



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

Results commentary for the half-year ended June 2018

31 August 2018

eServGlobal (LSE: ESG.L & ASX: ESV.AX), a pioneering digital transactions technology company, today presents its results for the six-month period ending 30 June 2018.

As set out in the trading update on 2 August 2018, revenue for the six months to the end of June 2018 is €3.6m (\$5.6m). This is supported by orders received for the period exceeding forecasts at €7.7m (\$12.0m). 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.

There is also clear evidence that the costs of the business are now under control. Gross margin improved significantly compared to the six-month period to April 2017, showing a gross profit of €1.0m (\$1.6m) compared to a €0.9m (\$1.4m) gross loss in the prior year. The adjusted EBITDA loss of €0.9m (\$1.4mm), after deducting the share of HomeSend losses of €1.6m (\$2.6m), foreign exchange loss of €0.7m (\$1.1m) share based payments of €0.2m (\$0.3m) and adding the net provisions* of €0.3 (\$0.4), is further evidence of the cost control. This is very much put into context when compared to the prior year comparable EBITDA loss of €4.1m (\$5.9m), adjusted on a like-for-like basis.

* Included in the net provision adjustment is a write back of a provision made against a previously impaired trade receivable balance totalling €0.6m (\$0.9m).

The strong orders achieved in the half, strong pipeline for the second half, together with the costs under control, puts the Company in a strong position to reach the operational EBITDA breakeven target for the year. Operating costs for the year are expected to be in the region of €11.0 - €11.5m with the expectation that costs will fall below this range in FY19.

As also set out in the trading update, there remains interest in the core business from potential acquirers and conversations are ongoing. The Company will keep shareholders informed as appropriate.

John Conoley, eServGlobal Executive Chairman, commented: “As we said in the trading update earlier in August, the Board remains encouraged by the interim results announced today that clearly suggest the fortunes of the core business have turned a corner. The Board is pleased to see indications of success coming through, particularly when compared to the same period last year. The continued focus on the cost base and further targeted sales strategy indicate a return to growth in 2018 and beyond.”

Video Interview with the Executive Chairman

The Company has also released today a short video interview with John Conoley. The interview provides a general overview of the business and can be found at: http://bit.ly/ESG_8_18

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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