



eServGlobal Limited (“eServGlobal” or the “Company”)

Core Business Trading Update for the 14 months to December 2017

24 January 2018

eServGlobal (LSE: ESG.L & ASX: ESV.AX), a pioneering digital transactions technology company, provides the following update on trading for the 14 months ended 31 December 2017.

eServGlobal's core business revenue is expected to fall short of previous guidance and revenue will be in the range of €8.3M to €8.5M. This is due to delays in the signing of certain significant orders.

Signed agreements worth €3M revenue, which were expected in 4Q2017, have now been signed in January, with the full value recognisable over a three-year period. Other opportunities for the core business remain very active and crucially are mainly within the eServGlobal customer base, in line with the renewed focus on existing, quality customers. The anticipated execution of these contracts will contribute to a positive start to 2018 for the core business of eServGlobal.

Excellent progress has been made with planned cost reductions in the core business, using fundraising proceeds to remove c.€2m of annual costs from the business in the second half of FY2017 alone. The Company expects to start FY2018 with an annualised total cost base on an adjusted like-for-like basis of c.€12.8M. This is anticipated to reduce further throughout the year to bring this to a long-term sustainable level of €12-12.5M. 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 underlying cost base which excludes PLC and Corporate cost will be €9.5M – €10.5M however. Upside beyond breakeven at the EBITDA level will be targeted from new contracts and new customer wins. The core business is now well advanced in its goal of being a valuable asset for eServGlobal.

John Conoley, eServGlobal Executive Chairman and HomeSend Board Member, commented, ‘Forecasting of precise order timing remains a difficult discipline in the markets in which the core business operates, and yet the shortfall of revenue is still in play for FY2018. eServGlobal is pleased to have started FY2018 with two significant orders in the core business that were delayed from FY2017. I am further satisfied that we achieved our initial goals on cost reductions which helps us maintain our aim of reaching operational EBITDA breakeven during FY2018. As was planned we now start the new financial year in a stronger position than the comparative period FY2017. Furthermore the Board remains confident in the immediate and longer term opportunities presented by the HomeSend Joint Venture.’

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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