



eServGlobal Limited (eServGlobal or the “Company”)

## HomeSend Capital Raise and Update

19 December 2017

**eServGlobal** (LSE: ESG.L & ASX: ESV.AX), a pioneering digital transactions technology company, announces that the shareholders of HomeSend, its joint venture with Mastercard and BICS, has approved a proposal to carry out a €10 million capital raise.

Proceeds are expected to be used by HomeSend for working capital and to accelerate the building of additional functionality to meet HomeSend’s medium and long-term aims. The Board of eServGlobal believes that the proceeds will allow HomeSend to better focus on the far larger than expected growth opportunities in the cross-border banking market.

eServGlobal will be offered the opportunity to participate in the capital raise to maintain its 35% holding in HomeSend. The Board of eServGlobal intends to fund its participation from existing cash resources. The share issue is expected to complete by the end of this year. BICS has decided that it will not be participating in the capital raise and eServGlobal will therefore be offered the opportunity to acquire its proportionate share of BICS' entitlement which it intends to do. As a result, eServGlobal will be investing €3.89 million into HomeSend, giving eServGlobal a holding of 35.69% in HomeSend (Mastercard: 56.09%; BICS: 8.21%).

The capital raise is being carried out at a subscription price that implies a valuation of the issued share capital of HomeSend (before the capital raise) of €46 million (“Implied Valuation”). As the largest shareholder, Mastercard has proposed the Implied Valuation however, this Implied Valuation does not represent the HomeSend Board's view of the fair market value of HomeSend. As a wholly internally funded investment round, the valuation is irrelevant and has no bearing on the potential value of HomeSend.

Momentum continues to gain pace, with 15 banks now having signed agreements which enable them to use the HomeSend service for cross-border transactions – an increase of five banks since our statement on 2 October 2017. These several most recent agreements are within the smaller part of the addressable market, and are therefore for volumes expected to be in the range of US\$30 – 50 million per annum each, with implementation plans still to be finalised. HomeSend has also progressed discussions on contracts for much larger opportunities, as mentioned in the announcement on 2 October 2017, and these opportunities remain imminent.

HomeSend is integrated within the “Mastercard Send for Cross Border” platform, which is being positioned by Mastercard as a key part of Mastercard’s overall strategy.

eServGlobal Executive Chairman John Conoley said, “The Board of eServGlobal is delighted with Mastercard's continued investment into HomeSend and eServGlobal is happy to participate. The valuation at which this raise is being conducted is a Mastercard technical matter and is irrelevant compared to our internal assessment of the value of our shareholding in HomeSend.

Furthermore, BICS' decision not to participate in the capital raise gives eServGlobal the opportunity to increase its shareholding in HomeSend (by taking up our proportion of BICS' entitlement) at a price that we believe significantly undervalues HomeSend. The continued commitment and investment by Mastercard is great news as it will better position HomeSend to capture its tremendous opportunity."

The Company will be holding an investor call at 9.30am UK on Tuesday, 19 December 2017. Those investors wishing to dial in should contact Alma, at [eServGlobal@almapr.co.uk](mailto:eServGlobal@almapr.co.uk) or on +44 (0)7580 216203

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

**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.

**For further information, please contact:**

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