



eServGlobal Limited (eServGlobal or the “Company”)

eServGlobal outlook and business update

Paris: 10 October 2017

eServGlobal (LSE: ESG.L & ASX: ESV.AX), a pioneering digital transactions technology company, provides an update on HomeSend, its joint venture with Mastercard and BICS, as well as an update on current trading within the core digital financial transactions business.

HomeSend is showing strong momentum in its expanded focus on the banking market with further agreements expected. Mastercard, through Mastercard Send and HomeSend, offers a solution to the challenges experienced by banks in cross-border payments. The recent announcement of ten bank agreements over the past year has reinforced HomeSend’s strong position to expand in the bank market.

Advanced discussions, including implementation discussions, are in progress with a number of large banks.

The Board of eServGlobal understands that precise planning of short and medium-term volume expansion is difficult to predict, but is satisfied that momentum of existing and imminently-expected agreements supports the required financial growth of HomeSend over the next few years.

The core business expects to finally achieve operational EBITDA breakeven in the quarter to December 2017, however it will not be able to recognise enough revenue to recover from the disappointing first half of the year. As a result, the Board of eServGlobal expects a lower revenue range for the 14-month year than previously advised, in the range of €9.7 to €11.0m. Encouragingly, orders in the year are expected to be in the range of €11.0m to €15.0m, which will build a positive momentum of backlog and WIP going into 2018 against a significantly reduced cost base over previous years.

During the year, eSG has thoroughly reviewed its market and commercial model. We have been very pleased with the level of interest in our next generation mobile financial services recharge platform provided within Paymobile 3. This recharge capability has been the cornerstone of our business for the last 10 years and continues to represent a significant part of our value to existing customers.

The core business is already addressing a final right size, having previously driven out a lot of complexity and poor commercial arrangements. It is forecasting an operational EBITDA breakeven result for the December 2017 quarter and plans to enter the 2018 financial year with a breakeven point of €12m in annual revenues. This will be covered by an expected €2m of deferred revenue from 2017, an expected €5m of recurring revenue from existing customers and a targeted €5m of changes and upgrades from these existing customers.

The Board will look to maximise the value of the core business in the medium term, as it proves itself as a self-sustaining standalone business.

John Conoley, eServGlobal Executive Chairman, said, “This is the most exciting period in my time with eServGlobal. It would be an understatement to say that our investors have been patient, particularly with the core business. I am delighted that we are on the verge of delivering a satisfactory and very capable core business. We believe that following completion of cost reduction plans, the core business will be self-sustaining next year on a stand-alone basis. This will be following an expected operational EBITDA breakeven in the last quarter of 2017. At the same time, HomeSend is beginning to realise the expectations that eServGlobal and our investors have placed in it. It has a colossal market to go for and its traction in that market is building rapidly.”

About eServGlobal

eServGlobal (AIM:ESG, ASX:ESV) is a pioneering digital financial transactions technology company, enabling financial and telecommunications service providers to create smoother transactions for their customers through deep technical expertise and rapid implementation. Built on the latest technology platforms, eServGlobal offers a range of transaction services including digital wallets, commerce, remittance, recharge, rapid service connection and business analytics. eServGlobal combines more than 30 years' experience, with an agile, future-focused mindset, to align with the requirements of customers and partners around the globe.

Together with MasterCard and BICS, eServGlobal is a joint venture partner of the HomeSend global payment hub, enabling cross-border transfer between bank accounts, cards, mobile wallets, or cash outlets from anywhere in the world.

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