# ServTech Enters Logistics Market – Revenue Generating AR Solution

**13 August 2019 | Perth, Australia**

ServTech Global Holdings Ltd (ASX:SVT) (**ServTech** or the **Company**), a multinational software company that makes Virtual Reality (**VR**) & Augmented Reality (**AR**) solutions, is pleased to advise further contract work in a new industry for its wholly owned subsidiary, Vection Italy Srl (**Vection**).

Vection will deploy its **AR** technology into the **logistics** industry via an engagement with leading Italian based logistics and traceability solutions provider Alfacod Group (**Alfacod**). This initial engagement will generate up to ~$90,000[1] in revenues for Vection.

## Highlights

- ServTech rolls out its proprietary **Augmented Reality (AR) technology to the logistics industry**
- Partnership with Alfacod to generate up to ~**$90,000 in short-term revenue**
- Discussions to launch this Augmented Reality technology solution to **diverse industries and clients**
- Ongoing negotiation with Alfacod for further **distribution of Vection's existing VR & AR products and services**
- **AR Technology to reduce picking errors and search time**

## Logistics AR software

Vection has partnered with **Alfacod** for the provision of an augmented reality powered "Optimised Picking" software (order picking using smart glasses in warehouse operations) to **increase process efficiency and quality in complex logistics activities**. Thanks to the latest developments in contextual computing and enterprise AR devices, AR is an attractive tool to increase process efficiency and quality in complex logistics activities.

AR empowers employees in the logistics industry by **providing the right information at the right time and in the right place**.

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[1] Exchange rate AUD/€ as at 12 August 2019 of 0.6053 (source: Reserve Bank of Australia)

Employees typically perform multiple actions when managing an order, such as locating the correct product, scanning and delivering it to the loading dock. Technologies such as **AR, facilitate the identification of the location of the correct product, significantly reducing time and associated costs of warehousing operations**.
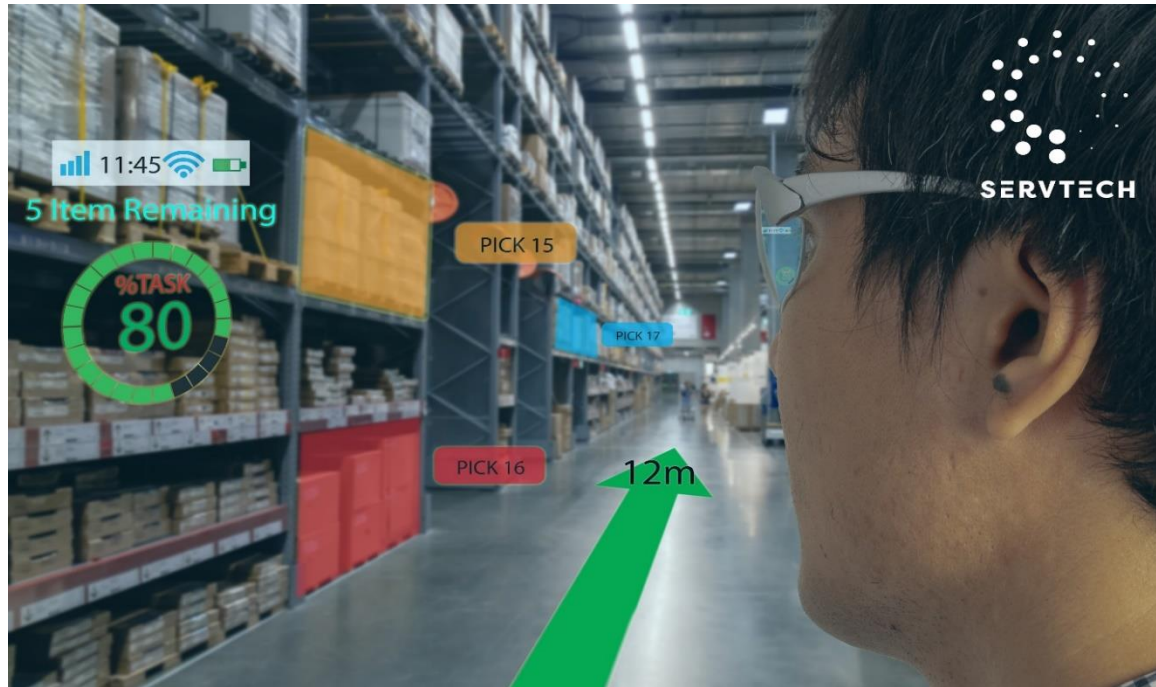


Figure: Rendering of the Vision Picking AR technology

**Warehousing Operations**

**Warehousing operations account for about 20% of all logistics costs**, with the task of picking accounting for 55% to 65% of the total cost of warehousing operations[2].

The implementation of **AR** in the picking tasks has the potential to **enable significant cost reductions via an improved picking process**, while assisting with training of new and temporary warehouse staff.

By using this system, each worker can see the digital picking list in their field of vision and – thanks to indoor navigation capabilities – see the best route, reducing their travel time by efficient path planning.

Field tests of AR systems have shown significant productivity improvements in warehousing operations. For example, constant picking validation can decrease errors by as much as 40%, considering that every error typically results in high follow-up costs.

- Picking staff are equipped with **wearable AR devices** for the picking process
- The solution offers **digital navigation** to find the right route and item more efficiently, while reducing training time
- Main objectives: **reduce picking errors and search time**

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[2] www.dhl.com/content/dam/downloads/g0/about_us/logistics_insights/csi_augmented_reality_report_290414.pdf

**Vision Picking in the Today's Marketplace[3]**

Vection's entry in the logistics sector with an AR solution which enables the picking process supported by augmented reality is not without precedent.

One of the leading logistics companies world-wide, Deutsche Post DHL Group (**DHL**), recently announced the roll out of their own vision picking technology, in most of its geographical regions, with the expectation of further productivity increases.

Markus Voss, COO and CIO of DHL Supply Chain commented that, via the utilisation of AR powered picking technologies, "the operation is so intuitive, their (employees) hands are free to 'pick' and the visual support helps to locate the products really fast and sort them into the intended trolley boxes. Our colleagues are perfectly equipped to carry out picking quickly."

**About Alfacod**

Alfacod, founded in 1986, is a market leader in mobile computing solutions (readers, terminals, barcode printers), traceability / tracking of goods, high-speed WiFi architectures, warehouse automation, geolocation, RTLS and FGS systems, Fine Line automation, digital printing solutions, special labels for logistics and industry, "Print & Apply" industrial applicators, RFid solutions, DPM marking, barcode verification, Industrial Vision systems and Retail solutions.

Alfacod is recognised as an expert in bar codes, identification and traceability technological solutions and applications. Alfacod boasts market recognised clients such as **Haworth (www.haworth.com), Paul & Shark (www.paulandshark.com), Bartolini (www.brt.it), Zanichelli (www.zanichelli.it) and Dainese (www.dainese.com)**.

In addition to the above, Alfacod has **partnerships with key technology companies such as Panasonic, HP, Datalogic, Honeywell and Zenoway**.

**The Agreement**

The agreement with Alfacod is for the provision of a proof of concept software for the value of ~$15,000, which, if proven successful will deliver up to a further~ $75,000 in short term revenues.

**Gianmarco Biagi, Managing Director of ServTech, commented:**

*"Vection's entry into the logistics industry is a natural evolution dictated by our customers' needs. Our AR technology capability has a diverse range of applications, and partnering with key players such as Alfacod, enables us to develop the required products to establish multiple SaaS products on the market."*

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[3]www.dpdhl.com/en/media-relations/press-releases/2019/dhl-supply-chain-deploys-latest-version-of-smart-glasses-worldwide.html

**Giorgio Solferini, President of Alfacod, commented:**

*"This collaboration with Vection allows us to provide our customers with an extended product offering within the VR and AR realm. Although the first solution targets the logistics industry, we believe it has broader applicability across the manufacturing segments of the market. We firmly believe that VR & AR technologies will be increasingly adopted across a variety of industries in which our clients operate. We are currently in discussions with Vection to extend this initial engagement into a long-term value accretive partnership."*

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**About ServTech (ASX:SVT):**

ServTech is a multinational software company that makes Virtual Reality (VR) & Augmented Reality (AR) software services for the engineering, manufacturing, architecture, construction & education industries. ServTech operates on an Enterprise business model based on bespoke fees and on a Software as a Service (SaaS) business model based on recurring subscription revenue.
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