



eServGlobal  
FY2013 H1 Results Presentation

July, 2013

# Our software enables mobile operators to gain, retain, and engage with their clients

90+ Customers in 65+ countries



High growth products and services targeted at emerging markets

Mobile Money



International Remittance



Prepaid Recharge



Value-Added Services



Footprint

12 Offices, 200 staff, 30 years' experience

Dual-listed in Australia (ASX: ESV) and the United Kingdom (AIM: ESG)

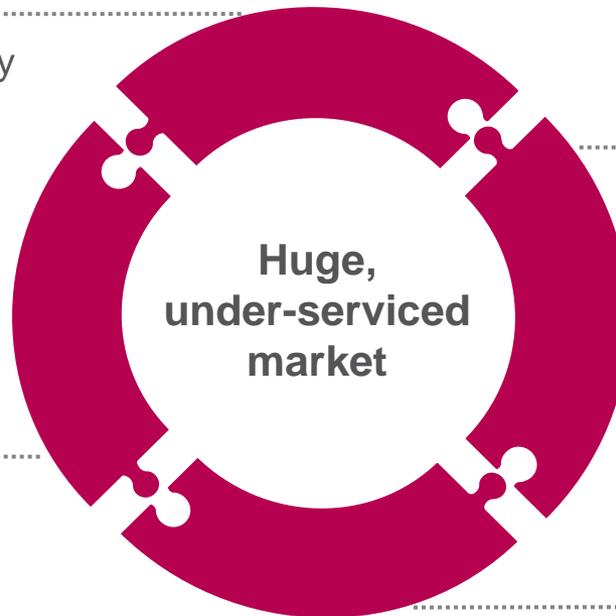
# Foundation for take-off

## Technology platform

- Disruptive technology
- Leveraging existing infrastructure
- Ongoing product development

## Financial strength

- Solid core business with growing presence in domestic mobile money
- Strong balance sheet



## Strategic partnerships

- Partnership with BICS for HomeSend
- Wincor Nixdorf
- MasterCard
- Oracle
- Airtag (for NFC)

## Critical mass

- 1.2 billion subscribers under coverage
- 11 multinational groups with HomeSend
- Growing momentum

# Building the Mobile Money Universe

Developing market use case  
eg UAE

Our focus is on building an end-to-end mobile financial ecosystem, positioning eServGlobal to deliver comprehensive solutions.



Access mobile wallet via Companion Card



Withdraw cash at ATM from mobile wallet

**WINCOR  
NIXDORF**



Receive loyalty rewards at Coffee Shop by using mobile wallet

**eserv  
GLOBAL**



Send money internationally direct from handset



Recharge prepaid account at an Agent

**eserv  
GLOBAL**



Use NFC handset for public transport ticketing



Pay Electricity Bill via handset

**eserv  
GLOBAL**



Receive payment from Government

**eserv  
GLOBAL**



Use Mobile Financial Services to insure crops

**eserv  
GLOBAL**

Receive payment from customer via P2P transfer

**eserv  
GLOBAL**



Emerging market use case  
eg Nepal

# Overview

- ▶ Rapidly evolving mobile money market
  - ▶ Significant growth in footprint, landmark deals closed
  - ▶ 90+ customers
  - ▶ Present in 65 countries
- ▶ HomeSend: Critical mass of subscribers under contract coverage
  - ▶ Customer base grown by 25% in the past year
  - ▶ HomeSend hub contracts cover 1 in 5 subscribers worldwide
  - ▶ Deployment focus
- ▶ Strengthening financial position
  - ▶ H1 FY2013 revenue of A\$13.6 (£9.1m)
    - ▶ 24% increase over H1 FY2012 revenues of A\$11m (ex legacy revenues)
  - ▶ Revenue backlog in excess of A\$15m
- ▶ Demonstration of success of strategy
  - ▶ Landmark new A\$12m deal with major operator group
  - ▶ Growing pipeline

\* Legacy revenues of A\$1.6m were recognized in H1 FY2012 as part of the now completed contract coverage performed as part of the divestiture of the USP assets and business unit in 2010.

\*\* Average exchange rate over the period was 0.6645 GBP to AUD

# Summary P&L

	FY12 H1	FY13 H1	FY13 H1	Comparison H1 FY12 to H1 FY13*
	A\$M	A\$M	£M	
Revenue	\$12.6 M	\$13.6 M	£9.1 M	
<b>Revenue ex legacy</b>	<b>\$11.0 M</b>	<b>\$13.6 M</b>	<b>£9.1 M</b>	<b>+24%</b>
Cost of sales	\$7.6 M	\$5.3 M	£3.5 M	-30%
<b>Gross profit</b>	<b>\$5.0 M</b>	<b>\$8.3 M</b>	<b>£5.6 M</b>	<b>+67%</b>
Operating Costs*	\$13.0 M	\$8.6 M	£6.0 M	-33%
<b>Reported EBITDA</b>	<b>-\$8.1 M</b>	<b>-\$0.3 M</b>	<b>-£0.2 M</b>	<b>+A\$7.2m</b>
Net Interest	-\$0.4 M	-\$0.3 M	-£0.2 M	
Amortization	-\$2.3 M	-\$1.2 M	-£0.8 M	
Depreciation	-\$0.4 M	-\$0.3 M	-£0.2 M	
<b>Reported PBT</b>	<b>-\$11.1 M</b>	<b>-\$2.1M</b>	<b>-£1.4M</b>	<b>+A\$9.0m</b>

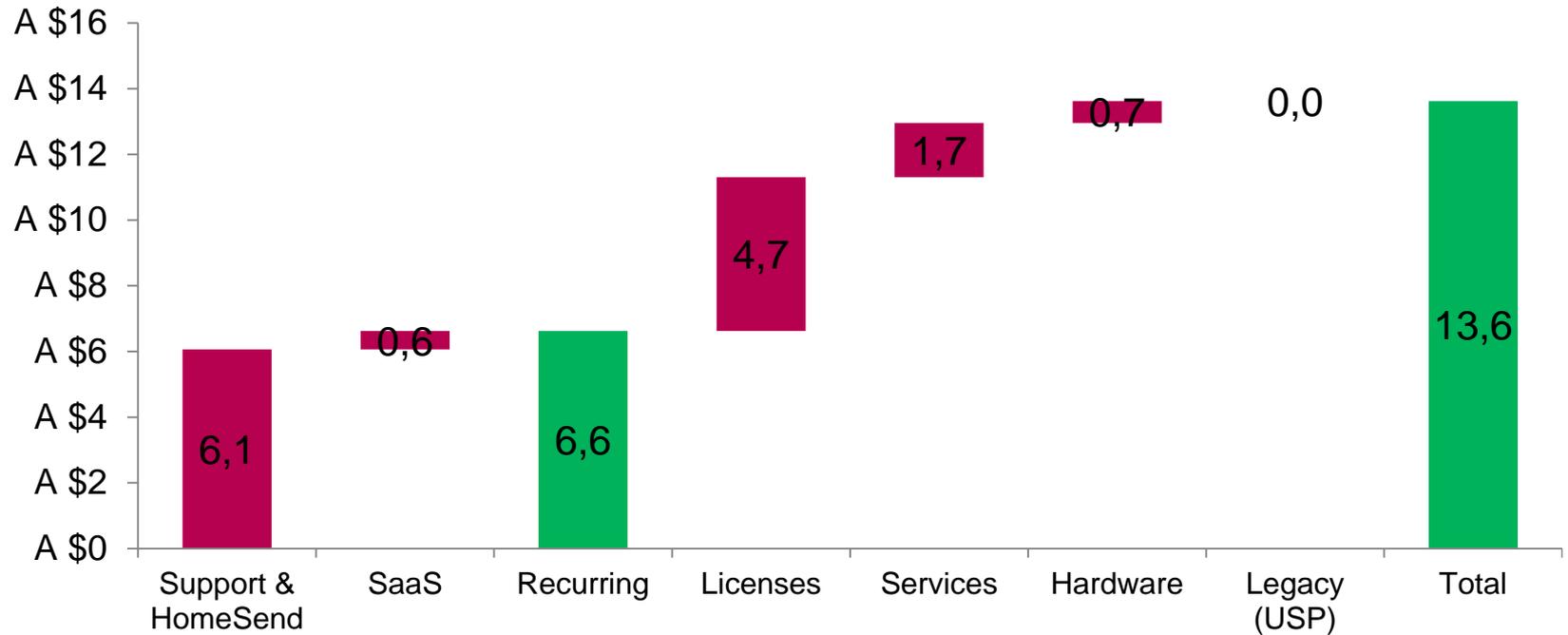
\*Unadjusted operating costs are shown. Non-recurring items, foreign exchange gains and losses and share based payments in H1 FY2013 resulted in a net gain of A\$0.4m, primarily as a result of foreign exchange fluctuations with the Australian Dollar.

# H1 FY2013 Revenue highlights

*Approximately half of revenues were recurring in nature.*

## H1 FY2013 Revenue Breakdown by Type

A\$m



# H1 FY2013 Financial highlights - costs

- ▶ Reported H1 FY2013 EBITDA loss of A\$0.3m (£0.2m) showing significant improvement over H1 FY2012 (loss of A\$8.1m)
- ▶ Total costs in H1 FY2013 of A\$14.3m (15% lower than H1 FY2012 costs of A\$16.9m)
- ▶ H1 FY2013 gross margin of 61% showing strong improvement over H1 FY2012 (40% GM)
- ▶ Cost base is in the right place
  - ▶ Costs have been brought in line; significant investment in research and development on the back of the successful fundraising
  - ▶ Non recurring costs for H1 FY2013 were positive A\$0.4m, primarily relating to fluctuations in AUD (compared to –A\$3.8m in H1 FY2012)
- ▶ Capitalised development of A\$0.9m primarily relating to software developed for the HomeSend platform

# Balance sheet highlights

- ▶ Shareholder loans repaid in full during the period; no debt on balance sheet
- ▶ The cash flow for the period was a net inflow of A\$1.3 million
  - ▶ A\$16m fundraising completed in period
  - ▶ A\$7.2m in debt paid off
  - ▶ Work in progress increased from A\$3.6m to A\$7.6m (\$A4.0m increase)
  - ▶ Revenue backlog increased to A\$15m
  - ▶ Significant product development work completed in order to enable eServGlobal to work with strategic partners and to win large group deals
- ▶ Cash at 30 April 2013 was A\$5.1 million.

# Core business highlights

- ▶ Solidified position as a leading provider of end-to-end mobile financial services in emerging markets as evidenced by significant new contract wins this year
  - ▶ 19 new customers added in the past year (+25%)
- ▶ Landmark multi-year US\$12m mobile money deal won
- ▶ Partnered with MasterCard to enable full interoperability between the mobile and financial worlds
- ▶ First deployment of advanced micro-finance services at an East African operator
- ▶ First NFC deployment in partnership with Airtag for a mobile transit application at a leading operator in the Middle East
- ▶ Similar seasonal revenue variations in H2 FY13 as in FY2012



# HomeSend highlights



- ▶ HomeSend is set to fundamentally change the way we go about sending money abroad
  - ▶ We are working with Money Transfer Organizations, Banks and Mobile Operators so people can seamlessly transfer money from one to the other
  - ▶ 1.2 billion potential customers under contract coverage exceeding original target of 0.5 billion in 2012 by more than 100%
  - ▶ The HomeSend hub now covers the majority of mobile subscribers in Africa
- ▶ International airtime transfer is now live
- ▶ We are now entering the next strategic stage of development as we focus on deployments
  - ▶ Targeting 50 deployments for 2013
  - ▶ Currently deployed in 32 markets in Europe, the Middle East, Africa, and Asia
  - ▶ Further 40+ customers undergoing interoperability tests

# HomeSend customer base

## Select Multinational Customers

17 countries 60m subs	30 countries 400m subs	21 countries 200m subs	130 countries Online presence	16 countries 90m subs	100 countries 135K agents	15 countries 8m subs	70 countries 40k agents

## Geographic Spread

**Americas**

**Middle East**

**Europe**

**Africa**

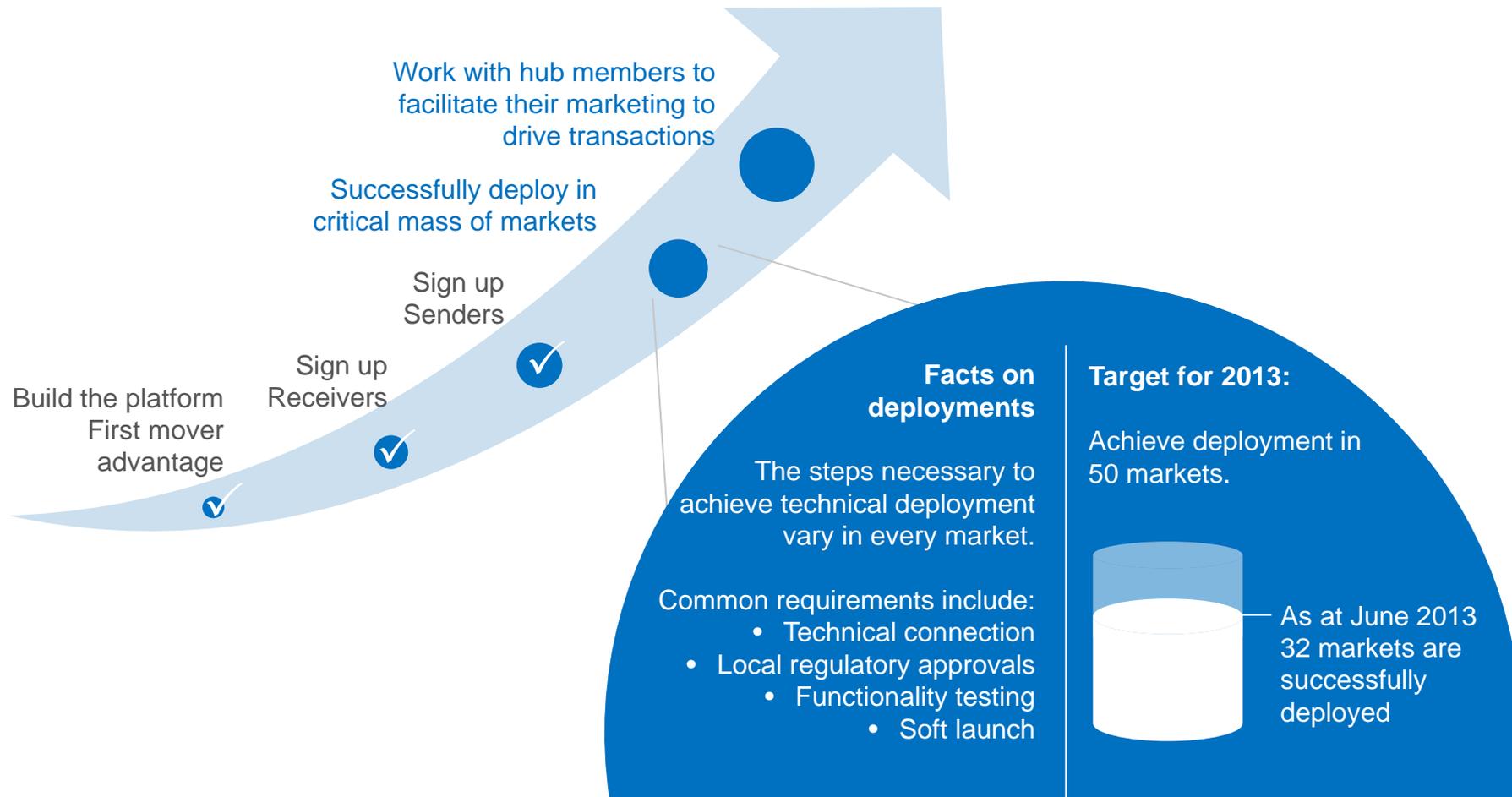
**APAC**



# HomeSend: steps to success

HomeSend exceeded objectives for subscriber coverage in 2012, and as of April 2013 covered 1.2 billion potential users around the world.

This success means that the hub has now entered the next strategic stage of development: technical deployments.



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