



eServGlobal Limited (eServGlobal or the “Company”)

AGM Statement

Sydney: 13 March 2017

eServGlobal (LSE: ESG.L & ASX: ESV.AX), the provider of innovative mobile financial technology, will hold its Annual General Meeting at 11am (AEDT) today in Sydney, Australia.

At the meeting John Conoley, Executive Chairman of the Company, will provide the following address to shareholders on behalf of the Board:

“In reviewing progress over the last year there was clear evidence of turnaround in FY2016, however further work needs to be done and the task of a complete turnaround remains our focus. We continued to make progress on costs and new orders in the core business which, combined with significant achievements by HomeSend, provides positive indications for FY2017. We expect sufficient order flow in H1 to support our outlook of breakeven in the core business in the 12 months to 31 October 2017, and progress by HomeSend remains consistent with reaching a breakeven point during this calendar year.

The progress of our joint venture, HomeSend, is very encouraging. It continues to evolve from start-up to fast-growing global business and maintains its trajectory to achieve breakeven within the current calendar year. Since the formation of the joint venture, it has significantly expanded both its capabilities and the target markets it serves. While maintaining a first-mover lead in the north-south international remittance space, HomeSend is also now positioned to challenge the wider cross-border payments market. HomeSend can now facilitate bank transfers for both consumers and businesses. This is a US\$22 trillion market in which traditional services have not kept pace with economic and technological shifts. HomeSend has a compelling offer for the lucrative low-value / high frequency end of this market.

HomeSend is supported in this market by its strong position as a standard part of Mastercard’s strategy for international money transfer. HomeSend will facilitate the cross-border functionality for Mastercard Send which allows a company the ability to distribute cash across multiple financial end points. HomeSend can help banks modernise their funds-transfer services and will facilitate international transfer capabilities.

HomeSend is attracting interest from banks, both large and small. In September 2016 we announced a partnership for cross-border payments services with KEB Hana Bank in South Korea. Initial services have gone live and we expect to see a rapid ramp up of volume across the first year of the contract.

With live services now deployed in more than 80 countries, the Board of eServGlobal is satisfied with the progress made by HomeSend to date and optimistic for the coming year. We look forward to updating you on further progress by HomeSend as the year progresses.

In our core eServGlobal operation, we made significant progress on costs, processes and orders. However despite the progress made, we fell short of our revenue targets at year end. We have adjusted our approach and made further operational changes early in this new year. In previous years our geographical and partner focus has been too narrow and this was not sufficiently addressed during FY2016. However,

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the signing of our first channel partnership at the end of the year is expected to contribute to expanding our installed customer base in the coming years and we expect success here to confirm we are on track to hit our targets going forward.

Looking ahead, positively, costs are currently tracking below guidance with further progress being achieved in this area. We now expect costs to be in the region of €17m for the 12 month period to the end of October 2017. Previously we said 'below €18m'. This continued reduction is deliberate and is the result of continued work on our model, our structure, our processes, and our control early in FY2017.

With the arrival of Andrew Hayward as CFO, we have made further improvements in our operations including better cash collection processes and more detailed forecasting. Debtor days are now tracking below 100 days and the Company works hard to manage the cash position. I am confident that the post-turnaround executive team currently at the helm is the right team to complete this journey.

The executive team have refined the critical success factors and KPIs for the business which are being closely monitored and actively cascaded across the business. I feel satisfied that our ability to monitor performance on an ongoing basis has become more rigorous and that the strategic direction of the business is clear across all operations.

During 2016 our shareholders demonstrated their belief in the potential of eServGlobal and HomeSend through a substantial fundraising of A\$26.2m (€17.5m). On behalf of the Board I would like to express our thanks to our shareholders for their ongoing support.

As mentioned, we expect sufficient order flow in H1 to support our outlook of breakeven in the core business, especially overlaid with reducing costs further to €17m. HomeSend is closely engaged with a number of potential bank partners, and with the level of activity that has presented itself in a now hugely expanded market, we continue to strive towards reaching breakeven point during this calendar year."

A further announcement with the results of the AGM votes will be released after the close of the meeting.

The Company will also provide an accompanying presentation at the AGM which is available on the Company website at: <http://eservglobal.com/investors/>

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.

For more than 30 years, eServGlobal has been a source of innovation for telcos and financial institutions. Using carrier-grade, next-generation technology, eServGlobal aligns with the requirements of customers around the globe.

Together with MasterCard and BICS, eServGlobal is a joint venture partner of the HomeSend global payment hub, enabling cross-border money transfer between mobile wallets, cards, bank accounts or cash outlets from anywhere in the world.

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