



eServGlobal Limited (eServGlobal or the "Company")

Trading Update and Notice of Results

Paris: 4 June 2015

eServGlobal (AIM:ESG & ASX:ESV), the provider of mobile financial services to emerging markets, is pleased to provide the following trading update ahead of the release of its half-year results for the six month period ended 30 April 2015 ("1H15"). The audited results for 1H15 will be published on 30 June 2015.

The Company announces that it expects 1H15 revenue of approximately AUD13.0M (GBP6.8M) compared to AUD16.9M (GBP9.3M) in the same period last year, a 21% decrease year-on-year. Project backlog at the end of April totaled AUD7.1M (GBP3.7M), a 59% increase on the same period last year. Total Sales orders received in 1H15 totalled approximately AUD16.5M (GBP8.7M) an increase of AUD4.6M (39%) compared to 2H14.

As stated at the AGM in March 2015, the Company is trading in line with full year expectations, that being to produce revenues and adjusted EBITDA in 2015 that are at least equal to the 2014 financial year excluding the costs and the benefits of the plan noted below.

The Company also announces that it has entered into an agreement for a loan of GBP5.0M (AUD9.7M) (the "Loan"). The Loan will enable the Company to capitalise on tactical opportunities for cost optimisation of legal entities, workforce and offices. These initiatives should generate annualised cost savings in excess of AUD2.9M (GBP1.5M) the full benefit of which will be realised in the following financial year. In addition, the funds will support the working capital requirements of a second-half project delivery schedule that is higher than previous years. 2H15 cost savings resulting from the cost optimisation initiatives are anticipated to be in the range of AUD0.4M-0.9M (GBP0.2M-0.5M) and the Company expects to incur non-recurring costs of AUD3.2M-4.2M (GBP1.8M-2.2M).

The Loan will be provided equally by the Alphagen Volantis Fund Limited and the Alphagen Volantis Catalyst Fund Limited, acting through its investment manager, Henderson Alternative Investment Advisor Limited, part of Henderson Global Investors ("Henderson").

The Loan is unsecured and has a two-year term. An establishment fee of 2.5% is due upon commencement of the agreement and will bear interest at the rate of 0.8% per month compound payable at the end of the term. In addition 2,777,778 options at an exercise price of GBP0.18 have been issued to Henderson (the "Options"). The exercise period for the Options is two years. The Options represent 1.045% of the issued share capital of the Company.

HomeSend has a strategy to accelerate growth and capitalise on current demand, and this was communicated to shareholders at the AGM. The strategy is still under consideration and we will provide updates in due course.

Related Party Transaction

Henderson and its associates are substantial shareholders in eServGlobal, holding in aggregate 46,549,213 ordinary shares of the Company, representing 17.5% of the issued share capital of the Company and as such Henderson is considered to be a related party of the Company pursuant to Rule 13 of the AIM Rules for Companies. If the Options are exercised in full, Henderson will hold 49,326,991 ordinary shares of the Company, representing 18.4% of the enlarged issued share capital.

The issue of the Loan and the Options is a related party transaction pursuant to AIM Rule 13. The directors of the Company, having consulted with the Company's nominated adviser, Canaccord Genuity Limited, consider that the terms of the Loan and Options are fair and reasonable insofar as the Company's shareholders are concerned.

John Conoley, Executive Chairman, said, “eServGlobal has completed a satisfactory first half in terms of orders and in terms of the interest in PayMobile 3.0. As we look to the second half, our focus is on project delivery.

“The recent theme for the core business has been to review how we do things and to take cost reduction opportunities as they arise. We believe there is an opportunity for some EBITDA upside within the current year, potentially balanced by the risk of second half project delivery execution.

“In the second half, we will be looking beyond the operation to strategic opportunities and we will consider reverting to a more classic executive management structure in due course. My short period as Executive Chairman, working with the COO has already been very valuable in speeding up business improvement and in deepening the Board's understanding of the opportunities for the business in the medium and long term.

“As reported as the recent AGM, the Board is pleased by the recent progress for HomeSend, whilst recognising that the long term nature of this Joint Venture has been frustrating for those shareholders who require more visibility.”

Core business update | Mobile money in emerging markets:

eServGlobal has secured several new contracts with new customers in 1H15, including the following contracts:

- In Pakistan the company will supply a new fully featured, end-to-end mobile money solution, utilising modules of the PayMobile 3.0 platform. The contract value is material and in excess of USD2.5M.
- In Myanmar, eServGlobal has won a project to supply a mobile money solution to a local Internet Service Provider. The solution will include domestic money transfer, salary disbursement and bill payment.
- Fully-featured electronic top-up solution for prepaid users for a customer in the UAE

In addition to these new customers, eServGlobal has secured upgrade and expansion projects with existing customers.

eServGlobal has made good progress on the deployment of new projects which include PayMobile 3.0 modules, now live in several sites including Zain Saudi Arabia, Zain Jordan and Alfa Telecom in Lebanon.

The PayMobile 3.0 platform has received positive initial feedback from customers. PayMobile 3.0 is built on a standardised platform that facilitates a scalable deployment of the core product and allows for development on top of the core platform. This standardisation of the core is enabling eServGlobal to deploy projects rapidly enabling customers to realise a rapid return on their investment.

HomeSend update | International payments hub:

eServGlobal Executive Chairman, John Conoley, will join the HomeSend Board as eServGlobal's second representative.

HomeSend was recently awarded Best Payment Product in Africa at The Asian Banker Middle East and Africa Awards.

As reported at the recent AGM, the HomeSend Joint Venture has made good progress, the hub has unrivalled reach and is still expanding, during the first half of the year several new agreements were announced by MasterCard including eTranzact Nigeria and Steward Bank Zimbabwe.

The support of MasterCard has opened new opportunities for HomeSend. In May it was announced that HomeSend would facilitate the international remittance capabilities for MasterCard Send, an end-to-end digital platform that will leverage the industry-leading MasterCard network, paired with key capabilities from other personal payments platforms including HomeSend.

Through the connection to the domestic platform, HomeSend will have access to the substantial US sending market for international payments and transfers. The World Bank reports that, in 2014, remittance outflows from the US totalled in excess of USD130Bn.

Market update

The latest Global Findex Report from the World Bank shows that in emerging markets, account penetration for adults remains low (including mobile money accounts) and that there is a growing demand for financial services. The ubiquity of the mobile is allowing financial inclusion to leapfrog traditional brick and mortar banks and enable financial services via even the most basic handsets. The report found that 2 billion adults worldwide still don't have access to financial inclusion. However the research does show that progress has been made, between 2011 and 2014 an additional 700 million people became account holders at banks, financial institutions or mobile money services, meaning that the number of "unbanked" dropped by 20%.

Recent research by the GSMA found that mobile money providers are continuing to invest in improving and expanding their mobile money services, showing important commitment to the long-horizon investment required. Over 80% of service providers surveyed indicated that they had maintained or increased investment in 2014.

The international remittance market continues to grow, with remittance to developing markets reaching USD436 billion in 2014, a 4.4% increase over the previous year. The World Bank estimates that the number of international migrants will surpass 250 million in 2015.

eServGlobal remains confident of the substantial market opportunity for both mobile money services in emerging markets and international remittance.

About eServGlobal

eServGlobal (AIM:ESG, ASX:ESV) offers mobile money solutions which put feature-rich services at the fingertips of users worldwide, covering the full spectrum of mobile financial services, mobile wallet, mobile commerce, recharge, promotions and agent management features. eServGlobal invests heavily in product development, using carrier-grade, next-generation technology.

Together with MasterCard and BICS, eServGlobal is a joint venture partner of the HomeSend global payment hub, a market leading solution based on eServGlobal technology and enabling cross-border money transfer between mobile money accounts, payment cards, bank accounts or cash outlets from anywhere in the world regardless of the users location.

eServGlobal has been a source of innovative solutions for mobile and financial service providers for 30 years.

www.eservglobal.com | www.mobilemoneychannel.com | [@eservglobal](https://twitter.com/eservglobal)

For further information, please contact:

eServGlobal
Alison Cheek, Communications Manager

www.eservglobal.com
T: +33 (0)1 4612 7746

Canaccord Genuity Limited (Nomad and Broker)
Simon Bridges / Cameron Duncan / Emma Gabriel

www.canaccordgenuity.com
T: +44 (0) 20 7523 8000

Charles Stanley Securities
Dugald Carlean / Paul Brotherhood

www.csysecurities.com
T: +44 (0) 20 7149 6000

Newgate Communications
Adam Lloyd / Jasper Randall

www.newgatecomms.com
T: +44 (0) 20 7653 9850