ServTech Appoints European Distribution Agent Leading into FrameS Launch

Highlights

- ServTech's 100% Owned subsidiary Vection signs distribution agreement with **Leading European ERP Specialist Four Bytes Group**, gaining access to **~2,700 potential clients**

- Agreement to **unlock multiple new industry sectors and clientele across Europe**

- Agreement aligned with ServTech's **international SaaS subscription strategy set to launch over the coming months**

- **FrameS** is a powerful **real-time Virtual Reality visualisation tool enabling remote collaboration and prototyping** on shared projects

- Four Bytes to initially target their **existing clients** who collectively have an annual turnover in excess of ~€400m

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ServTech Global Holdings Ltd (**ServTech** or the **Company**), a full-service Virtual & Augmented Reality (VR & AR) software development company delivering solutions for renowned national and international organisations, is pleased to announce that its wholly owned subsidiary Vection Italy S.r.l. (**Vection**) has entered into an agreement with European Enterprise Resource Planning (ERP) systems integrator, Four Bytes Group (**Four Bytes**), for the distribution of its VR Software as a Service (SaaS) platform, **FrameS**.

Based on Vection's VR technology, FrameS is considered to be the ultimate VR software visualisation, collaboration and prototyping tool, allowing users dislocated world-wide to interact real-time in a multi-user virtual environment on a shared project.

This distribution agreement represents the Company's first effort to widely market the FrameS platform to SMEs and Enterprise clients across Europe. Historically, Vection has built a Tier 1 client base predominantly in the luxury, manufacturing and automotive space. With the newly formed Four Bytes partnership, Vection will look to leverage its unrivalled market knowledge to offer FrameS widely to other manufacturers, large enterprise and small to medium companies.

The Company will now aim to increase the footprint of its sales and marketing network with further strategic agreements to substantially increase the international exposure of FrameS offering, as VR and AR technologies are now becoming more widely integrated across businesses and enterprises.

Raffaele De Silvio, President & Managing Director of Four Bytes, commented:

"We are extremely pleased to have finalised the distribution agreement with Vection. We expect a positive take up of the FrameS product across our enterprise and SME clients, which is our primary focus, as they look to heavily adopt Virtual Reality solutions in the coming years. The collaboration with Vection facilitates the market positioning of Four Bytes as a comprehensive management software provider and facilitates new business dynamics adopted by European clients, through the delivery of value-added VR software."

Gianmarco Biagi, Managing Director of ServTech, commented:

"The Four Bytes agreement is the first initiative in the Company's overarching SME client acquisition strategy. Leveraging Four Bytes' extensive market-reach, FrameS can be promoted with no upfront capital expenditure to some 2,700 potential clients, operating in a multitude of industrial sectors.

The Company is working to further expand the existing footprint of FrameS. Our aspiration is to make FrameS a leading and widely used SaaS platform."

Distribution Agreement

Vection's distribution agreement with Four Bytes unlocks an extensive list of Enterprise and SME clients (~2,700) operating in multiple jurisdictions and industry verticals, to drive the promotion and sales of FrameS and of its bespoke VR & AR software applications.

Leveraging on Four Bytes' existing footprint, Vection will significantly accelerate its in-market presence with no upfront capital cost expenditure. Vection and Four Bytes will proceed with a targeted approach to specific industrial subsets to showcase applicable industry features, generating maximum exposure for FrameS.

Four Bytes

Four Bytes has an extended network of ~30 resellers across multiple industry segments and markets, with extended ERP software solutions. Four Bytes' extended ERP system solutions allows clients to manage the entirety of their operational and strategic activities via a native module-based structure. The agreement will provide Vection with access to clients with whom Four Bytes has an established business relationship, and accordingly will provide an effective sale proposition.

Four Bytes targets far-reaching industry verticals, with 50% of its client base operating in the manufacturing industry and the remainder in commercial and services verticals. Their clients are established companies in the electronics, automation, ceramics and industrial, plastic and mechanical machinery industries.

FrameS

FrameS is a real-time SaaS platform solution to help companies visualise their designs and creations:

- o **Product Development**: FrameS is the ultimate visualisation tool for engineers, architects and designers to visualise their creation in real-time, reducing time to market and generating tangible R&D efficiencies;
- o **Marketing and Communication**: FrameS allows brands to reach their customers with engaging experiences and content;
- o **Learning & Development**: harnessing the FrameS remote collaboration feature, professionals can interact within a virtual environment driving further intra-company efficiencies;

- o **Risk Management**: FrameS enables occupational risk prevention via potentially hazardous VR simulations where employees could be exposed to risk if performing certain exercises in real life.

Screenshots of potential applications for Vection's FrameS Virtual Reality software platform:

Architecture Application for builders, architects and designers:
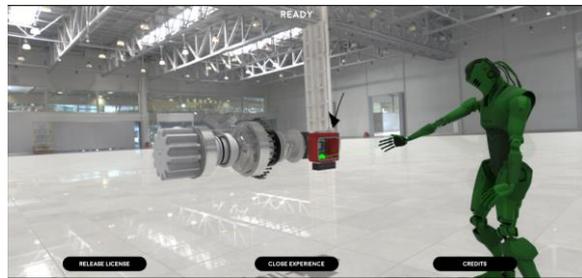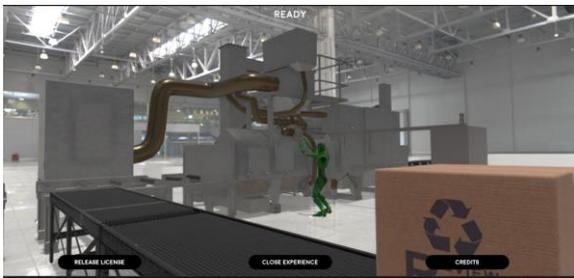
Industrial Application for manufacturers, designers & consultants.

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About ServTech (ASX:SVT):

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

About Four Bytes:

Four Bytes Group is a European Enterprise Resource Planning systems integrator, with ~40 years of history and ~2,700 clients. With an extended network of ~30 resellers covering the Italian industrial market, it provides extended ERP software solutions, including its proprietary Target Cross solution to wide range of clients in a multitude of industry subsets. **http://www.fourbytes.it**

Targeted Industries and Profiles

Four Bytes extensive established client base unlocks new verticals for Vection, including:

- o **Ceramic Tiles Industry**[1] : with 9% of the world's and 40% of the European Union's (**EU**) tile production, the Italian ceramic tiles sector comprises ~200 companies and ~26,000 employees and total turnover of ~€5.5 billion, with investment in new technologies equal to 5.5% of their annual turnover. Examples of current clients are:
    - o Dado Ceramica (www.dadoceramica.it/en/s/index.jsp) - ~€28 million in annual turnover;
    - o Cotto Petrus (www.cottopetrus.it/en/s/index.jsp) - ~€35 million in annual turnover;
    - o Antica Ceramica Rubiera (www.anticaceramica.it/en/s/index.jsp) - ~€38 million in annual turnover; and
    - o Ceramica FONDOVALLE S.p.a (www.fondovalle.it/en/) - ~€33 million in annual turnover.
- o **Agriculture Machinery**[2] : with total annual turnover of ~€10 billion, Italian agriculture machinery exports 70% of its production to Europe (Germany, France) and the U.S. (with 15%). The industrial sector has been focusing on the Indonesian, Thailand, Vietnam, Philippines and Australian markets. Current clientele includes:
    - o Eurosystems (www.eurosystems-spa.com/web/en/products) - ~€17 million in annual turnover.
- o **Plastic Compound manufacturing**[3] : with total annual turnover of ~€335 billion, the plastics industrial sector represents the 7th industrial sector with respect to the value added in Europe, representing 18.5% of the world's production. Current clientele includes:
    - o Sovere (www.sovere.it/e_home.asp) - ~€34 million in annual turnover.
- o **Electronics & Automation manufacturing**[4] : with total annual turnover of ~€58 billion, the Italian electronics and automation industry has reported +7.8% of annual turnover growth for 2018. Current clientele includes:
    - o Tema (www.temaweb.it/en/home) - ~€34 million in annual turnover.
- o **Metal Working**[5] : with total annual turnover of ~€43 billion, the Italian Metal industry is a growing industry in terms of exports towards EU and Extra-EU countries. Current clientele include:
    - o Forgia del Frignano (www.forgiafrignano.it/en/index.xhtml) - ~€12 million in annual turnover;
    - o O.M.G. (www.omgmeccanica.it/4/about_863726.html) - ~€37 million in annual turnover;
    - o Rubiera Special Steel (www.arss.it/index.php/en/company) - ~€99 million in annual turnover;
    - o Trenton (www.trenton.it/4/areas_of_expertise_mechanics_739834.html) - ~€30 million in annual turnover; and
    - o Molelab (www.molemab.com/) - ~€16 million in annual turnover.
- o **Agri-Food Industry**[6] : with total annual turnover of ~€55 billion, the Italian agri-food industry is the second European manufacturer, with over 1.6 million companies. Current clientele includes:
    - o Far-Pro (www.farpro.it/en/) - ~€33 million in annual turnover.

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[1] www.assopiastrelle.it/cti%5Carticoli.nsf/VSNWA1/C6D6A24BD374C092C1256AC6004BE179
[2] www.agensir.it/italia/2018/07/04/buone-macchine-dietro-la-buona-agricoltura-il-made-in-italy-va-forte-allestero-e-arranca-in-patria
[3] www.plasticseurope.org/download_file/force/2367/419
[4] www.repubblica.it/economia/2018/06/26/news/industria_per_elettronica_ed_elettrotecnica_78_miliardi_di_fatturato-200070527
  www.wired.it/economia/business/2018/06/27/elettronica-italia-anie-industria-40
[5] www.bancaifisimpresa.it/blog/news/settore-metallurgico-dati-andamento-sul-mercato
[6] www.ice.it/it/sites/default/files/inline-files/NOTA_AGROALIMENTARE_E_VINI_2017.pdf