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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.

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## **eServGlobal Limited**

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

## **Retail Offer Booklet**

### **finnCap Ltd**

*Nominated Adviser and Joint Broker to the Company*

### **Veritas Securities Limited**

*Joint Broker*

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The total consideration under the Retail Offer shall be less than €5 million (or an equivalent amount) in aggregate and the 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 Placings nor the Retail 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 has been made to the London Stock Exchange and the ASX for the Placing Shares to be admitted to trading on AIM and admitted on to the ASX. Application will be made to the London Stock Exchange and has been made to the ASX for the Retail Offer Shares to be admitted to trading on AIM and admitted on to the ASX.

This document has been prepared by the Company and is dated 27 October 2017. 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 released on a Regulatory Information Service and, if you are in any doubt whether or not to take up the Retail Offer, consult your legal, financial or other professional adviser before deciding whether to take up your Retail 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.

An Application Form for use by Qualifying Ordinary Shareholders accompanies this document. Qualifying Depository Interest Holders (who will not receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of their Retail Offer Entitlements which will be enabled for settlement on 30 October 2017. Applications under the Retail Offer may only be made by the Qualifying Holder originally entitled or, in respect to Qualifying Depository Interest Holders only, by a person entitled by virtue of a bona fide market claim arising out of a sale or transfer of Depository Interests prior to the date on which the Depository Interests were marked "ex" the entitlement by the London Stock Exchange.

finnCap Ltd ("**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 (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 Depository 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 Fundraising (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 Retail 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 Retail 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 Retail 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.

## Table of Contents

Directors, Secretary and Advisers .....	5
Expected Timetable of Principal Events .....	7
Fundraising Statistics.....	9
Definitions .....	10
Part I - Letter from the Executive Chairman .....	17
Part II - Terms and Conditions of the Retail Offer.....	24
Part III – Risk Factors .....	47

## DIRECTORS, SECRETARY AND ADVISERS

Directors	John Conoley (Executive Chairman) Andrew Hayward (Chief Financial Officer) 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 Ltd 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	Capital Corporate Law Level 11, 65 York Street Sydney New South Wales 2000 Australia
Solicitors to finnCap	K&L Gates LLP 1 New Change London EC4M 9AF
UK Depositary 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  
New South Wales 2000  
Australia

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Fundraising	20 October 2017
Appendix 3B and notice under section 708AA(2)(f) of the Corporations Act 2001 lodged with the ASX	20 October 2017
Ex-Entitlement Date (CREST) and trading halt on ASX	20 October 2017
Trading resumes Ex-Entitlement on ASX	24 October 2017
Record Date for entitlement under the Retail Offer	7.00 p.m. (AEDT) in respect of Qualifying Ordinary Shareholders and 6.00 p.m. (BST) in respect of Qualifying Depository Interest Holders on 24 October 2017
Publication and mailing of this document and personalised Application Form	27 October 2017
Retail Offer Entitlements credited to stock accounts of Qualifying Depository Interest Holders	30 October 2017
Issue date of Placing Shares and CHESS member accounts credited with Placing Shares (as applicable)	30 October 2017
Admission and dealings in the Placing Shares commence on AIM and CREST accounts credited with Placing Shares (in Depository Interest form)	8.00 a.m. on 30 October 2017
Recommended latest time for requesting withdrawal of Retail Offer Entitlements from CREST (to satisfy bona fide market claim only)	4.30 p.m. on 5 November 2017
Latest time and date for depositing Retail Offer Entitlements into CREST (to satisfy bona fide market claim only)	3.00 p.m. on 7 November 2017
Last date to extend the closing date for Retail Offer	7 November 2017
Closing date - latest time and date for settlement of CREST application and payment in full under the Retail Offer	11.00 a.m. on 10 November 2017
Closing date - latest time and date for receipt of completed Application Forms and payment in full under the Retail Offer	5.00 p.m. (AEDT) on 10 November 2017
Announce the results of the Retail Offer and Clawback Placing (if any)	15 November 2017
Issue date of Retail Offer Shares and CHESS member accounts to be credited with Retail Offer Shares	20 November 2017

Admission and commencement of dealings in Retail Offer Shares and Clawback Placing Shares (if any) on AIM and CREST accounts credited with Retail Offer Shares (in Depositary Interest form)

8.00 a.m. on 20 November 2017

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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.
- (3) Different deadlines and procedures for return of forms may apply in certain cases.
- (4) Depositary 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. 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 Retail Offer or the Fundraising nor give any legal or tax advice.

## FUNDRAISING STATISTICS

Number of Existing Ordinary Shares in issue on the date of this document (which excludes the Placing Shares)	640,183,996
Issue Price	£0.09/ A\$0.15
Basis of Institutional Offer and Retail Offer Entitlements	1 New Ordinary Share for every 3 Existing Ordinary Shares held by Institutional Shareholders and Qualifying Holders
Number of Firm Placing Shares	53,272,003
Number of Institutional Offer Shares	175,706,717
Number of Retail Offer Shares	37,687,946
Number of Ordinary Shares in issue immediately following Placing Admission <sup>(2)</sup>	869,162,716
Number of Ordinary Shares in issue immediately following Retail Offer Admission <sup>(1), (2)</sup>	906,850,662
Percentage of Enlarged Issued Share Capital represented by the Placing Shares <sup>(1), (2)</sup>	25.2 per cent.
Percentage of Enlarged Issued Share Capital represented by the Retail Offer Shares <sup>(1), (2)</sup>	4.2 per cent.
Gross proceeds receivable by the Company under the Fundraising <sup>(1), (2)</sup>	£24.0 million
Net proceeds receivable by the Company under the Fundraising <sup>(1), (2)</sup>	£22.8 million
ISIN	AU000000ESV3
Retail Offer Entitlement ISIN	AU000000ESVAR5
AIM Symbol	ESG
ASX Symbol	ESV

Notes to Statistics:

(1) Assuming all of the Retail Offer Shares are issued under the Retail Offer.

(2) Assuming all of the Firm Placing Shares and Institutional Offer Shares are issued under the Placings.

## 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" "sterling"	the legal currency for the time being of the United Kingdom
"AEDT"	Australian Eastern Daylight Savings 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
"Application Form"	the application form accompanying this document (where appropriate) to be used by Qualifying Ordinary Shareholders in connection with the Retail 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" or "Directors"	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
"Clawback Placing"	means the conditional placing of Retail Offer Shares with other investors at the Issue Price to the extent that Qualifying Holders do not take up their Retail Offer Entitlements.
"Clawback Placing Shares"	the 37,687,946 New Ordinary Shares conditionally placed (subject to clawback) pursuant to the Clackback Placing
"Company" or "eServ"	eServGlobal Limited (ABN 59 052 947 743)
"Computershare Australia"	Computershare Investor Services Pty Limited
"Computershare UK"	Computershare Investor Services PLC
"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
"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
"Enlarged Issued Share Capital"	the entire issued Ordinary Share capital of the Company immediately following Retail Offer Admission comprising the Existing Ordinary Shares, the Placing Shares and the Retail Offer Shares (assuming all of the Placing Shares are issued under the Placings and all of the Retail Offer Shares are issued under the Retail Offer)
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Ex-Entitlement Date"	20 October 2017
"Existing Ordinary Shares"	the 640,183,996 Ordinary Shares in issue at the Record Date (which excludes the Placing Shares)
"FCA"	the Financial Conduct Authority, acting in its capacity as competent authority in the United Kingdom pursuant to Part VI of FSMA
"finnCap"	finnCap Ltd, 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
"Firm Placing Shares"	the 53,272,003 Ordinary Shares conditionally placed pursuant to the Firm Placing
"FSMA"	the UK Financial Services and Markets Act 2000, as amended from time to time
"Fundraising"	the Firm Placing, the Institutional Offer, the Retail Offer and the Clawback Placing (if any)
"GMT"	Greenwich Mean Time
"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
"Institutional Offer"	the offer and placing of the Institutional Offer Shares with Institutional Shareholders and other Investors pursuant to the Placing Agreement
"Institutional Offer Shares"	the 175,706,717 Ordinary Shares conditionally offered and placed pursuant to the Institutional Offer
"Institutional Shareholders"	certain Existing Shareholders who, together, held 527,120,158 Ordinary Shares on the Ex-Entitlement Date representing 82.3 per cent. of the Existing Ordinary Shares who have agreed to not participate in the Retail Offer
"ISIN"	International Securities Identification Number
"Issue Price"	9 pence per New Ordinary Share or, for places procured by Veritas, AUS\$0.15 (being 9 pence based on an exchange rate of A\$1.00: £0.60)
"Joint Brokers"	finnCap and Veritas
"Lenders"	1798 Volantis Fund Limited, acting through its investment manager Lombard Odier Asset Management (USA) Corporation and 1798 Volantis Catalyst Fund Limited, acting through its investment manager Lombard Odier Asset Management (USA) Corporation
"Loan Facilities"	the facility agreement entered into between the Lenders and the Company on 28 June 2017
"London Stock Exchange"	London Stock Exchange plc
"Mandate Letter"	the mandate letter dated 19 October 2017 between Veritas and the Company relating to the Fundraising
"Money Laundering Regulations"	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended from time to time
"New Ordinary Shares"	the new ordinary shares to be issued by the Company in accordance with the Fundraising and "New Ordinary Share" means one of them
"Official List"	the Official List of the UK Listing Authority

"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 Admission"	means admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
"Placing Agreement"	the conditional placing agreement dated 20 October 2017 entered into between the Company and finnCap relating to the Fundraising
"Placing Shares"	the Firm Placing Shares and the Institutional Offer Shares
"Placings"	the Firm Placing and the Institutional Offer
"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 and Institutional 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 and Institutional 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"	24 October 2017, at 7.00 p.m. (AEDT) 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

"Restricted Jurisdiction"	each and any of Canada, Japan, the Republic of Ireland and the United States and any other jurisdiction where the offer of securities in the form of the Retail Offer may constitute a violation of local securities law or regulations, as determined by the Directors
"Retail Offer"	the offer made by the Company to Qualifying Holders inviting them to apply to subscribe for the Retail Offer Shares on the terms and subject to the conditions set out in this document and, where relevant, in the Application Form
"Retail Offer Entitlements"	an entitlement of a Qualifying Holder, pursuant to the Retail Offer, to apply for 1 Retail Offer Share for every 3 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 Depository, the Depository shall ensure that the relevant Qualifying Holder is able to take up its entitlement under the Retail Offer in Depository Interest form)
"Retail Offer Shares"	37,687,946 New Ordinary Shares which are subject to the Retail Offer
"Securities Act"	U.S. Securities Act of 1933, as amended
"Shareholders"	the holders of Existing Ordinary Shares
"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
"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

## TIME

Unless otherwise stated, all references to times in this document are to times in London, England.

## EXCHANGE RATE

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

£1.00	AUS\$1.683
£1.00	€1.1202

## PART I - LETTER FROM THE EXECUTIVE CHAIRMAN

### ESERVGLOBAL LIMITED

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

*Directors:*

John Conoley (Executive Chairman)  
Andrew Hayward (Chief Financial Officer)  
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

27 October 2017

To Shareholders

### Retail Offer Booklet

#### 1. Introduction

On 20 October 2017, the Company announced its proposals to raise c.£24 million (before expenses) by way of a Firm Placing and an Institutional Offer (being the accelerated component of a non-renounceable entitlement offer under Australian law) of, in aggregate, 228,978,720 new Ordinary Shares at a price of 9 pence per new Ordinary Share (or, for places in Australia, AUS\$0.15 per new Ordinary Share) which is expected to raise £20.6 million (before expenses) and a retail offer (being the non accelerated component of a non-renounceable entitlement offer under Australian law) of 37,687,946 new Ordinary Shares at a price of 9 pence per new Ordinary Share (or, for Qualifying Ordinary Shareholders, AUS\$0.15 per new Ordinary Share) to raise £3.4 million (AUS\$5.7 million) on the basis of 1 Retail Offer Share for every 3 Existing Ordinary Shares held by a Qualifying Holder at the Record Date.

The net proceeds from the Fundraising will be used in part to fund an expected capital raise by the HomeSend JV to fund its short-term cash requirements and provide further capital for future cash calls, therefore enabling the Company to maintain its 35 per cent. ownership in the HomeSend JV. The proceeds will also be used to further support the rationalisation exercise within the core business, pay down all the Company's debt to strengthen the balance sheet and for general working capital purposes. The Fundraising has been structured to allow the Company to receive the proceeds as quickly as possible in order to begin implementing these strategies and without the need for Shareholder approval and to allow Qualifying Holders to subscribe for Ordinary Shares at the Issue Price on the same basis as the Institutional Shareholders under the Institutional Offer.

The Issue Price represents a discount of approximately 10 per cent. to the closing mid-market price on AIM of 10 pence per Ordinary Share as at 19 October 2017, being the latest practicable date prior to the announcement of the Fundraising.

Further details of the reasons for the Fundraising and use of proceeds are set out in section 2 below.

The purpose of this document is to explain the reasons for the Fundraising and the action to be taken by Qualifying Holders who would like to participate in the Retail Offer.

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

The aggregate net cash proceeds of the Fundraising are expected to be £22.8 million.

As announced by the Company on 10 October 2017, the HomeSend business opportunity has expanded beyond its initial investment case and is showing strong momentum in its expanded focus on the banking market with one of Asia's largest banks already sending live transactions. The Company expects the HomeSend JV to shortly make a capital call under the joint venture agreement and has earmarked £8.5 million of the proceeds to fund the Company's proportion of the cash call in respect of the short term cash flow requirements for HomeSend and headroom for potential cash calls to be made in the medium term.

In addition to supporting the funding requirements of HomeSend, £2.5 million will be used to complete the rationalisation exercise within the core business to create the target breakeven point of approximately €12.0 million as announced on 10 October 2017. Cost reduction to date has been opportunistic and has enabled reduced complexity of the business and historic contracts. The completion of the rationalisation supports the Company's plans to enter the 2018 financial year with an EBITDA breakeven point of an estimated €12 million in annual revenues and supports the core business's intention to right-size the simplified business around high quality customers and contracts. As announced on 10 October 2017, the Company is expecting to achieve operational EBITDA breakeven in the quarter to December 2017, with an overall FY17 EBITDA of between €(8.3)-(7.0) million or €(5.4)-(4.1) million on an adjusted basis (adjusted to remove estimated PLC/corporate costs of €2.9). If the breakeven point of €12 million is achieved, revenues of €12 million in 2018 should give the core business an adjusted EBITDA of €2.4 million (adjusted to exclude estimated PLC/corporate costs of €2.4 million in 2018). The Directors believe that the core business is now a self-sustaining business based on its current customer base and the Company believes that completing this rightsize of the core business will position it to be capable of realising M&A value in 2018, should this be the desired course of action.

Approximately £11.0 million will be used to strengthen the balance sheet through the repayment in its entirety, of the outstanding Loan Facilities from the Lenders. £2.0 million will be retained by the Company to support further working capital requirements and transaction costs.

Further information (including the 10 October 2017 announcement referred to above and a presentation that was given in connection with the Firm Placing, Institutional Offer and Clawback Placing) and the Company's other announcements released to the ASX and a Regulatory Information Service are available on the Company's website at [www.eservglobal.com/investors](http://www.eservglobal.com/investors).

## **3. Details of the Fundraising**

The Fundraising comprises the Firm Placing, the Institutional Offer, the Retail Offer and the Clawback Placing.

### ***The Firm Placing and the Institutional Offer***

The Firm Placing comprises a placing of 53,272,003 New Ordinary Shares at the Issue Price to institutional and other investors to raise approximately £4.8 million (before expenses). The Firm Placing Shares will be issued using part of the existing authorities granted to the Directors under ASX Listing Rule 7.1.

The Institutional Offer comprises an offer of 175,706,717 New Ordinary Shares at the Issue Price to Institutional Shareholders on the basis of 1 New Ordinary Share for every 3 Existing Ordinary Shares held by the Institutional Shareholders on 24 October 2017 (being the Record Date for the Retail Offer) or to the extent that Institutional Shareholders did not take up their entitlements, to other Institutional Shareholders and other investors to raise approximately £15.8 million (before expenses).

The Placings are conditional, *inter alia*, on:

- the conditions in the Placing Agreement relating to the Placings being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Placing Admission; and
- Placing Admission becoming effective by no later than 8.00 a.m. (BST) on 30 October 2017 (or such later time and/or date, being no later than 8.00 a.m. (GMT) on 20 December 2017 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 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 Placings. 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 Placing Shares will represent approximately 25.2 per cent. of the entire issued share capital of the Company following Placing Admission.

The 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 Placing Admission in respect of Ordinary Shares and will otherwise rank on Placing Admission *pari passu* in all respects with the existing Ordinary

Shares. The 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.

Subject to all relevant conditions set out in the Placing Agreement being satisfied (or, if applicable, waived) on or before Placing Admission, the Firm Placing Shares and the Institutional Offer Shares will be issued and admitted to trading on AIM (in the form of Depositary Interests) and the ASX (in CHESS) on 30 October 2017.

### ***The Retail Offer and Clawback Placing***

The Board has structured the Fundraising to allow Qualifying Holders to subscribe for Ordinary Shares at the Issue Price on the same basis as the Institutional Shareholders under the Institutional Offer. In order to minimise transaction costs and to avoid the need to publish an FCA approved prospectus, the total consideration under the Retail Offer is lower than €5.0 million (or an equivalent amount).

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

- 1 Retail Offer Share for every 3 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 Retail 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 Retail Offer Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares.

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

The Retail Offer is being structured so as to allow Qualifying Holders to subscribe for any whole number of Retail Offer Shares at the Issue Price up to their maximum entitlement. In the case of Qualifying Ordinary Shareholders, this maximum entitlement shall be equal to the number of Retail 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 Retail Offer Entitlements standing to the credit of their stock account in CREST.

Qualifying Holders will not be able to make applications in excess of their *pro rata* initial entitlement.

As part of the Retail Offer, the Retail Offer Shares are being conditionally allocated by way of the Clawback Placing to institutional and other investors at the Issue Price who have agreed to subscribe for the Retail Offer Shares to the extent that Qualifying Holders do not take up their Retail Offer Entitlements. Consequently, subject to the Placing Agreement not being terminated

prior to admission of the Clawback Placing Shares, all of the Retail Offer Shares will be issued irrespective of whether Qualifying Holders subscribe for Retail Offer Shares.

The Admission of the Retail Offer Shares being issued to Qualifying Holders pursuant to the Retail Offer is conditional only on Admission of the Institutional Offer Shares.

The Admission of Clawback Placing Shares to investors pursuant to the Clawback Placing is conditional on:

- the conditions in the Placing Agreement relating to the Clawback Placing being satisfied or (if applicable) waived (including, in particular, that Placing Admission has occurred) and the Placing Agreement not having been terminated in accordance with its terms prior to Retail Offer Admission; and
- Retail Offer Admission (including admission of the Clawback Placing Shares) becoming effective by no later than 8.00 a.m. (GMT) on 20 November 2017 (or such later time and/or date, being no later than 8.00 a.m. (GMT) on 20 December 2017 or such later time as the Company and finnCap may agree).

The Retail Offer is not a rights issue, as that term is used in England and Wales. Qualifying Depository Interest Holders should note that although the Retail Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Retail 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 Retail Offer, unlike in a rights issue (as this term is used in England and Wales), any Retail 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 Retail Offer.

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

The Fundraising has not been underwritten.

Option holders are not entitled to participate in the Retail Offer.

#### **4. Options**

It is the current intention of the Non-executive Directors to recommend shareholders approve the issue of additional share options to Executive Directors and other employees (in an amount equivalent to approximately 5% of the shares issued pursuant to the Fundraising) at the 2018 Annual General Meeting on the following terms: (i) a strike price equivalent to the Issue Price under the Fundraising; (ii) 5 year options with vesting at 3 years based on performance hurdles. Further details of any proposed issue of options will be provided to shareholders in the notice for the 2018 Annual General Meeting.

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

The action to be taken in relation to the Retail 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 Retail Offer Shares or have Retail Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

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 Retail 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.

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.

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 Retail Offer or as to whether you should take up your entitlement.

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

Application will be made to the London Stock Exchange for each of the Placing Shares and the Retail Offer Shares to be admitted to trading on AIM and to the ASX for each of the Placing Shares and the Retail Offer Shares to be admitted to trading on the ASX. It is expected that Placing Admission will become effective on 30 October 2017 and that dealings in the Placing Shares will commence at 8.00 a.m. on that date and that Retail Offer Admission will become effective on 20 November 2017 and that dealings in the Retail Offer Shares will commence at 8:00 a.m. on that date.

If the Placings or Retail Offer do not proceed the Existing Ordinary Shares will continue to be traded on AIM and the ASX.

The Ordinary Shares are not themselves admitted to CREST but Computershare UK has agreed to issue Depository Interests in respect of the underlying Ordinary Shares. The Depository Interests are independent securities constituted under English law, which may be held and transferred through the CREST system. Depository 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 Depository interest arrangement established by the Company.

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

Retail Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 10 November 2017 (being the latest practicable date for applications under the Retail Offer). If the conditions to the Retail 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 Retail 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 Retail Offer Shares with effect from Retail Offer Admission (expected to be on 20 November 2017). 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 Retail Offer Entitlements, and to allot and/or issue any Retail Offer Shares.

If the conditions to the Retail 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 Retail Offer Shares by utilising the CHESS application procedures and whose applications have been accepted by the Company.

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Conoley', is written over a light grey rectangular background.

John Conoley  
*Executive Chairman*

## PART II - TERMS AND CONDITIONS OF THE RETAIL 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 Qualifying Holders the opportunity to acquire up to 37,687,946 Retail Offer Shares at the Issue Price.

Upon completion of the Retail Offer, the Retail Offer Shares will represent approximately 4.2 per cent. of the Enlarged Issued Share Capital.

The Record Date for entitlements under the Retail Offer was 24 October 2017, at 7.00 p.m. (AEDT) 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 Retail Offer Entitlements are expected to be credited to stock accounts of Qualifying Depository Interest Holders Shareholders in CREST on 30 October 2017.

The latest time and date for receipt of completed Application Forms and payment in full under the Retail Offer is expected to be 5.00 p.m. (AEDT) on 10 November 2017 and settlement of relevant CREST instructions and payment in full is expected to be 11.00 a.m. on 10 November 2017, with Retail Offer Admission and commencement of dealings in Retail Offer Shares (in the form of Depository Interests) expected to take place at 8.00 a.m. on 20 November 2017 on AIM.

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

The Retail Offer Shares will be issued, credited as fully paid and will 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 Retail Offer Admission.

The Company is proposing to issue up to 37,687,946 Retail Offer Shares at the Issue Price, subject to Retail Offer Admission, in respect of valid applications by Qualifying Holders.

The Retail Offer is an opportunity for Qualifying Holders to apply for up to 37,687,946 Retail Offer Shares *pro rata* to their current holdings at the Issue Price in accordance with the terms of the Retail Offer. Qualifying Holders are not being offered the opportunity to apply for additional Retail Offer Shares in excess of their Retail Offer Entitlement to the extent that other Qualifying Holders do not take up their Retail Offer Entitlement in full.

The Retail Offer Shares have been conditionally placed pursuant to the Clawback Placing subject to clawback to satisfy the applications of Qualifying Holders. For the purposes of ASX Listing Rule 7.2 Exception 3, the Directors reserve the right to place any shortfall under the Retail Offer and the Institutional Offer at their discretion.

Any Qualifying Depository Interest 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 Retail Offer Shares under the Retail 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 Retail 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 Retail Offer to apply for any number of Retail Offer Shares at the Issue Price pro rata to their holdings, which represents a discount of approximately 10 per cent. to the closing middle market price of 10 pence per Ordinary Share on AIM on 19 October 2017, being the last trading day prior to the publication of the announcement of the Fundraising, on the following basis:

1 Retail Offer Share for every 3 Existing Ordinary Shares

Fractions of Retail Offer Shares will not be allotted to Qualifying Holders in the Retail Offer and entitlements under the Retail Offer will be rounded down to the nearest whole number of Retail 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. (AEDT) on the Record Date.

The Retail Offer is being made only to Qualifying Holders.

Qualifying Ordinary Shareholders will have received an Application Form with this document which sets out their Retail Offer Entitlement for which they can apply.

Qualifying Depository Interest Holders will receive a credit to their appropriate stock accounts in CREST in respect of their Retail Offer Entitlements as soon as possible after 8.00 a.m. on 30 October 2017.

Following the issue of the Retail Offer Shares to be allotted pursuant to the Retail Offer, a Qualifying Holder who takes up his entitlement under the Retail Offer pro rata to his current holding will suffer a dilution of 6.2 per cent. of his interest in the Company as a result of the Firm Placing and on the basis that all Qualifying Holders take up their entitlements under the Retail Offer pro rata to their current holdings or, if not, such Retail Offer Shares are issued to institutional and other investors.

Qualifying Holders should be aware that the Retail 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 Depository Interest Holders should note that, although the Retail Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Retail Offer may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market. Retail Offer Shares not applied for under the Retail Offer will not be sold in the

market for the benefit of those who do not apply under the Retail Offer and Qualifying Holders who do not apply to take up Retail Offer Shares will have no rights under the Retail Offer. Any Retail Offer Shares which are not applied for by Qualifying Holders under their Retail Offer Entitlements will be issued to institutional and other investors.

Application will be made for the Retail Offer Entitlements to be credited to Qualifying Depository Interest Holder's CREST accounts. The Retail Offer Entitlements are expected to be credited to CREST accounts at 8.00 a.m. on 30 October 2017.

The Retail Offer Shares are not being made available in whole or in part to the public except under the terms of the Retail Offer.

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

Applications will be made for the Retail Offer Shares to be admitted to trading on AIM (in the form of Depository Interests) and to be admitted to trading on the ASX. Retail Offer Admission is expected to occur and dealings in the Retail Offer Shares are expected to begin at 8.00 a.m. on 20 November 2017 on AIM.

All monies received by the Receiving Agent in respect of Retail Offer Shares will be credited to a trust account by the Receiving Agent. The Directors may withdraw the Retail Offer and if the Directors do withdraw the Retail Offer, no Retail 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 Retail 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 Retail Offer depends on whether, at the relevant time, you have an Application Form in respect of your Retail Offer Entitlement under the Retail Offer or you have Retail 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. (AEDT) on the Record Date. It will also show Qualifying Holders the number of Retail Offer Shares available under their Retail Offer Entitlement that can be allotted. Qualifying Holders who hold all or part of their Existing Ordinary Shares by way of Depository Interests in uncertificated form will have their Retail Offer Shares credited to their CREST stock accounts in the form of Depository Interests, to the extent that their entitlement to Retail Offer Shares arises as a result of holding Existing Ordinary Shares by way of Depository 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 Retail Offer in respect of the Retail Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Retail Offer in respect of their Retail 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 Retail Offer Shares under the Retail 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 Retail Offer Entitlements under the Retail Offer*

(a) *General*

Subject as provided in paragraph 6 of this Part II: "Terms and Conditions of the Retail 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. (AEDT) on the Record Date. It also shows the Retail Offer Entitlement allocated to them. Entitlements to Retail Offer Shares are rounded down to the nearest whole number and fractional Retail 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 Retail Offer Entitlements in full. Qualifying Ordinary Shareholders may apply for less than their entitlement should they wish to do so.

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

(b) *Application procedures*

Qualifying Ordinary Shareholders wishing to apply to acquire Retail Offer Shares (whether in respect of all or part of their Retail Offer Entitlement) 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.

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. (AEDT) on 10 November 2017, 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 Retail 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. (AEDT) on 10 November 2017.

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 Retail Offer are fulfilled, the application monies will be credited to a trust account by the Receiving Agent. If the Directors withdraw the Retail Offer, no Retail 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 Retail 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 Retail 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. (AEDT) on 10 November 2017; or

- (ii) applications in respect of which remittances are received before 5.00 p.m. (AEDT) on 10 November 2017 from authorised persons (as defined in FSMA) specifying the Retail 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) *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 Retail 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 Retail 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 Retail 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 the Company 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 Retail Offer Entitlements;
- (v) requests that the Retail 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 Retail 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 Retail Offer Shares is prevented by law; (iv) is not applying with a view to re-offering, re-selling, transferring or delivering any of the Retail 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 Retail 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 Retail 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 Retail Offer Shares under the Retail Offer.

The Company will treat a Qualifying Ordinary Shareholders as applying for as many Retail Offer Shares as their payment will pay for in full up to their Retail Offer Entitlement.

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

- (a) Save as provided in paragraph 6 of this Part II of this document in relation to certain Overseas Shareholders, each Qualifying Depositary Interest Holder will receive a credit to his stock account in CREST of his Retail Offer Entitlements equal to the maximum number of Retail Offer Shares for which he is entitled to apply under the Retail Offer. Entitlements to Retail 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 3 Existing Ordinary Shares (or any entitlement to such number of Existing Ordinary Shares) will, therefore, have no entitlement to subscribe under the Retail Offer.

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

If for any reason the Retail 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. on 30 October 2017 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 Retail 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 Depository Interest Holders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to Retail 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 Retail 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 Retail Offer Entitlements will constitute a separate security for the purposes of CREST. Although Retail Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Retail 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 Retail Offer entitlement will generate an appropriate market claim transaction and the relevant Retail Offer Entitlements will thereafter be transferred accordingly.

Qualifying Depository Interest Holders should note that, although the Retail Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). The Retail Offer Entitlements will not be tradable or listed and applications in respect of the Retail 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.

**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 Retail Offer or as to whether you should take up your entitlement.**

(c) USE instructions

CREST members who wish to apply for Retail Offer Shares in respect of all or some of their Retail 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 Retail Offer Entitlements corresponding to the number of Retail 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 Retail Offer Shares referred to in (i) above.

(d) 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 Retail Offer Shares for which application is being made (and hence the number of the Retail Offer Entitlement(s) being delivered to the Depositary);
- (ii) the ISIN of the Retail Offer Entitlement. This is AU0000ESVAR5;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Retail 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 Retail Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 10 November 2017;
- (ix) the Corporate Action Number for the Retail Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Retail 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. on 10 November 2017.

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.

In the event that the Directors withdraw the Retail Offer, the Retail Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying Depository 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.

- (e) Deposit of Retail Offer Entitlements into, and withdrawal from, CREST

A Qualifying Ordinary Shareholder's entitlement under the Retail Offer as shown by the number of Retail Offer Entitlements set out in his Application Form may be deposited into CREST (by virtue of a bona fide market claim only). Similarly, Retail Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Retail 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 Retail Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 10 November 2017.

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 Retail Offer set out in such Application Form as Retail Offer Entitlements in CREST, is 3.00 p.m. on 7 November 2017, and the recommended latest time for receipt by Computershare UK of a dematerialised instruction requesting withdrawal of Retail Offer Entitlements from CREST is 4.30 p.m. on 5 November 2017 in either case so as to enable the person acquiring or (as appropriate) holding the Retail 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 Retail Offer Entitlements prior to 11.00 a.m. on 10 November 2017.

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.

(f) 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. on 10 November 2017 will constitute a valid application under the Retail Offer.

(g) 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 Retail 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. on 10 November 2017. 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.

(h) 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 Retail Offer Shares as would be able to be applied for with that payment at the Issue 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 Retail Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(i) 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 Retail 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 Retail Offer Entitlements or, if he has received some or all of his Retail Offer Entitlements from a person other than the Company, that he has received such Retail 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 Retail 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 Retail 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 Retail 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 Retail 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

(Depository 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.

(j) 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 Retail 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 Depository in connection with CREST.

The Company will treat a Qualifying Ordinary Shareholder as applying for as many Retail Offer Shares as their payment will pay for in full up to their Retail Offer Entitlement as their payment will pay for.

## **5. Money laundering regulations**

### **5.1 *Retail Offer Entitlements in CREST***

If you hold your Retail Offer Entitlements in CREST and apply for Retail Offer Shares in respect of some or all of your Retail 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 Retail Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Retail 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***

The Company has determined, in accordance with ASX Listing Rule 7.7.1(a), that it would be unreasonable to offer participation in the Retail 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 Retail 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, a member State of the European Union, 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 Retail Offer Shares under the Retail 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 Retail Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom, a member State of the European Union, Australia or New Zealand.

Receipt of this document and/or an Application Form and/or a credit of Retail 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 for information only and should not be copied or redistributed.

Application Forms will not be sent to and Retail 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 Retail 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 Retail 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 Retail 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 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, a member State of the European Union, Australia or New Zealand wishing to apply for Retail Offer Shares under the Retail 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 Retail Offer Shares regarding the legality of an investment in the Retail 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 Retail Offer Entitlements to a stock account in CREST, in connection with the Retail Offer or otherwise, should not distribute or send either of those documents nor transfer Retail 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 Retail 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 Retail Offer Shares in respect of the Retail 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 Retail 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 Retail Offer" and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Retail 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 Retail 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 Retail Offer Shares in respect of the Retail 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 Retail 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 Retail Offer.

No public offer of Retail 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 Retail 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 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 Placings or the Retail Offer into the United States or to US Persons. None of the Retail 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 Retail 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 Retail 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 Retail Offer.

The Retail 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 Retail 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 Retail 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 Retail Offer Shares under the Retail 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 Retail Offer Shares in respect of the Retail 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 Retail 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 Retail 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 Retail Offer Shares in respect of the Retail 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 Retail Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Retail 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 Retail 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 Retail 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 Retail 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 Retail 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 Retail Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Retail Offer Shares into any of the above territories.

**6.6** *Waiver*

The provisions of this paragraph 6 and of any other terms of the Retail 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 Retail 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 Retail Offer once made is irrevocable and cannot be withdrawn or changed.

**8. Admission, settlement and dealings**

The result of the Retail Offer is expected to be announced on 15 November 2017. Application will be made to the London Stock Exchange for the Retail Offer Shares to be admitted to trading on AIM and applications will also be made to the ASX for the Retail Offer Shares to be admitted to trading on the ASX. It is expected that Retail Offer Admission will become effective and that dealings in the Retail Offer Shares, fully paid, will commence at 8.00 a.m. on 20 November 2017 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.

Retail Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 10 November 2017 (the latest date for applications under the Retail Offer). If the condition(s) to the Retail Offer described above are satisfied, the Retail 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 17 November 2017, the Registrar will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Retail Offer Shares with effect from Retail Offer Admission (expected to be 8.00 a.m. on 20 November 2017). 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 Depository Interest Holders an Application Form instead of crediting the relevant stock account with Retail Offer Entitlements and to allot and/or issue any Retail Offer Shares in uncertificated form. 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 Retail 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 Retail 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 CHESSE statement. The CHESSE statement will set out the number of New Ordinary Shares issued under this Retail 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 Retail 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 Retail 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 Retail 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 Retail 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 Retail Offer, this document or the Application Form. By taking up Retail Offer Shares, 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 Retail Offer) 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.*

*Further information about the Company, including the Company's announcements released to the ASX and a Regulatory Information Service, are available on the Company's website at [www.eservglobal.com/investors](http://www.eservglobal.com/investors).*

*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 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.

#### **1.2 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.

### **1.3 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.

### **1.4 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.

### **1.5 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.

### **1.6**

**1.6.1** 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.

**1.6.2** 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.

**1.6.3** 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.

- 1.6.4** 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.
- 1.6.5** 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.
- 1.6.6** 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 HomeSend JV**

### **2.1 HomeSend is an early stage business**

HomeSend is an early stage business and is subject to risks which are characteristic of a business in this phase of its development cycle. Some of these risks include:

- 2.1.1** Delays in implementation of its business plan;
- 2.1.2** Not gaining the necessary market share as a new entrant, which is necessary to meet budgets;
- 2.1.3** 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 or that MasterCard will continue to promote the HomeSend service utilising MasterCard's sales channels.

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

#### **2.2.1 Working Capital Requirements**

HomeSend may require additional working capital prior to reaching breakeven point in the future and further capital to implement and potentially accelerate its business plan. This may require additional capital contributions by the Company to the HomeSend JV. Whilst the Fundraising has been implemented to give the Company the ability to fund its share of capital contributions in the short term and potential capital calls to be made in the medium term, the Company does not have the ability to prevent capital calls (although in certain situations it may have the ability to require MasterCard to acquire its shares at fair market value if MasterCard overrides the Company's veto

rights relating to capital calls) and therefore it may not be able to fund its share of a capital call resulting in potential dilution to its holding, a reduction in the veto rights over management matters and a reduction in the number of directors that the Company is able to appoint to the HomeSend board.

### **2.2.2 Change of control in the Company**

MasterCard may acquire the Company's interest in the HomeSend JV at fair market value if there is a change of control of the Company. For these purposes, a change of control includes a person (acting alone or with another person) acquiring 30% or more of the voting power of the Company or the right to appoint the majority of its directors. If there is a change of control, there is no guarantee that fair market value will equal the Directors view of the potential value of the HomeSend shares.

### **2.2.3 Drag along/Compulsory sale**

MasterCard may require the Company to sell its shares in HomeSend if MasterCard is selling all its shares in HomeSend to a bona fide third party arm's length purchaser. In this scenario, there is no guarantee that the price that MasterCard decides to sell its shares (which will determine the price that the Company will receive) will equal the Directors' view of the potential value of the HomeSend shares.

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

### **3.1 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.

### **3.2 Conditionality of the Placings and Retail Offer**

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

### **3.3 Share price volatility and liquidity**

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.

### **3.4 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.

### **3.5 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.

### **3.6 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.

### **3.7 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 or pursuant to exercise of any existing share options or any further share options issued following the 2018 Annual General Meeting, 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 Issue 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.

### **3.8 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 Depositary and, accordingly, will not be able to exercise voting rights. However, the Deed Poll provides that the Depositary shall pass on, as far as it is reasonably able, rights and entitlements to vote.

**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.**