



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

Loan from Substantial Shareholder

5 October 2015

eServGlobal (AIM:ESG & ASX:ESV), the provider of end-to-end mobile financial services to emerging markets, announces that, further to its announcement of 28 September 2015, the Company has today entered into an agreement for a loan facility of up to £5.0M (the “Loan Facility” or “Loan Agreement”), drawable in two tranches.

The Loan Facility allows for £2.5M to be drawn down before the end of the year and an additional £2.5M available for drawdown prior to 30 June 2016. The second drawdown would be subject to both shareholder approval of the security discussed below and the approval of the Lenders, at their discretion. The Company intends to drawdown the first tranche prior to the end of October 2015.

The Loan will be provided equally by the Alphagen Volantis Fund Limited and the Alphagen Volantis Catalyst Fund Limited, acting through its investment manager, Alphagen Capital Limited (formerly known as Henderson Alternative Investment Advisor Limited), part of Henderson Global Investors (“Henderson”, or the “Lenders”).

The Company is presently indebted to the Lenders for £5.0M under the loan announced on 4 June 2015 (the “Existing Loan”). As a condition to the new Loan Facility, the terms of the Existing Loan will be amended to provide for a 10% premium payable on repayment of the loan. If repaid early, the repayment premium will be adjusted to give an annualised return to the Lenders of 15% on the principal (excluding the drawdown fee of 2.5%).

Pursuant to the announcement of 28 September 2015, the Company expects to agree to subscribe for shares in HomeSend shortly. As announced, the pro rata offer to eServGlobal is for partly paid shares, with full voting rights, with €875K payable in mid-October 2015 and €2.625M in April 2016 out of a total capital raise of €10M.

The proceeds of the Loan Facility will provide the Company with additional working capital and enable its pro rata investment in HomeSend, as set out above. The Company expects to make a further announcement shortly to confirm when this proposed investment in HomeSend has been completed.

Terms of the Loan Facility

The Loan Facility has a two-year term. An establishment fee of 2.5% is due upon commencement of the agreement and will bear interest at the rate of 0.8% per month compound payable at the end of the term.

In addition, 39,866,107 options shall be issued to the Lenders on execution of the Loan

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Agreement (the "Options"). The exercise period for the Options is two years from execution of the Loan Agreement; therefore the Options will expire on 5 October 2017. The exercise price shall be the lesser of the closing share price of the Company's depository interests trading on AIM on the trading day prior to the execution of the Loan Agreement, being 7.75 pence per share (the closing price on 2 October 2015), or a 20% discount to the 60 day Volume Weighted Average Price for the Company's depository interests trading on AIM for the period commencing on 28 September 2015.

The Options represent 15% of the Company's current issued share capital. In order to facilitate the issue of these Options, within the Company's present capacity under ASX Listing Rule 7.1, the Lenders have today forfeited their existing 2,777,778 options, with an exercise price of 18 pence, which were issued to the Lenders on 4 June 2015 under the terms of the Existing Loan; these options will be cancelled unexercised.

A condition precedent to the first tranche of the Loan Facility is that the Company undertakes, on a best endeavours basis, to provide the Lenders with security, capped at A\$2,650,000 as permitted by ASX Listing Rule 10.1, over all the assets of eServGlobal Limited and its subsidiaries, including the Company's share of HomeSend. The granting of any security by the Company requires the consent of the National Australia Bank, as the Company's existing secured creditor, and no security will be granted until their consent is obtained. The drawdown of the second tranche of the Loan Facility is conditional on the uncapped security over all the assets of the Company being granted to the Lenders, which would require the approval of the Company's shareholders. In practice, therefore, any drawdown of the second tranche of the Loan Facility and the corresponding grant to the Lenders of security over all of the Company's assets could only occur with the approval of the Company's shareholders, the National Australia Bank and the approval of the Lenders. eServGlobal is in the process of moving its interest in the HomeSend JV to being held directly by eServGlobal Limited.

Once established, the security referred to above will also secure the Company's indebtedness under the Existing Loan, thus the Lender will be a secured creditor for the amount outstanding under the Existing Loan and the new Loan Facility. In respect of the security for each tranche, the Lender ranks behind the National Australia Bank. There are no loan covenants regarding financial measures in respect of the Loan Facility and the Loan Facility includes a negative pledge by the Company not to grant security over any of the Company's assets (other than the existing security provided to National Australia Bank) without the approval of Henderson. The Board confirms that the provision of the security referred to above does not negatively impact the Company's ongoing operations, except for the fact that it limits the ability of the Company to offer its assets as security for other financial accommodations.

At any time during the term of the Loan Facility, the Lender may appoint an observer to the Board, subject to the observer agreeing to abide by reasonable confidentiality obligations.

Related Party Transaction

Henderson and its associates are substantial shareholders in eServGlobal, holding in aggregate 46,549,213 ordinary shares of the Company, representing 17.5% of the issued share capital and total voting rights of the Company, and CFDs over 9,041,951 shares, and as such Henderson is considered to be a related party of the Company pursuant to Rule 13 of the AIM Rules for

Companies. If the Options are exercised in full (and assuming that the Options under the Existing Loan are forfeited, as set out above). Henderson will hold 86,415,320 ordinary shares of the Company, representing 28.3% of the enlarged issued share capital and enlarged total voting rights. As eServGlobal is an Australian incorporated company, there are limitations under the Corporations Act of Australia as to the speed at which any shareholder can obtain voting power in the Company of more than 20%.

The issue of the Loan Facility and the Options is a related party transaction pursuant to AIM Rule 13. The directors of the Company, having consulted with the Company's nominated adviser, Canaccord Genuity Limited, consider that the terms of the Loan Facility are fair and reasonable insofar as the Company's shareholders are concerned.

Debt Structure and Profile

Upon the first drawdown of the new facility, the company will have the following interest bearing liabilities:

Lender	Amount	Interest Rate	Maturity Date
National Australia Bank	A\$3M	Floating rate, currently 6.85%	31 March 2016
Henderson	£5M	Effective 15% per annum including repayment premium	4 June 2017
Henderson	£2.5M	9.6% per annum	5 October 2017

A condition of the Loan Facility is that the Loan Facility must be discharged before any early repayment is made on the Existing Loan.

The Company retains its entitlement to €3.5M held in escrow from the sale of intellectual property to the HomeSend JV (the "Escrow Funds"). The Escrow Funds are due to be released on 3 April 2016, subject to any claims that may be made by MasterCard. To date the Company is not aware of any claims or any potential for a claim to be made against the Escrow Funds.

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About eServGlobal

eServGlobal (AIM:ESG, ASX:ESV) offers mobile money solutions which put feature-rich services at the fingertips of users worldwide, covering the full spectrum of mobile financial services, mobile wallet, mobile commerce, recharge, promotions and agent management features. eServGlobal invests heavily in product development, using carrier-grade, next-generation technology and aligning with the requirements of more than 65 customers in over 50 countries.

Together with MasterCard and BICS, eServGlobal is a joint venture partner of the HomeSend global payment hub, a market leading solution based on eServGlobal technology and enabling cross-border money transfer between mobile money accounts, payment cards, bank accounts or cash outlets from anywhere in the world regardless of the users location.

eServGlobal has been a source of innovative solutions for mobile and financial service providers for 30 years.