



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

Trading Update for the half-year ended June 2018

2 August 2018

eServGlobal (LSE: ESG.L & ASX: ESV.AX), a pioneering digital transactions technology company, provides the following update on trading for the six months ended 30 June 2018 (1H18).

The Board has been encouraged that orders received for the period exceeded forecasts at €7.7M and this, together with the strong pipeline for the second half, puts the Company in a strong position to reach the breakeven target for the year. Only €1.2M of the €7.7M in new orders has been recognised as revenue in 1H18, with the remaining €6.5M to be recognised in subsequent periods. Recognisable revenue in 1H18 is expected to be in the region of €3.6M. Operating costs are around €2.2M below the comparable six-month period in 2017.

The Company’s results for 1H18 will be released by the end of August, after equity accounting for eServGlobal’s share of the HomeSend operating result for the same six-month period.

Accelerating the preparation of the core business for corporate activity, whilst further reducing the cost base, has helped generate interest from a number of parties and conversations are ongoing and the Company will keep shareholders informed as appropriate.

Cash at 30 June 2018 was €1.8M, after allowing for increased spend in 1H18 to ready the Company for corporate activity, with one significant late payment being received after the half returning the cash balance to within Board expectations at the end of July.

The 1H18 revenues combined with total orders already booked and expected to be recognised in the second half of the year come to €7.7M. This represents 67% of the targeted €11.5M needed to break even at the operational EBITDA level, indicating that the turnaround of the core business is on track. The pipeline for the rest of the year is centred around existing customers.

HomeSend continues to work hard to position itself for volume acceleration through its efforts in the banking market, and the current focus is onboarding more banks to the hub. HomeSend recently filed its annual report in line with the Belgian Companies Code for the year ended 31 December 2017, showing revenues of €6.7M, 59% growth compared to the prior year. In the HomeSend SCRL Financial Statements it states, “The Company is still confident in the long term plan and does not see any sign or event requiring any significant update. The Company foresees significant sales expansion and expects to become profitable in the coming years, depending on the timing required to activate pipeline opportunities and signed customers”. (<https://www.eservglobal.com/wordpress/wp-content/uploads/2018/07/HomeSend-2017-Financial-Statements-FRA.pdf>)

At the fundraising in October 2017, it was expected that two large agreements would soon be signed to exploit the HomeSend network. One of those was signed and is expected to go live in the September 2018 quarter, and the other remains a live situation with the agreement still expected despite the delay.

John Conoley, eServGlobal Executive Chairman and HomeSend Board Member, commented: “The Board is encouraged by the improving fortunes of the core business and by the demonstrable progress in the current financial year. The Board is pleased to see indications of success coming through and expects to return to growth in 2018 on a continually lowering cost base. The Board is further pleased to see the published accounts of HomeSend demonstrating continued traction. eServGlobal remains satisfied by the prospects for HomeSend in the larger banking market going forward.”

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, 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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