

**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or as to the action you should take you should consult your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 as amended ("**FSMA**") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

If you sell or have sold or otherwise transferred all of your Depository Interests you should deliver this document and any accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document and any accompanying documents should not be forwarded or sent in or into any jurisdiction where to do so might constitute a violation of local securities law or regulations, including but not limited to, the USA and other Restricted Jurisdictions. If you have sold or transferred part of your holding of Depository Interests prior to the Ex-Entitlement Date, a claim transaction will automatically be generated by Euroclear which, where the purchaser or transferee is a Qualifying Depository Interest Holder, on settlement, will transfer the appropriate number of Open Offer Entitlements and Excess CREST Open Offer Entitlements to the purchaser or transferee.

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## **eServGlobal Limited**

*(incorporated and registered in Australia with registered number ABN 59 052 947 743)*

**Conditional Placing of 268,133,893 new Ordinary Shares at 4 pence per share**

**Open Offer of up to 74,410,039 new Ordinary Shares at 4 pence per share**

**Debt Restructure**

**and**

**Issue of Options**

## **finnCap Limited**

*Nominated Adviser and Joint Broker to the Company*

## **Veritas Securities Limited**

*Joint Broker*

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The total consideration under the Open Offer shall be less than €5 million (or an equivalent amount) in aggregate and the Conditional Placing Shares shall only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferrable securities to the public under section 102B of FSMA. Neither the Conditional Placing nor the Open Offer constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom ("**FCA**") pursuant to sections 73A(1) and (4) of FSMA and has not been preapproved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. A prospective investor should be aware of risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of New Ordinary Shares to the Official List. Save as referred to below, the New Ordinary Shares will not be dealt on any other recognised investment exchange and no other such application will be made.

Application will be made to the London Stock Exchange for the Conditional Placing Shares and the Open Offer Shares to be admitted to trading on AIM. Application will be made to the ASX for the Conditional Placing Shares and the Open Offer Shares to be admitted on to the ASX.

This document has been prepared by the Company and is dated 22 June 2016. This is an offer document for an offer of continuously quoted securities of the Company as defined by the Corporations Act and has been prepared in accordance with section 708AA of the Corporations Act. Section 708AA relates to rights issues that do not require the issue of a prospectus or other disclosure document. Accordingly, this document is not a prospectus and the level of disclosure in this document is significantly less than that required in a prospectus. This document does not contain all of the information that an investor would find in a prospectus or other disclosure document or which may be required or expected by an investor in order to make an informed investment decision regarding, or about the rights attaching to, the New Ordinary Shares. You should therefore rely on your own knowledge of the Company, refer to disclosures already made by it to ASX and, if you are in any doubt whether or not to take up the Open Offer, consult your legal, financial or other professional adviser before deciding whether to take up your Open Offer Entitlement. This document has not been lodged with ASIC and neither ASIC nor ASX takes any responsibility for the contents of this document nor the merits of the investment to which this document relates.

Your attention is drawn to the letter from the Executive Chairman of the Company which is set out in Part I of this document and which recommends you to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting to be held at the Institute of Chartered Accountants, Level 9, 33 Erskine Street, Sydney NSW 2000, Australia at 11.00 a.m. (AEST) on 22 July 2016, notice of which accompanies, or has been sent contemporaneously with, this document.

A Form of Proxy for use in connection with the Extraordinary General Meeting has been sent contemporaneously with this document. To be valid, Forms of Proxy must be completed and returned so as to be received at the offices of the Company's registrar, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia, not later than 11.00 a.m. (AEST) on 20 July 2016. A Form of Instruction for use in connection with the Extraordinary General Meeting by those Shareholders who hold their interests in Ordinary Shares through Depositary Interests accompanies or has been sent contemporaneously with this document. To be valid, a Form of Instruction and any power of attorney or other authority under which it is signed must be lodged with Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ or sent by fax to 0370 889 4075 by not later than 11.00 a.m. (BST) on 18 July 2016. Alternatively, holders of Depositary Interests may vote their Depositary Interests by submitting their CREST Voting Instruction to Computershare UK by not later than 11.00 a.m. (BST) on 18 July 2016.

The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting should they wish to do so. Holders of Depositary Interests can attend the Extraordinary General Meeting but will not be permitted to vote in person at the Extraordinary General Meeting.

An Application Form for use by Qualifying Ordinary Shareholders accompanies this document. Qualifying Depositary Interest Holders (who will not receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements which will be enabled for settlement on 23 June 2016. Applications under the Open Offer may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a bona fide market claim arising out of a sale or transfer of Depositary Interests prior to the date on which the Depositary Interests were marked "ex" the entitlement by the London Stock Exchange.

finnCap Limited ("**finnCap**") is authorised and regulated in the UK by the FCA and is advising the Company and no one else in connection with the Fundraising and the restructuring of the Group's Loan Facilities (whether or not a recipient of this document). finnCap will not be responsible to any person other than the Company for providing the regulatory and legal protections afforded to customers of finnCap nor for providing advice in relation to the contents of this document or any matter, transaction or arrangement referred to in it. The responsibilities of finnCap, as nominated adviser under the AIM Rules for Nominated Advisers, are owed solely to London Stock Exchange and are not owed to the Company or to any Director, Shareholder, holder of Depositary Interests or to any other person in respect of their decision to acquire New Ordinary Shares in reliance on any part of this document.

Veritas Securities Limited ("**Veritas**") is advising the Company and no one else in connection with the Placings (whether or not a recipient of this document). Veritas will not be responsible to any person other than the Company for providing the regulatory and legal protections afforded to customers of Veritas nor for providing advice in relation to the contents of this document or any matter, transaction or arrangement referred to in it.

None of the Open Offer Entitlements, the Application Form or this document may be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States or to any US Person. None of the Open Offer Entitlements, the Application Form or this document constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any US Person. Securities may not be offered or sold in the United States absent: (i) registration under the Securities Act; or (ii) an available exemption from registration under the Securities Act. The securities mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The Ordinary Shares have not been, and the New Ordinary Shares will not be, qualified for sale under the laws of any of Canada, the Republic of South Africa or Japan and may not be offered or sold in Canada, the Republic of South Africa, or Japan or to any national, resident or citizen of Canada, the Republic of South Africa or Japan. Neither this document nor any copy of it may be sent to or taken into the United States, Canada, the Republic of South Africa, or Japan. In addition, the securities to which this document relates must not be marketed into any jurisdiction where to do so would be unlawful.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this document you agree to be bound by the foregoing instructions and limitations.

The information contained in this document has been prepared solely for the purposes of the Conditional Placing and Open Offer and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by the Joint Brokers as to the contents of this document. The Joint Brokers have not authorised the contents of any part of this document. No liability whatsoever is accepted by the Joint Brokers for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document for which they are not responsible.

## Forward Looking Statements

This document contains certain forward looking statements relating to the Company's future prospects, developments and business strategies.

Forward looking statements are identified by their use of terms and phrases such as "targets", "estimates", "envisages", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative of those, variations or comparable expressions, including references to assumptions.

The forward looking statements in this document are based on current expectations and are subject to risks and uncertainties which could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part III of this document headed "Risk Factors". If one or more of these risk factors or uncertainties materialises, or if the underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward looking statements.

These forward looking statements relate only to the position as at the date of this document. Neither the Directors nor the Company undertake any obligation to update forward looking statements or risk factors, other than as required by the AIM Rules for Companies or by the rules of any other applicable securities regulatory authority, whether as a result of the information, future events or otherwise.

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## DIRECTORS, SECRETARY AND ADVISERS

Directors	John Conoley (Executive Chairman) Stephen Baldwin (Non-Executive Director) Tom Rowe (Non-Executive Director)
Company Secretary	Tom Rowe
Registered Office	Level 2 Pier 8/9 23 Hickson Road Millers Point New South Wales 2000 Australia
Nominated Adviser and Joint Broker	finnCap Limited 60 New Broad Street London EC2M 1JJ
Joint Broker	Veritas Securities Limited Level 4 175 Macquarie St Sydney NSW 2000 Australia
Solicitors to the Company as to English Law	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Solicitors to the Company as to Australian Law	Simpsons Solicitors Lot 1, Level 2, Pier 8/9 23 Hickson Road Millers Point New South Wales 2000 Australia
Solicitors to finnCap	K&L Gates LLP 1 New Change London EC4M 9AF
UK Depository and Receiving Agent	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom

Australian Registrar

Computershare Investor Services Pty Limited  
Level 3  
60 Carrington Street  
Sydney  
NSW 2000  
Australia

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Fundraising	7 June 2016
Appendix 3B and notice under section 708AA(7) of the Corporations Act 2001 lodged with the ASX and AIM	14 June 2016
Notice of Open Offer sent to Qualifying Ordinary Shareholders and Overseas Shareholders	15 June 2016
Ex-Entitlement Date	16 June 2016
Issue date of Firm Placing Shares and CHESS member accounts credited with Firm Placing Shares (as applicable)	16 June 2016
Admission and dealings in the Firm Placing Shares commenced on AIM and CREST accounts credited with Firm Placing Shares (in Depositary Interest form)	8.00 a.m. (BST) 16 June 2016
Record Date for entitlement under the Open Offer	7.00 p.m. (AEST) in respect of Qualifying Ordinary Shareholders and 6.00 p.m. (BST) in respect of Qualifying Depositary Interest Holders 17 June 2016
Publication and mailing of this document, personalised Application Form, Notice of Extraordinary General Meeting, Form of Instruction and Form of Proxy	22 June 2016
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying Depositary Interest Holders	23 June 2016
Latest time and date of receipt of completed Forms of Instruction to be valid at the General Meeting (or CREST Voting Instructions)	11.00 a.m. (BST) on 18 July 2016
Latest time and date of receipt of completed Forms of Proxy to be valid at the Extraordinary General Meeting	11.00 a.m.(AEST) on 20 July 2016
Extraordinary General Meeting	11.00 a.m. (AEST) on 22 July 2016
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST (to satisfy bona fide market claim only)	4.30 p.m. (BST) 22 July 2016
Latest time and date for depositing Open Offer Entitlements into CREST (to satisfy bona fide market claim only)	3.00 p.m. (BST) on 25 July 2016
Issue date of the Conditional Placing Shares and CHESS member accounts to be credited with Conditional Placing Shares	25 July 2016



Admission and commencement of dealings in Conditional Placing Shares on AIM	8.00 a.m. (BST) on 25 July 2016
Last date to extend the closing date for Open Offer	26 July 2016
Closing date - latest time and date for settlement of CREST application and payment in full under the Open Offer	11.00 a.m. (BST) on 28 July 2016
Closing date - latest time and date for receipt of completed Application Forms and payment in full under the Open Offer	5.00 p.m. (AEST) on 29 July 2016
Ordinary Shares quoted on a deferred settlement basis on the ASX	2 August 2016
Company notifies ASX and AIM of subscriptions for Open Offer Shares and Excess Shares	4 August 2016
Issue date of Open Offer Shares and CHESS member accounts to be credited with Open Offer Shares	8 August 2016
Admission and commencement of dealings in Open Offer Shares on AIM and CREST accounts credited with Open Offer Shares (in Depository Interest form)	8.00 a.m. (BST) on 8 August 2016

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Notes:

- (1) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company, subject to the ASX Listing Rules and the AIM Rules for Companies, in which event details of the new times and dates will be notified by means of an announcement through a Regulatory Information Service and on the company announcements platform of the ASX.
- (2) Unless otherwise stated, references to times in this document are to times in London for holders of Depository Interests and to times in Sydney, Australia for holders of Ordinary Shares.
- (3) Different deadlines and procedures for return of forms may apply in certain cases.
- (4) Depository Interest holders who have any queries on the procedure for acceptance and payment should contact Computershare UK on 0370 889 4075 between 8.30 a.m. and 5.30 p.m. (BST) Monday to Friday (except UK public holidays) from within the UK or +44 370 889 4075 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer or the Fundraising nor give any legal or tax advice.

## STATISTICS

Number of Existing Ordinary Shares in issue on the date of this document (which includes the Firm Placing Shares)	297,640,159
Placing Price	£0.04 or A\$0.08
Basis of Open Offer	1 Open Offer Share for every 4 Existing Ordinary Shares
Number of Firm Placing Shares	31,866,107
Number of Conditional Placing Shares	268,133,893
Maximum number of Open Offer Shares	74,410,039
Number of Ordinary Shares in issue immediately following Conditional Placing Admission <sup>(2)</sup>	565,774,052
Maximum number of Ordinary Shares in issue immediately following Open Offer Admission <sup>(1),(2)</sup>	640,184,091
Maximum percentage of Enlarged Issued Share Capital represented by the Conditional Placing Shares <sup>(1),(2)</sup>	41.88 per cent.
Maximum percentage of Enlarged Issued Share Capital represented by the Open Offer Shares <sup>(1),(2)</sup>	11.62 per cent.
Gross proceeds received by the Company under the Firm Placing	£1.27 million
Gross proceeds receivable by the Company under the Conditional Placing <sup>(2)</sup>	£10.73 million
Net proceeds receivable by the Company under the Placings <sup>(2)</sup>	£11.4 million
Net proceeds receivable by the Company under the Conditional Placing <sup>(2)</sup>	£10.19 million
Estimated maximum gross proceeds receivable by the Company under the Open Offer <sup>(1)</sup>	£2.98 million
Estimated maximum net proceeds receivable by the Company under the Fundraising <sup>(1),(2)</sup>	£14.38 million
ISIN	AU000000ESV3
Open Offer Entitlement ISIN	AU0000ESVAO2
Excess CREST Open Offer Entitlement ISIN	AU0000ESVAQ7
AIM Symbol	ESG
ASX Symbol	ESV

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Notes to Statistics:

- (1) Assuming full take up of Open Offer Shares under the Open Offer.
- (2) Assuming all of the Conditional Placing Shares are issued under the Conditional Placing.

## DEFINITIONS

In this document the following terms and expressions have the following meanings unless the context requires otherwise. References to the singular shall include references to the plural, where applicable, and *vice versa*.

"£", "pounds", "pence" and "sterling"	the legal currency for the time being of the United Kingdom
"AEST"	Australian Eastern Standard Time
"AIM"	AIM, the market of that name operated by the London Stock Exchange
"AIM Rules for Companies"	the rules and guidance for companies whose shares are admitted to trading on AIM published by the London Stock Exchange, as amended from time to time
"AIM Rules for Nominated Advisers"	the rules and guidance for nominated advisers to companies whose shares are admitted to trading on AIM published by the London Stock Exchange, as amended from time to time
"Allottee"	a person to whom Options or Employee Options are allotted
"Application Form"	the application form accompanying this document (where appropriate) to be used by Qualifying Ordinary Shareholders in connection with the Open Offer
"ASIC"	Australian Securities and Investment Commission
"ASX"	ASX Limited or, where the context requires, the Australian Securities Exchange operated by ASX Limited
"ASX Listing Rules"	the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX
"Australian Registrar"	Computershare Investor Services Pty Limited
"AUS\$" or "A\$"	Australian dollars
"Board"	the directors of the Company from time to time
"BPAY"	the electronic payment system operated by BPAY Pty Ltd
"BST"	British Summer Time

"Business Day"	a day other than Saturday, Sunday or other day when banks in the London, England and Sydney, Australia are not generally open for business
"CCSS"	the CREST Courier and Sorting Service established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of securities
"CHES"	Australian Clearing House Electronic Subregister System
"Company" or "eServGlobal"	eServGlobal Limited (ABN 59 052 947 743)
"Computershare Australia"	Computershare Investor Services Pty Limited
"Computershare UK"	Computershare Investor Services PLC
"Conditional Placing"	the placing of the Conditional Placing Shares pursuant to the Placing Agreement and the Mandate Letter
"Conditional Placing Admission"	means admission of the Conditional Placing Shares to trading on AIM becoming effective in accordance with Rule 29 of the AIM Rules
"Conditional Placing Shares"	the 268,133,893 Ordinary Shares conditionally placed pursuant to the Conditional Placing which will be allotted following the Extraordinary General Meeting subject to the passing of the Resolutions in relation to the Conditional Placing and Debt Restructure
"Control"	has the meaning given in section 50AA of the Corporations Act
"Constitution"	the existing constitution of the Company as at the date of this document
"Corporations Act"	the Corporations Act 2001 (Cth)
"CREST"	the computerised settlement system operated by Euroclear, which facilitates the transfer of title to securities in uncertificated form
"CREST Manual"	the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterpart Service Manual, the CREST Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedures and the CREST Glossary of Terms (as updated in November 2001)
"CREST member"	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual)

"CREST member account ID"	the identification code or number attached to a member account in CREST
"CREST participant"	a person who is, in relation to CREST, a system-participant (as defined in the CREST Manual)
"CREST payment"	shall have the meaning given in the CREST Manual
"CREST Regulations"	Uncertificated Securities Regulations 2001 (SI No. 2001/3755)
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member
"CREST Voting Instruction"	a message by or on behalf of the holders of Depositary Interests in connection with the Extraordinary General Meeting transmitted through CREST, properly authenticated in accordance with Euroclear's specifications and containing the information required for such instructions in the CREST Manual
"Debt Restructure"	the restructuring of the Loan Facilities and the entering into the New Loan by the Lenders and the Company
"Depositary"	Computershare Investor Services PLC acting in its capacity as Depositary pursuant to the terms of the agreement for the provision of depositing services entered into between the Company and Computershare Investor Services PLC and, as relevant, includes its nominee on the Company's register of members
"Depositary Interests" or "DIs"	the depositary interests issued by the Depositary representing an entitlement to an Ordinary Share which may be traded through CREST in dematerialised form
"Directors"	the directors of the Company whose names appear on page 6 of this document
"Employee Options"	the options to be issued to employees, pursuant to approval of the relevant Resolution by Shareholders at the Extraordinary General Meeting
"Enlarged Issued Share Capital"	the entire issued Ordinary Share capital of the Company immediately following Open Offer Admission comprising the Existing Ordinary Shares and the New Ordinary Shares (assuming all of the

	Conditional Placing Shares are issued under the Conditional Placing and that there is a full take up of Open Offer Shares under the Open Offer)
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Excess Application Facility"	the arrangement pursuant to which Qualifying Holders may apply for any number of Open Offer Shares in excess of their Open Offer Entitlement provided they have agreed to take up their Open Offer Entitlement in full
"Excess CREST Open Offer Entitlements"	in respect of each Qualifying Depository Interest Holder, the entitlement (in addition to his Open Offer Entitlement) to apply for Open Offer Shares to be represented by Depository Interests, pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full
"Excess Shares"	Open Offer Shares applied for by Qualifying Holders under the Excess Application Facility
"Ex-Entitlement Date"	16 June 2016
"Existing Ordinary Shares"	the 297,640,159 Ordinary Shares in issue at the Record Date (which include the Firm Placing Shares)
"Extraordinary General Meeting"	the extraordinary general meeting of the Company convened for 11.00 a.m. (AEST) on 22 July 2016, the notice of which accompanies, or has been sent contemporaneously with, this document
"FCA"	the Financial Conduct Authority, acting in its capacity as competent authority in the United Kingdom pursuant to Part VI of FSMA
"finnCap"	finnCap Limited, which is authorised and regulated by the FCA, the Company's nominated adviser and joint broker
"Firm Placing"	the placing of the Firm Placing Shares pursuant to the Placing Agreement, which completed on 16 June 2016
"Firm Placing Shares"	the 31,866,107 Ordinary Shares placed firm on 16 June 2016 pursuant to the Firm Placing
"Form of Instruction"	the form of instruction for use by holders of Depository Interests in connection with the Extraordinary General Meeting
"Form of Proxy"	the proxy form for use by Shareholders in connection with the Extraordinary General Meeting

"FSMA"	the UK Financial Services and Markets Act 2000, as amended from time to time
"Fundraising"	the Placings and Open Offer
"Group"	the Company and its subsidiaries
"HomeSend"	HomeSend CVBA, a limited cooperative company incorporated in Belgium
"HomeSend JV"	the joint venture between MasterCard/Europay U.K. Limited, the Company and BICS S.A. in relation to HomeSend
"HMRC"	HM Revenue & Customs
"Independent Expert"	the independent expert appointed in relation to the Debt Restructure in accordance with ASIC Regulatory Guide 74, being Hall Chadwick (NSW) Limited
"ISIN"	International Securities Identification Number
"Joint Brokers"	finnCap and Veritas
"Lenders"	Alphagen Volantis Fund Limited, acting through its investment manager Alphagen Capital Limited and Alphagen Volantis Catalyst Fund Limited, acting through its investment manager Alphagen Capital Limited
"Loan Facilities"	<p>means the following existing loans from the Lenders to the Company as follows:</p> <ul style="list-style-type: none"> <li>- the fully drawn loan agreement executed on 4 June 2015 for £5 million;</li> <li>- the fully drawn loan agreement executed on 5 October 2015 for £5 million; and</li> <li>- the fully drawn loan agreement executed on 22 March 2016 for £1million</li> </ul> <p>together with all capitalised interest and repayment premiums.</p>
"London Stock Exchange"	London Stock Exchange plc
"Mandate Letter"	the mandate letter dated 26 May 2016 between Veritas and the Company relating to the Placings
"Money Laundering Regulations"	the UK Money Laundering Regulations 2007, as amended from time to time



"New Loan"	the conditional facility agreement entered into between the Lenders and the Company, completion of which is conditional on the passing of the Resolutions in relation to the Conditional Placing and the Debt Restructure at the Extraordinary General Meeting
"New Ordinary Shares"	the new ordinary shares to be issued by the Company in accordance with the Conditional Placing and the Open Offer and "New Ordinary Share" means one of them
"Notice of Extraordinary General Meeting"	the notice of Extraordinary General Meeting and its accompanying explanatory memorandum which accompany, or have been sent contemporaneously with, this document
"Options"	the options to be issued to John Conoley, pursuant to approval of the relevant Resolution at the Extraordinary General Meeting
"Official List"	the Official List of the UK Listing Authority
"Open Offer"	the offer made by the Company to Qualifying Holders inviting them to apply to subscribe for the Open Offer Shares on the terms and subject to the conditions set out in this document and, where relevant, in the Application Form
"Open Offer Entitlements"	an entitlement of a Qualifying Holder, pursuant to the Open Offer, to apply for 1 Open Offer Shares for every 4 Existing Ordinary Shares held by the Qualifying Holder at the Record Date (and, to the extent that a Qualifying Holder holds its Existing Ordinary Shares through a Depositary, the Depositary shall ensure that the relevant Qualifying Holder is able to take up its entitlement under the Open Offer in Depositary Interest form)
"Open Offer Shares"	up to 74,410,039 New Ordinary Shares which are subject to the Open Offer
"Ordinary Shares"	ordinary shares in the capital of the Company
"Overseas Shareholders"	Shareholders and holders of Depositary Interests who have registered addresses in, or who are resident or ordinarily resident in, or are citizens of any Restricted Jurisdictions
"Placing Agreement"	the conditional placing agreement dated 7 June 2016 entered into between the Company and finnCap relating to the Placings

"Placing Price"	4 pence per New Ordinary Share or, for places procured by Veritas, AUS\$0.08
"Placing Shares"	the Firm Placing Shares and the Conditional Placing Shares
"Placings"	the Firm Placing and the Conditional Placing
"Proposals"	collectively, the issue of the Conditional Placing Shares, the Debt Restructure, the Rule 7.4 Approval, the issue of Options to John Conoley and the issue of Employee Options
"Prospectus Rules"	the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market
"Qualifying Depositary Interest Holders"	holders of Depositary Interests in respect of and representing Ordinary Shares as set out on the register of Depositary Interest Holders of the Depositary on the Record Date (other than Overseas Shareholders)
"Qualifying Holders"	Qualifying Ordinary Shareholders and Qualifying Depositary Interest Holders
"Qualifying Ordinary Shareholders"	holders of Ordinary Shares on the register of members of the Company at the close of business on the Record Date (other than Overseas Shareholders)
"Receiving Agent"	Computershare Investor Services Pty Limited in respect of Ordinary Shareholders and Computershare Investor Services PLC in respect of Depositary Interest Holders
"Record Date"	17 June 2016, at 7.00 p.m. (AEST) in respect of Qualifying Ordinary Shareholders and at 6.00 p.m. (BST) in respect of Qualifying Depositary Interest Holders
"Registrar"	the Australian Registrar and the UK Registrar
"Regulation S"	Regulation S of the Securities Act
"Regulatory Information Service" or "RIS"	one of the regulatory information services authorised by the London Stock Exchange to receive, process and disseminate regulatory information in respect of AIM quoted companies
"Resolutions"	the resolutions to be passed by the Shareholders set out in the Notice of Extraordinary General Meeting
"Restricted Jurisdiction"	each and any of Canada, Japan, the Republic of Ireland and the United States

"Rule 7.4 Approval"	the approval by the Shareholders of the issue of the Firm Placing Shares and the 8,000,000 Unlisted Option Bs
"Securities Act"	U.S. Securities Act of 1933, as amended
"Shareholders"	the holders of Existing Ordinary Shares
"Trigger Event"	means: <ul style="list-style-type: none"> <li>• a sale of substantially all of the business, or substantially all of the assets, of the Company; or</li> <li>• a change of Control of the Company,</li> </ul> as determined by the Directors, acting reasonably
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the FCA in its capacity as the competent authority for the purposes of Part VI of FSMA
"UK Registrar"	Computershare Investor Services PLC
"Unlisted Options"	the 39,866,107 options to acquire ordinary fully paid shares in the Company under an instrument dated 5 October 2015 with an exercise price of £0.0456
"Unlisted Options B"	the 8,000,000 options to acquire ordinary fully paid shares in the Company under an instrument dated 22 March 2016 with an exercise price of the lesser of £0.04375 or a 20 per cent. discount to the 60 day volume weighted average price for the Company's Depository Interests trading on AIM for the period commencing on 22 March 2016 for 60 trading days.
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other area subject to its jurisdiction
"US Person"	has the meaning set out in Regulation S of the Securities Act
"USE"	Unmatched Stock Event
"Veritas"	Veritas Securities Limited

## EXCHANGE RATE

Unless otherwise stated, the rates of exchange used for the purpose of this document are:

£1.00	AUS\$2.00
£1.00	€1.4423

## PART I - LETTER FROM THE EXECUTIVE CHAIRMAN

### ESERVGLOBAL LIMITED

*(Incorporated and registered in Australia with registered number ABN 59 052 947 743)*

Directors:

*Directors:*

John Conoley (Executive Chairman)  
Stephen Baldwin (Non-Executive Director)  
Tom Rowe (Non-Executive Director)

*Registered Office:*

Level 2  
Pier 8/9  
23 Hickson Road  
Millers Point  
NSW 2000  
Australia

22 June 2016

To Shareholders

**Proposed Conditional Placing of 268,133,893 new Ordinary Shares at 4 pence per Share  
Open Offer of up to 74,410,039 new Ordinary Shares at 4 pence per Share  
Debt Restructure  
and  
Issue of Options**

#### **1. Introduction**

On 7 June 2016, the Company announced its proposals to raise up to £14.98 million (before expenses) by way of a placing of 300,000,000 new Ordinary Shares at a price of 4 pence per new Ordinary Share (or, for places in Australia, AUS\$0.08 per new Ordinary Share) which is expected to raise £12.0 million (before expenses), and an open offer (non-renounceable rights issue under Australian law) of up to 74,410,039 new Ordinary Shares at a price of 4 pence per new Ordinary Share (or, for Qualifying Ordinary Shareholders, AUS\$0.08 per new Ordinary Share) to raise up to £2.98 million (AUS\$5.96 million).

The net proceeds of the Placings will be used to repay and refinance debt, accelerate sales and marketing and reduce costs in the core business and for general working capital purposes. The Placings have been structured in such a way as to allow the Company to receive part of the proceeds as quickly as possible in order to begin implementing these strategies.

Of the 300,000,000 new Ordinary Shares being placed, 31,866,107 have already been issued using the existing authorities granted to the Directors under ASX Listing Rule 7.1 which raised £1.27 million (before expenses), with the remainder being placed conditional on Shareholder approval at the Extraordinary General Meeting. The Firm Placing shares were issued and admitted to trading on AIM (in the form of Depositary Interests) and the ASX (in CHESS) on 16 June 2016.

The Conditional Placing is conditional on, *inter alia*, the passing by Shareholders of the Resolutions in respect of the Conditional Placing and the Debt Restructure at the Extraordinary General Meeting, which will give the Directors the required authority to issue the Conditional Placing Shares under ASX Listing Rules. Subject to all relevant conditions being satisfied (or, if applicable,

waived), it is expected that the Conditional Placing Shares will be issued and admitted to trading on AIM (in the form of Depositary Interests) and the ASX (in CHESS) on or about 25 July 2016.

The Placing Price represents a discount of approximately 22.0 per cent. to the closing mid-market price on AIM of 5.125 per Ordinary Share as at 6 June 2016, being the latest practicable date prior to the announcement of the Fundraising.

In addition, the Company is offering Qualifying Holders the opportunity to acquire New Ordinary Shares at the Placing Price by way of an Open Offer of 74,410,039 Open Offer Shares to Qualifying Holders, on the basis of 1 Open Offer Share for every 4 Existing Ordinary Shares. If fully subscribed, the total proceeds of the Open Offer will be £2.98 million in aggregate. The proceeds of the Open Offer are intended to be retained by the Company to strengthen the balance sheet and may, subject to the Company's working capital requirements, be applied towards a further reduction to the monies owing under the Loan Facilities (or the New Loan if the Debt Restructure proceeds). Further details of the reasons for the Placings and the Open Offer and use of proceeds are set out in section 3 below.

The Conditional Placing and Open Offer are not underwritten.

In order to minimise transaction costs and to avoid the need to publish an FCA approved prospectus, the total consideration under the Open Offer is lower than €5.0 million (or an equivalent amount) in aggregate.

In connection with the Placings, the Company has entered into the Placing Agreement pursuant to which finnCap has agreed, in accordance with its terms, to use reasonable endeavours to place the Placing Shares with institutional investors, including certain existing Shareholders. Also in connection with the Placings, the Company has entered into the Mandate Letter pursuant to which Veritas has agreed, in accordance with its terms, to use best endeavours to place the Placing Shares to institutional Australian investors, including certain existing Australian Shareholders.

The Company has agreed with its Lenders (Alphagen Volantis Fund Limited and Alphagen Volantis Catalyst Fund Limited) a restructuring of its Loan Facilities, conditional on, *inter alia*, the passing by Shareholders of the Resolutions to (i) issue the Conditional Placing Shares and (ii) complete the Debt Restructure. Under the Debt Restructure, the existing indebtedness under the Loan Facilities will be discharged and the Loan Facilities will be replaced with a New Loan, pursuant to which the Lenders shall make available a term loan of £7.0 million. The Lenders have agreed to subscribe for 110,141,050 Conditional Placing Shares for a total consideration of approximately £4.41 million and the Company and the Lenders have agreed that such amount shall be satisfied by the waiver of £4.41 million of the existing indebtedness, resulting in the Lenders holding 28.05 per cent. of the voting power of the Company (assuming no Ordinary Shares are issued pursuant to the Open Offer). The Lenders currently also have CFDs over a further 11,041,951 Ordinary Shares. Further details of the Debt Restructure are set out at section 6 of this Part I.

In order to incentivise and reward the Executive Chairman, the Company is also seeking approval for the issue of Options to John Conoley, further details of which are set out at section 7 of this Part I.

In addition to the proposed Options being issued to Mr Conoley, the Company is seeking authority to issue options over up to 7,000,000 Ordinary Shares to its employees. The Employee Options are intended to retain staff, motivate employees to improve Company performance and align the interests of employees with those of the Company and its Shareholders. Further details of the Employee Options are set out at section 8 of this Part I.

The purpose of this document is to explain the background to and reasons for the Proposals, to explain why the Board considers the Proposals to be in the best interests of the Company and its Shareholders and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.

The Notice of the Extraordinary General Meeting at which the Resolutions will be proposed to approve the Proposals accompanies, or has been sent contemporaneously with, this document. The Extraordinary General Meeting has been convened for 11.00 a.m. on 22 July 2016 and will take place at the Institute of Chartered Accountants, Level 9, 33 Erskine Street, Sydney NSW 2000, Australia.

A summary of the arrangements relating to the Open Offer is set out below. Part II of this document and, where relevant, the Application Form (which is being sent to all Qualifying Ordinary Shareholders), contain the formal terms and conditions of the Open Offer.

## **2. Current trading and Strategy**

### ***HomeSend***

HomeSend continues to progress against its objective to facilitate the “shift to digital” in international payments and transfers. The hub addresses the existing challenges of bilateral service agreements by offering a fully interoperable global network. The formation of the joint venture has enabled a significant expansion of end points, both sending and receiving, opening HomeSend to a larger remittance market and new market segments. The use cases for HomeSend enabled transfers continues to grow, supported by the key differentiators of providing a near instant transfer and transparency of transaction.

HomeSend is a disruptive technology that offers an alternative to the traditional international financial infrastructure. The payments hub is positioned as the centre-piece of an open and interoperable payments ecosystem with the ability to connect any PSP not just to eWallet Providers, MNOs and MTOs, but also Banks, Regulators, Disbursement Enablers, Micro-finance Institutions, Card Networks and Merchant Aggregators.

HomeSend can provide availability of funds in substantially shorter periods of time than international transfer organisations. HomeSend can perform international transfer to any account often in near real time; some transactions can take a maximum of 30 minutes. This is in comparison to banks who typically offer international transfers in 1 - 5 working days.

HomeSend has stated publicly that they expect to reach breakeven during 2017. This is supported by the achievement of several strategic milestones, including the acquisition of a Payment Institution Licence and the move to a PCI-DSS Compliant Data Centre. These achievements will

enable HomeSend to move forward on several fronts through the expansion of an ever-increasing range of use cases and reaching more and more transfer 'end points'.

Notably, HomeSend will support the international payment and transfer functionality for MasterCard Send. This MasterCard product to enable 'send-to-card' via HomeSend, is now launching in the first three markets, and an accelerated rollout is in place for the next 2.5 years, which will enable substantial coverage across MasterCard's customer base.

HomeSend can also now support end-point bank account termination and disbursement from a digital wallet. These new use cases are in addition to existing significant coverage in reaching mobile wallets in emerging markets, such as the relationship with Vodafone to reach mobile wallets MTOs and e-wallet providers such as MoneyGram, WorldRemit, Azimo and Paysafe.

Corridor progress remains on track with over 3,800 live remittance corridors at the end of April 2016, connecting 200+ sending countries and 36 receiving countries. This progress is expected to continue in 2H16, the 'network effect' of adding new corridors will support transaction volume enablement initiatives.

During 1H16 eServGlobal received the final escrow from MasterCard which enabled the completion of eServGlobal's €3.5m contribution to a capital raise in HomeSend. This ensured eServGlobal retains its 35 per cent. share. The continued financial focus on HomeSend has been important as it has enabled eServGlobal to retain key shareholder rights that underpin the value of this investment.

### ***Core Business***

During 1H15 the Company announced a contract to supply its PayMobile software, valued at €6.0 million over five years, approximately €2.5 million is forecast to be recognised within the current financial year. This is evidence of the previously stated recovery in sales that was expected to begin in 2Q16. Additionally, in May, the Company announced a new contract win with a new customer in West Africa valued at €1.6 million with €1.1 million to be recognised in the current financial year.

PayMobile 3, the Company's latest release of its proprietary software platform, has been key in opening up new opportunities; it enables a wider approach to the market through channel partners, in addition to a direct sales approach. The Company is now seeing more opportunities from Latin America, the Far East and other parts of Africa. Expected order flow in 2H16 and future pipeline shows a diversification of geographical presence, and an improved risk profile for orders and cash flow.

PayMobile 3 is now established with multiple live reference sites. The Company is taking steps to consolidate this progress through the addition of a richer set of modules and functions. This includes an analytics product based on Big Data principles, which is already trialling in several customer sites. This product will enable a greater focus on recurring revenue, and is also expected to bring new opportunities for the PayMobile 3 software.



Loss making contracts entered into during 2014 and 2015, have now been either completed or conservatively provisioned. The last of these will be a €900,000 provision for a project which cannot be completed due to an irrecoverable debtor.

### ***Current Trading***

Year to date revenues, work in progress, maintenance and recurring revenues indicate that the Company has approximately €12.0 million already recognisable for the year. Set out below is the unaudited profit and loss statement to the end of H1 FY2016:

	<b>FY15*</b>	<b>FY16*</b>
	<b>Full Year</b>	<b>1H16</b>
	€m	€m
<b>Revenue</b>	<b>17.6</b>	<b>5.5</b>
Cost of sales	14	5.3
<b>Gross profit</b>	<b>3.6</b>	<b>0.2</b>
Operating Costs	(-19.1)	(-5.2) to(-6.2)
<b>EBITDA</b>	<b>(-15.5)</b>	<b>(-5.0) to (-6.0)</b>
<b>Adjusted EBITDA for Core Business</b>	<b>(-7.1)</b>	<b>(-4.0) to (-5.0)</b>

The recovery in core business sales began in March/April 2016, evidenced by new projects and the improved sales pipeline for H2 2016. Debtor days from FY 2015 have reduced from 175 days to approximately 115 (34 per cent. reduction) days at mid year. The outcome of the previously announced restructuring is a substantially lower cost base for the year. Normalised costs have reduced from €23.8 million for FY 2015 to €19.6 million for FY2016.

The Company will release its half year results on 30 June 2016.

### ***Outlook***

Based on this reduced cost base and the recovery in sales, the Company confirms it remains on track to achieve a small positive EBITDA (excludes non-operating and exceptional one-off costs; including the equity accounted share of HomeSend results, foreign exchange gains or losses and share based payments) for the core business in the current financial year. To achieve this target the Company requires a further €7.5m of additional project revenue, half of which should be from existing customers, leaving €3.75 million to be sourced from new customers.

Assuming a reasonable sales mix, breakeven is now expected to be achieved with revenues in the range of €19.0 million – €20.0 million for FY2016. The Company expects to achieve operating cash breakeven on a monthly run rate basis in the final quarter of FY2016.

The Company is targeting 45 per cent. of planned revenue to be from recurring revenue in 2017.

### **3. Reasons for the Fundraising and use of proceeds**

The poor performance of the core business over the last two years, combined with the additional capital required to be invested into HomeSend to maintain the Company's 35 per cent. ownership in the HomeSend joint venture and the expiry of the terms of the AUS \$3,000,000 facility with the National Australia Bank has left the core business starved of the capital it needs to achieve its potential. The Placings are being conducted to provide the Company with the capital it needs to pursue the opportunities that exist for the core business and to reduce and extend the term of its existing debt.

The aggregated net cash proceeds of the Placings are expected to be approximately £7 million. £2.40 million of the proceeds will be applied towards the fee payable for the Debt Restructure and towards the discharge of the existing indebtedness under the Loan Facilities), £0.75 million to continue to improve sales processes, namely increasing reach and channels, strengthening the sales force and accelerating customer license adoption. In line with the Company's current cost saving strategy, £1.25 million will be required to reduce workforce costs by €1.0 million and a further £2.5 million of the proceeds will provide working capital. The Lenders have agreed to subscribe for 110,141,050 Conditional Placing Shares for a total consideration of £4.41 million and this amount will be satisfied by the waiver of £4.41 million of the existing indebtedness under the Loan Facilities as part of the Debt Restructure.

The proceeds of the Open Offer (if any) are intended to be retained by the Company to strengthen the balance sheet and may, subject to the Company's working capital requirements, be applied towards further reduction of the monies owing under the Loan Facilities (or the New Loan if the Debt Restructuring proceeds).

The Board believes that, after the Debt Restructure, primarily as a result of the extension to the maturity of the New Loan, the Company's debt level will be more commensurate with the trading profits and cash generation that can be achieved over the medium term.

As announced in the trading update released on 18 May 2016, the Company is beginning to experience the benefits of the restructuring plans implemented in late 2015. Management have focused on costs throughout the first half of 2016 such that total normalised costs are now tracking close to previous guidance. The Board intends to build on this recovery by investing further into this restructuring exercise. The Company has also seen recovery in sales as evidenced by the contract wins detailed above in section 2 of this Part I. The proceeds of the Placings will also allow the Company to add additional sales capability in the core business to capture increased volume of opportunities, particularly in Latin America, the Far East and other parts of Africa.

### **4. Details of the Placings**

The Placings comprise the Firm Placing and the Conditional Placing.

### ***Firm Placing***

On 7 June 2016, the Company announced that it had raised £1.27 million (before expenses) by way of a placing of 31,866,107 new Ordinary Shares at a price of 4 pence per new Ordinary Share. The Firm Placing Shares were admitted to trading on AIM and the ASX on 16 June 2016.

### ***The Conditional Placing***

The Conditional Placing comprises a placing of 268,133,893 New Ordinary Shares at a price of 4 pence per New Ordinary Share to raise £10.7 million (before expenses). £4.41 million of the proceeds of the Conditional Placing will be satisfied by the waiver of £4.41 million of the existing indebtedness under the Loan Facilities as per the Debt Restructure.

The Conditional Placing is conditional, *inter alia*, on:

- the passing of the Resolutions in relation to the Conditional Placing and the Debt Restructure (detailed in this document);
- the conditions in the Placing Agreement relating to the Conditional Placing being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Conditional Placing Admission; and
- Conditional Placing Admission becoming effective by no later than 8.00 a.m. (BST) on 25 July 2016 (or such later time and/or date, being no later than 8.00 a.m. (BST) on 8 August 2016 or such later time as the Company and finnCap may agree).

The Placing Agreement contains customary warranties given by the Company to finnCap as to matters relating to the Group and its business and a customary indemnity given by the Company to finnCap in respect of liabilities arising out of or in connection with the Fundraising. finnCap is entitled to terminate the Placing Agreement in certain circumstances prior to Conditional Placing Admission, including circumstances where any of the warranties are found not to be true or accurate in any material respect or were misleading in any material respect or the occurrence of certain force majeure events.

The Mandate Letter contains a customary indemnity given by the Company to Veritas in respect of liabilities arising out of or in connection with Veritas' appointment in relation to the Placing. Veritas is entitled to terminate the Mandate Letter in certain circumstances, including circumstances where the Company does not provide all reasonable assistance to Veritas in connection with the performance by Veritas of its functions under the Mandate Letter or where the Company undergoes a change of control, goes into liquidation, becomes insolvent or ceases to carry on its business.

The Conditional Placing Shares will represent approximately 53 per cent. of the entire issued share capital of the Company following Conditional Placing Admission.

The Conditional Placing Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after Conditional Placing Admission in respect of Ordinary Shares and will otherwise rank on Conditional Placing Admission *pari passu* in

all respects with the existing Ordinary Shares. The Conditional Placing Shares are not being made available to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so.

Application will be made to the London Stock Exchange for the Conditional Placing Shares to be admitted to trading on AIM and the ASX. On the assumption that, *inter alia*, the Resolutions in relation to the Conditional Placing and the Debt Restructure are passed, it is expected that Conditional Admission will become effective and that dealings in the Conditional Placing Shares will commence on or around 25 July 2016.

## **5. Details of the Open Offer**

The Board considers it important to provide the Company's loyal and supportive Shareholders with an opportunity to participate in the Fundraising in recognition of their continued support to the Company. In order to minimise transaction costs and to avoid the need to publish an FCA approved prospectus, the total consideration under the Open Offer is lower than €5.0 million (or the equivalent amount in aggregate).

Qualifying Holders, on and subject to the terms and conditions of the Open Offer, will be given the opportunity under the Open Offer to apply for any number of Open Offer Shares at the Placing Price, payable in full in cash on application, *pro rata* to their holdings on the following basis:

1 Open Offer Share for every 4 Existing Ordinary Shares

held by Qualifying Holders at the Record Date and so in proportion for any other number of Ordinary Shares then held.

For clarity for those Ordinary Shareholders who are in Australia and New Zealand, the Open Offer is a non-renounceable *pro rata* rights offer, as that term is used in Australia, and will be offered under section 708AA of the Corporations Act and the mutual recognition laws in New Zealand.

The Open Offer Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares.

Fractions of Open Offer Shares will not be allotted to Qualifying Holders in the Open Offer and entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares.

The Open Offer is being structured so as to allow Qualifying Holders to subscribe for any whole number of Open Offer Shares at the Placing Price up to their maximum entitlement. In the case of Qualifying Ordinary Shareholders, this maximum entitlement shall be equal to the number of Open Offer Shares as shown in their Application Form. In the case of Qualifying Depositary Interest Holders, this maximum entitlement shall be equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST. Qualifying Holders may also make applications in excess of their *pro rata* initial entitlement pursuant to the Excess Application Facility. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed by Qualifying Holders, such Open Offer Shares will be available to satisfy such excess applications. The action to be taken in relation to the Open Offer depends on whether, at the time at which

application and payment is made, you have an Application Form in respect of your entitlement to Open Offer Shares or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

The Company proposes to adopt the following allocation policy for excess applications:

- (a) the Excess Shares will be allocated at the Company's discretion (following discussions with finnCap);
- (b) no person is permitted to increase its relevant interest to more than 20 per cent. of the total number of Ordinary Shares in issue following the Open Offer through an application for Excess Shares under this mechanism;
- (c) if a relevant interest of 20 per cent. or more is already held by a person, then no increase is permitted; and
- (d) no person is permitted to increase its relevant interest to an interest that, immediately following the Open Offer, would be greater than its relevant interest on the Record Date but excluding the effect of the dilution which has arisen from the Firm Placing.

If you have received an Application Form with this document, please refer to paragraph 4.1 of Part II.

If you have Depository Interests and have received a credit or Open Offer Entitlements to your CREST stock account, please refer to paragraph 4.2 of Part II and also the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer is not a rights issue, as that term is used in England and Wales. Qualifying Depository Interest Holders should note that although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear UK & Ireland's Claims Processing Unit. Qualifying Ordinary Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Holders should be aware that in the Open Offer, unlike in a rights issue (as this term is used in England and Wales), any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Holders who do not apply under the Open Offer.

Qualifying Holders are referred to paragraph 2 of Part II: "Terms and Conditions of the Open Offer" and in particular to the dilutive effect of the Placings and Open Offer on Shareholders.

Option holders are not entitled to participate in the Open Offer. In order to participate they will have had to have exercised their options and be the registered holder of Depository Interests or Ordinary Shares on or before the Record Date.

The Open Offer Shares have not been placed subject to clawback under the Open Offer nor have they been underwritten. Consequently, if no one subscribes for the Open Offer Shares, no Open Offer Shares will be issued.

The Directors who are Qualifying Ordinary Shareholders or Qualifying Depositary Interest Holders intend to take up their entitlements under the Open Offer in full. As prescribed by the ASX Listing Rules, they are not entitled to receive any additional Open Offer Shares.

### **Settlement and dealings**

The Ordinary Shares are not themselves admitted to CREST but Computershare UK has agreed to issue Depositary Interests in respect of the underlying Ordinary Shares. The Depositary Interests are independent securities constituted under English law, which may be held and transferred through the CREST system. Depositary Interests have the same security code (ISIN) as the underlying Ordinary Shares and do not have (or require) a separate quotation on AIM.

CREST members are able to hold and transfer interests in Ordinary Shares within CREST pursuant to this Depositary interest arrangement established by the Company.

Settlement on the Australian register will be conducted under the ASX's electronic CHESS system.

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM and application will be made to the ASX for the Open Offer Shares to be admitted to trading on the ASX. It is expected that Open Offer Admission will become effective and that dealings in the Open Offer Shares will commence at 8.00 a.m. (BST) on 8 August 2016.

For further information on the Open Offer, Qualifying Holders should read Part II: "Terms and Conditions of the Open Offer" of this document and Qualifying Ordinary Shareholders should also review the accompanying Application Form.

## **6. Debt Restructure**

The Company is proposing to restructure its Loan Facilities with its Lenders.

The Company and the Lenders have agreed that, conditional upon Shareholder approval of the Resolutions in relation to the Conditional Placing and the Debt Restructure at the Extraordinary General Meeting and the Conditional Placing becoming unconditional in all respects, that the Loan Facilities be restated on the following terms: that the Loan Facilities are discharged and replaced with the New Loan, pursuant to which the Lenders shall make available a term loan of £7.0 million. Compounding interest on the New Loan will be charged at one per cent. per month commencing on 7 June 2016. The termination date of the New Loan shall be 30 June 2019. The loan amount shall be secured against the assets of the Company on the same terms and to the extent approved by the Shareholders of the Company on 18 January 2016. Other than as stated above, the New Loan is on substantially the same terms and conditions as the Loan Facilities save that there is no repayment premium payable on the New Loan and the New Loan may be repaid at any time by the Company in its entirety or in part.

The Lenders have agreed to subscribe for 110,141,050 Conditional Placing Shares for a total consideration of £4,405,642 and the Company and the Lenders have agreed that such amount shall be satisfied by the waiver of £4,405,642 of the existing indebtedness.

The Unlisted Options and the Unlisted Options B held by the Lenders shall be forfeited and unexercised.

The Lenders will receive a rearrangement fee of £1,803,201 for entering into the Debt Restructure.

On completion of the Debt Restructure as described above, the capital structure within the Company will be as follows:

<b>Security</b>	<b>Current</b>	<b>Post Debt Restructure</b>
Ordinary fully paid Shares (assuming no Open Offer Shares are issued)	297,640,159	565,774,052
ESOP Options (A\$0.36)	6,140,000	6,140,000
Unlisted Options	39,866,107	Nil
Unlisted Options B	8,000,000	Nil
Executive Options (A\$0.21)	3,000,000	5,000,000
Employee Options	Nil	7,000,000

As an Australian incorporated company, the Company is subject to Australian Law in respect to the acquisition of voting power in the Company. The Corporations Act provides that a person must not, without shareholder approval, obtain a relevant interest in issued voting shares where, as a result of that acquisition, that person's or someone else's voting power in the entity increases from 20 per cent. or below to more than 20 per cent. or from a starting point that is above 20 per cent. and below 90 per cent..

The Conditional Placing and the Debt Restructure will result in the Lenders, or their nominees, being issued with 110,141,050 Ordinary Shares, giving the Lenders voting power of 28.05 per cent. in the Company prior to the issue of any Ordinary Shares under the Open Offer. The Lenders currently also have CFDs over a further 11,041,951 Ordinary Shares.

The voting power in the Company, as notified to the Company, on completion of the Debt Restructure and the Open offer will be as follows:

<b>Holder of Relevant Interest</b>	<b>Voting Power as at the date of this document</b>	<b>Minimum Voting Power Post Debt Restructure and Open Offer</b>	<b>Maximum Voting Power Post Debt Restructure and Open Offer</b>
Alphagen Capital Limited*	16.31%	24.79%	28.05%

Acorn Capital Limited	8.99%	6.04%	6.83%
Legal & General Investment Management Limited	16.60%	12.24%	13.85%
Hargreave Hale	13.68%	15.12%	17.11%

\* The Lenders currently have CFDs over a further 11,041,951 Ordinary Shares.

In accordance with ASIC Regulatory Guide 74 the Notice of Extraordinary General Meeting is accompanied by an independent expert's report.

The Independent Expert has assessed the proposed issue and concluded that it is not fair but reasonable. The assessment of whether the Debt Restructure is "fair" is based solely on a comparison of the value of the consideration being provided by the Company (being the market value of the Shares being issued, and the Debt Restructure Fee being paid, to the Lenders) and the value of the consideration being paid by Lenders (being £4,405,642 plus the value of the Unlisted Options and the Unlisted Options B being forfeited). The difference between the value being provided by the Company and the value being paid by the Lenders is between £594,281 and £1,695,691, based upon the valuation range for the Shares. The Independent Expert is not readily able to apply a value to the benefit the Company receives for the difference and accordingly is not able to determine that the Debt Restructure is fair.

Despite the Independent Expert not being able to determine that the debt Restructure is fair, they have assessed the Debt Restructure as being reasonable. In making the assessment of whether the Debt restructure is reasonable the Independent Expert is able to take into account the advantages and disadvantages of accepting the Debt Restructure, including non-financial factors, which indicates that there are sufficient reasons to accept the Debt Restructure in the absence of an alternative proposal and that Shareholders who are not associates of the Lenders should benefit if the Debt Restructure proceeds.

## **7. Issue of Options to John Conoley**

The Company is proposing to issue Options to Mr Conoley as an incentive for performance and is intended to further align his interests with those of the Company and its Shareholders. The Options will, subject to shareholder approval, be issued in addition to his salary or any other payments in respect of his employment with the Company and will be the long-term incentive component of Mr Conoley's remuneration package.

The Resolutions being considered by the Shareholders therefore include the authority to issue 2,000,000 Options to Mr Conoley.

The Options will be issued as soon as practicable following Shareholder approval, but in any event, not later than one month after the date of the Extraordinary General Meeting.

Details of the terms of the Options are set out below.



<b>Vesting date</b>	The earlier of 2 years from the issue date or the date of a Trigger Event.
<b>Vesting condition</b>	The Options will only vest if the Allottee is an employee or Director of the Company or a wholly owned subsidiary of the Company at the vesting date.
<b>Expiry Date</b>	The earlier of: <ol style="list-style-type: none"> <li>1. 5 years from the date of issue;</li> <li>2. The date the Allottee ceases as an employee or Director of the Company or a wholly owned subsidiary of the Company due to: <ol style="list-style-type: none"> <li>(a) his resignation or,</li> <li>(b) in the case of his employment, termination for breach; or</li> <li>(c) 90 days following termination or his employment or engagement as a Director, or such longer period (not exceeding 5 years from the date of issue) as determined by the Board, for any other reason than those stated in (2) above.</li> </ol> </li> </ol>
<b>Exercise price</b>	AUS\$0.21
<b>Maximum number of securities</b>	Each Option will entitle the holder to acquire one Ordinary Share on payment of the exercise price. Subject to any reorganisation, the maximum number of Shares that may be acquired on exercise of the Options shall be 2,000,000.
<b>Issue price</b>	No amount will be payable on the grant of an Option.
<b>Further issues</b>	If the Company makes an issue of shares or other securities, including equity securities convertible into Shares, a holder of Options is not entitled to participate in such further issues unless the Options have been exercised on or before the relevant record date.
<b>Reorganisations</b>	If there is a reorganisation (including consolidation, sub-division, reduction or return) of the capital of the Company, the rights of each holder of Options issued will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation (including the adjustment of the exercise price of the Option (if applicable) in accordance with ASX Listing Rule 6.22).

<b>Ranking</b>	All Ordinary Shares issued pursuant to the exercise of Options will, subject to the Constitution, rank in all respects (other than in respect of dividends, rights issues or bonus issues for which the record date for participation has passed) <i>pari passu</i> with the existing Shares at the date of issue and allotment.
<b>Quotation</b>	The Options will not be quoted on ASX or AIM. The Company intends to apply to ASX and AIM for quotation of any Ordinary Shares acquired on exercise of the Options.
<b>Intended use of funds</b>	If and when the Options are exercised, it is the current intention of the Board that the funds will be used for working capital. Total funds raised, assuming all of the Options vest and are exercised, will be AUD\$420,000.

Section 208(1) of the Corporations Act provides that a public company must not, without the approval of the Company's members, give a financial benefit to a Related Party (as defined under the Corporations Act) unless an exception to the prohibition which are set out in sections 210 to 216 of the Corporations Act apply to the issue. As a Director of the Company, Mr Conoley is a Related Party of the Company for the purposes of section 228(2) Corporations Act. The issue of the Options will constitute the giving of a financial benefit to a Related Party for the purposes of section 229(3)(e) of the Corporations Act.

The Board, with Mr Conoley abstaining, has determined that the grant of the Options satisfies the "reasonable remuneration" exemption in Section 211(1) of the Corporations Act from the requirement for Shareholder approval under the Corporations Act.

## **8. Issue of Employee Options**

The Company believes that its success depends, in part, on the future performance of the management team. The Company also recognises the importance of ensuring that employees are incentivised and identify closely with the success of the Company.

At the 2016 annual general meeting of the Company, the Shareholders approved the issue of up to 3,000,000 Employee Options. These Employee Options have not been issued.

The Employee Options are intended to retain staff, motivate employees to improve Company performance and align the interests of employees with those of the Company and its Shareholders. The Company may award Employee Options to employees as an incentive component of their remuneration package. The number of Employee Options issued to the participating employees is to be determined by the Board.

Shareholder approval is sought for the issue of up to 7,000,000 Employee Options. The Employee Options are based on substantially the same terms as the Options to be granted to Mr Conoley, details of which can be found at section 7 of this Part I. This approval is sought to replace the previous approval in relation to the 3,000,000 Employee Options and is not in addition to it.

If the Resolution in relation to the issue of Employee Options is passed, the Company will be able to issue up to Employee Options during the next three years without the need to seek further shareholder approval (subject to any legal or regulatory requirements). The Board intends to issue the Options within 12 months of the date of Shareholder approval. The previous approval of Employee Options will be withdrawn.

The issue of Ordinary Shares on exercise of the Options will not require Shareholder approval.

## **9. Importance of Vote**

Shareholders should be aware that, if the Resolutions relating to the Conditional Placing and the Debt Restructure are not approved at the Extraordinary General Meeting, the net proceeds of the Conditional Placing will not be received by the Company and the Debt Restructure will not take place.

The Company will then seek to arrange refinancing of the Loan Facilities, which may not be possible, or may not be possible on reasonable commercial terms.

The Directors urge all Shareholders and holders of Depository Interests to participate in the Extraordinary General Meeting, either by being present in person or by proxy for Shareholders, or by completing their Form of Instruction for holders of Depository Interests.

## **10. Related Party Transactions**

The Lenders are substantial shareholders in the Company as defined in the AIM Rules for Companies.

Accordingly, the Debt Restructure and the Lenders' participation in the Conditional Placing (by subscribing for 110,141,050 Conditional Placing Shares) constitute related party transactions pursuant to the AIM Rules. Prior to entering into the Debt Restructure Deed and agreeing that the Lenders would participate in the Conditional Placing as part of the Debt Restructure, the Directors considered, having consulted with the Company's nominated adviser, finnCap, that the terms of the Debt Restructure and the Lenders' participation in the Conditional Placing are fair and reasonable insofar as the Company's Shareholders are concerned.

The participation of Legal & General Investment Management Ltd ("**L&G**"), as a substantial shareholder in the Company, in the Firm Placing (in subscribing for 7,751,056 Firm Placing Shares) constitutes a related party transaction under the AIM Rules. Prior to agreeing to L&G's participation in the Firm Placing the Directors considered, having consulted with finnCap, that their participation is fair and reasonable insofar as Shareholders are concerned. The participation of L&G in the Conditional Placing (by subscribing for 28,934,241 Conditional Placing Shares) constitutes a related party transaction under the AIM Rules. Prior to agreeing that L&G would participate in the Conditional Placing, the Directors considered, having consulted with finnCap, that the participation of L&G in the Conditional Placing is fair and reasonable insofar as the Shareholders are concerned.

The participation of Acorn Capital Limited, as a substantial shareholder in the Company in the Conditional Placing (by subscribing for 11,905,000 Conditional Placing Shares) constitutes a related

party transaction under the AIM Rules. Prior to agreeing that Acorn Capital Limited would participate in the Conditional Placing, the Directors considered, having consulted with finnCap, that the participation of Acorn Capital Limited in the Conditional Placing is fair and reasonable insofar as Shareholders are concerned.

## **11. The Extraordinary General Meeting**

The Proposals are subject to the approval of the Shareholders at an Extraordinary General Meeting to be held at the Institute of Chartered Accountants, Level 9, 33 Erskine Street, Sydney NSW 2000, Australia on 22 July 2016 at 11.00 a.m. The notice convening the Extraordinary General Meeting accompanies, or has been sent contemporaneously with, this document. The summary below is not the Notice of Extraordinary General Meeting.

Shareholders should note that the Resolutions in relation to the Conditional Placing and the Debt Restructure to be proposed at the Extraordinary General Meeting are inter-conditional and if any one of them is not passed the Conditional Placing will not proceed.

Each of the Resolutions will be proposed as ordinary resolutions and the majority required for the passing of such Resolutions at the Extraordinary General Meeting is more than 50 per cent. of the votes cast.

The Company is proposing that the Shareholders pass the Resolutions in order to:

- approve the issue and allotment of the Firm Placing Shares for the purposes of ASX Listing Rule 7.4 and for all other purposes so that the Directors' authority to issue and allot securities in the Company is refreshed in respect of the Firm Placing Shares (Resolution 1, further details of which are set out below in this section 11 of Part I);
- approve the issue and allotment of the Unlisted Options B for the purposes of ASX Listing Rule 7.4 and for all other purposes so that the Directors' authority to issue and allot securities in the Company is refreshed in respect of the Unlisted Options B (Resolution 2, further details of which are set out below in this section 11 of Part I);
- subject to the passing of Resolution 4 below, issue the Conditional Placing Shares for the purposes of the Conditional Placing (excluding those Conditional Placing Shares to be issued as part of the Debt Restructure) (Resolution 3);
- subject to the passing of Resolution 3, approve the issue to the Lenders of 110,141,050 Conditional Placing Shares, with the effect of the Lenders acquiring a relevant interest in Ordinary Shares such that they may hold a voting power in the Company of up to 28.05 per cent., being in excess of the thresholds set out in section 606(1) of the Corporations Act (Resolution 4);
- issue to John Conoley 2,000,000 Options to purchase 2,000,000 Ordinary Shares on payment of AUS\$0.21 per Option (Resolution 5); and
- issue up to 7,000,000 Options to purchase 7,000,000 Ordinary Shares on payment of AUS\$0.21 per Option (Resolution 6).

Certain voting exclusions apply. Certain Shareholders and holders of Depositary Interests may be excluded from voting in relation to the Resolutions in which they have an interest. Details regarding voting exclusions are set out in the Notice of Extraordinary General Meeting.

Under ASX Listing Rule 7.1 the Company is permitted to issue, in general terms, 15 per cent. of its issued capital in any 12 month period without shareholder approval. Within the last 12 month period, the Company has issued the Firm Placing Shares and 8,000,000 Unlisted Options B thereby fully utilising its Rule 7.1 authority.

The Unlisted Options B were issued to the Lenders as consideration for the facilitation of the £1,000,000 loan facility announced on 1 March 2016. If the Resolutions in relation to the Conditional Placing and the Debt Restructure are approved, these Unlisted Options B will be forfeited.

Under ASX Listing Rule 7.4 the Company may seek subsequent Shareholder approval for issues of securities made under ASX Listing Rule 7.1 (ie for the issue of the Firm Placing Shares and the Unlisted Options B). If the Shareholders approve such issues, these issues will not reduce the Company's placement capacity under ASX Listing Rule 7.1.

Accordingly, in Resolutions 1 and 2 the Company is seeking Shareholder approval for the issue of:

- (a) the Firm Placing Shares (Resolution 1); and
- (b) the 8,000,000 Unlisted Options B (Resolution 2)

under ASX Listing Rule 7.4 to provide flexibility for the Company to issue equity securities under the 15 per cent. placement capacity.

If Resolution 1 is not passed there will be no impact on the Firm Placing but the Directors, in issuing the Firm Placing Shares, will have used up part of their general authority to issue and allot new Ordinary Shares or securities convertible into Ordinary Shares (to the amount of 31,866,107 new Ordinary Shares or securities convertible into 31,866,107 Ordinary Shares) until 17 June 2017.

If Resolution 2 is not passed the Directors, in issuing the Unlisted Options B, will, in the event that the Resolutions in relation to the Conditional Placing and the Debt Restructure are not approved and the Unlisted Options B are not forfeited, have used up part of their general authority to issue and allot new Ordinary Shares or securities convertible into Ordinary Shares (to the amount of 8,000,000 Ordinary Shares or securities convertible into 8,000,000 Ordinary Shares) until 23 March 2017.

## **12. Action to be taken by Shareholders**

A Form of Proxy for use by Shareholders at the Extraordinary General Meeting accompanies this document. To be valid, Forms of Proxy must be completed and returned so as to be received at the offices of the Company's registrar, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia not later than 11 a.m. (AEST) on 20 July 2016. A Form of Instruction for use in connection with the Extraordinary General Meeting for holders of Depositary Interests accompanies this document. The Form of Instruction should be completed and returned

in accordance with the instructions printed thereon so as to arrive at the Company's UK Registrar, Computershare, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ as soon as possible and in any event not later than 11.00 a.m. (BST) on 18 July 2016. Alternatively, holders of Depositary Interests can submit their CREST Voting Instruction to Computershare UK by not later than 11.00 a.m. on 18 July 2016 in accordance with the procedures set out in the CREST Manual.

Completion and return of a Form of Proxy or Form of Instruction will not prevent Shareholders from attending and voting in person at the Extraordinary General Meeting should they so wish. Holders of Depositary Interests can attend the Extraordinary General Meeting but will not be permitted to vote in person at the Extraordinary General Meeting.

### **13. Admission, Settlement and CREST**

Application will be made to the London Stock Exchange for each of the Conditional Placing Shares and the Open Offer Shares to be admitted to trading on AIM and to the ASX for each of the Conditional Placing Shares and the Open Offer Shares to be admitted to trading on the ASX. It is expected that Conditional Placing Admission will become effective on 25 July 2016 and that dealings in the Conditional Placing Shares will commence at 8.00 a.m. (BST) on that date and that Open Offer Admission will become effective on 8 August 2016 and that dealings in the Open Offer Shares will commence at 8:00 a.m. (BST) on that date.

If the Conditional Placing or Open Offer do not proceed the Existing Ordinary Shares (which include the Firm Placing Shares) will continue to be traded on AIM and the ASX.

The Depositary Interests are already admitted to CREST. No further applications will need to be made in respect of the admission to CREST of the Depositary Interests representing the New Ordinary Shares. All such Depositary Interests, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. (BST) on 28 July 2016 (being the latest practicable date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, the Depositary Interests representing New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for the Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Open Offer Admission (expected to be on 8 August 2016). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying Depositary Interest Holders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares.

If the conditions to the Open Offer described above are satisfied, the New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid Application Form or made a valid BPAY Payment for the Open Offer Shares by utilising the CHES application procedures and

whose applications have been accepted by the Company. For more information as to the procedure for application, Qualifying Ordinary Shareholders are referred to in paragraph 4 of Part II, and the Application Form.

Settlement on the Australian register will be conducted under the ASX's electronic CHESS system.

**14. Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 1, 2, 3, 4 and 6 to be proposed at the Extraordinary General Meeting. The Directors, with Mr Conoley abstaining, recommend that Shareholders vote in favour of Resolution 5 (being the Resolution in respect of the issue of Options to Mr Conoley). The Directors intend to vote, to the extent permitted by law, in favour of the Resolutions in respect of their own beneficial holdings of Existing Ordinary Shares or Depositary Interests (as applicable) amounting, in aggregate, to 1,849,667 Existing Ordinary Shares, representing, in aggregate, approximately 0.62 per cent. of the Existing Ordinary Shares.

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Conoley', written in a cursive style.

John Conoley  
*Executive Chairman*

## PART II - TERMS AND CONDITIONS OF THE OPEN OFFER

### 1. Introduction

As explained in the letter set out in Part I: "Letter from the Executive Chairman" of this document, the Company is offering existing Shareholders the opportunity to acquire up to 74,410,039 Open Offer Shares at the Placing Price. If fully subscribed the total consideration under the Open Offer will be £2.98 million.

Upon completion of the Open Offer, assuming it is fully subscribed, the Open Offer Shares will represent approximately 11.62 per cent. of the Enlarged Issued Share Capital and the Existing Ordinary Shares will represent approximately 46.5 per cent. of the Enlarged Issued Share Capital.

The Record Date for entitlements under the Open Offer was 17 June 2016, at 7.00 p.m. (AEST) in respect of Qualifying Ordinary Shareholders and at 6.00 p.m. (BST) in respect of Qualifying Depository Interest Holders. Application Forms for use by Qualifying Ordinary Shareholders accompany this document and Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to stock accounts of Qualifying Depository Interest Holders Shareholders in CREST on 23 June 2016.

Subject to availability, the Excess Application Facility will enable Qualifying Holders to apply for further Open Offer Shares. Further details in relation to the Excess Application Facility are set out in this paragraph 1 of this Part II: "Terms and Conditions of the Open Offer" in this document and, for Qualifying Ordinary Shareholders, the Application Form.

The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer is expected to be 5.00 p.m. (AEST) on 29 July 2016 and settlement of relevant CREST instructions and payment in full is expected to be 11.00 a.m. (BST) on 28 July 2016, with Open Offer Admission and commencement of dealings in Open Offer Shares (in the form of Depository Interests) expected to take place at 8.00 a.m. (BST) on 8 August 2016 on AIM.

This document and, for Qualifying Ordinary Shareholders only, the Application Form, contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraphs 4.1 and 4.2 of this Part II: "Terms and Conditions of the Open Offer" which gives details of the procedure for application and payment for the Open Offer Shares and any additional shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Open Offer Admission.

The Company is proposing to issue up to 74,410,039 Open Offer Shares at the Placing Price, subject to Open Offer Admission, in respect of valid applications by Qualifying Holders.



The Existing Ordinary Shares are admitted to trading on AIM and the ASX. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM and to the ASX for the Open Offer Shares to be admitted to trading on the ASX. It is expected that Open Offer Admission will become effective at 8.00 a.m. (BST) on 8 August 2016 and that dealings in the Open Offer Shares (in the form of Depository Interests) will commence at 8.00 a.m. (BST) on AIM on that date.

The Open Offer is an opportunity for Qualifying Holders to apply for up to 74,410,039 Open Offer Shares *pro rata* to their current holdings at the Placing Price in accordance with the terms of the Open Offer. Qualifying Holders are being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Holders do not take up their Open Offer Entitlement in full.

In the event that Qualifying Holders apply, in aggregate, for an amount that is greater than the £2.98 million (74,410,039 Open Offer Shares), the Directors will use their discretion to scale back such applications such that this threshold is not exceeded.

The Company proposes to adopt the following allocation policy for Excess Shares subscribed pursuant to the Excess Entitlement Facility:

- (a) the Excess Shares will be allocated at the Company's discretion (following discussions with finnCap);
- (b) no person is permitted to increase its relevant interest to more than 20 per cent. of the total number of Shares on issue following the Open Offer through an application for Excess Shares under this mechanism;
- (c) if a relevant interest of 20 per cent. or more is already held by a person, then no increase is permitted; and
- (d) no person is permitted to increase its relevant interest to an interest that, immediately following the Open Offer, would be greater than its relevant interest on the Record Date but excluding the effect of the dilution which has arisen from the Firm Placing.

Accordingly, Qualifying Holders who apply for Excess Shares may be allocated a lesser number of Excess Shares than applied for (whether wholly or partially) in which case excess application money will be refunded without interest in accordance with the Corporations Act. The Company does not guarantee that you will receive any Excess Shares.

The Open Offer Shares have not been placed under the Conditional Placing subject to clawback under the Open Offer nor have they been underwritten. Consequently, if no Shareholders subscribe for Open Offer Shares, no Open Offer Shares will be issued.

Any Qualifying Holder who has sold or transferred all or part of his/her registered holding(s) of Depository Interests prior to the Record Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected

as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

## **2. The Open Offer**

Subject to the terms and conditions set out below (and, in the case of Qualifying Ordinary Shareholders, in the Application Form), Qualifying Holders are being given the opportunity under the Open Offer to apply for any number of Open Offer Shares at the Placing Price pro rata to their holdings, which represents a discount of approximately 22.0 per cent. to the closing middle market price of 5.125 pence per Ordinary Share on 6 June 2016, being the last trading day prior to the publication of the announcement of the Fundraising, on the following basis:

1 Open Offer Share for every 4 Existing Ordinary Shares

Fractions of Open Offer Shares will not be allotted to Qualifying Holders in the Open Offer and entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares.

If you are a Qualifying Ordinary Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name at 7.00 p.m. (AEST) on the Record Date.

Subject to availability, the Excess Application Facility will enable Qualifying Holders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in paragraph 1 of this Part II: "Terms and Conditions of the Open Offer" and, for Qualifying Ordinary Shareholders, the Application Form.

The Open Offer is being made only to Qualifying Holders.

Qualifying Ordinary Shareholders will have received an Application Form with this document which sets out their Open Offer Entitlement for which they can apply. Those Qualifying Ordinary Shareholders who are acting as a nominee or custodian for multiple beneficial holders are permitted to participate in the Excess Application Facility even if they do not take up their entire Open Offer Entitlement. Such nominees and custodians should utilise the Excess Application Facility only for those beneficial holders who have taken up their maximum entitlements under the Open Offer.

Qualifying Depository Interest Holders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements as soon as possible after 8.00 a.m. (BST) on 23 June 2016. Those Qualifying Depository Interest Holders who are acting as a nominee or custodian for multiple beneficial holders are permitted to participate in the Excess Application Facility even if they do not take up their entire Open Offer Entitlement. Such nominees and custodians should utilise the Excess Application Facility only for those beneficial holders who have taken up their maximum entitlements under the Open Offer.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be dealt with in accordance with the allocation policy set out in paragraph 1 of this Part II.

Please refer to paragraph 1 of this Part II: "Terms and Conditions of the Open Offer" for further details of the Excess Application Facility.

Following the issue of the Open Offer Shares to be allotted pursuant to the Open Offer, a Qualifying Holder who takes up his entitlement under the Open Offer pro rata to his current holding will suffer a dilution of 41.9 per cent. of his interest in the Company as a result of the Conditional Placing and on the basis that all Qualifying Holders take up their entitlements under the Open Offer pro rata to their current holdings.

If the same Qualifying Holder does not take up any of his entitlement under the Open Offer, he will suffer a dilution between a range of approximately 47.4 per cent. and 53.5 per cent. of his interest in the Company dependent on the level of take up and excess applications under the Open Offer by other Qualifying Holders.

Qualifying Holders should be aware that the Open Offer is not a rights issue as that term is used in England and Wales. Qualifying Ordinary Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying Depositary Interest Holders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Holders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Holders under their Open Offer Entitlements may be issued to Qualifying Holders who have made an application for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility, with the proceeds retained for the benefit of the Company. Consequently, if no Shareholders subscribe for the Open Offer Shares, no Open Offer Shares will be issued.

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying Depositary Interest Holder's CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts at 8.00 a.m. (BST) 23 June 2016.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the New Ordinary Shares of the Company which result following the Conditional Placing. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

### **3. Conditions and further terms of the Open Offer**

Applications will be made for the Open Offer Shares to be admitted to trading on AIM (in the form of Depositary Interests) and to be admitted to trading on the ASX. Open Offer Admission is expected to occur and dealings in the Open Offer Shares are expected to begin at 8.00 a.m. (BST) on 8 August 2016 on AIM.

All monies received by the Receiving Agent in respect of Open Offer Shares will be credited to a trust account by the Receiving Agent. The Directors may withdraw the Open Offer and if the Directors do withdraw the Open Offer, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

#### **4. Procedure for application and payment**

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your Open Offer Entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account.

Qualifying Ordinary Shareholders will receive an Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares at 7.00 p.m. (AEST) on the Record Date. It will also show Qualifying Holders the number of Open Offer Shares available under their Open Offer Entitlement that can be allotted. Qualifying Holders who hold all or part of their Existing Ordinary Shares by way of Depositary Interests in uncertificated form will have their Open Offer Shares credited to their CREST stock accounts in the form of Depositary Interests, to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares by way of Depositary Interests. However, it will be possible for Qualifying Holders to deposit entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(g) of this Part II.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Holders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

**4.1** *If you have an Application Form in respect of your Open Offer Entitlements under the Open Offer*

(a) *General*

Subject as provided in paragraph 6 of this Part II: "Terms and Conditions of the Open Offer" in relation to Overseas Shareholders, Qualifying Ordinary Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name at 7.00 p.m. (AEST) on the Record Date. It also shows the Open Offer Entitlement allocated to them. Entitlements to Open Offer Shares are rounded down to the nearest whole number and fractional Open Offer Entitlements have therefore also been rounded down. The Application Form also shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Qualifying Ordinary Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Ordinary Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Ordinary Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. Such applications under the Excess Application Facility will be dealt with in accordance with the allocation policy set out in paragraph 1 of this Part II.

The instructions and other terms set out in the Application Form forms part of the terms of the Open Offer in relation to Qualifying Ordinary Shareholders.

(b) *Application procedures*

Qualifying Ordinary Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should (a) complete the Application Form in accordance with the instructions printed on it, or (b) make a BPAY payment in accordance with the instructions printed on the Application Form. With the exception of those Qualifying Ordinary Shareholders who are acting as a nominee or custodian for multiple beneficial holders, Qualifying Ordinary Shareholders may only apply for additional Open Offer Shares under the Excess Application Facility if they have agreed to take up their Open Offer Entitlements in full. Those Qualifying Ordinary Shareholders who are acting as a nominee or custodian for multiple beneficial holders are permitted to participate in the Excess Application Facility even if they do not take up their entire Open Offer Entitlement. Such nominees and custodians should utilise

the Excess Application Facility only for those beneficial holders who have taken up their maximum entitlements under the Open Offer.

Such applications under the Excess Application Facility will be dealt with in accordance with the allocation policy set out in paragraph 1 of this Part II.

Application Forms (if paying by cheque or banker's draft) should be posted in the accompanying pre-paid envelope or returned by post so as to be received by the Receiving Agent by no later than 5.00 p.m. (AEST) on 29 July 2016, after which time Application Forms will not be valid. Qualifying Ordinary Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by post in Australia to Computershare Investor Services Pty. Qualifying Holders should allow sufficient time for delivery.

All payments made by cheque must be in Australian dollars and made payable to eServGlobal Limited and crossed "Not Negotiable".

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity and withhold or crediting to the relevant member account, as applicable pending clearance thereof. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Qualifying Ordinary Shareholders paying via BPAY should follow the instructions printed on the Application Form. It is the responsibility of the Qualifying Ordinary Shareholder to ensure that the BPAY payment is received by the Receiving Agent by no later than 5.00 p.m. (AEST) on 29 July 2016.

If paying with BPAY, the Qualifying Ordinary Shareholder will not need to post an Application Form to the Receiving Agent. By making a payment through BPAY, the Qualifying Ordinary Shareholder will be deemed to have made the declarations made out in the Application Form.

If cheques are presented for payment, or if a BPAY payment is made before the conditions of the Open Offer are fulfilled, the application monies will be credited to a trust account by the Receiving Agent. If the Directors withdraw the Open Offer, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form or a BPAY payment as valid and binding on the person by whom or on whose behalf it is lodged or paid, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms and BPAY payments received after 5.00 p.m. (AEST) on 29 July 2016; or
- (ii) applications in respect of which remittances are received before 5.00 p.m. (AEST) on 29 July 2016 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

(c) *The Excess Application facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Ordinary Shareholder to apply for Open Offer Shares in excess of their Open Offer Entitlement. Such applications under the Excess Application Facility will be dealt with in accordance with the allocation policy set out in paragraph 1 of this Part II.

Qualifying Ordinary Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete the Application Form or make a BPAY payment in accordance with the instructions set out on the Application Form.

Should applications for Open Offer Shares exceed 74,410,039 Open Offer Shares, resulting in a scale back of applications, each Qualifying Ordinary Shareholder who has made a valid application for excess Open Offer Shares under the Excess Application Facility and from whom payment in full for excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for but not allocated to the relevant Qualifying Ordinary Shareholder multiplied by the Placing Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

(d) *Effect of application*

By completing and delivering an Application Form or by making a BPAY payment the applicant:

- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of New South Wales, Australia;
- (iii) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document or that which is publically available, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to eServGlobal contained in this document or otherwise publically available;
- (iv) represents and warrants to the Company that he is the Qualifying Holder originally entitled to the Open Offer Entitlements;
- (v) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form; and
- (vi) represents and warrants to the Company that he: (i) is acquiring the Open Offer Shares in an "offshore transaction" as defined in Regulation S; (ii) is not, nor is he applying on behalf of any person who is, in the United States or a US Person; (iii) is not a person who is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law; (iv) is not applying with a view to re-offering, re-selling, transferring or delivering any of



the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a US Person; and (v) is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer.

The Company will treat a Qualifying Ordinary Shareholders as applying for as many Open Offer Shares as their payment will pay for in full up to their Open Offer Entitlement, plus any Excess Shares (if any) as their payment will pay for.

**4.2** *If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer.*

- (a) Save as provided in paragraph 6 of this Part II of this document in relation to certain Overseas Shareholders, each Qualifying Depository Interest Holder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and fractional entitlements will be ignored and will not be allotted to Qualifying Holders. Qualifying Holders who hold less than 4 Existing Ordinary Shares (or any entitlement to such number of Existing Ordinary Shares) will, therefore, have no entitlement to subscribe under the Open Offer.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Depository Interests held by a Qualifying Depository Interest Holder on the Record Date in respect of which the Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying Depository Interest Holders cannot be credited by, 3.00 p.m. (BST) on 24 June 2016 or such later time as the Company may decide, an Application Form will be sent out to each Qualifying Depository Interest Holder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances

the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Ordinary Shareholders with Application Forms will apply to Qualifying Depositary Interest Holders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Computershare UK on 0370 889 4075. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

The Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a bona fide market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlements and Excess CREST Open Offer Entitlements will thereafter be transferred accordingly.

(c) Excess Application Facility

Qualifying Depositary Interest Holders may apply to acquire Excess Shares using the Excess Application Facility. The Excess Application Facility enables Qualifying Depositary Interest Holders to apply for Excess Shares in excess of their Open Offer Entitlement up to the maximum number of Excess Shares. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, the CREST accounts of Qualifying Depositary Interest Holders will be credited with Excess CREST Open Offer Entitlements in order for any applications for Excess Shares to be settled through CREST.

Qualifying Depositary Interest Holders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the

Qualifying Holders and Qualifying Depository Interest Holders originally entitled or by a person entitled by virtue of a bona fide market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying Depository Interest Holders should follow the instructions in paragraph 4.2(f) below and must not return a paper Application Form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlements and the relevant Open Offer Entitlements is transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlements claim, but will be transferred as a separate claim. Should a Qualifying Depository Interest Holder cease to hold all of his existing Depository Interests as a result of one or more bona fide market claims, the Excess CREST Open Offer Entitlements credited to CREST and allocated to the relevant Qualifying Depository Interest Holder will be transferred to the purchaser. Please note that a separate Unmatched Stock Event ("USE") instruction must be sent to Computershare UK in respect of any application under the Excess CREST Open Offer Entitlements. Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number and ignored. The total number of Open Offer Shares is fixed and will not be increased in response to applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Holders do not apply for their Open Offer Entitlement in full. Such applications under the Excess Application Facility will be dealt with in accordance with the allocation policy set out in paragraph 1 of this Part II. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

**All enquiries in connection with the procedure for application for Depository Interest holders should be directed to Computershare UK on 0370 889 4075 or, if telephoning from outside the UK, on +44 370 889 4057 between 8.30 a.m. and 5.30 p.m. Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes. Please note Computershare UK cannot provide financial advice on the merits of the Open Offer or as to whether you should take up your entitlement.**

(d) USE instructions

CREST members who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event ("USE") instruction to Computershare UK which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Depositary under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Depositary in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

(e) Content of USE instructions

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Depositary);
- (ii) the ISIN of the Open Offer Entitlement. This is AU0000ESVAO2;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 8RA24;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is ESERVOO;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. (BST) on 28 July 2016;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. (BST) on 28 July 2016.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (A) a contact name and telephone number (in the free format shared note field); and
  - (B) a priority of at least 80.
- (f) Content of USE instruction in respect of Excess CREST Open Offer Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is AU0000ESVAQ7
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 8RA24;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is ESERVOO;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. (BST) on 28 July; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST. In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. (BST) on 28 July. In order to assist prompt

settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction;

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 28 July 2016 in order to be valid is 11.00 a.m. (BST) on that day.

In the event that the Directors withdraw the Open Offer, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying Depositary Interest Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

- (g) Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying Ordinary Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (by virtue of a bona fide market claim only). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. (BST) on 28 July 2016.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. (BST) on 24 July 2016, and the recommended latest time for receipt by Computershare UK of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. (BST) on 23 July 2016 in either case so as to enable the person acquiring or (as appropriate) holding

the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. (BST) on 28 July 2016.

Delivery of an Application Form with a CREST Deposit Form duly completed whether in respect of a deposit into the account of the Qualifying Holder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that the deposit is in relation to a bona fide market claim and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of a Restricted Jurisdiction.

(h) Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. (BST) on 28 July 2016 will constitute a valid application under the Open Offer.

(i) CREST procedures and timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. (BST) on 28 July. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) Incorrect or incomplete applications

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Placing Price, refunding any unutilised sum to the CREST member in question;

- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(k) Effect of Valid Application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) agree with the Company that all applications under the Open Offer and contracts resulting therefrom and any non-contractual obligations related thereto shall be governed by, and construed in accordance with, the laws of New South Wales, Australia;
- (ii) confirm to the Company that in making such application he is not relying on any information in relation to the Company other than that contained in this document and that which is publically available and agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such other information and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained herein (including information incorporated by reference) or otherwise publically available;
- (iii) represent and warrant to the Company that he is the Qualifying Depository Interest Holder originally entitled to the Open Offer Entitlements and Excess Open Offer Entitlements or, if he has received some or all of his Open Offer Entitlements and Excess Open Offer Entitlements from a person other than the Company, that he has received such Open Offer Entitlements and Excess Open Offer Entitlements by virtue of a bona fide market claim;
- (iv) represent and warrant to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;



- (v) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (vi) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Constitution of the Company;
- (vii) represent and warrant to the Company that he is not, and is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction (in each case except where proof satisfactory to the Company has been provided that he is able to accept the invitation by the Company free of any requirement which the Company, or (in their absolute discretion) regard as unduly burdensome), nor is he acting on behalf of any such person on a non-discretionary basis;
- (viii) represent and warrant to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (Depositary receipts) or Section 96 (clearance services) of the Finance Act 1986; and
- (ix) confirm to the Company that in making the application he is not relying and has not relied on finnCap or Veritas or any person affiliated with finnCap or Veritas in connection with any investigation of the accuracy of any

information contained in this document or his investment decision.

(I) Company's discretion as to the rejection and validity of applications

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part II;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub paragraph the "**first instruction**") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Computershare of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Depositary in connection with CREST.

The Company will treat a Qualifying Ordinary Shareholders as applying for as many Open Offer Shares as their payment will pay for in full up to their Open Offer Entitlement, plus any Excess Shares (if any) as their payment will pay for.

## **5. Money laundering regulations**

### **5.1 *Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlements or Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## **6. Overseas Shareholders**

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **6.1 *General***

eServGlobal has determined, in accordance with ASX Listing Rule 7.7.1(a), that it would be unreasonable to offer participation in the Open Offer to Overseas Shareholders due to the legal limitations in some countries, the relatively small number of Ordinary Shares held by Shareholders in the Restricted Jurisdictions, the likely funds that would be raised from such Shareholders in those countries and the cost of complying with regulatory requirements in those countries.

The distribution of this document and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom, Australia or New Zealand or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, Australia or New Zealand may be

affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company or the Joint Brokers or any other person, to permit distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom, Australia or New Zealand.

Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent as a Notice of Extraordinary General Meeting and otherwise for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any other Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent as a Notice of Extraordinary General Meeting and otherwise for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom, Australia or New Zealand wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing

any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company or the Joint Brokers nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and the Joint Brokers determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part II: "Terms and Conditions of the Open Offer" and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or any other Restricted Jurisdiction or any other jurisdiction outside Australia, New Zealand or the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a Qualifying Depository Interest Holder, through CREST.

Due to restrictions under the securities laws of the United States and the other Restricted Jurisdictions, and subject to certain exceptions, Qualifying Holders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any other Restricted Jurisdiction will not qualify to participate in the Open Offer.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any other Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent as a Notice of Extraordinary General Meeting and otherwise for information only and should not be copied or redistributed.

## **6.2** *United States*

Securities may not be offered or sold in the United States absent: (i) registration under the Securities Act; or (ii) an available exemption from registration under the Securities Act. The New Ordinary Shares mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States.

Subject to certain exceptions and at the discretion of the Company only, the Company is not extending the Conditional Placing or the Open Offer into the United States or to US Persons. None of the Open Offer Entitlements, this document or the Application Form constitute or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any securities in the United States or to any US Person. Subject to certain exceptions and at the discretion of the Company only, neither this document nor an Application Form will be sent to, and no Open Offer Entitlements or New Ordinary Shares will be credited to a stock account in CREST of, any person with a registered address in the United States or any US Person. Subject to certain exceptions and at the discretion of the Company only, Application Forms sent from or postmarked in the United States will be deemed to be invalid.

Subject to certain exceptions and at the discretion of the Company only, any person who acquires New Ordinary Shares (or any other securities detailed herein) will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares (or any other securities detailed herein) that they are acquiring the securities in an "offshore transaction" as defined in Regulation S and they are not, and that at the time of acquiring the securities

they will not be, a US Person, in the United States or acting on behalf of, or for the account or benefit of a person on a nondiscretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents: (i) to have been executed in, or despatched from, the United States; (ii) that provides an address in the United States for the receipt of New Ordinary Shares; (iii) that does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States; or (iv) where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company and the Joint Brokers reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares.

In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the securities mentioned herein within the United States by a dealer (whether or not participating in the Fundraising) may violate the registration requirements of the Securities Act.

### **6.3** *Restricted Jurisdictions*

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents: (i) to have been executed in, or despatched from, a Restricted Jurisdiction; (ii) that provides an address in a Restricted Jurisdiction for the receipt of

New Ordinary Shares; (iii) that does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in a Restricted Jurisdiction and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in a Restricted Jurisdiction; or (iv) where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, a Restricted Jurisdiction in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company and the Joint Brokers reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in a Restricted Jurisdiction in respect of the New Ordinary Shares.

#### **6.4** *Other overseas territories*

Application Forms will be sent to Qualifying Ordinary Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying Depository Investor Holders. Qualifying Holders may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form.

Qualifying Holders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than Australia, New Zealand or the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

#### **6.5** *Representations and warranties relating to Overseas Shareholders*

##### **(a)** *Qualifying Ordinary Shareholders*

Any person completing and returning an Application Form or making a BPAY payment or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form or the making of a BPAY payment will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is purchasing in an "offshore transaction" as defined in Regulation S and is not requesting registration of the relevant Open Offer Shares from within the United States or any other Restricted Jurisdiction and such person is not a US Person; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form or making a BPAY payment in any manner in which such person has used or



will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or any other Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying Depositary Interest Holders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part II: "Terms and Conditions of the Open Offer" represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is purchasing in an "offshore transaction" as defined in Regulation S and is not a US Person and is not within the United States or any other Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

**6.6** *Waiver*

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of

more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

**7. No withdrawal rights**

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

**8. Admission, settlement and dealings**

The result of the Open Offer is expected to be announced on 4 August 2016. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM and applications will also be made to the ASX for the Open Offer Shares to be admitted to trading on the ASX. It is expected that Open Offer Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. (BST) on 8 August 2016 on AIM.

The Depositary Interests are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. (BST) on 28 July 2016 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, the Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 8 August 2016, the Registrar will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Open Offer Admission (expected to be 8.00 a.m. (BST) on 8 August 2016). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying Depositary Interest Holders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

If the conditions to the Open Offer described above are satisfied, the New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid Application Form or made a valid BPAY Payment for the Open Offer Shares and whose applications have been accepted by the Company as follows:

- Qualifying Ordinary Shareholders will not receive a certificate but will receive a statement of their holding of New Ordinary Shares.
- Broker sponsored Qualifying Ordinary Shareholders will receive a CHESS statement. The CHESS statement will set out the number of New Ordinary Shares issued under this Open Offer, provide details of your holder identification number, and provide the participant identification number of the sponsor and the terms and conditions applicable to the New Ordinary Shares.
- Qualifying Ordinary Shareholders registered on the Issuer Sponsored subregister will receive a holding statement dispatched by the Registry that will contain the number of New Ordinary Shares issued under this Open Offer and the security holder reference number.

## **9. Times and dates**

To the extent permitted by the ASX Listing Rules, the Company shall, after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall make an announcement on a Regulatory Information Service and the company announcements platform of the ASX but Qualifying Holders may not receive any further written communication.

## **10. Taxation**

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer should immediately consult a suitable professional adviser.

## **11. Further information**

Your attention is drawn to the further information set out in this document and also, for Qualifying Ordinary Shareholders to whom an Application Form was sent, to the terms, conditions and other information printed on the Application Form.

## **12. Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of New South Wales, Australia. The courts of New South Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, whether by way of their Open Offer Entitlement or through the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Holders irrevocably submit to the jurisdiction of the courts of New South Wales and waive any

objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## PART III – RISK FACTORS

*An investment in New Ordinary Shares may not be suitable for all recipients of this document and involves a number of risks. All the information set out in this document and, in particular, those risks relating to the Fundraising (which includes the Placings and the Open Offer) and the Debt Restructure described below, should be carefully considered prior to making any investment decision. Accordingly, you are strongly recommended to consult an investment adviser authorised under the FSMA if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser, who specialises in the acquisition of shares and other securities before making a decision to invest. In addition to all the other information contained in this document, potential investors should carefully consider the following risk factors which the Directors consider to be all the known material risks in respect of the business of the Company and its securities, but are not set out in any particular order of priority.*

*If any of the circumstances identified in the risk factors were to materialise the Company's business, financial condition and operating results could be materially affected. In particular, the Company's performance is likely to be affected by changes to the market and/or economic conditions and/or legal, accounting, regulatory and tax requirements currently unknown by the Company. Investors should note that the trading price of the Ordinary Shares could decline due to any of these risks and investors may lose all or part of their investment.*

*Additional risks which are not presently known to the Board, or that the Board currently deems to be immaterial, may also have an effect on the Group's business, financial condition and operating results.*

### **1. Risks relating to the Company and its business**

#### **1.1 HomeSend: The Company has a significant investment in the HomeSend JV but does not control HomeSend.**

HomeSend is a start-up business and is subject to risks which are characteristic of a business in this phase of its development cycle. Some of these risks include:

1. It may require additional working capital prior to reaching breakeven point in the future. This may require additional capital contributions by the Company to the HomeSend JV;
2. Delays in implementation of its business plan;
3. Not gaining the necessary market share as a new entrant, which is necessary to meet budgets;
4. HomeSend is providing a new service to developing markets. While there are barriers to entry, there are no guarantees that HomeSend will be able to maintain or build its existing market share in the face of competition, or that it will be able to operate at profitable margins in response to competition.

## **1.2 Regions of Operation**

The Company provides software solutions to clients primarily in developing markets, with a concentration of customers in the Middle East, Africa and the Indian Subcontinent. Many of the countries in these regions do not have stable government or legal systems and several are currently experiencing frequent acts of terrorism or are in a civil war. These regions pose risks to the Company in both the cost of performing services for customers, in particular the delivery of hardware and deployment of Company staff or contractors to be on-site with the customer, and in the timely receipt of payment for services or products provided by the Company including arising from delays or the inability to commence enforcement proceedings in the relevant jurisdiction.

## **1.3 Reliance on Key Personnel**

The Company relies upon the industry and technical knowledge and customer and supplier relationships of key personnel within the business. The loss of one or more of these key personnel may adversely affect the operations of the business.

## **1.4 Dependence on Key Customers**

A significant proportion of the Company's revenue and anticipated revenue is concentrated amongst several key customers. The loss of those key customers would have a significant impact on revenue and earnings of the business in the current financial year and may impact revenue in the next financial year.

## **1.5 Forecasting**

The Company is forecasting an increase in sales from the last half year. There is a risk that forecast sales do not materialise due to delays in the contracting process, the customer selecting an alternative supplier or the Company withdrawing from the bidding process for commercial reasons.

## **1.6 Regulation and Licensing**

There is relatively little licensing and regulation of mobile money services in the countries in which the Company's clients are located. This may change in the future and if regulation is increased such that it is prohibitively expensive to obtain or maintain a licence to provide mobile money solutions, it will reduce the market for the Company's software.

## **1.7**

**1.7.1** Mobile money solutions are relatively new to the market and while both the Company and HomeSend can engage with mobile network operators and financial institutions to use their software or services, the success of the solutions will depend upon the end users, being the mobile phone users, taking up the service provided by the mobile network operator or financial institution. There is no guarantee that the adoption of the service will occur

at all, or in sufficient numbers and monetary value to deliver adequate margins for the parties involved. Both the Company and HomeSend may be required, directly or indirectly, to commit resources to marketing of the mobile money solutions to increase take up by end users, thereby reducing the margin for both the Company and HomeSend, in their respective markets.

**1.7.2** The Company is a software provider and is constantly updating its software to maintain its currency with other operating systems. These development costs cannot always be passed on to the customer. The Company builds its software on a freeware platform wherever possible, but there is no guarantee that the freeware will always be available without licence fees or that what is available will remain suitable for the deployment of the Company's software into a customer's infrastructure.

**1.7.3** In any software development contract there is risk that the Company does not meet the deliverables under the contract, in time or quality. The failure to meet deliverables gives rise to disputes and potential delays to timing of payments from the customer, impacting cash flow or additional work by the company reducing the margin on the contract, potentially into being loss making.

**1.7.4** The Company uses an agent to manage a significant proportion of its staff involved in software development work, based in Romania. There is no guarantee that the agent will continue to perform its management services properly or on reasonable commercial terms.

**1.7.5** There is no guarantee as to future earnings of the Company or that it will be profitable at any time in the future. The amount of dividends (if any) may be adversely affected by changes in currency exchange rates.

**1.7.6** Litigation risks to the Company include, but are not limited to, customer claims, personal injury claims and employee claims, actions in relation to infringement of intellectual property rights and actions relating to defective products or services. If any claim were to be pursued and be successful it may adversely impact the sales, profits or financial position of the Company. The Company and its subsidiaries are not currently a party to any material litigation.

## **2. Risks relating to the Company's securities**

### **2.1 General**

An investment in the Ordinary Shares is only suitable for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the Ordinary Shares should be seen as long-term in nature and complementary to

investments in a range of other financial assets and should only constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional investors, private client fund managers and private client brokers, as well as private individuals who have received advice from their professional advisers regarding investment in the Ordinary Shares and/or who have sufficient experience to enable them to evaluate the risks and merits of such investment themselves.

## **2.2 Conditionality of the Conditional Placing and Open Offer**

The Conditional Placing is conditional upon, *inter alia*, Conditional Placing Admission and the Open Offer is conditional upon, *inter alia*, Open Offer Admission. In the event that any condition to which Conditional Placing Admission is subject is not satisfied or, if capable of waiver, waived, Conditional Placing Admission will not take place.

## **2.3 Share price volatility and liquidity**

Following Conditional Placing Admission and Open Offer Admission, the market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment that may substantially affect the market price of the Ordinary Shares irrespective of the progress the Company may make in terms of developing and launching its products or its actual financial, trading or operational performance. These factors could include the performance of the Company, purchases or sales of the Ordinary Shares (or the perception that the same may occur), legislative changes and market, economic, political or regulatory conditions or price distortions resulting from limited liquidity. The share price for publicly traded companies, such as the Company, can be highly volatile. The Company's quotation on AIM or the ASX should not be taken as implying that a liquid market for the Ordinary Shares either exists, or will develop or be sustained. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of the Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order even for a relatively small number of such Ordinary Shares.

## **2.4 Substantial sales of Ordinary Shares could cause the price of Ordinary Shares to decline**

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares in the future. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.



## **2.5 There is no guarantee that the Company's Ordinary Shares will continue to be traded on AIM or the ASX**

The Company cannot assure investors that the Company's Ordinary Shares will always continue to be traded on AIM, the ASX or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM or the ASX, the level of liquidity of the Ordinary Shares traded on AIM or the ASX could decline.

## **2.6 Investment in AIM traded securities**

The Ordinary Shares are, and the New Ordinary Shares will be, traded on AIM rather than admitted to the Official List of the UK Listing Authority. AIM is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than those admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity, making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than that of shares admitted to the Official List, and may not reflect the underlying value of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and could lose their entire investment.

## **2.7 Issuance of additional Ordinary Shares**

Although the Company's business plan does not involve the issuance of Ordinary Shares other than in connection with the Fundraising, the Debt Restructure or pursuant to the issue of Options, it is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders if, and to the extent that, such an issue of Ordinary Shares is not effected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Ordinary Shares as a pre-emptive offer.

## **2.8 Persons holding shares in the form of Depositary Interests ("DIs") may not be able to exercise voting rights**

Under the Constitution, only those persons who are Shareholders of record are entitled to exercise voting rights. Persons who hold Ordinary Shares in the form of Depositary Interests will not be considered to be the recorded holders of the Ordinary Shares that

are on deposit with the Depository and, accordingly, will not be able to exercise voting rights. However, the Deed Poll provides that the Depository shall pass on, as far as it is reasonably able, rights and entitlements to vote.

#### *CREST Voting Instructions*

Holders of Depository Interests in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a “**CREST Voting Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.Computershare.com/CREST](http://www.Computershare.com/CREST)).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company’s agent (3RA50) no later than 11.00 a.m. (BST) 18 July 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company’s agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST.

Holders of Depository Interests in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the Depository Interest holder concerned to take (or, if the Depository Interest holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time. In this connection, Depository Interest holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Voting Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

**The risks above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority. The investment offered in this document may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser, who is authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised**

**independent financial adviser and who or which specialises in investments of this kind before making a decision to apply for New Ordinary Shares.**

