transaction multiples paid to acquire target businesses with operations comparable to GlassandCo; and

Risk factors and other characteristics which differentiate GlassandCo from the comparable listed companies and target businesses.

6.3.1 Observed Multiples

We identified 14 Australian listed businesses and 18 global transactions with publicly available information involving target companies with operations similar to that of GlassandCo, and observed the following as at the Valuation Date / relevant transaction date:

- In relation to the Australian listed companies:
  - Those entities which had an Enterprise Value ("**EV**") of greater than $500 million are trading at an average revenue multiple of 4.8 times, an average EBITDA multiple of 16.8 times and an average EBIT multiple of 19.9 times; and
  - Those entities which have an EV of less than $500 million are trading at an average revenue multiple of 0.9 times, an average EBITDA multiple of 9.3 times and an average EBIT multiple of 12.3 times;
- In terms of relative size, the comparable listed companies in Australia with an EV of less than $500 million are most comparable to GlassandCo;
- In relation to transactions involving global target businesses:
  - Those transactions of entities which had an implied EV of greater than $500 million averaged a revenue transaction multiple of 1.6 times, an EBITDA transaction multiple of 10.1 times and an average EBIT transaction multiple of 16.0 times;
  - Those transactions of entities which had an implied EV of less than $500 million averaged a revenue transaction multiple of 1.3 times, an EBITDA transaction multiple of 9.4 times and an average EBIT transaction multiple of 11.3 times; and
  - The global transactions reflect the acquisition of a controlling stake and therefore the multiples achieved represent a control multiple.
- Our detailed trading and transaction multiples research is set out in **Appendix 4** and **Appendix 5.**

6.3.2 Base Multiple

Based on the revenue transaction (control) multiples for global target companies (and also having regard to the trading multiples, albeit on a minority basis), we adopted a base revenue multiple of 1.4 times (on a control basis).

In concluding on the relevant base multiple, we assumed level of strategic value was paid in the various transactions we identified.

6.3.3 Multiple Adjustments

We adjusted the base multiple for the following items to ensure the adopted multiple correctly reflects the attributes of GlassandCo:

- ***Size:*** a discount for the significantly smaller size of GlassandCo compared to the comparable target companies;
- ***Limited history:*** a discount for the risk associated with GlassandCo's limited trading history since inception and developing stage of its life-cycle;
- ***Forecast Risk:*** a discount for the risk associated with GlassandCo achieving its positive cash flows, given that it has only proved this on one occasion (i.e. FY19(a)) since inception; and
- ***Key person risk:*** a discount for the key persons/directors which are integral to the success of GlassandCo, as they foster the key relationships required to build and grow the business.

6.3.4 Conclusion on Multiple

After considering the above adjustments to the base multiple, we adopted a multiple of 0.250 times to 0.275 times revenue, on a controlling and marketable basis.

In our opinion, the observed trading multiples of the listed comparable companies identified support the selected multiple range for GlassandCo.

6.3.5 Control Premium

Equity interests of 100% are inherently more valuable than equity interests of less than 100% as a 100% shareholder can exert a greater level of control over day-to-day and strategic decision making, including:

- Appointing and removing Directors from the Board;
- Influencing the strategic decision making of a business by voting to enforce resolutions at a Board or shareholder level;
- Preventing other shareholders or shareholding groups from exerting influence by blocking resolutions at a Board or shareholder level; or
- Declaring dividends to access cash flows from their investment when they desire (or preventing other shareholders / shareholder groups from doing likewise).

In other words, the value of an equity interest increases the greater the level of influence attaching to the interest. In the absence of special rights granted through a shareholder's agreement, or in relation to a specific class of share, the level of a shareholder's influence is generally related to the quantum of their percentage shareholding. For example, a portfolio interest (say an interest of less than 10% in a company) commands less influence than a 20% shareholder, whereas a 25.1% shareholder can block special resolutions and therefore has an even greater influence (and value). By comparison, a 75.1% shareholder can control decision making and pass special resolutions.

Our selection of a relevant revenue multiple to apply to the FMR of GlassandCo is based on transaction data which reflects the acquisition of a controlling stake and therefore represents a control multiple.

6.4 Enterprise Value – Controlling & Marketable Basis

Based on the FMR and capitalisation multiple summarised above, we calculated the enterprise value on a controlling and marketable basis as set out below:

Table 5: Enterprise Value - Controlling & Marketable Basis

GlassandCo Enterprise Value - Controlling & Marketable Basis ($000s)		
	Low	High
Future maintainable Revenue	6,182	6,182
Multiple	0.250x	0.275x
Enterprise value - controlling & marketable basis	**1,546**	**1,700**
Midpoint		**1,623**

Source: Findex calculations

6.5 Equity Value – Controlling & Marketable Basis

6.5.1 Balance Sheet Adjustments

We analysed GlassndCo's adjusted balance sheet (refer to **Section 4.5**) as at the Valuation Date and identified:

- Working capital, inclusive of cash, to be sufficient;
- No surplus assets or liabilities; and
- No borrowings or financing liabilities.

Based on discussions with Management there is anticipated to be no material movements in the balance sheet between the 31 October 2019 and the Valuation Date. On this basis, we adopted the adjusted balance sheet as at 31 October 2019 as a material proxy for GlassandCo's assets and liabilities as at the Valuation Date.

6.5.2 Equity Value – Controlling & Marketable Basis

Based on the enterprise value summarised above and our analysis of GlassandCo's balance sheet, we calculated the value of 100% of the equity in GlassandCo, as at the Valuation Date, to be as follows on a controlling and marketable basis:

Table 6: Equity Value - Controlling & Marketable Basis

GlassandCo Equity Value - Controlling & Marketable Basis ($000s)		
	Low	High
Enterprise value - controlling & marketable basis	1,546	1,700
Add / (less):		
Surplus cash	-	-
Surplus working capital	-	-
Other surplus assets	-	-
Borrowings	-	-
Equity value - controlling & marketable basis	1,546	1,700
Midpoint		**1,623**

Source: Findex calculations

6.6 Discount for Lack of Marketability

6.6.1 Background

Marketability refers to the ease and timeframe under which an asset can be sold. Assets with a greater relative degree of marketability (those that can be sold more easily, or more quickly), are inherently more valuable as it is easier for the owners to realise the value of those assets. In recognition of this, it is common practice to apply a value discount where a lack of marketability exists.

Empirical research and academic studies indicate that discounts for lack of marketability in Australia typically range between 10% and 30%. Notwithstanding, the relevant discount will vary dependent upon the specific circumstances.

6.6.2 Application

With respect to the appropriate discount for lack of marketability to adopt for GlassandCo we considered:

- The size of GlassandCo with comparison to other similar types of businesses;
- The level of surplus assets and business assets that contribute to the ungeared equity value of GlassandCo on a controlling basis; and
- That surplus assets such as cash and property assets are generally more marketable / liquid than business assets.

Considering the relative marketability of the underlying assets, we adopted a discount for lack of marketability of 15%.

6.7 Equity Value – Controlling & Non-Marketable Basis

Based on the discount for marketability analysis above, we calculated the value of 100% of the equity in GlassandCo, as at the Valuation Date, on a controlling and non-marketable basis:

Table 7: Equity Value - Controlling & Non - Marketable Basis

GlassandCo Equity Value - Controlling & Non - Marketable Basis ($000s)		
	Low	High
Enterprise value - controlling & marketable basis	1,546	1,700
Discount for lack of control - %	n/a	n/a
Dicount for lack of control - value	n/a	n/a
Discount for lack of marketability - %	15%	15%
Dicount for lack of marketability - value	(232)	(255)
Equity value - controlling & non - marketable basis	1,314	1,445
Midpoint		**1,379**

Source: Findex calculations

6.8 Cross Checks

Outlined in the sections below are the various cross-check we have undertaken to validate our primary methodology, and values concluded therein.

6.8.1 Cross Check – Discounted Cash Flow

We performed a high level DCF cross-check of the Enterprise Value of GlassandCo based on:

- Revenue growth based on the following rates;
  - 5.5% year-on-year growth in FY21(f) (consistent with original FY20 budgeted revenue growth);
  - 5.0% year-on-year growth in FY22(f); and
  - 2.5% growth in the terminal year (into perpetuity) which is consistent with expected consumer price index ("**CPI**") growth of 2.5%. Revenue in the terminal year is consistent with our selected FMR;
- An EBIT margin based on the following rates;
  - 5.0% in FY21(f);
  - 7.5% in FY22(f); and
  - 10.0% in the terminal year, consistent with data analyses from industry peers.
- Working capital absorption of 12.5%, calculated by multiplying the difference between year on year revenue by 12.5%. The working capital absorption was based on our analysis of the historical and forecast financial information presented by Management, and cash flows from operating activities as a % revenue;
- A nominal level of capital expenditure and depreciation as advised by Management, and also having regard to historical levels and the nature of operations. Capital expenditure was assumed to equate to depreciation, as no significant capital expenditure is expected, and this assumption is consistent with the non-capital-intensive nature of GlassandCo's activities;

- Applied the corporate tax rates of 30% to earnings before interest and taxes ("**EBIT**") as ascribed by the Australian Taxation Office ("**ATO**"); and:

- A weighted average cost of capital ("**WACC**") discount rate of 22.5% to 25.0%, which is consistent with discount rates of businesses in a similar early stage life cycle, based on various studies.[3] **(Refer Appendix 6)**.

The resultant EV supported the range calculated under our primary methodology.

6.8.2 Cross Check – Implied EBIT

We also had regard to the average EBIT multiple of 2.6 times implied by our Enterprise Value of GlassandCo and using our FMR and an assumed EBIT margin of 10%. We consider these results not unreasonable given the current level of maturity of the business.

6.8.3 Cross Check – Prior offers received

As a further cross-check, we also had regard to the previous offers made for GlassandCo.

Two separate parties previously undertook due diligence on GlassandCo which resulted in one party deciding not to proceed with a transaction (after making an indicative cash offer), and the other party also making a non-binding cash offer. The Board of PS&C rejected this offer as it was not considered acceptable.

Our valuation outcomes are considered reasonable having regard to the medium of the prior offers, however note that neither of these offers proceeded, nor were not considered acceptable.

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[3] Harvard Business School: A Method for Valuing High-Risk, Long-Term Investments

7 Evaluation of the Proposed Transaction

7.1 Valuation Summary

Based on the intended timing of the Proposed Transaction, we adopted a Valuation Date of 12 December 2019 for the purpose of this Report.

Based on our analysis as outlined in **Section 6**, the equity value of GlassandCo on a controlling and non-marketable basis as at the Valuation Date is outlined below:

Table 8: Equity Value - Controlling & Non - Marketable Basis

GlassandCo Equity Value - Controlling & Non - Marketable Basis ($000s)		
	Low	High
Enterprise value - controlling & marketable basis	1,546	1,700
Discount for lack of control - %	n/a	n/a
Dicount for lack of control - value	n/a	n/a
Discount for lack of marketability - %	15%	15%
Dicount for lack of marketability - value	(232)	(255)
Equity value - controlling & non - marketable basis	1,314	1,445
Midpoint		**1,379**

Source: Findex calculations

7.2 Approach

In evaluating whether the Proposed Transaction is fair for the non-associated shareholders of PS&C, we compared:

- The equity value of GlassandCo on a controlling and non-marketable basis, as outlined above; to
- The consideration offered in the Proposed Transaction.

Under Regulatory Guide 111 an offer is deemed to be "reasonable" if it is fair, however, an offer might also be reasonable if, despite being "not fair", the expert believes that there are sufficient reasons for non-associated shareholders to accept the offer in the absence of a superior alternative.

In assessing if the Proposed Transaction is reasonable we have first considered whether the Proposed Transaction is fair. Additionally, we have compared the potential advantages and disadvantages of the Proposed Transaction to the non-associated shareholders of PS&C and have determined whether the advantages outweigh the disadvantages.

7.3 The Proposed Transaction is Fair

Summarised below is a comparison of the assessed value of the equity in GlassandCo on a controlling and non-marketable basis (refer to **Section 6**) with comparison to the cash consideration to be paid under the Proposed Transaction.

Table 9: Fairness Assessment

GlassandCo Fairness Assessment - Controlling & Non - Marketable Basis ($000s)	Low	Mid	High
Equity value - controlling & non - marketable basis	**1,314**	**1,379**	**1,445**
Proposed Transaction - cash consideration	**1,600**	**1,600**	**1,600**
Value Differential	**(286)**	**(221)**	**(155)**

Source: Findex calculations

In accordance with the requirements of Regulatory Guide 111, we are required to consider the Proposed Transaction as a control transaction in forming our opinion.

7.3.1 Conclusion on Fairness

The fact that the equity value (controlling and non-marketable basis) range of GlassandCo is less than the cash consideration of the Proposed Transaction, indicates in our opinion that the Proposed Transaction is fair for PS&C's non-associated shareholders.

7.4 The Proposed Transaction is Reasonable

Notwithstanding that fact that the Proposed Transaction is fair, in our opinion, the advantages of the Proposed Transaction outweigh the disadvantages of the Proposed Transaction, and accordingly, the Proposed Transaction is reasonable.

7.4.1 Advantages to PS&C shareholders from the Proposed Transaction

The primary advantages to the shareholders of PS&C in proceeding with the Proposed Transaction are as follows:

a) The Proposed Transaction aligns with the PS&C Boards resolution to undertake a realisation of the Company's assets, keeping in mind the audit opinion received at 30 June 2019

As outlined in the 2019 PS&C Annual Report, the auditors for the Company (Moore Stephens) indicated that there was material uncertainty surrounding the going concern of the business. This was due to the fact that the PS&C Group incurred a consolidated net loss of $53.5 million and its current assets versus current liabilities position was negative $12.7 million.

As a result of the above, the PS&C board resolved to undertake a realisation of the Company's assets. The Proposed Transaction aligns with the PS&C boards resolution and strategy. Furthermore, the Proposed Transaction complements PS&C's first realisation, comprising the sale of the Security Segment to ASX listed Tesserant (ASX: TNT), as well as the second realisation, which is the proposed sale of Nth. Consulting Pty Ltd (a wholly owned subsidiary of PS&C) to TNT Cyber Services Pty Ltd (a wholly owned subsidiary of ASX: TNT).

b) The Proposed Transaction allows for immediate relief in PS&C working capital requirements

The Proposed Transaction, given the fact that it would be for cash consideration, would provide immediate relief to the PS&C's working capital position. Taking into account the negative current asset versus current liability position, the cash would further assist in reducing this gap, aiding the liquidity of the PS&C Group.

c) The Proposed Transaction will allow for greater focus on the Melbourne operations of PS&C Group

The Management of PS&C have advised that they deem the Melbourne operations the company's biggest asset. The Proposed Transaction would allow for the shift of focus back to the core Melbourne operations, as well as a more focused and detailed program to develop, grow and generate cash flows from the Melbourne operations.

d) Ability for shareholders to participate in the future growth of PS&C

Non-associated shareholders have the ability to participate in the future growth and development of PS&C, which is expected to be positive, following renewed focus on the future direction of the Company. This may increase the value of a share in PS&C in the future.

e) No superior alternatives exist

The Directors of PS&C have explored a number of other strategic alternatives, which either did not progress, or it was determined were not in the best interests of PS&C shareholders. At the date of this Report, the Directors of PS&C were not aware of any superior alternatives to the Proposed Transaction.

7.4.2 Disadvantages to PS&C shareholders from the Proposed Transaction

The primary disadvantages to the shareholders of PS&C in proceeding with the Proposed Transaction are as follows:

a) The Proposed Transaction may leave some shareholders disgruntled

Some current shareholders may not agree with the Proposed Transaction. The main reason for this is that some shareholders may have invested in PS&C due to the fact that they viewed GlassandCo as a positive aspect of the business operations, diversifying its revenue stream and ultimately increasing the wider PS&C Group's earnings.

b) The Proposed Transaction will reduce the wider PS&C Group's revenue and EBITDA

Based on the 2019 PS&C Annual Report (pp 32), GlassandCo in FY19(a), contributed approximately $6.921 million worth of revenue to the PS&C Group as well as EBITDA of approximately $1.026 million. In the short term the Proposed Transaction would result in a revenue and EBITDA reduction for the wider PS&C Group.

c) Potential emergence of a superior alternative

The non-associated shareholders of PS&C may consider that a superior alternative opportunity to the Proposed Transaction will emerge. Notwithstanding, the Directors have explored a number of alternatives, which either did not progress, or it was determined were not in the best interests of PS&C shareholders. At the date of this Report, the Directors were not aware of any superior alternatives to the Proposed Transaction. In addition, the available time for viable alternative opportunities to emerge is running short, given the concerns of the auditors that there is material uncertainty surrounding the going concern of the business.

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8 Qualifications, Declarations and Consents

8.1 Qualifications

Findex provides corporate finance services in relation to mergers and acquisitions, capital raisings, corporate restructuring and financial matters generally. One of its activities is the preparation of company and business valuations and the provision of independent advice and expert reports concerning mergers and acquisitions, takeovers and capital reconstructions.

The executives responsible for preparing this Report on behalf of Findex are Ms Nicole Vignaroli, MAppFin, BBus, BA, F.Fin, Aff.CA and Mr Ross Patane, BBus, FCA, FAICD, F.FIN. Nicole and Ross have significant experience in relevant corporate advisory matters and are Representatives in accordance with the Australian Financial Services Licence No. 239170 held by Findex under the Corporations Act 2001 (Cth).

8.2 Disclaimers

It is not intended that this report be used or relied upon for any purpose other than as an expression of Findex's opinion as to whether the Proposed Transaction is fair and reasonable to the non-associated shareholders of PS&C. Findex expressly disclaims any liability to any person who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose.

This Report has been prepared by Findex with care and diligence and statements and opinions given by Findex in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Findex or any of its officers or employees for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Findex from liability arising from an opinion expressed recklessly or in bad faith.

8.3 Declarations

Findex does not have at the date of this report nor has had any shareholding in or other relationship with PS&C that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction. Findex had no part in the formulation of the Proposed Transaction Findex's only role with respect to GlassandCo relates to the preparation of this Independent Expert's Report. Findex considers itself independent in terms of Regulatory Guide 112 issued by ASIC on 30 March 2011.

Findex will receive a fee in the vicinity of $36,500 (plus GST) based on time costs for the preparation of this report. This fee is not contingent on the outcome of the Proposed Transaction. Findex will receive no other benefit for the preparation of this Report.

PS&C has agreed that to the extent permitted by law that it will indemnify Findex employees and officers in respect of any liability suffered or incurred as a result of or arising out of the preparation of this Report. This indemnity will not apply in respect of any conduct involving negligence or wilful misconduct. PS&C has also agreed to indemnify Findex and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person except where Findex or its employees and officers are found liable for or guilty of conduct involving negligence or wilful misconduct in which case Findex shall bear such costs.

Advance drafts of this report (and parts of it) were provided to PS&C and its advisers. Certain changes were made to this report as a result of the circulation of the draft report. There was no alteration to the methodology, valuation of PS&C, conclusions or recommendations made to PS&C non-associated shareholders as a result of issuing the drafts.

8.4 Consents

Findex consents to the issuing of this Report in the form and context in which it is to be included in the Proposed Transaction documentation to be sent to PS&C shareholders. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Findex as to the form and context in which it appears.

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Appendix 1 – Financial Services Guide

Dated of issue: 12 December 2019

General Advice – Independent Expert's Report

This Financial Services Guide is designed to help retail clients make a decision as to their use of the relevant general financial product advice; to ensure that we comply with our obligations as a financial services licensee; and to provide you with information on:

- How we and our associates are paid;
- Any potential conflict of interest we may have; and
- Our internal and external dispute resolution procedures and how you can access them.

Introduction

Findex Corporate Finance (Aust) Ltd is the corporate finance arm of Findex Group and was engaged by the Independent Directors to prepare this Report. On 2 April 2019, Crowe Horwath Corporate Finance (Aust) Ltd changed its name to Findex Corporate Finance (Aust) Ltd. For the avoidance of doubt, the legal entity, all ownership, licensing and staffing remained the same. The only change was a change to using two brands – both Crowe Horwath and Findex, as relevant.

Findex Corporate Finance (Aust) Ltd ABN 95 001 508 363 has been engaged to issue general financial product advice in the form of an Independent Expert's Report for inclusion in a disclosure or other document in relation to the issuing of a financial product.

Who is responsible for the financial services provided to me?

Findex Corporate Finance (Aust) Ltd holds an Australian Financial Services Licence No. 239170 and is responsible for the financial services provided by it and its Authorised Representatives, including authorising the distribution of this Financial Services Guide.

General Financial Product Advice

In the Independent Expert's Report, we provide general financial product advice, not personal financial product advice, because the advice has been prepared without taking into account your personal objectives, financial situation or needs.

You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs.

What kinds of financial services are you authorised to provide to me?

We are authorised to provide advice on, and deal in, the following classes of financial products to wholesale and retail clients:

1. Provide financial product advice for the following classes of financial products:
   a) Derivatives; and
   b) Securities.
2. Deal in a financial product by:

a) Issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:

   i. Derivatives,

b) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:

   i. Derivatives; and

   ii. Securities.

Independent Expert's Reports

We provide financial product advice by issuing an Independent Expert's Report in connection with a financial product of another person or entity. Our Report includes a description of the circumstances of our engagement and identifies the person or entity who has engaged us. You have not engaged us directly, but you will be provided with a copy of the Report due to your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in the Report.

Do you have any relationships or associations with financial product issuers?

Findex Corporate Finance (Aust) Ltd and any of its associated entities may at any time provide professional or financial services to financial product issuers in the ordinary course of our business.

How is Findex Corporate Finance (Aust) Ltd paid to produce an Independent Expert's Report?

We will charge a fee in the vicinity of $36,500 excluding GST for providing this Independent Expert's Report. This fee will be paid by the person or entity which engages us to provide the Report. The fee has not affected the opinion we have expressed in the Report.

Except for this fee, neither Findex Corporate Finance (Aust) Ltd, nor any of its principals, employees or related entities, receives any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Does Findex Corporate Finance (Aust) Ltd get paid for referring clients to invest in the products associated with your Independent Expert's Reports?

We do not pay commissions or provide any other benefits to any person for referring clients to us in connection with the Independent Expert's Report that we are engaged to provide.

We do not receive commissions or any other benefits for referring clients in connection with the underlying financial product and/or financial service that is the subject of the reports we are engaged to provide.

Do I pay for the financial services provided?

You do not pay us a fee for the production of the Independent Expert's Report. It is the responsibility of the person or entity which engaged our services to produce the Report to meet this cost.

Who can I complain to if I have a complaint about the financial services provided?

If you have any complaint about the service provided to you, you should take the following steps:

Contact us and tell us about your complaint.

If your complaint is not satisfactorily resolved within three business days, please contact the Complaints Officer on (03) 9258 6700, or put your complaint in writing and send it to us at:

The Complaints Officer
Findex Corporate Finance (Aust) Ltd
Level 17, 181 William St
MELBOURNE VIC 3001

If you still do not get a satisfactory outcome you can contact the Financial Ombudsman Service (FOS) of which Findex Corporate Finance (Aust) Ltd is a member. FOS can be contacted on 1300 780 808 or you can write to them at GPO Box 3, Melbourne, Victoria 3001.

ASIC has a freecall Infoline on 1300 300 630 which you may also use to make a complaint or obtain information about your rights.

If you have any further questions about the financial services Findex Corporate Finance (Aust) Ltd provides, please contact our office on (03) 9258 6700.

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Appendix 2 – Glossary

Defined Term	Meaning
Findex	Findex Corporate Finance (Aust) Ltd
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
AUD	Australian Dollar
BAU	Business As Usual
CAGR	Compound annual growth rate
CD	Continuous Development
CI	Continuous Integration
Corporations Act	Corporations Act 2001
CT	Continuous Testing
DMA	Data Maturity Assessment
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes. depreciation and amortisation
Findex	Findex Corporate Finance (Aust) Ltd
FMR	Capitalisation of future maintainable revenue methodology
FY	Year ended 30 June
FY18(a)	Actual financial results for the financial year ended 30 June 2018
FY19(a)	Actual financial results for the financial year ended 30 June 2019
FY20(a)+(f)	Annualised financial results for the year ended 30 June 2020, factoring in the financial results for 31 October 2019.
FY20(f)	Forecast financial results for the financial year ended 30 June 2020
GlassandCo	Glass and Co Pty Ltd
GST	Goods and Service Tax
IER	Independent Expert Report

IOT	Internet of Things
IRR	Internal Rates of Return
Listing Rules	Chapter 10 of the Listing Rules of the Australian Securities Exchange Limited
ML	Machine Learning
Notice of Meeting	PS&C Notice of Meeting regarding the Proposed Transaction
Proposed Transaction	PS&C are considering the potential sales of GlassandCp to related parties as at 12 December 2019 for a cash consideration of $1.6 million
PS&C	PS&C Limited
Q1FY20(a)	Actual financial results for the quarter ended 30 September 2019
Regulatory Guide 76	Regulatory Guide 76 'Related Party Transactions'
Regulatory Guide 111	Regulatory Guide 111 'Content of Expert Reports'
Regulatory Guide 112	Regulatory Guide 112 'Independence of Experts'
Regulatory Guide 170	Regulatory Guide 170 'Prospective Financial Information'
Report	Independent Expert's Report
Section 611	Section 611(7) of the Corporations Act
SSPA	Share Sale and Purchase Agreement
Studies	The Harvard Business School as well as a number of other empirical studies
Valuation Date	12 December 2019
WACC	Weighted Average Cost of Capital
Web Robots	BOTS

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Appendix 3 – Sources of Information

Sources of information utilised and relied upon in the preparation of this Report include:

- Year-end financial statements for GlassandCo for FY18(a), FY19(a) and FY20(f);
- Quarterly Management accounts for GlassandCo for the period ended 30 September 2019 (i.e. Q1FY20(a));
- Monthly Management accounts for GlassandCo for the period ended 31 October 2019;
- PS&C Limited Annual Report to Shareholders for the period ended 30 June 2019;
- M6962A Management Consulting in Australia Industry Report, IBISWorld Report, May 2019;
- M7000 Computer System Design Services in Australia Industry Report, IBISWorld Report, August 2019;
- OD4050 IT Security Consulting in Australia Industry Report, IBISWorld, September 2019;
- Harvard Business School: A Method for Valuing High-Risk, Long-Term Investments - The "Venture Capital Method", July 2009 (Article);
- A view into the GLASS business 21/10/2019', provided by Management;
- 'Overview of Operations' document, provided by Management;
- Financial research using Capital IQ: http://www.capitaliq.com; and
- Discussions with Management of PS&C and GlassandCo.

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Appendix 4 – Comparable Trading Multiples

Summarised below are the trading multiples of listed comparable companies, with operations similar to that of GlassandCo:

Table 10: Comparable Trading Companies

GlassandCo Comparable Company Trading Multiples																				
					Revenue Multiple (times)				EBITDA Multiple (times)				EBIT Multiple (times)				Normalised PE Multiple (times)			
Company Name	Current period end	Country	Mkt Cap	EV	1 Year Historical	Current (Hist / Est)	1 Year Estimate	2 Year Estimate	1 Year Historical	Current (Hist / Est)	1 Year Estimate	2 Year Estimate	1 Year Historical	Current (Hist / Est)	1 Year Estimate	2 Year Estimate	1 Year Historical	Current (Hist / Est)	1 Year Estimate	2 Year Estimate
			(AUDm)	(AUDm)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
<u>IT Consulting Listed ASX Entities</u>																				
Data#3 Limited	30-Jun-19	Australia	556	435	0.4 x	0.3 x	0.3 x	0.3 x	19.4 x	14.9 x	12.4 x	10.9 x	22.3 x	16.2 x	13.8 x	12.3 x	30.9 x	24.0 x	19.4 x	17.2 x
DWS Limited	30-Jun-19	Australia	140	174	1.3 x	1.1 x	1.0 x	1.0 x	7.6 x	7.8 x	6.3 x	6.1 x	7.7 x	8.6 x	6.5 x	6.4 x	10.9 x	16.8 x	10.4 x	10.3 x
The Citadel Group Limited	30-Jun-19	Australia	186	187	1.8 x	1.9 x	1.4 x	1.3 x	6.7 x	11.1 x	6.6 x	5.5 x	7.3 x	13.1 x	9.6 x	7.8 x	13.1 x	23.8 x	15.8 x	12.4 x
Countplus Limited	30-Jun-19	Australia	116	114	1.5 x	1.7 x	1.5 x	1.6 x	17.4 x	19.3 x	8.6 x	7.8 x	30.7 x	31.0 x	11.2 x	9.7 x	n/m	69.9 x	15.3 x	13.4 x
RXP Services Limited	30-Jun-19	Australia	77	88	0.6 x	0.6 x	0.6 x	0.6 x	6.5 x	5.3 x	4.8 x	4.6 x	6.8 x	5.5 x	5.0 x	4.8 x	11.2 x	n/m	7.8 x	7.4 x
Empired Limited	30-Jun-19	Australia	50	65	0.4 x	0.4 x	0.4 x	0.4 x	5.0 x	7.5 x	4.1 x	3.9 x	7.8 x	14.0 x	5.7 x	5.1 x	13.2 x	n/m	n/a	n/a
Cirrus Networks Holdings Limited	30-Jun-19	Australia	38	34	0.5 x	0.4 x	0.3 x	0.3 x	133.7 x	18.2 x	8.2 x	5.5 x	n/m	28.1 x	9.8 x	6.4 x	12.1 x	44.3 x	10.4 x	6.5 x
PS&C Limited	30-Jun-19	Australia	9	15	0.2 x	0.2 x	n/a	n/a	9.9 x	3.8 x	n/a	n/a	13.5 x	4.1 x	n/a	n/a	n/m	n/m	n/a	n/a
CPT Global Limited	30-Jun-19	Australia	7	6	0.2 x	0.2 x	n/a	n/a	4.0 x	3.2 x	n/a	n/a	4.0 x	3.2 x	n/a	n/a	7.9 x	6.2 x	n/a	n/a
<u>General Consulting Listed ASX Entities</u>																				
ALS Limited	31-Mar-20	Australia	4,298	5,236	3.1 x	2.8 x	2.7 x	2.6 x	14.9 x	13.1 x	12.5 x	11.8 x	18.9 x	16.8 x	15.8 x	14.9 x	34.0 x	27.2 x	24.8 x	23.2 x
IPH Limited	30-Jun-19	Australia	1,665	1,661	7.5 x	6.6 x	4.3 x	4.0 x	25.4 x	20.3 x	14.0 x	12.6 x	29.9 x	23.3 x	15.0 x	13.5 x	40.8 x	31.3 x	21.2 x	19.1 x
QANTM Intellectual Property Limited	30-Jun-19	Australia	178	189	1.9 x	1.7 x	1.6 x	1.5 x	11.6 x	9.3 x	7.9 x	7.5 x	13.3 x	10.3 x	8.3 x	7.9 x	19.9 x	16.9 x	12.9 x	12.1 x
Kelly Partners Group Holdings Limited	30-Jun-19	Australia	43	67	1.7 x	1.7 x	n/a	n/a	5.1 x	6.2 x	n/a	n/a	5.5 x	7.0 x	n/a	n/a	15.4 x	27.6 x	n/a	n/a
Energy Action Limited	30-Jun-19	Australia	8	12	0.4 x	0.5 x	n/a	n/a	2.1 x	6.4 x	n/a	n/a	2.3 x	7.3 x	n/a	n/a	3.6 x	n/m	n/a	n/a
Min					**0.2 x**	**0.2 x**	**0.3 x**	**0.3 x**	**2.1 x**	**3.2 x**	**4.1 x**	**3.9 x**	**2.3 x**	**3.2 x**	**5.0 x**	**4.8 x**	**3.6 x**	**6.2 x**	**7.8 x**	**6.5 x**
Max					**7.5 x**	**6.6 x**	**4.3 x**	**4.0 x**	**133.7 x**	**20.3 x**	**14.0 x**	**12.6 x**	**30.7 x**	**31.0 x**	**15.8 x**	**14.9 x**	**40.8 x**	**69.9 x**	**24.8 x**	**23.2 x**
Average					**1.5 x**	**1.4 x**	**1.4 x**	**1.3 x**	**19.2 x**	**10.4 x**	**8.5 x**	**7.6 x**	**13.1 x**	**13.5 x**	**10.1 x**	**8.9 x**	**17.8 x**	**28.8 x**	**15.3 x**	**13.5 x**
Average (excl high and low)					**1.2 x**	**1.1 x**	**1.2 x**	**1.1 x**	**11.1 x**	**10.2 x**	**8.4 x**	**7.5 x**	**12.5 x**	**12.9 x**	**10.0 x**	**8.6 x**	**16.9 x**	**26.5 x**	**15.1 x**	**13.1 x**

Source: Capital IQ

The above trading multiples:

- Are on a minority interest basis;
- Reflect marketable securities;
- Reflect the level of liquidity relevant to each company;
- Reflect businesses typically larger and more diversified than GlassandCo; and
- Reflect a range of growth and associated risk profiles.

Summarised below are descriptions of the trading companies described above:

Table 11: Comparable Trading Companies Descriptions

GlassandCo Comparable Company Descriptions		
Company name	**Geographic location**	**Business description**
Data#3 Limited	Australia	Data#3 Limited, together with its subsidiaries, provides information technology (IT) solutions primarily in Australia. It operates in two segments, Product and Services. The Product segment offers hardware and software for customers' desktop, network, and data center infrastructure. The Services segment provides consulting, project, support, and recruitment services in relation to the design, implementation, operation, and support of IT solutions. The company also offers cloud, mobility, security, data and analytics, and IT lifecycle management solutions. Data#3 Limited was founded in 1977 and is headquartered in Toowong, Australia.
DWS Limited	Australia	DWS Limited provides information technology services to corporations and government bodies in Australia. The company offers a suite of integrated solutions, including IT consulting services, such as IT strategy and architecture advice, program and project management, business and technical analysis, custom application development, systems integration and solution testing, and robotics processing automation; and digital solutions incorporating data automation and capture systems, and customer-led, digital strategy, and design services. It also provides business intelligence services comprising advanced analytics, as well as power BI and data warehouse as a service; sourcing and productivity services; and managed application services using a mix of offshore, on-site, off-site, and high-security models depending on client requirements. The company serves government and defense, banking and finance, utilities, transport, healthcare, FMCG and retail, and other sectors. DWS Limited was incorporated in 1991 and is headquartered in Melbourne, Australia.
The Citadel Group Limited	Australia	The Citadel Group Limited, a software and services company, provides software platforms, digital services, and managed services solutions in Australia and internationally. It operates in three segments: Health, Knowledge, and Technology. The company primarily offers term managed, software-as-a-service, product sales and installation, consulting, and professional services. It also provides education, specialist consulting and human resource, technology and integration, knowledge management and advisory, systems integration and software development, and information and communications technology managed services, as well as oncology patient-management software. It serves customers in the e-health, national security/defense, government, and tertiary education sectors. The company was founded in 2007 and is based in Symonston, Australia.
Countplus Limited	Australia	Countplus Limited, together with its subsidiaries, provides accounting, business advisory, and financial planning services in Australia. The company operates through Accounting, Financial Services, and Other segments. It offers tax, assurance, audit, and corporate advisory services; financial advice related to personal insurance, investment, and superannuation; loans commission, and leasing commission services; and information technology, legal, conference, and insurance services. The company was founded in 2006 and is based in Sydney, Australia.
RXP Services Limited	Australia	RXP Services Limited provides information and communications technology consulting, development, support, and maintenance services in the Asia-Pacific Region. The company offers innovation, customer experience and service design, mobile and app development, talent solutions, and user experience services; and application and cloud development, architecture and solutions design, bots and intelligent applications, and customer relationship management services, as well as digital experience platforms, DevOps solutions, and Internet of Things. It also provides advisory, solutions, and enterprise architecture; business analysis and process; capability uplift, learning, and development; change management; and project and delivery services. In addition, the company offers BI, reporting, analytics, and visualization; data governance; data management and migration; data quality; data integration and delivery; master data management and product information management; and strategy and architecture solutions, as well as data warehouses, marts, and lakes. Further, it provides process transformation, enterprise mobility, and field service management services; and strategic and support services, as well as delivery as a service. RXP Services Limited was incorporated in 2010 and is based in Melbourne, Australia.

GlassandCo Comparable Company Descriptions		
Company name	**Geographic location**	**Business description**
Empired Limited	Australia	Empired Limited provides information technology solutions in Australia, New Zealand, and the United States. The company offers integrated solutions, such as cloud, enterprise content management, customer relationship management, data insight and business intelligence, digital and experience design, enterprise resource planning, expert guidance, identity and access management, infrastructure transformation, change management, Internet of Things, managed infrastructure, mobile solution, application, project management office, office accelerator, spatial, system integration, and unified communication services. It serves clients in various industries, such as automotive, education, financial services and insurance, health, mining, oil and gas, and retail and manufacturing, as well as serves public sector and utilities. Empired Limited was founded in 1999 and is headquartered in Perth, Australia.
Cirrus Networks Holdings Limited	Australia	Cirrus Networks Holdings Limited, together with its subsidiaries, provides information technology (IT) services and related third-party products in Australia. The company offers business and technology consulting services; and integration services, such as connectivity and communications, data center, collaboration, infrastructure security, and project management services. It also provides managed and infrastructure services. Cirrus Networks Holdings Limited was founded in 2003 and is headquartered in Subiaco, Australia.
PS&C Limited	Australia	PS&C Limited provides information and communications technology (ICT) services primarily in Australia. The company operates in four segments: Discovery + Insights, Design + Process, Delivery + Cloud, and Defend + Secure. The Discovery + Insights segment is involved in shaping digital ambition, strategy, and business cases based on insights. The Design + Process segment engages in sourcing and providing specialist contractors to customers for medium and long-term ICT projects, as well as managing payroll function for customers. The Delivery + Cloud segment is involved in the consulting and implementation of services around unified communications, conferencing and messaging, contact center solutions, and secure voice technologies. The Defend + Secure segment engages in services and consulting around reducing operational, financial, reputational risk, and digital security matters. PS&C Limited was founded in 2013 and is headquartered in Melbourne, Australia.
CPT Global Limited	Australia	CPT Global Limited, together with its subsidiaries, provides information technology (IT) consultancy services for federal and state government, banking and finance, insurance, telecommunications, and retail and manufacturing sectors in Australia, Europe, North America, and South America. The company offers digital consulting, capacity planning, cost reduction, mainframe and midrange performance, project and program management, technical support, and management IT services, as well as management, functional, and automation testing services. It also provides agile delivery, project management, application migration and remediation, and DevOps and release automation services; and enterprise testing, data virtualization and masking, test automation, command center and critical incident management, capacity planning, service availability management, monitoring and metrics, risk assessment and frameworks, and business continuity and disaster recovery services. In addition, the company offers performance engineering, solution architecture, mainframe optimization, midrange optimization, performance tuning, cloud strategy and maturity, and cloud migration services; and strategy and governance, project services, capability assessment and uplift, and code analytics services. Further, it offers storage optimization, digital product design, and innovation management services; and digital strategy, digital transformation, robotic process automation, workforce analytics and optimization, analytics and insights, artificial intelligence, and big data services. CPT Global Limited was founded in 1993 and is headquartered in Docklands, Australia.

GlassandCo Comparable Company Descriptions		
Company name	**Geographic location**	**Business description**
ALS Limited	Australia	ALS Limited provides analytical testing services in Australia, Canada, the United States, and internationally. The company's Commodities segment provides testing services for the mining and mineral exploration companies in geochemistry, metallurgy, inspection, and coal quality areas. This segment's services cover the resource life-cycle, including exploration, feasibility, optimization, production, design, development, trade, and rehabilitation. It also provides coal sampling, analysis and certification, formation evaluation, and related analytical testing services; and field and laboratory services, such as bore core, testing, consulting, quality management, and superintendent services to the coal industry. Its Life Sciences segment offers analytical testing and sampling, and remote monitoring services for the environmental, food, pharmaceutical, and consumer products markets. It provides analytical testing data to assist consulting and engineering firms, industries, and governments. The company's Industrial segment offers diagnostic testing and engineering solutions for the energy, resources, transportation, and infrastructure sectors. This segment serves asset owners, operators, constructors, and equipment manufacturers in the power, petrochemical, mining, minerals processing, water, infrastructure, and transportation industries. The company was formerly known as Campbell Brothers Limited and changed its name to ALS Limited in August 2012. ALS Limited was founded in 1863 and is headquartered in Brisbane, Australia.
IPH Limited	Australia	IPH Limited, together with its subsidiaries, provides intellectual property (IP) services and products worldwide. The company operates in three segments: Intellectual Property Services Australia & New Zealand, Intellectual Property Services Asia, and Data and Analytics Software. It offers IP services related to the provision of filing, prosecution, enforcement, and management of patents, designs, trademarks, and other IP; and develops and provides IP data and analytics software under the subscription license model. The company is also provides patent attorney and lawyers services. It serves Fortune Global 500 companies, multinationals, public sector research organizations, SMEs, and professional services firms. IPH Limited was founded in 1887 and is based in Sydney, Australia.
QANTM Intellectual Property Limited	Australia	QANTM Intellectual Property Limited provides intellectual property services for start-up technology businesses, multinationals, public research institutions, and universities in Australia and internationally. The company also offers services related to patents, designs, and trademarks, as well as DCC, a litigation service in patent and trademark protection. QANTM Intellectual Property Limited was founded in 1877 and is based in Melbourne, Australia.
Kelly Partners Group Holdings Limited	Australia	Kelly Partners Group Holdings Limited provides chartered accounting and other professional services to private businesses and clients, owners, and families in Australia. It offers audit; business, and personal and investment structures; cloud accounting; corporate and management; estate planning and management; family law assistance; accounting; immigration support; outsourced CFO; payroll; philanthropic; strata accounting and tax; ATO investigation and dispute; and taxation advice and compliance services. The company also provides tax services, including ATO audits, disclosures, and investigations and tax disputes; capital inflows and outflows; mergers and acquisitions; funds management and managed investment trust; structuring, negotiation, and tax legal advices; international tax for inbound and outbound investment and cross-border transactions; tax structuring; and trust structures and joint ventures. Its private wealth services comprises financial advice execution and ongoing administration of wealth protection and strategies; asset allocation strategies between asset classes, currencies, geographies, and generations; private banking assistances; and investment research and insights, as well as property; insurance; and finance services. The company's estate office services include assessment and ongoing performance reviews of investment managers; administrative functions, such as bookkeeping, bill paying, and mail management; financial oversight of illiquid financial assets; monthly report of family/estate activities; critical document management; daily management of liquid financial assets; facilitation of estate planning; family governance structures, education, and intergenerational planning; and philanthropy advisory. In addition, it provides corporate advisory services. The company was founded in 2006 and is headquartered in North Sydney, Australia.

GlassandCo Comparable Company Descriptions		
Company name	**Geographic location**	**Business description**
Energy Action Limited	Australia	Energy Action Limited, together with its subsidiaries, provides electricity and gas procurement, contract management and environmental reporting, and sustainability services in Australia. The company operates Australian Energy Exchange for electricity and gas procurement service through online, real time, and reverse auction platform for business customers. It also provides Energy Metrics, a contract management and environmental reporting platform that offers energy consumption monitoring and costing, energy emissions monitoring, contract administration, detailed technical reporting, desktop energy efficiency review, and additional reporting and monitoring services. In addition, the company offers projects and advisory services. It serves customers in businesses, governments, and nonprofit organizations. Energy Action Limited was founded in 2000 and is headquartered in Parramatta, Australia.

Source: Capital IQ

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Appendix 5 – Comparable Transaction Multiples

Summarised below are multiples that were paid in transactions involving the acquisition of target businesses with operations similar to GlassandCo:

Table 12: Comparable Company Transaction Multiples

GlassandCo Transaction Multiples										
								Implied multiples		
Closed Date	Target	Acquirer	Industry	Country	Acquired (%)	Transaction value (AUDm)	Implied EV (AUDm)	Revenue	EBITDA	EBIT
16-Mar-15	EVRY ASA (nka:EVRY ASA)	Apax Partners LLP; Apax VIII, L.P.	IT Consulting and Other Services	Norway	100%	1,298.8	1,229.2	0.5x	6.8x	11.2x
01-Sep-08	Dolmen Computer Applications NV	RealDolmen NV	IT Consulting and Other Services	Belgium	100%	227.7	167.5	0.6x	6.9x	9.4x
11-Dec-07	Computer Service Support SA	Comp SA (nka:Comp S.A.)	IT Consulting and Other Services	Poland	100%	73.4	63.8	0.8x	6.0x	8.2x
31-Mar-06	Tata Infotech Ltd.	Tata Consultancy Services Limited	IT Consulting and Other Services	India	100%	352.4	346.8	1.9x	10.8x	12.6x
08-Apr-05	Delta Singular SA	Alpha Bank A.E.	IT Consulting and Other Services	Greece	100%	532.8	504.0	3.3x	9.8x	17.0x
17-Apr-03	NCC Group plc	Barclays Private Equity Ltd. (nka:Equistone Partners Europe)	IT Consulting and Other Services	United Kingdom	100%	80.8	78.6	3.2x	11.4x	14.7x
30-Nov-01	Metro Information Services, Inc.	Keane Inc.	IT Consulting and Other Services	United States	100%	392.0	391.8	0.7x	9.9x	16.7x
27-Oct-99	Data Processing Resources Corporation	Compuware Corporation	IT Consulting and Other Services	United States	100%	831.5	719.8	2.0x	16.4x	19.9x
25-Jun-99	Powerhouse Technologies	Anchor Gaming	IT Consulting and Other Services	United States	100%	435.0	409.2	1.3x	8.9x	n/m
24-Jun-99	Wang Global, Inc.	Getronics N.V.	IT Consulting and Other Services	United States	100%	3,087.7	2,632.9	0.5x	7.4x	n/m
16-Jun-99	PC DOCS Group International Inc.	Hummingbird Communications Ltd. (nka:Hummingbird Ltd.)	IT Consulting and Other Services	Canada	100%	295.3	240.7	1.4x	16.9x	n/m
28-May-99	Integrated Systems Consulting Group, Inc.	BrightStar Information Technology Group, Inc.	IT Consulting and Other Services	United States	100%	4.7	4.7	0.1x	0.3x	0.4x
18-Dec-98	Integrated Systems Consulting Group, Inc.	First Consulting Group, Inc.	IT Consulting and Other Services	United States	100%	214.7	206.0	2.2x	14.2x	17.4x
31-Jan-07	Woodland Corporation	Future System Consulting Corp. (nka:Future Corporation)	IT Consulting and Other Services	Japan	100%	78.9	61.4	0.9x	8.3x	n/m
Average								**1.4x**	**9.6x**	**12.7x**
Average excl. high & low								**1.3x**	**9.7x**	**13.4x**
Min								**0.1x**	**0.3x**	**0.4x**
Max								**3.3x**	**16.9x**	**19.9x**

Source: Capital IQ

The above multiples:

- Are on a controlling basis;
- Include any strategic value paid in the transactions;
- Reflect completed transactions (i.e. are on a marketable basis);
- Relate to target companies for which there is limited publicly available information (for example, in relation to growth and associated risk profiles); and
- Reflect businesses of a range of sizes and diversity.

Summarised below are descriptions of the transactions described above:

Table 13: Comparable Target Company Descriptions

GlassandCo Target Company Descriptions	
Target company name	**Business Description**
EVRY ASA (nka:EVRY ASA)	EVRY ASA provides IT solutions and consulting services to public and private sector clients in Norway, Sweden, and internationally. The company operates through three segment EVRY Financial Services, EVRY Norway, and EVRY Sweden. The EVRY Financial Services segment offers solutions for various banking services; module-based solutions, including banking services, transactions systems, payment solutions, and card services; and a value chain of card services delivered to banks in the Nordic countries and the United Kingdom. The EVRY Norway segment provides consulting, infrastructure, and operating services to local government and healthcare sectors, as well as to other industries including retail, oil and gas, and insurance. The EVRY Sweden segment offers strategic advice and consulting services, solutions, and IT operating services; industry vertical solutions; and services based on specialist expertise, such as ERP solutions, mobility, cloud-based solutions, and business intelligence. The company also engages in the sale of software: and provision of outsourcing services and services related to data communication, data security, and electronic publishing. The company was founded in 1961 and is headquartered in Fornebu, Norway.
Dolmen Computer Applications NV	As of September 1, 2008, Dolmen Computer Applications NV was acquired by RealDolmen NV. Dolmen Computer Applications SA operates as an information technology company in Belgium and internationally. It provides various infrastructure services, including consultancy/studies, data center, front end, networking, unified communications, security, architecture, exploitation, helpdesk, installation, managed services, migration, outsourcing, projects, and software/hardware support. The company also offers education services focusing on application development, CAD/GIS, end-user training, and infrastructure; and provides various application services. Dolmen Computer Applications SA offers its products and services in various solution domains, which include business intelligence, CAD, information worker, customer relationship management, data center, enterprise resource planning, front end, GIS, integration, IP communication, mobility, networking, procurement, projects and exploitation, and security. Further, it engages in the sale of various hardware and software products. Dolmen Computer Applications SA serves the process industry, government, healthcare, education, bank and insurance, service, distribution and transport, and telecommunication markets. The company was founded in 1982 and is headquartered in Huizingen, Belgium. As of April 7, 2005, Dolmen Computer Applications SA operates independently of ETS Fr Colruyt SA.
Computer Service Support SA	As of December 11, 2007, Computer Service Support SA was acquired by Comp Safe Support SA. Computer Service Support SA offers IT consulting services. The company is located in Warsaw, Poland.
Tata Infotech Ltd.	As of February 20, 2006 Tata Infotech Limited was acquired by Tata Consultancy Services Limited. Tata Infotech Limited provides information technology (IT) products and services in India and internationally. The company operates three divisions: System Integration Services, Manufacturing Services, and Education Services. The Systems Integration Services division involves in software development, IT enabled services, and IT infrastructure management. The division undertakes turnkey projects for ISP and Intranet setup. It provides services for airline reservation systems; stock exchanges and telecom billing solutions; GIS solutions; communication software that handles approximately 1000 nodes; e-governance solutions, such as driving license and vehicle registrations; 24x7 call centers/ helpdesk; ERP and e-biz solutions; healthcare; railroad operation and control; and WAN, MAN, and Campus LAN. The company's clients in the division primarily belong to banking, insurance, government, telecom, manufacturing, and commercial sectors. The Manufacturing Services division primarily engages in contract manufacturing of electro-mechanical products, as well as in providing design and engineering services. Its services include the manufacture and supply of automatic check processing systems, automatic teller machines and cash dispensers, SMT printed circuit board assemblies, computer hardware systems and sub-systems, embedded design solutions, mechatronic sub-assemblies, and utility payment systems. Education Services division offers learning management solutions, competency management solutions, virtual classroom training, e-content development, and learning solutions for enterprises. It also offers products/solutions in the areas of telecom, HR, document conversion, IT security, corporate performance management, taxation, self service, and IT services management. The company was established in 1977 and is based in Mumbai, India. Tata Infotech is a part of Tata Group, India.
Delta Singular SA	Delta Singular SA was acquired by Alpha Bank A.E. Delta Singular SA operates as an information technology (IT) outsourcing services provider in Greece. The IT Outsourcing Services division offers integrated solutions to financial and banking institutions, which comprise payment systems, such as support transaction or fund transfer procedures; business applications, including stock register and public documents management and disaster recovery services; basic workflow and infrastructure services, which include data entry, application processing, mass printing and mailing, and credit card embossing; and call center, comprising call center services, credit card authorization/approval, phone banking, and technical support helpdesk. The company's Systems Integration division provides integrated IT systems and services that focus on customer-specific requirements in e-Government, transportation, defense, retail trade and sales network, as well as financial institutions areas to various enterprises and organizations. Its Software Products division engages in the development and marketing of business software applications and related services, such as business and project management and application consulting, customized software development and integration services, as well as training and maintenance services. Delta Singular is based in Athens, Greece.

GlassandCo Target Company Descriptions	
Target company name	**Business Description**
NCC Group plc	NCC Group plc provides cyber security and risk mitigation services in the United Kingdom, North America, rest of Europe, and internationally. It operates in two segments, Assurance and Escrow. The company provides cyber security services, such as penetration testing and security assessments, managed detection and response, vulnerability discovery and management, compliance and accreditations, risk management, products and cloud services, technology solutions, threat intelligence, and specialist practices. It also offers software escrow solutions that include escrow agreements, software verification, secure verification, software as a service assured, Internet corporation for assigned names and numbers compliance, and software risk assessment solutions. The company serves customers in transport industries that includes automotive, maritime, aerospace, and rail; and oil and gas, Internet of Thing, finance, small business, and retail sectors. NCC Group plc was founded in 1999 and is headquartered in Manchester, the United Kingdom.
Metro Information Services, Inc.	Metro Information Services, Inc. was acquired by Keane, Inc. on 11/30/2001. Metro Information Services, Inc. provided information technology consulting, and custom software development services and solutions in 35 metropolitan markets in the United States and Puerto Rico. Services and solutions performed by Metro included application systems development and maintenance, IT architecture and engineering, systems consulting, project outsourcing (including managed services), and general support services. Metro's clients operated in a wide variety of industries including communications, distribution, retail, financial services, government, health care, information technology, manufacturing, transportation, leisure, and utilities. IT services were provided by the company, primarily, through supplemental IT services arrangements and, to a lesser extent, through project outsourcing arrangements.
Data Processing Resources Corporation	As of August 24, 1999, Data Processing Resources Corporation was acquired by Compuware Corporation. Data Processing Resources Corporation provided information technology staffing services to various corporate clients, as of April 30, 1999. The company's services included planning, design, building and programming, implementation, maintenance, and ongoing management of the systems applications development lifecycle. The company is based in Irvine, California.
Powerhouse Technologies	Powerhouse Technologies was acquired by Anchor Gaming on 06/25/1999. Powerhouse, through its subsidiaries, supplied system software, equipment, and related services for on-line lotteries, video lotteries, and pari-mutuel systems. It also manufactured and distributed gaming devices for casinos.
Wang Global, Inc.	As of June 1999, Wang Global, Inc. was acquired by Getronics NV. Wang Global, Inc. offers IT consulting services and solutions such as network and desktop computing infrastructure design, security and management, help desk support, warranty support, resale and installation of IT and communications equipment, application software design and support, and standardized and customizable solutions encompassing customer delivery channels for financial services institutions, electronic commerce, and Internet-based commercial applications. The company was formerly known as Wang Laboratories, Inc. The company was founded in 1951 and is based in Billerica, Massachusetts.
PC DOCS Group International Inc.	As of October 1, 1999, PC DOCS Group International Inc. was acquired by Hummingbird Ltd. PC DOCS Group International Inc. provides software development and systems integration services. The company sells computer software and integrated computer software and hardware systems. It also offers systems integration and implementation services; and software and hardware support services. The company was formerly known as The Quartex Corporation and changed its name to PC DOCS Group International Inc. in June 1994. The company was incorporated in 1986 and is based in Toronto, Canada.
Integrated Systems Consulting Group, Inc.	As of May 28, 1999, Integrated Systems Consulting Group, Inc. was acquired by Brightstar Information Technology Group Inc. Integrated Systems Consulting Group, Inc., through its wholly owned operating subsidiary, provides consulting services that address its clients' information processing needs, including client-server architecture, graphical user interface applications, object-oriented and relational databases, and cross platform applications integration. The company was founded in 1988 and is based in Wayne, Pennsylvania.
Integrated Systems Consulting Group, Inc.	As of May 28, 1999, Integrated Systems Consulting Group, Inc. was acquired by Brightstar Information Technology Group Inc. Integrated Systems Consulting Group, Inc., through its wholly owned operating subsidiary, provides consulting services that address its clients' information processing needs, including client-server architecture, graphical user interface applications, object-oriented and relational databases, and cross platform applications integration. The company was founded in 1988 and is based in Wayne, Pennsylvania.
Woodland Corporation	Woodland Corporation was acquired by Future Architect, Inc. Woodland Corporation develops and sells software products. The company is based in Osaka, Japan.

Source: Capital IQ

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Appendix 6 – Cross Check Studies

As a cross check to the WACC arrived at **Section 6.8.1**, we considered a study titled "A Method for Valuing High-Risk, Long-Term Investments" prepared by The Harvard Business School[4], as well as a number of other empirical studies, which provide guidance on required rates of return for early stage business ventures (the "**Studies**").

Collectively, the Studies identify a range of Internal Rates of Return ("**IRR**") sought by venture capital fund managers at a particular investment stage (i.e. Seed, Start-up, Early Expansion, etc). We have considered these Studies as typically the WACC rate used to determine the value of an asset, is that rate which the investor could expect to obtain by investing in the asset or other investments with a comparable risk and return profile. Thus, the WACC is the opportunity cost of capital after taking into account:

- The risk that the future cash flows will not eventuate as planned; and
- The return required on investment.

The following table includes a summary of the typical discount rates applied to early stage, high risk businesses (taking into account the Studies).

Table 14: Discount Rates

Stage of Development	Characteristics of Stage	Harvard Business School	Plummer	Sscherlis & Sahlman	Sahlman, Stevenson & Bhide
1. Seed Financing	• Is the earliest stage of funding. • Involves a small investment (typically $25,000 to $300,000) to support an entrepreneur's exploration of an idea. • No business plan. • Incomplete management team. • Little assurance of project feasibility. • Key purpose of funding is to finance the recruitment of key management and prepare a business plan.	>80%	n/a	n/a	n/a

4 Harvard Business School: A Method for Valuing High-Risk, Long-Term Investments

Stage of Development	Characteristics of Stage	Harvard Business School	Plummer	Sscherlis & Sahlman	Sahlman, Stevenson & Bhide
2. Startup Financing	• Commitment of more significant funds than the seed financing stage. • Start-up should be able to demonstrate a competitive advantage. • Start-up ventures typically require assistance from investors in recruiting key personnel, establishing sound management practices and providing access to suppliers, banks and potential customers.	50% - 70%	50% - 70%	50% - 70%	50% - 100%
3. First-Stage Financing	• Provided to on-going businesses. • Still not profitable but normally has an established organisation, a working product and preferably some revenues. • Funds are required to establish a company's first major marketing strategy, and to hire sales and support personnel in anticipation of higher sales volume. • First-stage investors attempt to monitor closely a venture's head count, ensuring that staffing levels correspond to attainable sales levels. • The investor will often become more actively involved as problems develop in production or sales and are prepared to replace key managers as necessary, sometimes filling key positions themselves as they search for new managers.	40% - 60%	40% - 60%	40% - 60%	40% - 60%
4. Second-Stage Financing	• Typically provided for working capital and fixed assets need to support the growth of a profitable company with active production and sustainable sales. • This stage of funding is oriented toward the expansion of a tested contender. • The capital invested is more likely to pay for assets rather than operating expenses, it is more readily recoverable in the event of liquidation, thus lowering the overall risk to the investors. • Investors do not generally expect to become actively involved in problem-solving as often as first-stage investors. • Investors monitor performance closely, generally by comparison to a business plan.	30% - 50%	35% - 50%	30% - 50%	30% - 40%

Stage of Development	Characteristics of Stage	Harvard Business School	Plummer	Sscherlis & Sahlman	Sahlman, Stevenson & Bhide
5. Bridge Financing	• Is intended to carry a company through to an Initial Public Offering. • Although the business is not in a position to list due to market timing or the size and performance of the company, it is generally expected within a year after the bridge. • Bridge investors might apply some or all of their funds to buy out early-stage investors who are anxious to liquidate their holdings. Such an investor often expects to hold the stock past the IPO date, as a long-term investment.	20% -35%	25%-35%	20%-35%	20%-30%

Source: Harvard Business School: A Method for Valuing High-Risk, Long-Term Investments - The "Venture Capital Method", July 2009 and American Institute of CPA's, Harvard Business School

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All Correspondence to:

By Mail	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia
By Fax:	+61 2 9290 9655
Online:	www.boardroomlimited.com.au
By Phone:	(within Australia) 1300 737 760 (outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (AEDT) on Monday 27th January 2020**

TO VOTE ONLINE

BY SMARTPHONE

STEP 1: VISIT http://www.votingonline.com.au/pszgmjan2020

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

.

Scan QR Code using smartphone QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am (AEDT) on Monday, 27th January 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

Online	https://www.votingonline.com.au/pszgmjan2020
By Fax	+ 61 2 9290 9655
By Mail	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
In Person	Boardroom Pty Limited Level 12, 225 George Street, Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

PS&C Ltd
ACN 164 718 361

☐ **Your Address**
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **PS&C Ltd** and entitled to attend and vote hereby appoint:

☐ the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Moore Stephens, Level 18, 530 Collins Street, Melbourne, VIC, 3000 on Wednesday, 29th January 2020 at 11:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Sale of Glassandco Pty Ltd, a wholly owned subsidiary of PS&C Limited, to related parties.	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name…………………………………………….... Contact Daytime Telephone…………………….............................. Date / / 2020