Acquisition of Prepaid Financial Services and Equity Raising

Investor Presentation

11 November 2019

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Money in Motion

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- EML's acquisition of all of the share capital in Prepaid Financial Services (Ireland) Limited, a company incorporated in Ireland, and its subsidiaries (**PFS**) (the **Acquisition**);
- an accelerated non-renounceable entitlement offer of new fully paid ordinary shares in EML (**New Shares**) to be made to eligible institutional shareholders of EML (**Institutional Entitlement Offer**) and eligible retail shareholders of EML (**Retail Entitlement Offer**) under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Entitlement Offer**); and
- a placement of New Shares to institutional investors and certain existing institutional shareholders under section 708A of Corporations Act as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**Placement**),

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Appendices

Executive Summary

Transaction Details[1]	– EML Payments Limited (**EML**) has entered into a binding agreement to acquire 100% of Prepaid Financial Services (Ireland) Limited (**PFS**) for an enterprise value of **£226 million** (A$423 million) (**Upfront Enterprise Value**), plus an earn-out component of up to **£55m** (A$103 million) (**Earn-out Consideration**) (together the **Acquisition**) – Implied upfront Acquisition multiple of approximately **17.5x** Upfront Enterprise Value / FY20 EBITDA based on PFS's forecast EBITDA for the 12 months ending 30 June 2020 of **£12.9m**, and approximately **14.0**x taking into account the full year impact of synergies expected to be realised post completion of the Acquisition[2,3]
PFS Overview	– PFS was founded in 2008 and has evolved into a leading provider of white label payments and Banking-as-a-Service (**BaaS**) technology in support of the FinTech sector and the evolution of Open Banking in Europe – PFS provides prepaid payments and digital banking capabilities, e-wallets and payout / distribution programs, regulatory Electronic Money Institution (**EMI**) status and flexible software to enable financial institutions and non-financial institutions alike to deliver feature-rich transactional banking and other payment services to their end-user base – PFS's key customer segments include blue-chip financial institutions, non-financial corporates, SMEs, FinTech companies, public sector and NGO bodies
Transaction Strategic Rationale	– **Leading Global Player**: Post-completion of the Acquisition, the combined group is expected to become one of the largest FinTech enablers in open banking and prepaid globally, with the group expected to process in aggregate ~A$18bn GDV in FY20[2] – **Broadens Solution Suite:** Adds digital banking and multi-currency offerings to EML's solution suite; ability to cross-sell PFS's digital banking and multi-currency offerings into EML's global market footprint – **Customer Diversification and Revenue Mix:** Further diversifies EML's customer footprint; shifts segment mix on a net revenue basis towards GPR going from 25% → 54% of pro forma FY19 net revenue[4] – **Operating Leverage:** Brings scale to European operations, enabling greater operating leverage – **Financially Attractive:** The post-Acquisition combined group is expected to have an attractive 3 year pro forma net revenue CAGR of 25%+ from FY18 – FY20 and strong 30%+ pro forma EBITDA margin for FY20[6]; expected to be mid-teen pro forma EPSA accretive in FY20, prior to synergies[2,3,5] – **Management Team Alignment**: The earn-out structure and vendor scrip component of the Acquisition incentivises the management team of PFS

(1) GBP / AUD conversion rate of 1.87
(2) Slides 23 and 24 outline further detail on forecast assumptions
(3) Net run-rate synergies of approximately A$6m per annum expected to be partially realised in FY21 and fully realised from FY22
(4) Pro forma FY19 net revenue comprises EML's net revenue for FY19, and PFS's net revenue for the 12 months ended 30 June 2019, and assumes completion of the Acquisition on 1 July 2018
(5) See slide 7 for the calculation and assumptions underlying FY20 EPSA accretion
(6) Pro forma net revenue and EBITDA comprise EML's and PFS's net revenue and EBITDA for the relevant period, and assume completion of the Acquisition prior to the commencement of that period

Executive Summary

Acquisition Consideration[1]	– Upfront Enterprise Value of **£226 million** (A$423 million) comprising **£41 million** (A$77 million) in EML shares to the vendors[2], issued at A$3.55 per share, and **£185 million** (A$346 million) cash – Earn-out Consideration comprising up to **£55 million** (A$103 million) contingent on PFS achieving agreed annual EBITDA targets during the 3 year period post Acquisition close – **£11.5 million** (A$21.5 million) will be held in escrow for 12 months following completion of the Acquisition for claims made under the Acquisition agreement

Acquisition Funding	– The cash component of the Upfront Enterprise Value, transaction costs and target cash on hand at close is to be funded by a combination of:
	  – A fully underwritten placement to new and existing institutional shareholders to raise approximately A$67 million
	  – A fully underwritten accelerated, pro-rata, non-renounceable entitlement offer to raise approximately A$183 million
	  – New senior secured term loan and revolving credit facilities of A$130 million. The group has secured a total facility of up to A$175 million to support working capital and future growth (accompanied by a A$100 million accordion facility)
	– The Earn-out Consideration, to the extent paid, is expected to be funded in cash from operating cash flows and available debt capacity

Financial Impact	– The Acquisition is expected to deliver mid-teen EPSA accretion in FY20 pre-synergies and 25%+ post-synergies (before transaction and implementation costs)[3,4,5,7]
	– Net run-rate synergies of ~A$6 million per annum[3]
	  – Synergies achieved from utilisation of PFS processor; supplier and other cost savings
	  – Realisation of synergies to commence in FY21
	– Net debt / Pro forma FY19 EBITDA of 2.3x expected prior to completion adjustments and prior to synergies[6]
	  – EML medium-term net debt / LTM EBITDA target of <2.0x

Timing and Conditions	– Completion of the Acquisition is subject to change of control regulatory approvals from the Financial Conduct Authority (FCA) (United Kingdom) and the Central Bank of Ireland (CBOI) – The Acquisition is expected to complete in early 2020

(1) GBP / AUD conversion rate of 1.87
(2) EML shares issued to the vendors will be restricted from sale until EML releases its financial results for the year ending 30 June 2020 in August 2020
(3) Net run-rate synergies of approximately A$6m per annum expected to be partially realised in FY21 and fully realised from FY22
(4) EPSA accretion is calculated as the incremental FY20 pro forma EPSA over EML's FY20 standalone EPSA; Based on EML NPATA, adjusted for entitlement offer TERP adjustment; TERP = theoretical ex-rights price; Assumes completion of the Acquisition on 1 July 2019
(5) Accretion calculation is based on the following assumptions: 1) Standalone EML FY20 NPATA estimate of A$27.4 million, standalone FY20 EPSA estimate of A$0.11, 2) PFS EBITDA estimate for the 12 months ending 30 June 2020 of £12.9 million / A$24 million, 3) Equity component of the Upfront Enterprise Value issued at A$3.55 per share, reflecting a 6.2% discount to TERP. TERP includes shares issued under the entitlement offer and excludes the placement and shares issued to the vendors of PFS, 4) New debt interest rate comprised of a margin of 245bps (depending on a leverage grid) over the applicable EUR, AUD or GBP base rate, 5) Tax rate of 19% on incremental pre-tax income and expenses, and 6) Depreciation & Amortization expense of $3.2 million for EML and $1.7 million for PFS
(6) The FY19 pro forma EBITDA of A$50.8m is based on EML's FY19 EBITDA of A$29.7m adjusted for the A$4m Flex-E-Card acquisition run rate EBITDA, and PFS's EBITDA for the 12 months ended 30 June 2019 of A$17.1m. EML EBITDA presented in EMLs' FY19 results included acquisition costs of A$0.6m, which are now excluded from EBITDA.
(7) Slides 23 and 24 outline further detail on forecast assumptions

Overview of PFS

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PFS at a Glance

PFS's prepaid payments and digital banking capabilities, regulatory Electronic Money Institution status in the UK and Europe alongside flexible software enables financial institutions and non-financial institutions alike to deliver feature-rich transactional banking and other prepaid payment services to their end-user base

£2.5 Billion

CY19E Gross Debit Volume

£12 Million

CY19E Adj. EBITDA[1]

£40 Million

CY19E Adj. Net Revenue[1]

33%

CY16 – CY19E Revenue CAGR

FCA regulated as an e-money institution and approved credit issuer

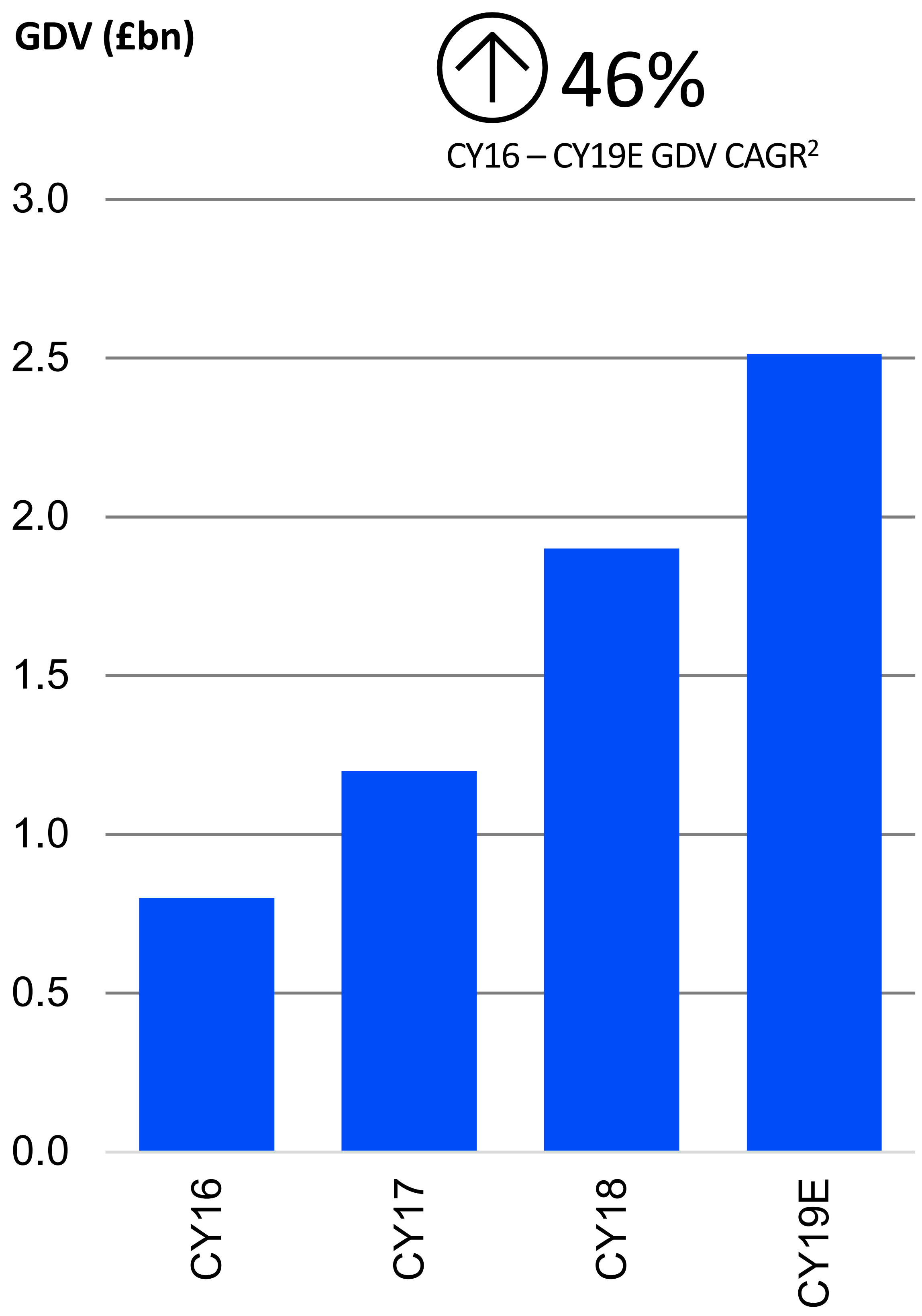
Licensed by the CBOI as an e-money institution

Principal Member Programme Manager Certified Acquirer

Principal Member Certified Acquirer

Indirect Participant Ability to offer Partial Current Account Switching Service in the UK

Indirect Participant of EPC to provide SEPA Credit Transfers and Indirect Debits in 16 European Countries



Source: Vendor Due-Diligence Report, Financial Due-Diligence Report, Management Estimates

(1) PFS financials are restated on the basis of EML accounting policies. Slides 23 and 24 outline further detail on forecast assumptions

(2) PFS's financial year ends on 31 December, and is labelled as CY. PFS's results, where presented as FY, have been calendarised to a 30 June year end

Key Investment Highlights

Leading e-Money company and Banking-as-a-Service provider

Pan-European footprint with strong underlying growth of existing business partner accounts and continued growth of core sector verticals

Attractive client base

Deep-rooted client relationships including blue-chip financial institutions, non-financial corporates, SMEs, FinTech companies, public sector and NGO bodies

BaaS technology embeds sticky, long term relationships

End-to-end service from digital / mobile banking, program management, analytics, reporting and issuing

Regulated entity

FCA and CBOI regulated status as issuer of e-money for UK and SEPA region[1]

Highly attractive financial profile

Fast growing non-bank issuer of Mastercard physical and virtual accounts

Platform for growth

Proven track record of new business pipeline delivery

Live in 24 countries across Europe

(1) SEPA = Single Euro Payments Area

Solution Suite

Digital Banking & Current Accounts

43% of GDV

Online / mobile banking and real-time payments

Issuance of IBANs

Partial current account switching services

Government, Local Authority & NGO

42% of GDV

Issuance to unbanked and underbanked individuals

Online banking and real-time payments

Real-time, secure funds distribution and bulk payments

Corporate Solutions & Incentive Schemes

7% of GDV

Customised e-money and digital banking solutions

End to end payment services

Full programme design and management

Reward and loyalty programmes

Multi-Currency Travel Cards

6% of GDV

Multi-currency cards or e-wallets

Direct integration with numerous FX suppliers

Single / multi-use virtual cards

P2P / youth centric products

Instant Issue & GPR

1% of GDV

Full programme design and management

White labelled end-user interfacing

Card issuing

GPR both B2B and B2C programmes

(1) GDV represents CY18A GDV. May not add to 100% due to rounding

Awards / Customers

PFS has received numerous industry awards, which recognise product leadership and growth, and has an attractive and international client base

Awards

Key Customers

iKort, 3, Centtrip, HM Government, EPS European Payment Solutions B.V., Gimi, Nova Câmbios, adidas, Kela, NLB, Correos, PAYTOP, Unicâmbio, PCS, Rebellion, CA, caritas, UNHCR, Red Cross

Recent Client Wins

avios, fintonic, BANCIBO

Highly Experienced Management Team

Noel Moran

Founder and Chief Executive Officer

Noel has spent his career in Financial Services. He worked with two of the main traditional Irish banks, Permanent TSB and AIB, before moving to the United Kingdom working at Lloyds Bank, Royal Bank of Scotland, Co-Operative Bank and MBNA.

Noel founded PFS in 2008 and has been instrumental in the company's development and evolution of the broader FinTech industry. PFS has returned profits for 11 consecutive years and has been awarded a list of major accolades for its innovative electronic money solutions. Noel's expertise is focused in FinTech, innovation, e-money, banking solutions, e-wallets, physical and virtual prepaid cards, and current accounts.

In 2018, PFS beat 112,000 entrants to be named Europe's No.1 Digital Technology company by winning the overall prize at the RSM European Business Awards Grand Final in Warsaw, Poland. In 2019 Noel was named European CEO Entrepreneur of the Year for the second year in a row.

Lee Britton

Chief Commercial Officer

Before joining Noel at PFS in 2011 Lee held several senior management roles within the Financial Services industry, including EVP of Business Development at Muscato Group and CEO of Altair Financial.

Lee is Chief Commercial Officer at PFS, where he has overseen 9 consecutive years of sales growth since joining. Lee has helped to steer PFS's trajectory in the FinTech and Payments industries with a focus on customer delivery.

Financial Performance

prepaid FINANCIAL SERVICES	12 months to 31 December 2017[1] Actual	12 months to 31 December 2018[1] Actual	12 months to 31 December 2019[1,2] Forecast
Gross debit volume (£bn)	1.2	2.0	2.5
Net Revenue (£m)	**£24**	**£30**	**£40**
Net Revenue Growth (%)	*33%*	*25%*	*33%*
Revenue Conversion Rate (bps)[3]	*200bps*	*150bps*	*160bps*
Gross Profit (£m)	**£16**	**£18**	**£24**
GP Margin (%)	*67%*	*60%*	*60%*
Overheads (£m)	(9)	(10)	(12)
EBITDA (£m)	**£7**	**£8**	**£12**
EBITDA Margin (%)	*29%*	*27%*	*30%*

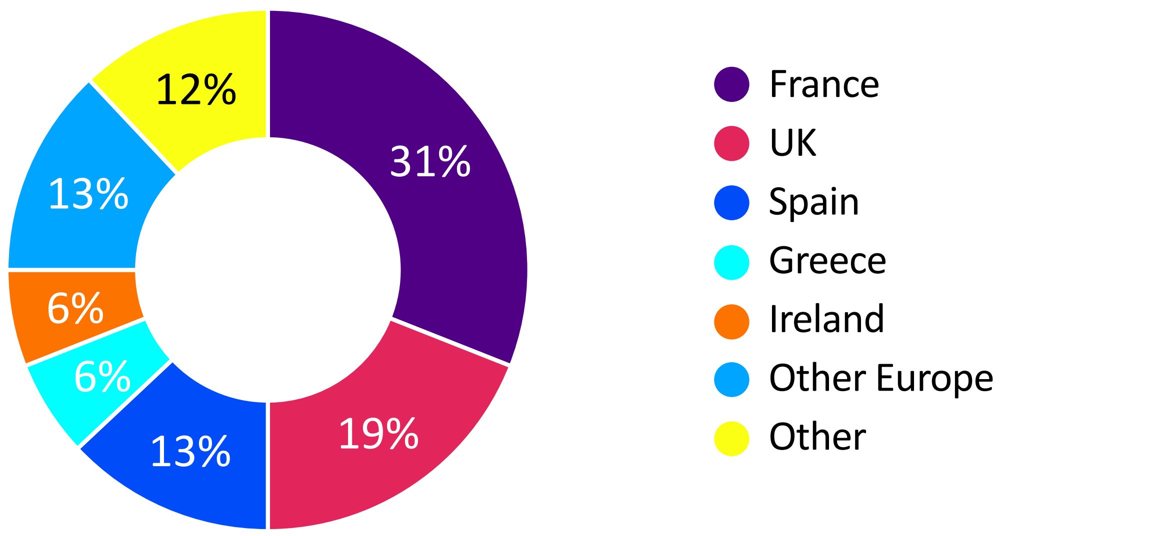
GDV growth from in place and new programmes

Complementary and high revenue conversion rates that are consistent with EML

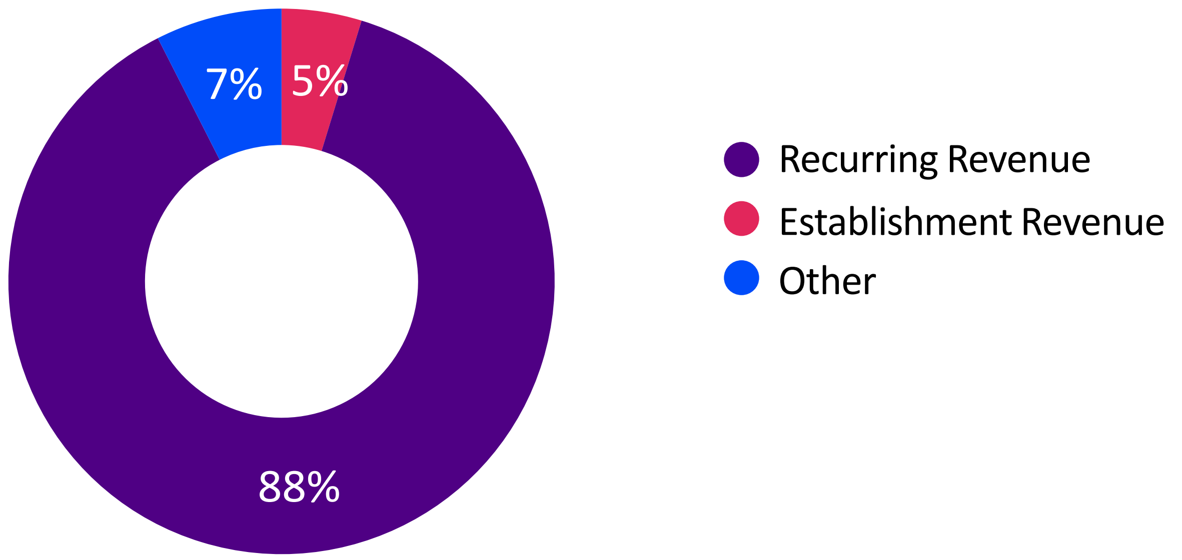
Consistently robust gross profit margins and in-line with EML

Strong EBITDA margins of 20%+ p.a.

CY2018A Net Revenue by Geography[1]



CY2018A Net Revenue by Product[1]



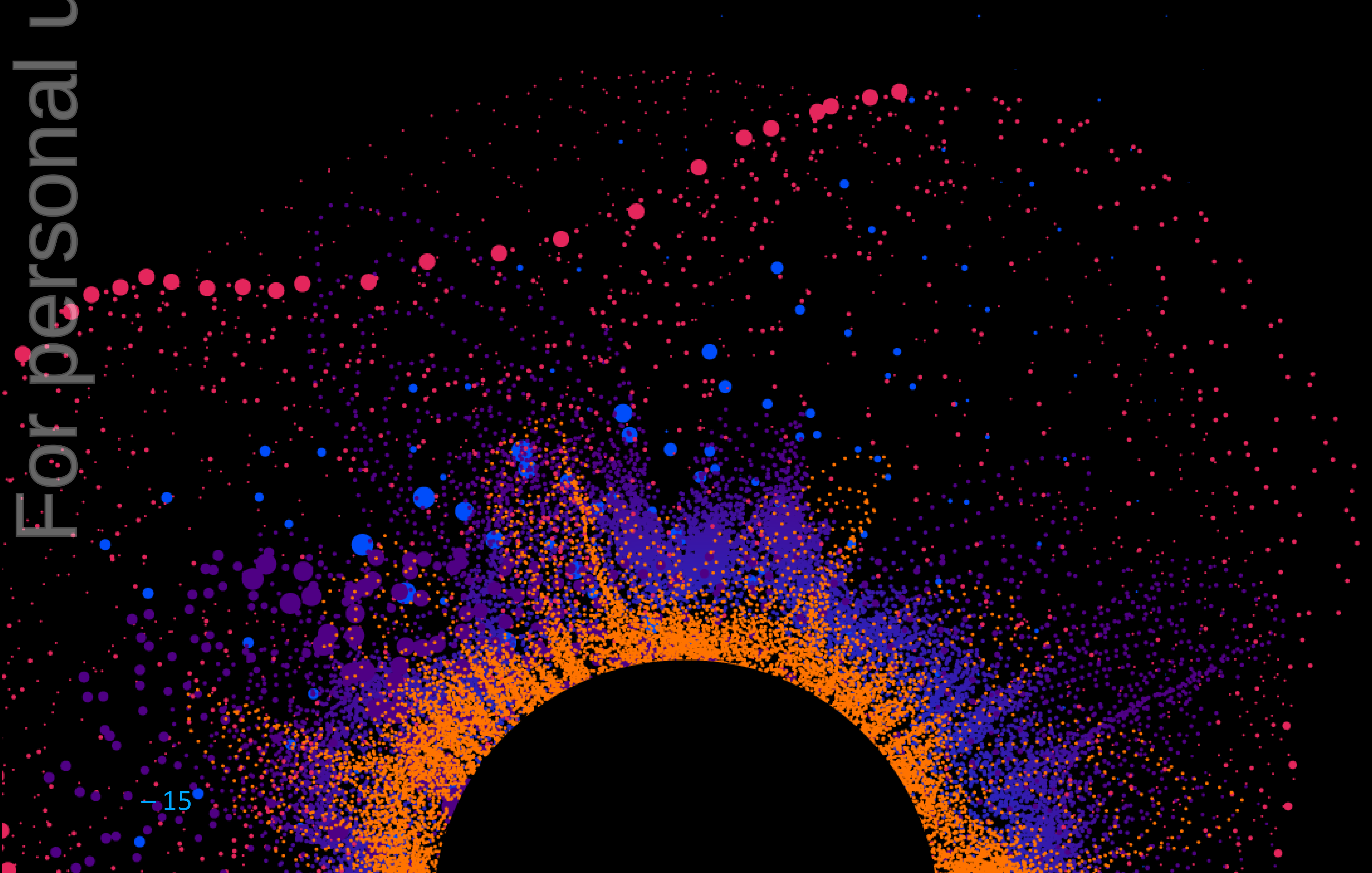
Source: Vendor Due-Diligence Report, Financial Due-Diligence Report, Management Estimates

(1) PFS's financial year ends on 31 December, and is labelled as CY. PFS's results, where presented as FY, have been calendarised to a 30 June year end

(2) Slides 23 and 24 outline further detail on forecast assumptions

(3) Revenue conversion rate is defined as net revenue / gross debit volume

Acquisition Rationale



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Strategic Rationale

LEADING GLOBAL PLAYER

- **Leader:** Post-Acquisition combined group is one of the largest independent FinTech enablers in open banking and prepaid globally
- **Scale:** ~A$18bn GDV in FY20[1]

BROADENS SOLUTION SUITE

- **New Solutions:** Adds digital banking and multi-currency offerings to EML's solution suite
- **Cross-Sell:** Ability to cross-sell PFS' digital banking and multi-currency offerings into EML's global market footprint

CUSTOMER DIVERSIFICATION & REVENUE MIX

- **Diversification:** Further diversifies EML's customer footprint
- **Revenue Mix:** Shifts segment mix on a net revenue basis towards GPR going from 25% → 54% of pro forma FY19 net revenue[2]

OPERATING LEVERAGE

- **Deepen EML Europe:** Brings scale to EML's European operations, enabling greater operating leverage in addition to potential synergies[3]

FINANCIALLY ATTRACTIVE COMBINED GROUP

- **High Growth:** Attractive 3-year pro forma net revenue CAGR of 25%+ from FY18 – FY20[4]
- **Profitable:** Strong 30%+ pro forma EBITDA margin for FY20[4]
- **Accretive:** Expected to be mid-teen pro forma EPSA accretive in FY20 pre-synergies and 25%+ post-synergies[1,3,5]

MANAGEMENT TEAM ALIGNMENT

- **Aligned Incentives:** Earn-out structure and vendor scrip component incentivises the PFS management team to deliver continued growth post combination

(1) Slides 23 and 24 outlines further detail on forecast assumptions
(2) Pro forma FY19 net revenue comprises EML's net revenue for FY19, and PFS's net revenue for the 12 months ended 30 June 2019, and assumes completion of the Acquisition on 1 July 2018
(3) Net run-rate synergies of approximately A$6m per annum expected to be partially realised in FY21 and fully realised from FY22
(4) Pro forma net revenue and EBITDA comprise EML's and PFS's net revenue and EBITDA for the relevant period, and assume completion of the Acquisition prior to the commencement of that period
(5) See slide 7 for the calculation and assumptions underlying FY20 EPSA accretion

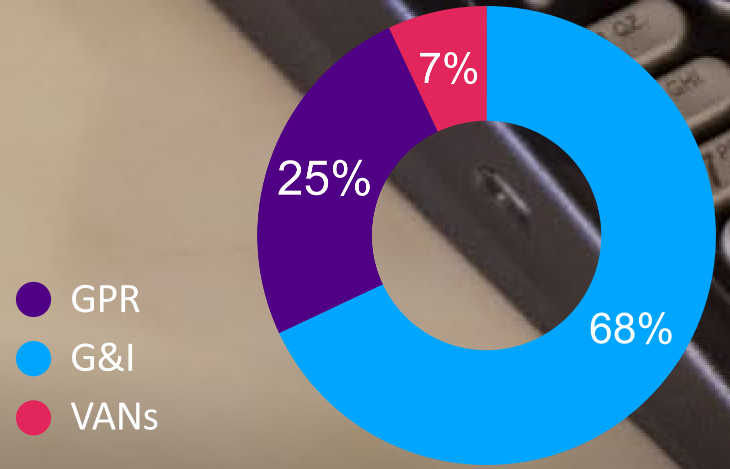
Acquisition Rationale

Expanded Solutions

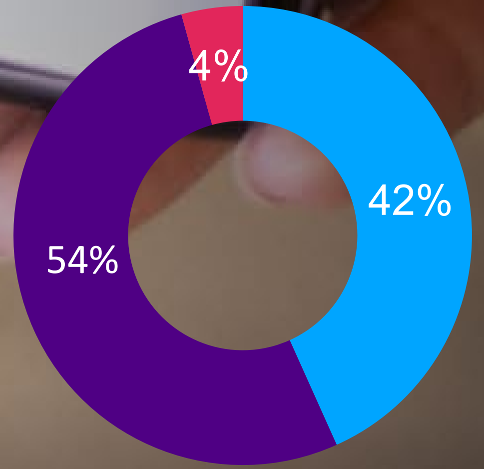
- Adds Digital Banking and Multi-currency offerings to EML's solution suite
- Ability to cross-sell PFS's solutions into EML's global footprint
- PFS deepens EML's presence in reloadable cards
- Shifts revenue mix with majority coming from attractive GPR segment

Segment Mix by Net Revenue

EML Standalone (FY19)



EML + PFS (FY19)



EML. prepaid FINANCIAL SERVICES

Reloadable
(GPR / Payout Cards)

Non-Reloadable
(Incentive & Reward Cards, Gift Cards)

Supplier Payments
(Virtual B2B, Supplier Enablement, Payment Execution)

BILLGO

Digital Gifting
(Pays)

Digital Banking & Current Accounts
(Online / Mobile Banking, Issuance of IBAN)

Multi-Currency Travel Cards
(Multi-currency E-wallets and Integration With FX Suppliers)

(1) GPR = General Purpose Reloadable; G&I = Gift & Incentive; VANs = Virtual Account Numbers

Expanded Capabilities

	EML	prepaid FINANCIAL SERVICES
Licences	AFSL & CBOI	CBOI & FCA
Currencies	15	26
European Footprint	16 countries	24 countries
Cash Loading Locations	Australia	UK, France, Ireland, Slovenia, Spain
Processors	Proprietary	3rd Party & Proprietary

Fully Scale UK and European Footprint

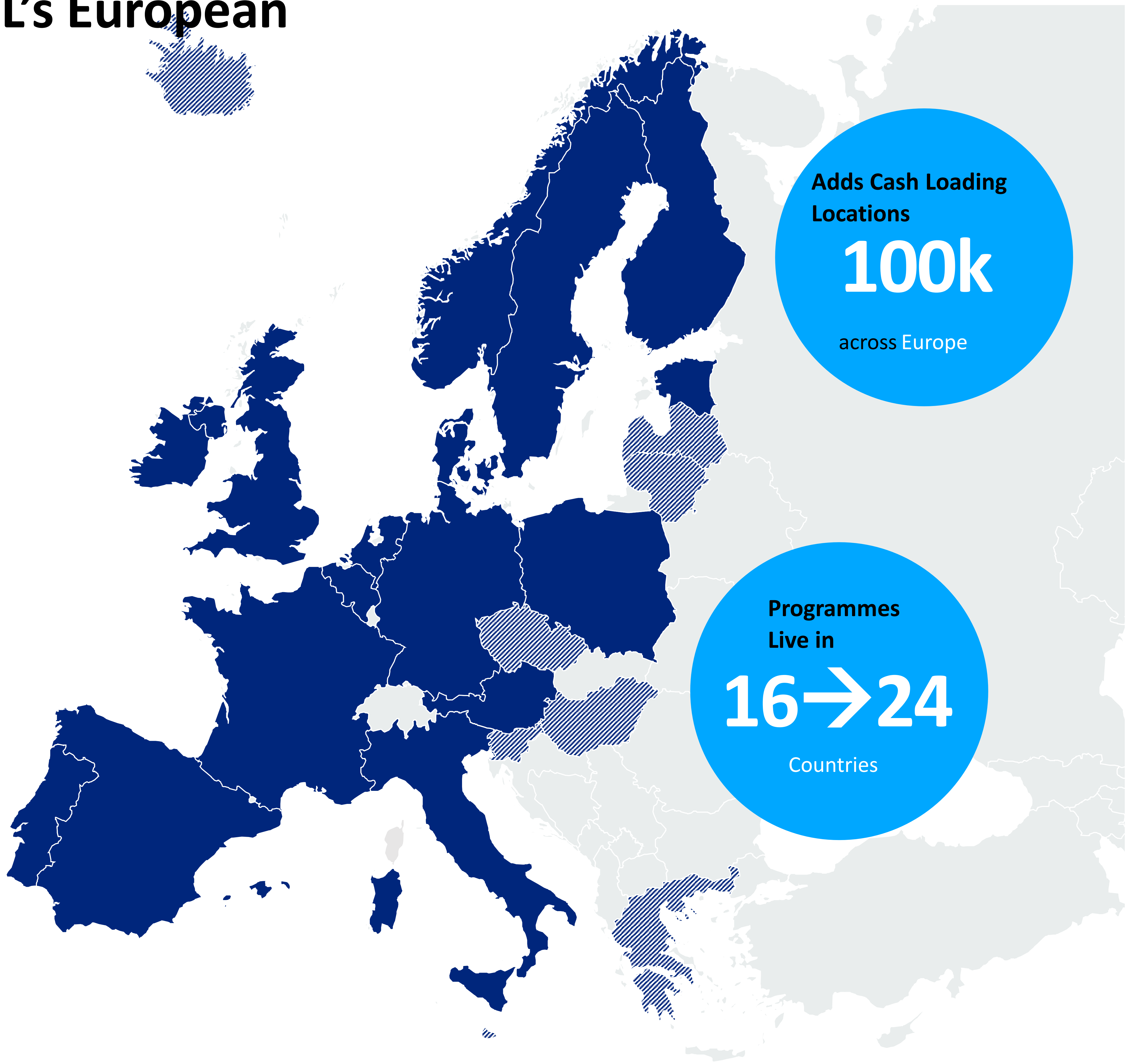
26+ currencies supported, with new currency offerings including HKD, Rand, Shekel, Swiss Franc, the Yen and more

Provides entry into 8 new markets, including Hungary, Greece and Slovenia, and further penetration into the UK, France and Spain

Expands cash loading capabilities beyond Australia

Room for cost savings from investment in internal processing technologies

Deepening of EML's European Footprint

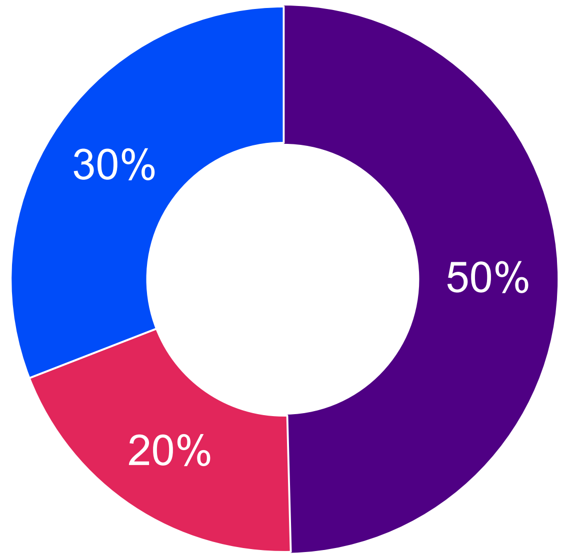


EML + PFS overlap

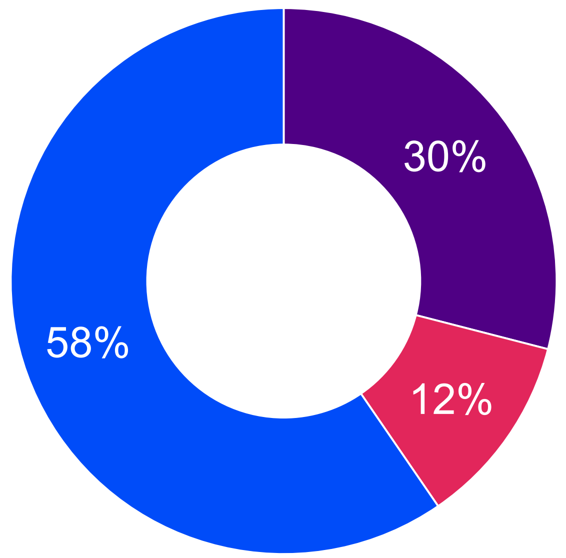
PFS additions

Geography Mix by Net Revenue

EML Standalone (FY19)



EML + PFS (FY19)



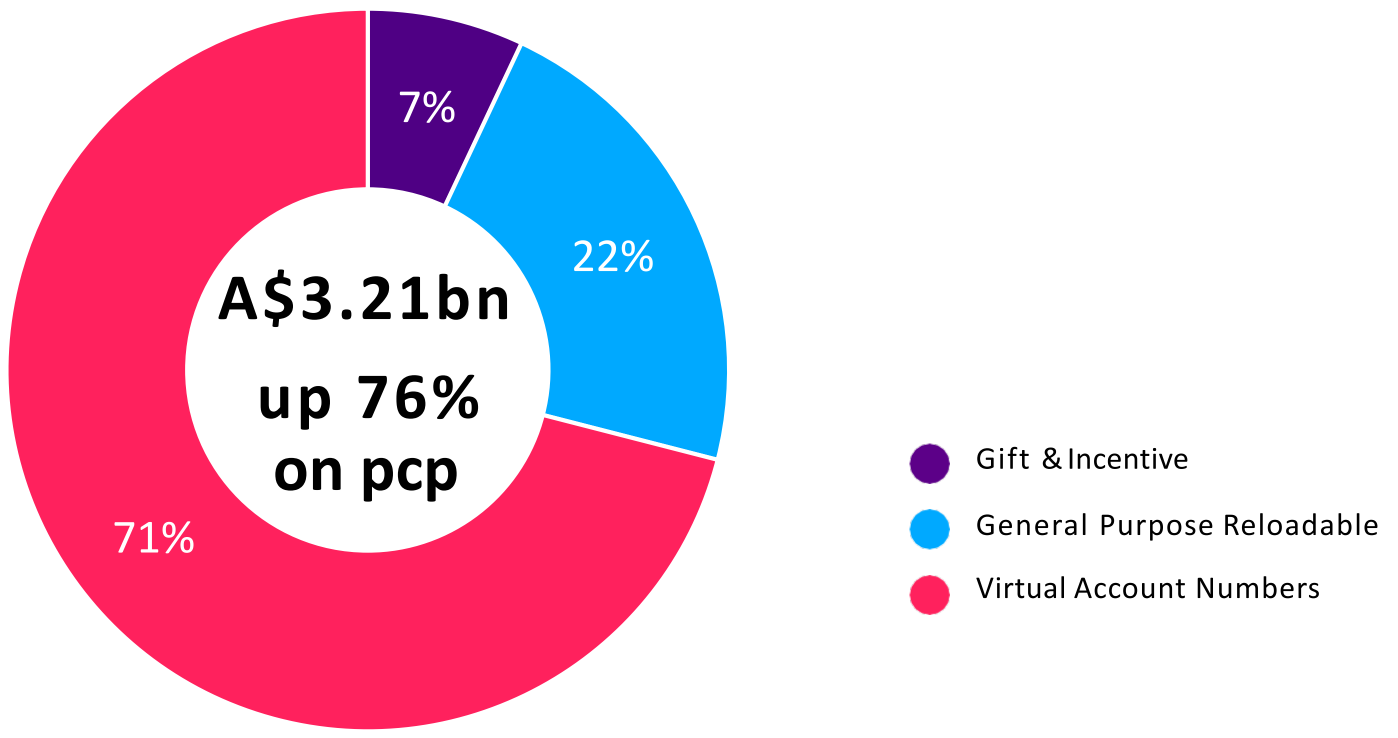
- America
- Australia
- EMEA

EML Financial Update and Acquisition Impact

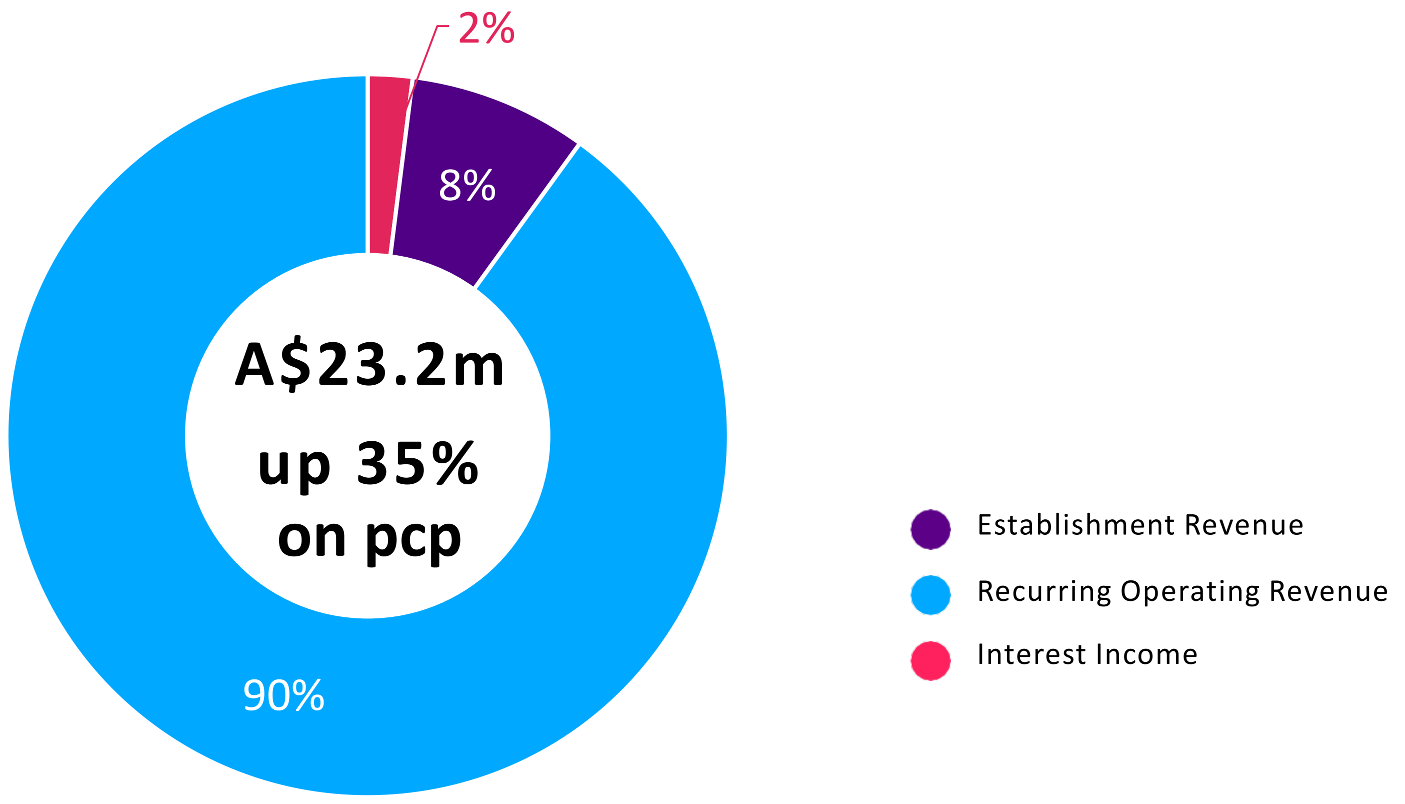
Money in Motion

Q1 FY20 Financials Update

Group Gross Debit Volume (GDV)



Group Sources of Revenue



Q1 FY20

GDV	Revenue	Revenue conversion
A$3,214m	**A$23.2m**	**72bps**
A$1,821m (Q1 FY19)	A$17.2m (Q1 FY19)	94bps (Q1 FY19)

Q1 FY20 Financials Update

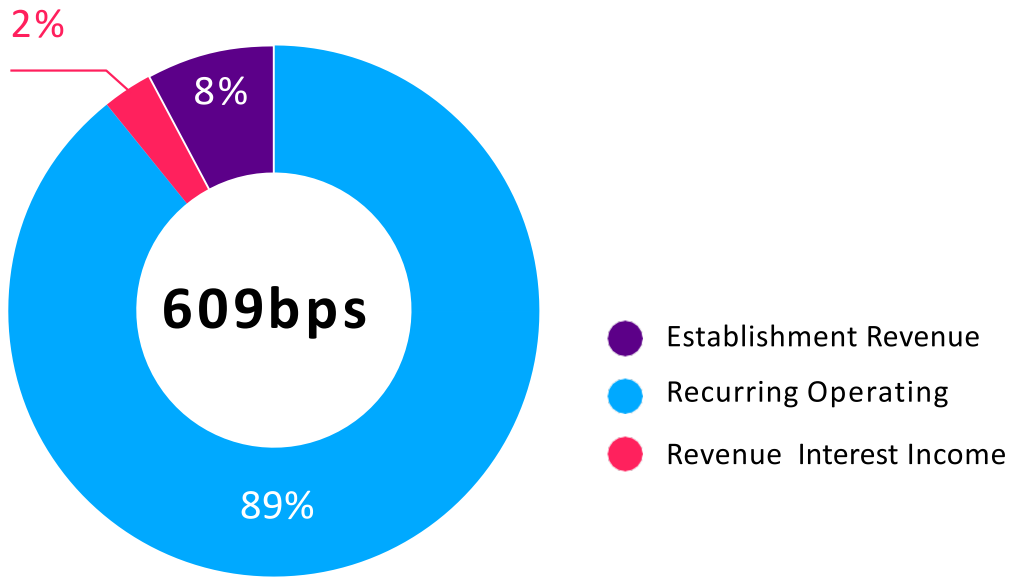
Gift & Incentive

GDV	Revenue*
A$223m	A$13.6m
$139m (Q1 FY19)	$9.3m (Q1 FY19)

Revenue up 46% on pcp:

- → Q1 FY19 includes contribution from Flex-e-Card acquired 28 June 2019 and ECE launched in Q2 FY18
- → Mobile Pays Gift Solution gaining traction with new programs in market in AU (Q1) and EU (Q2)

Sources of revenue



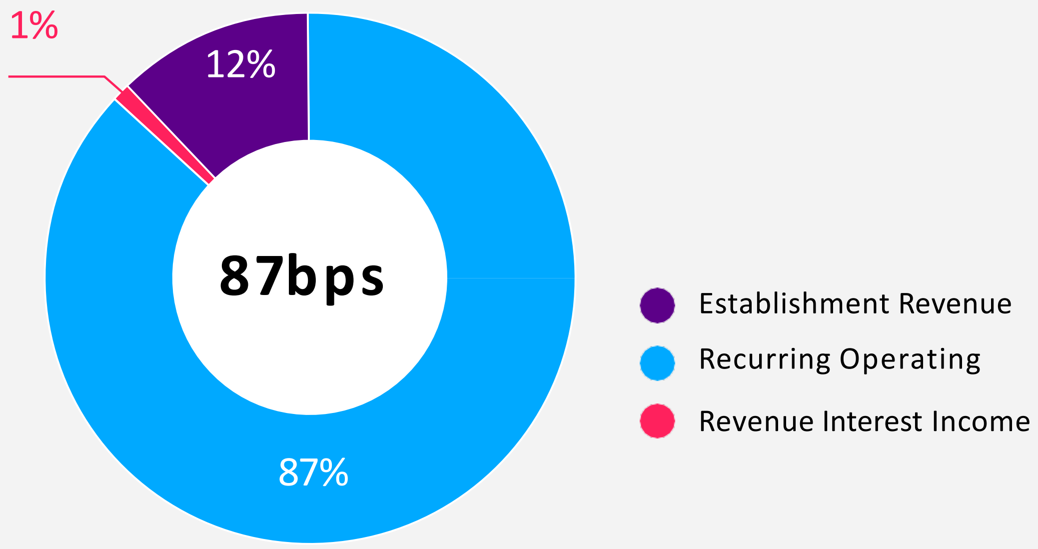
General Purpose Reloadable (GPR)

GDV	Revenue*
A$715m	A$6.4m
$709m (Q1 FY19)	$6.2m (Q1 FY19)

Revenue up 3% on pcp:

- → LuLaRoe (LLR) GDV down 36% on pcp with revenue down 26% in line with expectations, program performing in line with Q4 FY19
- → Establishment income down $0.3m on pcp due to timing of plastic orders
- → At 30 September 2019, EML supported more than 184k Salary Packaging accounts

Sources of revenue



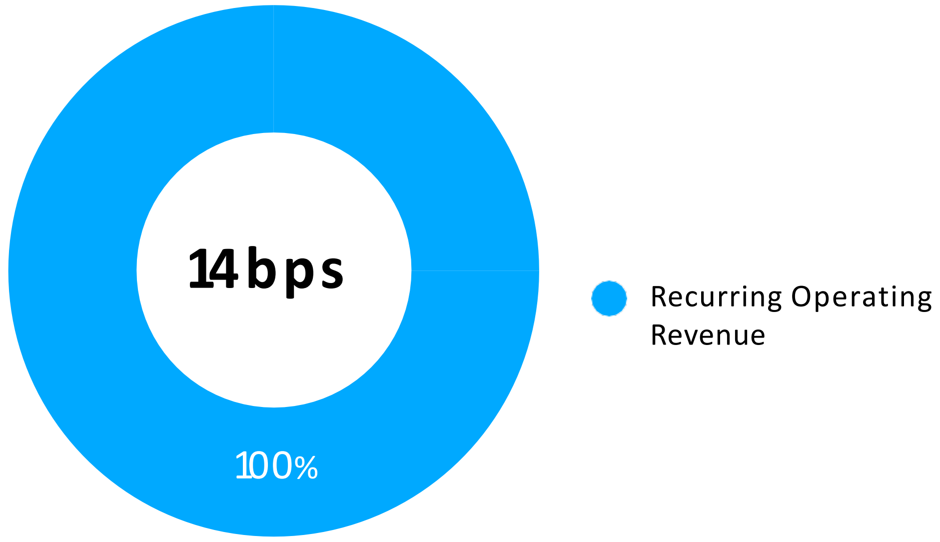
Virtual Account Numbers (VANS)

GDV	Revenue*
A$2,276m	A$3.1m
$963m (Q1 FY19)	$1.0m (Q1 FY19)

Revenue up 210% on pcp:

- → Growth in line with management expectations of more than A$8.4bn GDV for the full year

Sources of revenue



* Segment Revenue excludes Group interest & adjustments

FY2020 - Financial Guidance (excluding Prepaid Financial Services)

EML expects underlying EBITDA[1,2] to be in a range of

A$38.5m-A$42.5m

for FY20

Represents growth of

29-43%

over pcp of A$29.7m excluding acquisition costs

FY20 Guidance

Revenue	A$116m - A$132m
EBITDA	A$38.5m - A$42.5m
NPATA	A$26.2m - A$29.4m
Operating cash flow	70% - 80%

Assumptions:

01

Underlying EBITDA now excludes acquisition costs in FY20 and prior year comparatives

02

FX rates remain in line with October 2019 rates

03

Declining global interest rates negatively impacting interest income in all regions by A$1.0m. No significant movement in rates for remainder of the year.

04

Seasonal gift card GDV growth in line with 2018 (4-8%)

05

Minimal contribution from US gaming programs

06

No impact included for any acquisitions[3]

07

Underlying EBITDA includes the adoption of AASB16 leases which improves EBITDA by approximately A$1.5m

(1) EBITDA is equivalent to the net profit/(loss) for the period including R&D tax offset and excluding share based payments, depreciation and amortisation expense, acquisition expenses and non-cash unrealised foreign exchange included within the Statement of Profit or Loss and Other Comprehensive Income. EBITDA presented in EML's FY19 results included acquisition costs of A$0.6m, which is now excluded given the materiality of the costs incurred in acquiring PFS.

(2) Consistent with its growth strategy, EML is always considering and pursuing new customer relationships, which may result in EML entering into new customer contracts from time to time. EML is currently in negotiations with a number of potential new customers, including to provide EML's gift card program to a potential new customer that owns shopping centres in the United States. No final decision has been made in relation to any new customer arrangements, and any such decision will be subject to concluding contractual arrangements that are satisfactory to both parties as well as relevant board approvals.

(3) EML is currently exploring a number of potential acquisition opportunities, which may be pursed if a compelling proposal materialises that is consistent with EML's acquisition strategy. No decision has been made as to whether any targets currently being evaluated by EML will be acquired, and any such decision will be subject to due diligence and relevant board approvals.

FY2020 - Financial Guidance (Prepaid Financial Services)

prepaid FINANCIAL SERVICES	12 months to 30 June 2020 Forecast[1,2]
Gross debit volume (A$bn)	$5.3
Net Revenue (A$m)	**$84**
Net Revenue Growth (%)	*33%*
Revenue Conversion Rate (bps)[3]	*158bps*
Gross Profit	**$51**
GP Margin (%)	*61%*
Overheads	($27)
EBITDA (A$m)	**$24**
EBITDA Margin (%)	*29%*

Assumptions:

01

GDV is expected to increase to A$5.3bn driven by growth in existing programs, the annualised impact of new contracts won in FY19 and a strong sales pipeline for FY20

02

The 15 largest clients have been forecast on an individual contract-by-contract basis, leading to an overall revenue conversion rate of 158bps

03

PFS's operating costs are expected to increase to ~32% of revenue, largely driven by investments in technology and the employee base

04

Staff costs are forecast to remain the largest component of operating expenses at ~24% of revenue

05

The blended tax rate has been assumed to be 19%

06

No synergies have been forecast in FY20. Net run-rate synergies of approximately A$6m per annum are expected to be partially realised in FY21 and fully realised from FY22. Synergies are anticipated to be driven by insourcing of processing, scale benefits across supplier agreements and general corporate savings

Source: Vendor Due-Diligence Report, Financial Due-Diligence Report, Management Estimates

(1) PFS's financial year ends on 31 December, and is labelled as CY. PFS's results, where presented as FY, have been calendarised to a 30 June year end

(2) GBP / AUD conversion rate of 1.87

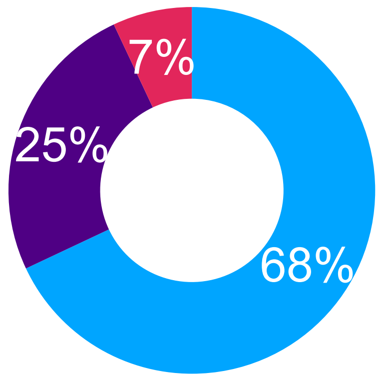
(3) Revenue conversion rate is defined as net revenue / gross debit volume

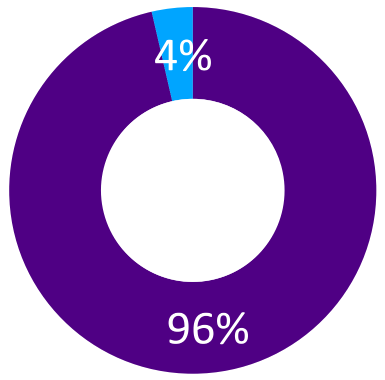
Unaudited Pro Forma Combined Statements as if the Acquisition had been completed on 1 July, 2018

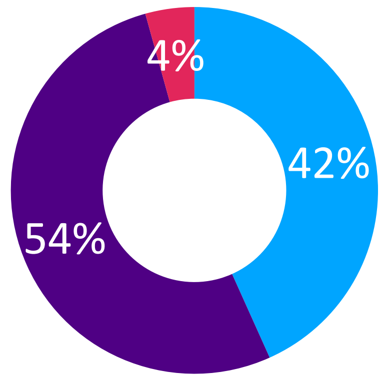
A$m, June year end	EML FY2019	EML FY2020	prepaid FINANCIAL SERVICES FY2019[4]	prepaid FINANCIAL SERVICES FY2020[4]	Aggregated[5] EML prepaid FY2019	Aggregated[5] EML prepaid FY2020
GDV	$9.0bn	$13.0bn	$4.5bn	$5.3bn	$13.5bn	$18.3bn
Net Revenue[1]	$97m	$124m	$63m	$84m	$160m	$208m
3-Year Revenue CAGR	29%	32%	29%	30%	29%	31%
Revenue Conversion Rate[2]	108bps	95bps	140bps	158bps	119bps	114bps
EBITDA[1,3]	$30m	$41m	$17m	$24m	$47m	$65m
EBITDA Margin	31%	33%	27%	29%	29%	31%

Segment Mix by Net Revenue (FY19)

- GPR
- G&I
- VANS







PFS FY20 forecasts are based on EML management estimates

Enhances processing volume and increases revenue scale

20%+ growth rates highlight strong commercial momentum in both businesses

Meaningful cash flow generation providing greater financial and strategic flexibility

Attractive margin profile driven by high operating leverage

Net run-rate synergies of approximately A$6m per annum expected to be partially realised in FY21 and fully realised from FY22

Shift in revenue mix towards attractive GPR segment

Source: Vendor Due-Diligence Report, Financial Due-Diligence Report, Management Estimates
Note: Assumes GBP / AUD conversion rate of 1:1.87. Top 15 clients are representative of PFS's net revenue breakdown by segment.

(1) Underlying EBITDA before synergies and Acquisition costs. PFS is restated on the basis of EML accounting policies.
(2) Revenue conversion rate is defined as net revenue / gross debit volume
(3) EML FY20 shown at midpoint of FY20 guidance
(4) PFS's financial year is 31 December. For the purposes of this document, PFS financials presented as FY are calendarised to a 30 June year end
(5) Financial metrics below comprise EML's and PFS's financial metrics for the relevant period, and assume completion of the acquisition prior to the commencement of the relevant period

Unaudited Pro Forma Balance Sheet

FYE 30 June (A$m)[1]	EML 30 June 2019	PFS 30 June 2019	Transaction Adjustments[2,3]	Pro Forma 30 June 2019
Cash and cash equivalents	33.1	15.8	(17.0)	31.9
Contract asset	31.8	-	-	31.8
Receivable from financial institution	244.8	800.0	-	1,044.8
Other short term receivables and other current assets	17.7	27.3	-	45.0
Investments and other long term assets	16.7	-	-	16.7
Deferred tax asset	22.7	-	-	22.7
Plant and equipment	5.3	8.0	-	13.3
Goodwill and intangibles[4]	104.5	6.6	516.0	627.1
Total assets	**476.6**	**857.7**	**499.0**	**1,833.3**
Liabilities to stored value account holders	244.8	800.0	-	1,044.8
Deferred tax liabilities	7.3	0.3	-	7.6
Interest-bearing borrowings	15.0	-	110.2	125.2
Other liabilities	65.3	30.1	102.8	198.2
Total liabilities	**332.4**	**830.4**	**213.0**	**1,375.8**
Equity	144.2	27.3	286.0	457.5
Total equity	**144.2**	**27.3**	**286.0**	**457.5**

(1) Figures have been rounded to the nearest million and may present rounding errors

(2) Pro forma transaction adjustments include the Upfront Enterprise Value paid to PFS's shareholders, potential additional earn-out payments that could be paid and transaction costs incurred by EML in relation to the Acquisition as if the transaction had taken place on 30 June 2019. Further, the excess of purchase price paid by EML, over the assumed net value of the tangible and intangible assets acquired and liabilities assumed, resulted in goodwill and intangibles of A$516.0 million

(3) Purchase consideration includes an earnout component of up to £55 million (A$102.8 million) which will be adjusted to fair value at the date of completion. The earnout is payable in GBP and subject to the rate of exchange once the final amount becomes known in alignment with the milestones of the earnout agreed. GBP has been converted to AUD using a rate of 1.87. EML has used its cash reserves to fund the Acquisition expenses estimated at A$17.0 million including costs to raise finance to complete the transaction. EML has estimated approximately 70% of the transaction costs will be capitalised as they relate to financing of the transaction.

(4) The purchase price accounting for the acquisition has been shown on an illustrative basis by allocating the difference between the purchase consideration and the carrying value of assets and liabilities in the 30 June 2019 balance sheet of PFS to intangibles. The pro forma adjustments to reflect the estimated financial effect of the accounting for the business combination are illustrative only. Australian Accounting Standards require an allocation of fair value of assets and liabilities acquired. EML will undertake a formal allocation of its acquisition subsequent to the date when the transaction completes. Accordingly, that allocation may give rise to material differences in values allocated to the above balance sheet line items and may also give rise to fair value being allocated to other balance sheet items

Acquisition Funding

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Acquisition Funding and Terms

Acquisition Consideration[1]	– Upfront Enterprise Value of **£226 million** (A$423 million) comprising **£41 million** (A$77 million) in EML shares to the vendors[2], issued at A$3.55 per share, and **£182 million** (A$340 million) cash – Earn-out Consideration comprising up to **£55 million** (A$103 million) contingent on PFS achieving agreed annual EBITDA targets during the 3 year period post transaction close – Implied upfront Acquisition multiple of approximately **17.5x** Upfront Enterprise Value / FY20 EBITDA based on PFS's forecast EBITDA for the 12 months ending 30 June 2020 of **£12.9m**, and approximately **14.0**x taking into account the full year impact of synergies expected to be realised post completion of the Acquisition[3,4] – **£11.5 million** (A$21.5 million) will be held in escrow for 12 months following completion of the Acquisition for claims made under the Acquisition agreement

Acquisition Funding	– The Upfront Enterprise Value and transaction costs of the Acquisition will be funded by a combination of:
	  – A fully underwritten placement to new and existing institutional shareholders of approximately A$67 million at an issue price of A$3.55 per share (**Placement**)
	  – A fully underwritten accelerated, pro-rata, accelerated, non-renounceable entitlement offer to raise approximately A$183 million at an issue price of A$3.55 per share (**Entitlement Offer**) (representing 6.2% discount to TERP)
	  – Scrip consideration of A$77 million of new EML shares issued to the vendors of PFS at A$3.55 per share[2]
	  – A new fully underwritten A$175 million multicurrency debt facility. Initially A$130 million to be drawn, representing pro forma net leverage of 2.3x on FY19 pro forma EBITDA[5] (accompanied by a A$100 million accordion facility)
	– The Earn-out Consideration, to the extent paid, is expected to be funded in cash from operating cash flows and available debt capacity

Key Terms of Debt Facility	– **Covenants:** DSCR, Leverage and Gearing – **All-In Interest Rate:** Interest rate on new debt comprised of a margin (depending on a leverage grid) over the applicable EUR, AUD or GBP base rate. Assumed to be ~3.35% – **Tenor:** 3 years – **Facility Size:** A$175m
Vendor Ownership in Combined Group	– PFS vendors to own approximately 6.2% of EML shares post-Acquisition, which will be restricted from sale until EML releases its financial results for the year ending 30 June 2020 in August 2020
Timing and Conditions	– Completion of the Acquisition is subject to change of control regulatory approvals from the FCA and CBOI – The Acquisition is expected to complete in early 2020

(1) GBP / AUD conversion rate of 1.87
(2) EML shares issued to the vendors will be restricted from sale until EML releases its financial results for the year ending 30 June 2020 in August 2020
(3) Net run-rate synergies of approximately A$6m per annum expected to be partially realised in FY21 and fully realised from FY22
(4) Slides 23 and 24 outline further detail on forecast assumptions
(5) The FY19 pro forma EBITDA of A$50.8m is based on EML's FY19 EBITDA of A$29.7m adjusted for the A$4m Flex-E-Card acquisition run rate EBITDA, and PFS's EBITDA for the 12 months ended 30 June 2019 of A$17.1m. EML EBITDA presented in EMLs' FY19 results included acquisition costs of A$0.6m, which are now excluded from EBITDA.

Sources and Uses

Sources of Funds	A$m
Scrip issued to PFS vendors	$77
Placement and Entitlement Offer	$250
New debt facility drawn	$130
EML cash on balance sheet	$15
Total Sources	**$472**

Uses of Funds	A$m
PFS Upfront Enterprise Value	$423
Repayment of current EML debt	$15
Fees & expenses	$17
PFS agreed cash on hand at Acquisition	$17
Total Uses	**$472**

(1) GBP / AUD conversion rate of 1.87

Overview of the Placement and Entitlement Offer

Offer Structure	– Fully underwritten institutional placement and fully underwritten 1 for 5 pro-rata, accelerated, non-renounceable entitlement offer to raise approximately A$250 million (the **Offer**) – Approximately 70 million new ordinary shares (**New Shares**) representing approximately 27% of existing shares on issue

Offer Price	– All shares under the Offer will be issued at A$3.55 per New Share (**Offer Price**), representing a:
	  – 6.2% discount to TERP[1]
	  – 7.3% discount to last close at 8 November 2019 of A$3.83

Placement and Institutional Entitlement Offer	– The Placement and the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) will be conducted by way of a bookbuild process that will open at 10:00am on Monday, 11 November 2019 and close on Tuesday, 12 November 2019[2]
Retail Entitlement Offer	– The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will open at 9:00am on Monday, 18 November 2019 and close at 5:00pm Friday, 29 November 2019
Underwriting	– The Offer is fully underwritten by Royal Bank of Canada (trading as RBC Capital Markets) and UBS AG, Australia Branch
Ranking	– New Shares issued under the Offer will rank pari passu with existing shares on issue
Director / CEO participation	– Managing Director & CEO, Tom Cregan, intends to take up a portion of his entitlement under the Entitlement Offer
Other Director Participation	– All directors of EML who are eligible may participate in the Entitlement Offer – Peter Martin intends to take up a portion of his entitlement under the Entitlement Offer
Record Date	– 7:00pm (Melbourne time) on Wednesday, 13 November 2019

(1) TERP includes shares issued under the Institutional Entitlement Offer and the Retail Entitlement Offer, and excludes shares issued to PFS vendors under the Placement. TERP is a theoretical calculation only and the actual price at which EML shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.
(2) All dates and times are indicative and subject to change without notice

Placement and Entitlement Offer Timetable

Offer Structure	Date
Trading halt and announcement of the Offer	Monday, 11 November 2019
Institutional Entitlement Offer and Placement opens	Monday, 11 November 2019
Institutional Entitlement Offer and Placement closes	Tuesday, 12 November 2019
Results of the Institutional Entitlement Offer and Placement announced to ASX	Wednesday, 13 November 2019
Trading Halt lifted - Shares recommence trading on ASX on an "ex-entitlement" basis	Wednesday, 13 November 2019
Record Date for determining entitlement to subscribe for New Shares at 7:00pm (Melbourne time)	Wednesday, 13 November 2019
Retail Offer Booklet dispatched and Retail Entitlement Offer Opens	Monday, 18 November 2019
Settlement of Institutional Entitlement Offer and Placement	Tuesday, 19 November 2019
Allotment and normal trading of New Shares under the Institutional Entitlement Offer and Placement	Wednesday, 20 November 2019
Retail Entitlement Offer closes	Friday, 29 November 2019
Results of the Retail Entitlement Offer announced to ASX	Wednesday, 4 December 2019
Settlement of Retail Entitlement Offer	Thursday, 5 December 2019
Allotment of New Shares under the Retail Entitlement Offer	Friday, 6 December 2019
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 9 December 2019
Dispatch of holding statements	Tuesday, 10 December 2019

Appendix A – Key Risks

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Key Risks

This section discusses some of the key risks associated with any investment in EML, which may affect the value of EML shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in EML. Before investing in EML, you should be aware that an investment in EML has a number of risks, which are specific to EML and some of which relate to listed securities generally, and all of which are beyond the control of EML.

Before investing in New Shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on EML (such as that available on the websites of EML and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

Acquisition Risks

Topic	Summary
Information has been provided by the vendors of PFS	EML undertook a due diligence process in respect of PFS, which relied in part on the review of financial and other information (including unaudited financial information) concerning the business and corporate structure of PFS, which was provided to EML by the vendors of PFS. Despite making reasonable efforts, EML has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, EML has prepared (and made assumptions in the preparation of) the financial information relating to PFS (on a stand-alone basis and also with EML post-Acquisition of PFS) included in this Presentation from financial and other information (including unaudited financial information) provided by the vendors of PFS. EML is unable to verify the accuracy, reliability or completeness of all of this information. If any of the data or information provided to and relied upon by EML in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of PFS and the combined group may be materially different to the financial position and performance expected by EML and reflected in this Presentation. Furthermore, there is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Acquisition. A material adverse issue that was not identified prior to entry into the Acquisition could have an adverse impact on the financial performance or operations of EML. As is usual in the conduct of acquisitions, the due diligence process undertaken by EML identified a number of risks associated with PFS, which EML had to evaluate and manage. The mechanisms used by EML to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by EML may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated or unforeseen, and hence they may have a material adverse impact on EML's operations, earnings and financial position.
Future earnings may not be as expected	EML has undertaken financial and business analysis of PFS in order to determine its attractiveness to EML and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by EML, draw conclusions and forecasts that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by PFS are different than those anticipated, or any unforeseen difficulties emerge in integrating the operations of PFS, or the timing of receipt of regulatory approvals for the Acquisition do not align with EML's assumptions, there is a risk that the profitability and future earnings of the operations of EML may differ (including in a materially adverse way) from the performance as described in this Presentation.
EML may not successfully integrate PFS	The integration of a business of the size and nature of PFS carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. The success of the Acquisition, and the ability to realise the expected benefits of the Acquisition outlined in this Presentation, is dependent on the effective and timely integration of PFS's business alongside EML's business following completion of the Acquisition. A failure to fully integrate the operations of PFS, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of EML.

Key Risks

Acquisition Risks

Topic	Summary
EML will assume PFS' historical liabilities	Following completion of the Acquisition, EML will be responsible for any outstanding liabilities that PFS has incurred prior to the Acquisition, including any liabilities that were not identified during EML's due diligence or which are greater than expected, for which insurance may not be available, and for which EML may not have post-Acquisition recourse under the agreement for the Acquisition (for example pursuant to an indemnity provided by the PFS vendors for prior regulatory breaches) and which may result in EML being liable for fines and penalties or subject to other sanctions. Such liabilities could include liabilities relating to current or future litigation or other proceedings, failure by PFS to hold required regulatory approvals, authorisations or licences, regulatory actions (including without limitation in relation to any such failure), health and safety claims, warranty or performance claims, liabilities relating to deferred consideration payable under acquisition agreements previously entered into by PFS, historical tax liabilities and other liabilities. For example, EML is aware that on 24 September 2019, the French banking regulator ("ACPR") published an enforcement action against PFS and imposed a €1 million fine. The ACPR enforcement decision will remain published on the ACPR website for 5 years. The ACPR identified regulatory breaches by PFS, broadly relating to failures by PFS to carry out a robust 'know your customer' processes and report suspicious transactions to the French regulator. No remediation or corrective measures are imposed by the ACPR in its decision, but the ACPR may carry out a further on-site inspections. PFS may be subject to other similar regulatory action. Furthermore, EML is aware that the United Kingdom's Payment Systems Regulator ("PSR") is currently investigating certain conduct by PFS in relation to a competitor of PFS. EML understands that PFS is co-operating with the PSRs' investigation. As at the date of this Presentation, the investigation is an on-going confidential process and EML and PFS are not in a position to comment further. Such liabilities may adversely affect the financial performance or position of EML and even put at risk the group's capacity to carry on its business, either at all or in one or more of the geographic regions in which the group currently operates, and may be more costly than expected to remedy.
The financial capacity of, and recourse to, the vendors of PFS may be limited and there is counterparty and contractual risk	The ability of EML to achieve its stated objectives will depend on the performance by the parties of their obligations under the agreements for, and related to, the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for EML to approach a court to seek a legal remedy, which can be expensive and time consuming. Furthermore, if a warranty, indemnity or other claim was made by EML against the vendors of PFS under the agreement for the Acquisition, there is a risk that such claim may be contested or that funds may not be available to meet the claim in its entirety. Further, while part of the purchase price will be held in escrow in accordance with the terms of the Acquisition, there can be no guarantee as to the on-going financial capacity of the vendors of PFS. Any inability to recover amounts claimed under the agreement for the Acquisition could materially adversely affect EML's financial position and performance.

Key Risks

Acquisition Risks

Topic	Summary
The Acquisition may not complete	Completion of the Acquisition is conditional on certain matters, including certain approvals that are required from the United Kingdom's Financial Conduct Authority and the Central Bank of Ireland. There is a risk that either of these regulators may not provide the requisite approvals to EML. If any of the conditions precedent are not satisfied or waived or take longer than anticipated to satisfy, completion of the Acquisition may be deferred or delayed, or may not occur on the current terms or at all. There is no guarantee that EML will obtain all necessary approvals to complete the Acquisition within any particular timeframe, or at all, or that such approvals will be granted on terms that are acceptable to EML or on an unconditional basis. If the Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise), EML will need to consider alternative uses for the proceeds of the Entitlement Offer and Placement, or ways to return such proceeds to shareholders. If completion of the Acquisition is delayed, EML may incur additional costs and it may take longer than anticipated for EML to realise the benefits of the Acquisition. Any failure to complete, or delay in completing, the Acquisition and/or any action required to be taken to return capital raised to shareholders may have a material adverse effect on EML's financial position and performance.
Brexit may impact PFS' operations	Like EML, PFS has operations in Europe including in the United Kingdom and these operations could be impacted by the terms on which the United Kingdom leaves the European Union (commonly referred to as 'Brexit'). How Brexit may impact PFS and its operations, is currently uncertain. For example, Brexit may impact PFS' existing licensing arrangements and require PFS to amend its existing licences or apply for new licences, and transfer assets between entities in different jurisdictions, which may have adverse tax implications. Any adverse consequences of Brexit may, individually or together, adversely affect EML's ability to operate PFS' business as it is currently operated, and its financial position and results.
Arrangement with PFS' key suppliers and customers	Some of PFS' contracts with its suppliers and customers contain change of control provisions that will be triggered by the Acquisition and, when triggered, entitle the counterparty to terminate the relevant contract. Furthermore, the initial term of a number of these contracts is expired and those contracts appear to be operating on the basis of automatic annual renewals. Furthermore, a large portion of PFS' net revenue has historically been derived from a small number of key customers. For the eight months to 31 August 2019, PFS generated approximately 26% of total net revenue from two customers and its top 15 customers, representing less than 7% of the total number of customers, generated approximately 46% of PFS's net revenue. Any termination or non-renewal or renewal on less favourable terms of a material supplier or customer contract could materially adversely affect EML's financial position and prospects.
Acquisition accounting	EML is required to undertake an assessment of the fair value of the tangible and intangible assets acquired as well as the actual and contingent liabilities of PFS at the date of the Acquisition. Accounting standards provide twelve months from completion for this assessment to be finalised. The outcome of this assessment could give rise to different values being applied than those used in the pro-forma financial information contained in this Presentation. Such an outcome will impact the values of assets and liabilities reported in the consolidated balance sheet by EML. There will also be differences in the depreciation and amortisation charges recognised in the consolidated profit or loss account which may impact reported profit before tax and net profit after tax.

Key Risks

Acquisition Risks

Topic	Summary
Regulatory	The Payment Systems Regulator ("PSR") notified PFS in February 2018 that it had commenced an investigation under the Competition Act 1998 into anti-competitive conduct in relation to a minor part of its' business. The progress and scope of the investigation remain confidential. PFS is co-operating with the PSR and the investigation is ongoing. A PSR investigation may run for a considerable period of time before any outcomes are announced. Under the relevant legislation, should an adverse finding be made against PFS fines can be up to 10% of PFS' turnover. Under the terms of the SPA for the Acquisition EML has received protections from the Vendors to cover any potential fines that could ultimately be imposed.

Business Risks

While the risks set out in this section are stated to relate to EML and its business, investors should consider that these risks will also apply to PFS and its business, which EML will own following completion of the Acquisition.

Topic	Summary
EML operates in a heavily regulated industry and it may not comply with applicable laws and regulations	EML currently has operations in 23 countries in North America, Europe and Australia, and will following the Acquisition have operations in an additional 8 countries. Accordingly, EML is exposed to a range of risks relating to compliance with, changes to, or uncertainty in, the relevant legal and regulatory regimes in those jurisdictions including in relation to regulation of financial services, regulation of e-Money, privacy and data protection laws and anti-money laundering and counter terrorism financing laws. EML is also exposed to political uncertainty in some of the countries in which it operates. For example, the terms on which the United Kingdom will leave the European Union (commonly referred to as 'Brexit'), and how Brexit may impact EML and its operations, is currently uncertain. Changes to laws and regulations that apply to EML in any of the jurisdictions in which EML operates may have a material adverse effect on EML's business, financial position and prospects, as well as reduce demand for EML's services. Further, regulatory requirements in any of the jurisdictions in which EML operates may become more burdensome in the future, which may result in EML being required to dedicate more time, resources and expenditure to achieve compliance If EML's operations are found not to satisfy or to violate any applicable laws or regulations, EML may be subject to penalties, damages, fines, disruption to its operations and increased compliance costs. The reputation of EML may also be adversely affected. Any penalties, damages, fines, operational disruptions, increased compliance costs or damage to reputation, individually or together, could adversely affect EML's ability to operate its business, and its financial position and results.

Key Risks

Business Risks

Topic	Summary
EML's customers are also subject to laws and regulations that may change and evolve and impact demand for EML's products and services	EML's customers are also subject to a range of legal and regulatory regimes in the jurisdictions in which they operate, and such laws may be evolving. For example, the regulation of sports betting in the United States is currently evolving, which is presenting a number of opportunities for EML to provide products to sports betting companies operating in the United States. However, changes to, or uncertainty in, laws and regulations that apply to EML's customers in any of the jurisdictions in which they operate may reduce demand for EML's products and services or impact the way in which those customers are allowed to use EML's products and services. Further, regulatory requirements in any of the jurisdictions in which EML's customers operates may become more burdensome in the future, which may result in EML's customers being required to dedicate more time, resources and expenditure to achieve compliance, which may in turn make EML's products and services less appealing.
EML's customer contracts may be breached, terminated, not renewed or renewed on less favourable terms	EML is party to contracts to provide its solutions to customers for payouts, gifts, incentives and rewards, and supplier payments and those contracts are responsible for the majority of EML's revenue. If EML breaches a customer contract (for example by not meeting service level requirements), including if it fails to deliver its payment solutions to the specified requirements, EML may be liable for damages under the relevant contract and in certain cases the counterparty may be entitled to terminate the contract. EML's customer contracts may also not be renewed for a number of reasons, including performance below required service levels, adverse publicity or increased competition, or renewed on terms less favourable than those currently enjoyed by EML. Any breach, termination, non-renewal or renewal on less favourable terms of a customer contract could materially adversely affect EML's financial position and prospects.
EML is exposed to adverse foreign exchange rate and interest rate movements	The financial information in EML's financial statements is presented in Australian dollars, while the majority of EML's revenue is currently generated in USD, CAD, GBP and Euros. Similarly, some of EML's expenses are incurred in these foreign currencies. The non-Australian dollar denominated sales and expenses are translated into Australian dollars for the purposes of presenting the consolidated EML group financial performance and position. Accordingly, EML is subject to adverse exchange rate movements, particularly, adverse movements in the USD:AUD exchange rate, the CAD:AUD exchange rate, the GBP:AUD exchange rate and the Euro:AUD exchange rate. An adverse movement in the exchange rate (ie an increase in the Australian dollar relative to the USD, CAD, GBP or Euro) may have an adverse impact on EML's future reported financial performance (ie reduce its reported sales, profitability, cash flows and financial position). Furthermore, as EML expands, including through the acquisition of PFS (which generates sales in a number of currencies including GBP and Euros), it will be exposed to additional currencies and a higher proportion of its sales, profitability, cash flows and financial position will be affected by exchange rate movements. Furthermore, EML is exposed to adverse changes in interest rates on its interest bearing financial instruments (primarily its cash and cash equivalents and receivables from financial institutions) and well its debt borrowings. EML does not use derivatives to mitigate this exposure. Adverse changes in interest rates could affect the amount of interest income received by EML and EML's cost of servicing its borrowings may increase. In each case, this may adversely impact EML's business, financial condition and financial performance.

Key Risks

Business Risks

Topic	Summary
EML may not achieve anticipated benefits from past acquisitions	EML has in part historically grown its business by acquisition (including the recent acquisitions of Flex-e-Card and PerfectCard), and growth through acquisition is likely to remain an important part of EML's strategy in the future. This growth has placed, and may continue to place, significant demands on management, information and reporting resources and financial and internal controls and systems. Effective management of EML's growth will require continued development and appropriate resourcing of these controls and systems, failing which EML may not be able to take advantage of market opportunities, satisfy customer requirements, execute its business plan or respond to competitive threats. There are a range of additional risks associated with strategic acquisitions, including one or more past or future acquisitions giving rise to significant actual or contingent liabilities or loss which it cannot recover under the relevant acquisition agreement, EML may fail to achieve expected synergies and cost savings in relation to an acquisition, customers and key employees of acquired businesses may not be retained after completion of the acquisition and the services contracts of acquired businesses may contain unusual or onerous terms, including in relation to termination rights. Any of the above factors, either individually or in combination, may have a material adverse effect on EML's financial position and future prospects.
EML's or a third party's information technology systems may fail or be subject to attack	EML relies on its information technology systems to perform key functions critical to its ability to service its customers by providing its payment solutions. In addition, EML relies on information technology systems provided by third party technology vendors such as banking and payment processing systems owned and operated by third parties, for example Apple Pay, which is owned by Apple Inc., as well as point of sale devices, for the validation of payments, processing and settlement of payments. The use of information technology and the effectiveness of EML's proprietary technology platforms are critical to EML's ability to deliver services to its clients and to continue to grow its business. By their nature, EML's information technology systems, as well as those provided by third party technology vendors, are vulnerable to damage, interruption or failure from a number of sources, including limitations in processing increasing transaction volumes, natural disasters, power losses, computer systems failures, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data and similar events, computer viruses, penetration by hackers seeking to disrupt operations or misappropriate information and other breaches of security. It is possible that the measures taken by EML or relevant third parties to protect its proprietary information and the private information of its clients may not be sufficient to prevent unauthorised access to, or disclosure of, sensitive financial, proprietary or personal information. Furthermore, EML's reliance on third parties and their systems to provide key services decreases its control over the delivery of these services and the quality and reliability of the services provided. Any damage or interruption to, or failure of, EML's information systems or those provided by third party technology vendors could significantly curtail, directly and indirectly, EML's ability to conduct its business and generate revenue and could result in significant costs being incurred, for example to rebuild systems, respond to regulatory inquiries or actions, pay damages, or take other remedial steps with respect to third parties. Further, accidental or deliberate security breaches or other unauthorised access to, or disclosure of, EML's or a third party technology vendor's information technology systems or customer data may subject EML to reputational damage, a loss of confidence in the products and services it provides, claims by customers, loss of customers, a disruption to services, legal action and regulatory scrutiny.

Key Risks

Business Risks

Topic	Summary
EML relies on the effective performance of IT infrastructure	Technology is the key enabler of EML's services. EML and its clients are dependent on the effective performance, reliability and availability of EML's technology platforms, software, third party data centres and communications systems. EML may fail to successfully achieve the required development of its technology and systems to meet clients' needs, match competitors or meet regulatory requirements, which may, in turn, adversely affect its operations, relationship with clients, financial performance and financial condition.
EML may not be issued with, or lose or breach, a licence, certification or accreditation	EML is required to hold various licences, registrations, certifications or accreditations to operate its business such as an Australian Financial Services Licence and e-Money licence. Any lapse in, or revocation of, EML's licences, registrations, certifications or accreditations could adversely affect EML's operations and financial results. Furthermore, EML may not be issued with the licences, certifications or accreditations necessary to conduct its business. To the extent that EML's customer contracts include termination rights due to loss of accreditation, registration or licence, or other adverse regulatory findings, there may be flow-on contractual effects or regulatory difficulties affecting EML's businesses.
EML may fail to attract and retain key personnel	A key driver of EML's performance is the recruitment and retention of effective and qualified employees. EML faces risks of loss of key management personnel, loss of other key employees, delay in finding suitable replacements for lost personnel and the inability to find suitably qualified personnel to meet EML's business needs as it grows. If any of these risks were to materialise, they could have a material adverse impact on PFS' business, financial performance and financial condition.
EML's competitive position may deteriorate	EML operates in a highly competitive industry. EML's competitive position may be impacted by a number of factors, including the level of innovation relative to that of competitors, commercial factors including pricing and liability, its ability to keep up with technological or regulatory change, its ability to respond to client preferences for products and services and the ability to maintain strong relationships with existing clients by upholding the consistency and quality of its services. In addition, EML needs to respond effectively to any changes in the competitive landscape, which may evolve as a result of a number of factors, including the entry of new competitors into the market and the consolidation of existing market participants. Increased competition may adversely affect EML's business, financial performance and financial condition.
EML's intangible assets may be impaired	EML has a material amount of intangible assets on its balance sheet relating to goodwill and identifiable intangible assets such as client contracts and relationships, software and licences. Under Australian Accounting Standards, goodwill and indefinite life intangible assets must be regularly tested for impairment. If impaired, EML would need to write down the value of its intangible assets, which would result in an expense in the income statement, thereby potentially materially impacting EML's financial condition and reported earnings.
EML's reputation may be damaged	EML's brand and reputation is important in attracting and retaining clients. There is a risk that EML's brand and reputation may be tarnished by incidents such as negative publicity, a data security breach or a one-off unforeseen events that negatively impacts EML's operations. The occurrence of any such incidents may lead to client loss and the failure to attract new clients, which, in turn, may have an adverse impact on EML's financial performance.

Key Risks

Business Risks

Topic	Summary
EML may be involved in disputes or litigation	EML may in the ordinary course of business become involved in litigation and disputes, for example with its suppliers or clients. Any such litigation or dispute could involve significant economic costs and damage to relationships with suppliers, clients and/or other stakeholders. If EML is involved in any litigation or disputes or protracted settlement negotiations in relation to that litigation or dispute, this may disrupt EML's business operations, cause EML to incur significant legal costs, and may divert management's attention away from the daily operations of the business. Any such outcomes may have an adverse impact on EML's business, reputation and financial condition and financial performance.
EML may fail to realise benefits from research and development investments	Developing software and technology is expensive and the investment in the development of these product and service offerings often involves an extended period of time to achieve a return on investment. An important element of EML's corporate strategy is to continue to make investments in innovation and related product and service opportunities through internal investments and the acquisition of intellectual property from companies that it has acquired. EML believes that it must continue to dedicate resources to its innovation efforts to develop its software and technology service offering and maintain its competitive position. However, EML may not receive significant revenues from those investments for several years, or may not realise such benefits at all.
EML's intellectual property may be compromised or lost	EML relies and expects to continue to rely on a combination of confidentiality, assignment provisions and licence agreements with its employees, consultants and third parties with whom it has relationships, as well as trademarks, copyright and patents, to protect its proprietary rights. Third parties may knowingly or unknowingly infringe EML's proprietary rights, and/or may challenge proprietary rights held by EML, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which EML operates or intends to operate its business. In any or all of these cases, EML may be required to expend significant time and expense in order to prevent infringement or to enforce its rights. If the protection of its proprietary rights is inadequate to prevent unauthorised use or appropriation by third parties, its competitors may be able to more effectively mimic its products, services, and methods of operation. Any of these events could have an adverse effect on its business, financial condition and financial performance.
EML may infringe a third party's intellectual property rights	EML may receive notices from third parties claiming infringement of their intellectual property rights and/or breach of its agreements with them, including from its competitors in the industries it which it operates. Such claims may require protracted negotiation, including litigation, to resolve, or the payment of monetary damages or the satisfaction of indemnification obligations in the agreements with suppliers. In addition, such claims may increase as EML continues to acquire new businesses and enter new markets. In such cases, if a determination was made that EML had infringed such third party rights, EML's business and financial condition may be adversely affected.

Key Risks

Business Risks

Topic	Summary
EML is exposed to changes in general economic conditions, legislation and regulation which may adversely impact spending and confidence	EML's customers and the end users of EML's products (including customers of EML's customers) may be impacted by changes in general economic conditions, such as movements in inflation and interest rates, the level of business spending and consumer confidence generally and to changes to fiscal or monetary policies, legislation and regulation. A prolonged downturn in general economic conditions either globally or in any geographic region in which EML operates may therefore impact demand for EML's products and services from its customers and end-user's willingness to use EML's products. Any such downturn may have a material adverse impact on EML's operations and financial results.
EML may be unable to refinance, repay or renew its debt	EML utilises debt to partially fund its business operations and may need to access additional debt financing to grow its operations. If EML is unable to refinance, repay or renew its debt facilities or otherwise obtain debt finance on favourable terms, EML may not meet its growth targets, which may adversely impact its financial performance.
Underwriting risk	EML has entered into an underwriting agreement under which the Joint Lead Managers have agreed to underwrite the Entitlement Offer and Placement, subject to the terms and conditions of the underwriting agreement between EML and the Joint Lead Managers (Underwriting Agreement). The Joint Lead Managers' obligations to underwrite the Entitlement Offer and Placement is conditional on certain customary matters, including EML delivering certain certificates, sign-offs and opinions to the Joint Lead Managers. Furthermore, if certain events occur, the Joint Lead Managers may terminate the Underwriting Agreement. Those events include where: • EML is prevented from issuing the New Shares under the Entitlement Offer and Placement; • ASX announces that EML will be removed from the official list of ASX or that its shares will be delisted or suspended from quotation by ASX for any reason; • there are certain delays in the timetable for the Entitlement Offer and Placement without the Joint Lead Managers' consent; • EML withdraws the Entitlement Offer and Placement or indicates that it does not intend to or is unable to proceed with the Entitlement Offer and Placement; • EML is required to give ASX a notice in accordance with section 708AA(12) or 708A(9) of the Corporations Act; • certain information supplied by or on behalf of EML to the Joint Lead Managers is or becomes false, misleading or deceptive or is likely to mislead or deceive; or • a statement contained in the offer materials (including this Presentation) is or becomes misleading or deceptive in a material respect or those offer materials omit any information they are required to contain. Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Entitlement Offer and Placement. In these circumstances, EML would need to utilise alternative funding to meet its obligations under the Acquisition agreements. Termination of the Underwriting Agreement could materially adversely affect EML's business and financial condition.

Key Risks

General Investment Risks

Topic	Summary
There are risks associated with an investment in shares	There are general risks associated with investments in equity capital such as EML shares. The trading price of EML shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors that may affect the market price of shares include: • general movements in Australian and international stock markets; • investor sentiment; • Australian and international economic conditions and outlooks; • changes in interest rates and the rate of inflation; • changes in government legislation and policies, in particular taxation laws; • announcement of new technologies; • geo-political instability, including international hostilities and acts of terrorism; • demand for and supply of EML shares; • announcements and results of competitors; and • analyst reports. No assurance can be given that the New Shares will trade at or above the Offer Price or that there will be an active market in EML shares. None of EML, its directors or any other person guarantees the performance of the New Shares. The operational and financial performance and position of EML and EML's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.
Risk of dilution	Investors who do not participate in the Entitlement Offer and the Placement, or do not take up all of their entitlement under the Entitlement Offer, will have their percentage security holding in EML diluted by not participating to the full extent in the Entitlement Offer and the Placement. Investors may also have their investment diluted by future capital raisings by EML. EML may issue new shares to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest in EML. EML will only raise equity if it believes that the benefit to investors of conducting the capital raising is greater than the short term detriment caused by the potential dilution associated with a capital raising.

Key Risks

General Investment Risks

Topic	Summary
Dividends may not be paid	The payment of dividends by EML is determined by the Board from time to time at its discretion, depending on the profitability and cash flow of EML's business. While EML does not have a stated dividend policy, the Acquisition is likely to cause EML to not be in a position to pay dividends given EML will divert cash flows to the repayment of debt.
There may be changes in accounting standards	There may be changes in accounting standards. This may affect the reported earnings of EML and its financial position from time to time. There are multiple pending, or recently adopted, changes to accounting standards that may impact EML, including those governing leases (adopted on 1 July 2019). EML has previously and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.
Adverse changes to tax laws may occur	Future changes in taxation laws in jurisdictions in which EML operates, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in EML shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which EML operates, may impact the future tax liabilities of EML. An investment in shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in EML.

Appendix B – International Offer Restrictions

International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (Alberta, British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of Alberta, British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

International Offer Restrictions

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

International Offer Restrictions

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

International Offer Restrictions

Singapore

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International Offer Restrictions

United Kingdom

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