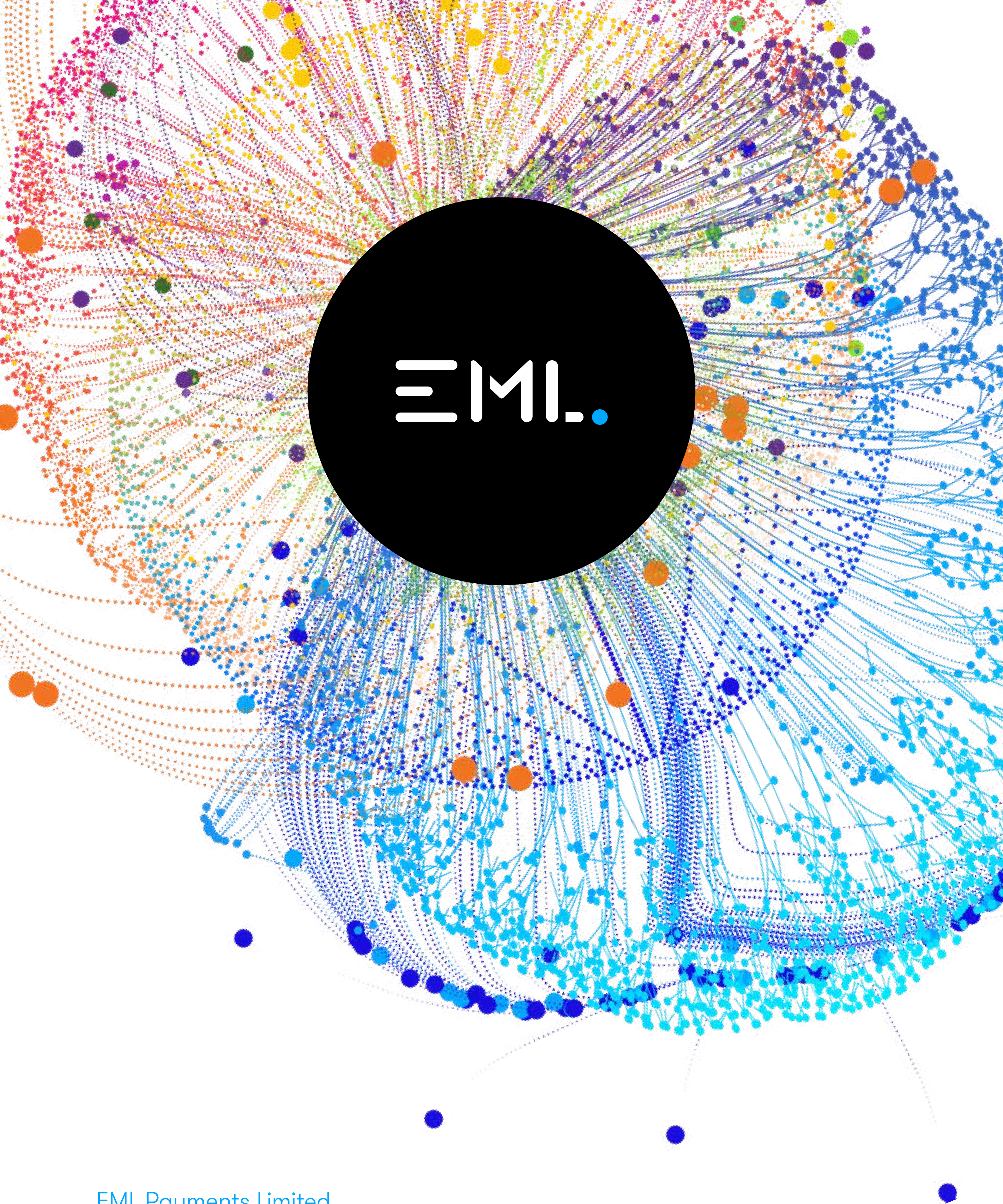


EML Payments Limited

2023 Annual Report.

Year in review.

Customer and payment volumes continue to grow modestly. Significant interest income uplift driving growth in revenue.

EML Payments Limited and its controlled subsidiaries (EML or the Group) have continued to grow the underlying business during FY23, despite several headwinds.

Gross Debit Volume (GDV) increased to $129.6 billion, up 61% predominately due to a full year contribution from the Sentenial Group (including Sentenial's open banking business Nuapay) acquisition and modest organic growth in all three business segments - Gifting, General Purpose Reloadable (GPR) and Digital Payments.

Revenue increased 9% to $254.9 million[1] largely driven by interest revenues.

Underlying EBITDA[2] decreased by 28% impacted by increased overheads predominately reflecting: ongoing investment in regulatory remediation activity in Europe, technology cross all regions; and improved transaction monitoring in Europe.

Underlying NPATA decreased 85% reflecting the EBITDA performance as well as increased depreciation and amortisation offset by foreign exchange gains for the year. EML holds a cash balance of $71.4 million.

The Group made a net loss after tax of $284.8 million following the impairment loss after tax of $258.9 million of both the Prepaid Financial Services (PFS) Group and Sentenial Group acquisitions.

Key contributors

- Strong performance in the Gifting segment in Europe was driven by demand in malls and Perx, EML's employee incentive product.
- Demand for GPR cards was largely driven by existing customers across the regions. Regulatory restrictions in combination with other market factors lowered transaction revenue from new customers.
- Digital Payments experienced growth in the year following a full year contribution of the acquisition of the Sentenial Group along with organic growth in the cards-based businesses.
- Establishment revenue was down $11.2 million across all regions partly due to low new business growth, as well as a one-off revenue impact of $4.5 million in the prior year.
- Interest income for FY23 was up by $28.1 million[1] with the majority of the increase from the Gifting and GPR segments.

Net loss after tax

$284.8 million

PCP: $4.8 million

Cash at bank

$71.4 million

PCP: $73.7 million

Gross Debit Volume

$129.6 billion

PCP: $80.2 billion

Revenue[1]

$254.9 million

PCP: $234.1 million

Underlying EBITDA[2]

$37.1 million

PCP: $51.2 million

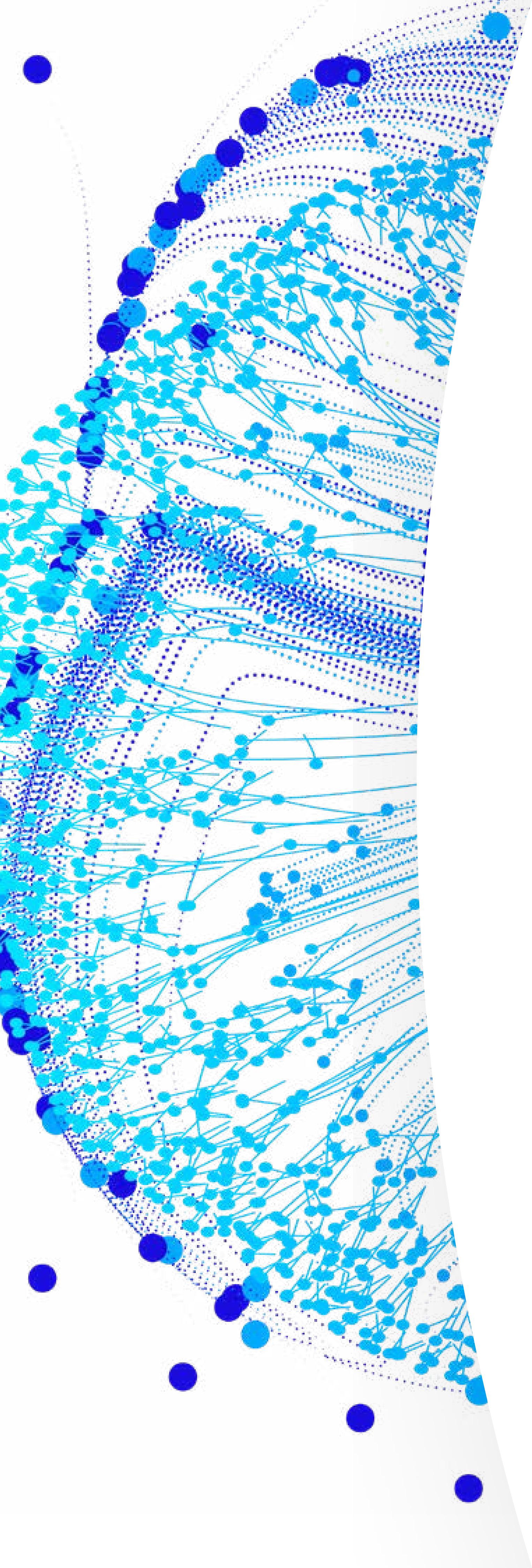
Underlying NPATA[2]

$4.9 million

PCP: $32.1 million

(1) Interest income - Bond investments have been added back due to the AASB 3 fair value effect of the PFS bond portfolio.

(2) Underlying EBITDA and Underlying NPATA are explained on page 16 within the Performance overview. These measures are non-IFRS measures and have not been audited.



The Board of Directors is pleased to present their report on the consolidated entity for the year ended 30 June 2023. The information referred to below forms part of and is to be read in conjunction with this Director's Report: Introduction, Corporate update including Segment overview, Performance overview, Risks and risk management and Remuneration Report each of which forms part of the Group's Operating and Financial Review (OFR).

Chairman's Report.

The renewed Board has commenced a program to reset the EML business. We are focused on solving the challenges of today to strengthen your company for future growth.

Dear Shareholder,

On 22 February 2023 I was appointed Independent Non-executive Director along with two new non-executive directors, Peter Lang, and Connor Haley. On 23 February 2023, I was appointed Chairman to the Board of EML. The renewal of the Board followed a period of declining share value which I acknowledge has been trying for EML shareholders.

Our challenge

The renewed board inherited a strategy focused on longer-term aspirations. In our view, the previous strategy did not account for the challenges facing the business today, which required immediate and concentrated attention. It also did not offer a clear plan to solve those challenges.

In addition, more recent acquisitions have not yielded the desired results or given rise to identifiable synergies delivering real value. These two acquisitions have led to several challenges. Particularly in the case of the PFS Group, which operates in a highly technical and evolving regulatory environment in Europe.

In the case of Sentenial Group, it has meant a slower ramp on anticipated revenues and limited synergies for our open banking business.

These operational factors together with impairments in PFS Group and Sentential Group are the key contributing factors to an overall net loss after tax position for the Group for FY23 of $284.8 million.

Our new strategy

Against this backdrop, the renewed Board has worked swiftly to address the biggest challenges facing the business today: leadership and talent retention; remediation and regulation; escalating costs and loss-making businesses; and constrained growth. While these are serious challenges that cannot be solved overnight, we are pleased to be making good progress on these four priorities since announcing them in April.

FY23 Results

From a financial perspective, we are pleased that EML recorded revenue of $254.9 million in FY23 up 9% on FY22 at $234.1 million. The Group recorded underlying EBITDA of $37.1 million[2], a reduction of 28% on FY22 impacted by overhead growth outpacing revenue and gross profit growth for FY23. The Board and I acknowledge the considerable decline in profitability and resolving this is an immediate priority of the Board.

Thank you and our commitment

The renewed Board and leadership team remain very focused on the actions that we believe will deliver and protect value for EML shareholders. I must acknowledge, on behalf of the entire Board, the significant work of our 659 staff across Australia, Europe, and North America. I would also like to extend thanks to our customer base for their partnership and acknowledge that change has not come without disruption.

We are committed to continue improving the business for the benefit of our shareholders, customers, partners, and team members.

Thank you for your ongoing support of EML and I look forward to meeting you at our AGM later this year.

Dr. Luke Bortoli
Non-executive Chairman
28 August 2023

CEO's Report.

Since my appointment as Interim Group CEO in April, the team and I have been focused on simplifying the Group's operating model and positioning EML as a more sustainable business.

EML provides instant and secure payment solutions for enterprises, corporates and governments across Australia, Europe and North America. Our white label services encompass a wide range of established gift, incentive and reloadable card programs as well as e-wallet and digital payment solutions. Our objective is to help our customers to create seamless payment experiences with their consumers.

FY23 results

In FY23, EML has delivered revenue of $254.9 million[1] and underlying EBITDA of $37.1 million[2], ahead of guidance.

FY23 revenue was up 9% on the prior period and 4% on guidance, through continued momentum of all three segments and interest revenues across our float holdings predominately within Gifting and GPR. This has offset lower establishment revenue in parts of our business impacted by macroeconomic considerations and growth restrictions in both of our PFS card businesses in the UK and Ireland.

Underlying EBITDA of $37.1 million[2] was down 28%, primarily impacted by higher overheads. Consequently cost optimisation has been a key focus since joining EML, aligning with one of the key operational priorities announced by the Board in April.

Progress on operational priorities

I am pleased to announce initial progress on our four operational priorities in the few short months since April: talent, remediation, cost optimisation and growth in core business.

We continue to make progress on our remediation work in the UK and European GPR businesses (PFS).

With the help of the newly established Regulatory Remediation Committee (est. March 2023) dedicated to the remediation action plan. EML has made progress with the Financial Conduct Authority (FCA), and the UK business recently entered into the embedding phase of remediation. We have added additional resources to uplift our capability to solve issues with the Central Bank of Ireland (CBI) in the European business.

Cost optimisation work is well underway. We have simplified our operating model, identifying and removing global roles linked to the previous strategy and removing matrix reporting lines. In this phase we have also identified cost saving opportunities in FY24 through further simplification of the operating model to reflect the business today.

I have spent significant time on the growth opportunities for the business and have met with many of our customers, to give comfort during this transition period and discuss growth opportunities we can explore in partnership.

Additionally since joining, I have committed investment to rebuild our sales, marketing and commercial teams to procure new growth in our business.

Finally, a key focus during my initial term has been to identify and ensure the appropriate leadership structures are in place to support the business as well as retain and develop the EML talent pool. The year has been challenging financially with the recognition of impairment expense after tax of $258.9 million on previous investments, however we will continue to invest in our people and ensure appropriate reward structures linked to near term performance are in place to retain key talent going forward.

FY24 focus

In the year ahead, the leadership team and I will continue to remain focused on the operational priorities we have identified to meet the challenges of today and set EML up for the future.

In FY24, our strategic priorities include progressing our remediation programs and realising cost savings identified working towards a leaner operating model.

We remain focused on size-appropriate investments in core growth areas such as Gifting, enhancing our product lines with incremental technology improvements to meet the future needs of our customers.

With our talent, we are committed to adding enhanced capability across the business in key roles to rebuild our leadership team.

We are focused on reshaping EML as a stronger and simpler business going forward for our shareholders, customers, partners, and team members.

Mr Kevin Murphy
Interim Group CEO
28 August 2023

(1) Interest income - Bond investments have been added back to gross profit due to the AASB 3 fair value effect of the PFS bond portfolio.

(2) Underlying EBITDA is explained on page 17. This measure is non-IFRS measure and has not been audited.

Gifting.

EML's Gifting business manages over 1,000 gift and incentive card programs for clients across Australia, Europe and North America. Our business includes consumer gift cards available at local shopping malls, stores, and towns; corporate-funded incentive cards for retail promotions; and corporate-funded employee rewards cards. EML offers both physical and digital cards that run on the Mastercard and Visa networks.

FY23 in review

EML's Gifting segment delivered revenue of $74.6 million (up 9% on the prior comparative period (PCP) and gross profit of $60.5 million (up 11% on PCP).

Strong growth in malls, and incentive product Perx and supported by Australia, offset a decrease in breakage rates in North America. The Gifting result in FY23 was bolstered by the simplification of management oversight of our European and North American teams into a single, more efficient operating model that maximises synergies and provides a sharper focus on the customer.

Macro trends that contributed to the FY23 result included increasing demand for digital gift cards and the continued transition of gift card sales from human service models to self-service kiosks and eCommerce platforms.

During the financial year EML expanded its reach across Europe with the launch of 56 new shopping malls. In North America financial results have benefited from this broader shopping mall base across the year (GDV up 13% PCP). The Perx program has also recorded a record year in volume of funds loaded aided by the increase in tax-free threshold levels in Ireland doubling to €1,000 (compared to PCP), making gift cards a preferred employee incentive for Irish employers (incentives up 41% GDV on PCP).

With strong momentum from the FY23 financial year, the Gifting team are focused on driving growth through an uplift in digital gift card marketing and support across the portfolio, functionality improvements to the Perx incentive offer and continued investment in enhanced compliance and risk management.

GPR.

EML's GPR segment provides clients across Australia, Europe and North America faster and easier ways to transact with tailored card and wallet solutions. Globally, we offer businesses white label reloadable cards targeted to staff incentives and expenses, travel, gaming, and employee salary packaging for meal and living expenses. Europe expanded to include e-wallet solutions with features including international banking account numbers (IBAN), sub accounts, real time digital payment, multi-currency functionality and Apple and Google Pay features.

FY23 in review

EML's GPR segment generated revenue of $158.5 million (up 7% on PCP) and gross profit of $93.5 million up 4% on PCP. Underlying gross profit reflects an add back for fraud losses of $2.3 million to be $95.8 million[1].

Growth in revenue was driven by strong interest income on GPR floats, contributing an additional $22.8 million[2] of revenue. Our prior year revenue was bolstered by a one-off Account Management Fee revenue recognition of $14.8m; absent this underlying growth is strong.

In addition, European establishment revenues have been limited in FY23 as regulatory matters continue to impact our ability to launch new programs.

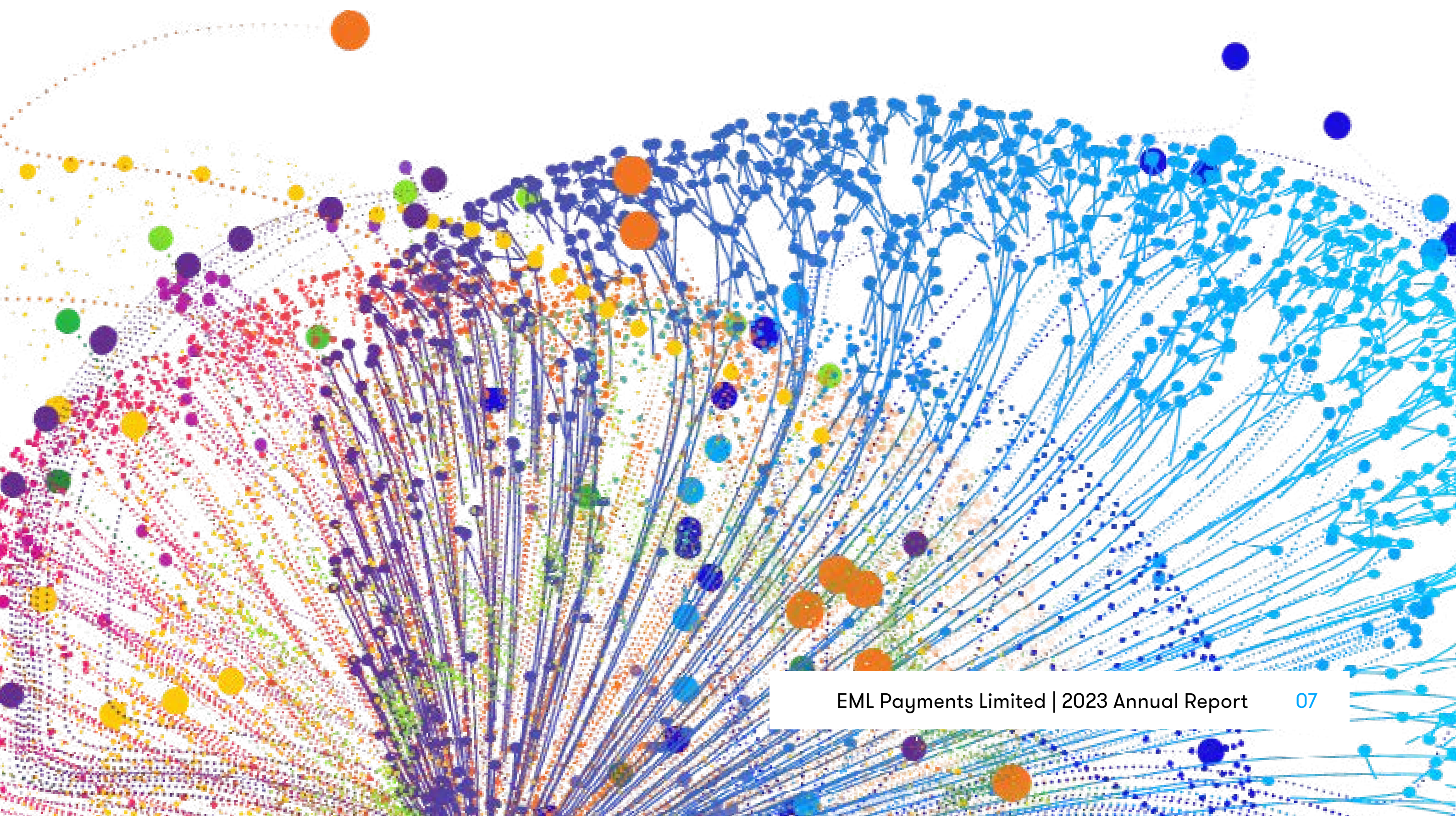
In Australia, organic revenue growth was achieved (in addition to interest-earning growth) by growing our existing strategic partnerships, offsetting heightened competition in the local payments market.

The UK business (PFSL) was reappointed as preferred suppliers on two of the largest UK government frameworks, NEPO and Crown. This business continues to support a stable client base and a strong presence in government and welfare payments. As at 30 June, the majority of our 300 clients and approximately 400,000 cardholders in the UK are within the government sector (including the Home Office, Local Authorities, NHS, and Police).

Our Irish business (PCSIL) remained subject to growth restrictions in FY23 as a result of regulatory remediation. A key focus during this time has been on platform stabilisation and control enhancement to meet the challenges faced today.

(1) Underlying gross profit is a non-staturoy measure explained on page 17 within the Performance overview. This measure is a non-IFRS measure and has not been audited.

(2) Interest income - Bond investments have been added back to gross profit due to the AASB 3 fair value effect of the PFS bond portfolio.



Digital Payments.

EML provides digital payments solutions to customers both through the EML brand and Nuapay. The core products include account-to-account payments (such as direct debit), open banking and issuance of virtual account numbers. We provide these fully white-labelled embedded payment solutions for both direct to corporate and through independent software providers and payment service providers as well as other aggregator resellers across the world with a strong footprint in Europe.

FY23 in review

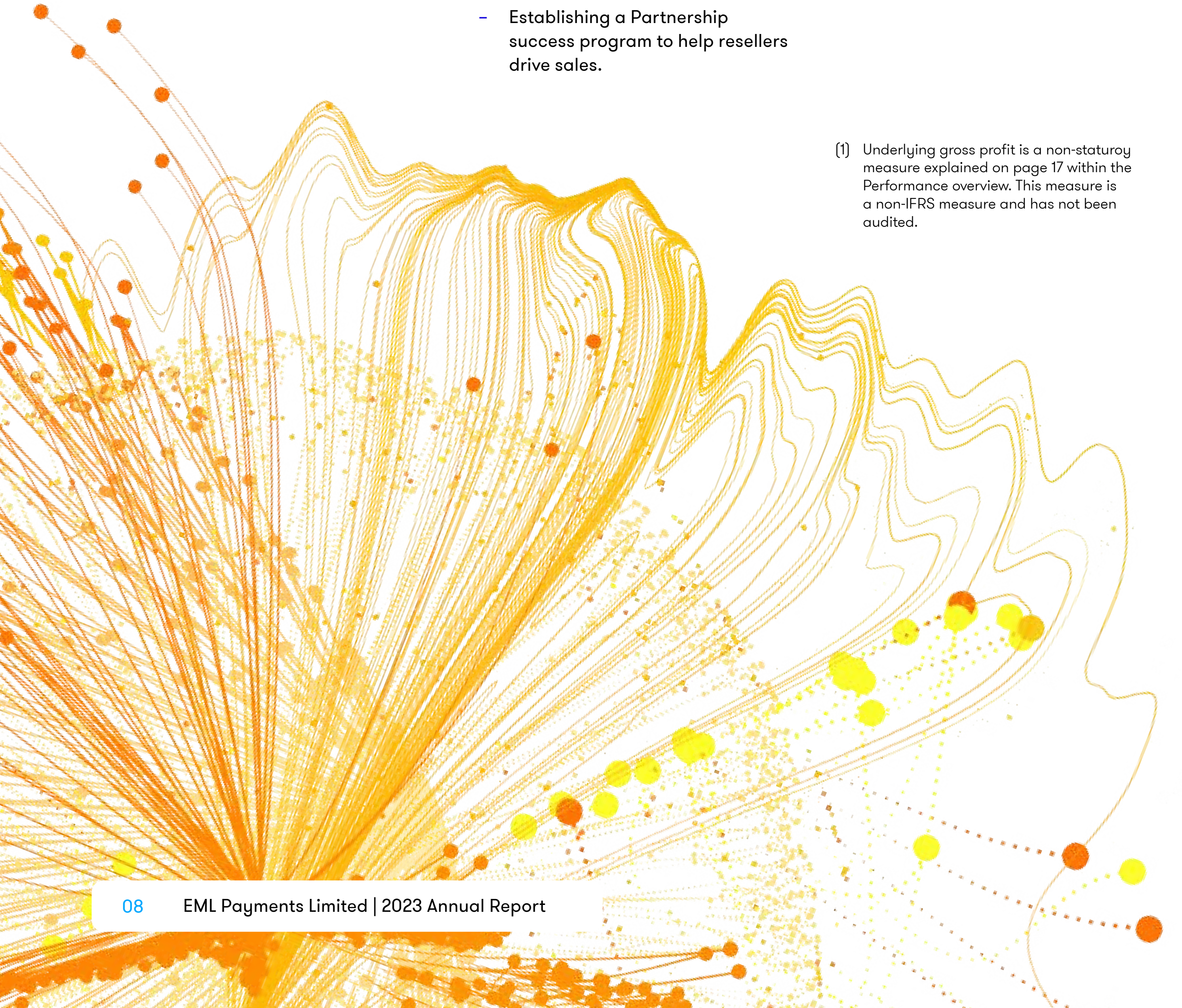
EML's Digital Payments segment contributed revenues of $21.7 million which is an increase of 23% on the PCP. Underlying gross profitfor FY23 is $17.9 million[1] representing growth of 21% on PCP. This reflects a full year of the Sentenial Group.

This year's focus has been predominately in growing awareness and consideration for our Nuapay brand in Europe, expanding our open banking geographical reach. Achievements this year included:

- Winning Best Use of Open Banking for Payments at the 2023 MPE (Merchant Payments Ecosystem) Award.
- Launching two new product solutions (an earned wage access product to enable real time payments to employees and Authenticated Mandates for faster and more secure recurring payments).
- Expanding our Nuapay Open Banking geographical reach from 7 to 28 countries during the year.
- Establishing a Partnership success program to help resellers drive sales.

The Australian digital payments business is relatively small and was negatively impacted in FY23 by market conditions affecting clients from the buy-now-pay-later (BNPL) and lending sectors. Despite this, the Australian business realised 73% growth in revenue from its existing corporate expense customers. The North American business had a strategic shift away from digital payments to focus efforts on core gifting, which resulted in a reduction in revenue of 3% from prior year.

(1) Underlying gross profit is a non-staturoy measure explained on page 17 within the Performance overview. This measure is a non-IFRS measure and has not been audited.



Our People.

At EML our people drive our success. We prioritise collaboration and inclusivity, valuing diverse perspectives that reflect the markets we operate in. Our aim is to create an environment where everyone feels like they belong and can do great work.

Despite a challenging year with significant dislocation of the leadership team, many of our team members across the business remained committed to the success of EML and our customers. EML has continued to invest in people to support the progression of the business and we remain committed to embedding an owner's mindset and build a dynamic culture that is inclusive.

87% employees feel supported with flexible/remote working

Key highlights:

- We celebrated 46 internal promotions and career moves as part of our investment in developing and growing our people.
- Commenced the reshaping of our business and operating model for a stronger and simpler business going forward for our customers and our employees.
- Turnover rates have declined against PCP.
- In respect to employee engagement, the Board recognises the importance of providing clear direction, organisational simplification returning to innovation and growth oriented DNA.
- Women hold 75% of Executive positions and 39% of senior leadership roles within the business.

People Report	As at June 30 2023	2022	2021	2020
Headcount[1]	659	642	540	444
Employee engagement score[2]	50%	60%	66%	70%
Employee participation in engagement survey[2]	79%	80%	76%	96%
Annual Regrettable employee turnover[1]	23%	26%	16%	17%
Female representation on Board	-%	33%	29%	29%
Female representation in Executive[1]	75%	44%	50%	50%
Female representation in senior management[1]	39%	29%	36%	36%
Female representation in all employees[1]	52%	47%	49%	48%

EML collects data in a couple of different ways, depending on which data set is most complete and/or accurate at the time of the data collection.

(1) Data collected from EML's HR system.

(2) Data collected from the annual Engagement Survey in May 2023.

46 internal promotions

Turnover rates have declined against PCP

Our Board of Directors.

Dr Luke Bortoli
Independent Non-executive Chair

Appointed on 22 February 2023
Appointed as Chair
on 23 February 2023
PhD Economics, BCom (Hons)

Luke Bortoli is EML's Chair, the Chair of the Remuneration and Nominations Committee, and a member of the Regulatory Remediation Committee. Luke is the Chief Financial Officer (CFO) at Pilbara Minerals Limited (ASX: PIL) and was previously CFO for the international payments platform, Afterpay, before it was acquired by Block (formerly Square) in 2021. Prior to Afterpay, Luke held several executive positions encompassing corporate strategy, treasury, and investor relations at Aristocrat Leisure. He was also previously at UBS providing advisory services on various domestic and international corporate transactions for ASX-listed companies.

Luke currently serves as a Non-executive Director of Beforepay Group Limited (ASX: B4P).

Luke does not have a beneficial interest in ordinary shares.

Mr Brent Cubis
Independent Non-executive Director

Appointed on 25 November 2022
GAICD, CA, B Com Accounting

Brent Cubis is an Independent Non-executive Director and Chair of the Audit and Risk Committee, he also is a member of the Regulatory Remediation Committee. Brent is a highly experienced Non-executive Director and CFO with over 30 years' experience with boards in senior financial roles. Brent's expertise spans fast-growing organisations, where he has implemented M&A strategies, innovative funding, and profit enhancement initiatives, focusing on revenue expansion and cost-saving measures.

Brent currently serves as a Non-executive Director and Chair of the Audit and Risk Committees of A2B Limited (ASX:A2B) and ARN Media Limited (ASX:A1N) and leading youth cancer charity Canteen Australia.

Brent does not have a beneficial interest in ordinary shares.

Mr Connor Haley
Nominee Non-executive Director

Appointed on 22 February 2023
A.B., Government magna cum laude (Harvard University)

Connor Haley is a Nominee Director and Managing Partner of Alta Fox Capital Management, one of EML's largest shareholders. Connor possesses both public and private board experience and is highly respected within the small-cap investing community. Before founding Alta Fox, Connor worked at a New York-based long/short investment fund and graduated magna cum laude from Harvard College with an A.B. in Government.

Connor has a substantial holding of 8.14% (30,434,127 ordinary shares) via an indirect holding.

Former Directors

Peter Martin
Independent Non-executive Chair

Ceased to be a Director
25 November 2022

David Liddy AM
Independent Non-executive Director and Chair

Ceased to be a Director
22 February 2023

Thomas Cregan
Managing Director and Group CEO

Ceased to be Managing Director
11 July 2022

Mr Manoj Kheerbat
Independent Non-executive Director

Appointed on 5 December 2022
MBA, BSc (Information Technology)

Manoj Kheerbat is an Independent Non-Executive Director, the Chair of regulated subsidiary Prepaid Financial Services Limited (PFSL), and is a member of the Audit and Risk, Remuneration and Nomination, and Regulatory Remediation Committees. Manoj has over 30 years' experience and offers EML valuable insights from his extensive background in the UK and European payment ecosystem. Based in Europe, Manoj's expertise encompasses managing regulatory relationships, risk, and compliance frameworks, and developing structured, resilient, scalable operational infrastructures that foster growth.

Manoj does not have a beneficial interest in ordinary shares.

Mr Peter Lang
Independent Non-executive Director

Appointed on 22 February 2023
MBA, University of Sydney

Peter Lang is an Independent Non-executive Director, the Chair of the Regulatory Remediation Committee, and a member of the Audit and Risk Committee and the Remuneration and Nomination Committee. Peter was Group Executive for the ASX-listed company McMillan Shakespeare Ltd (MMS) and contributed significantly to the successful IPO of MMS, which subsequently delivered a 30%+ CAGR during his 14-year tenure, ultimately securing the company's entry into the ASX200. Prior to MMS Peter held various positions with Colonial Ltd in its funds management division. In 2017, Peter provided advisory services to EML, which resulted in the development of EML's Salary Packaging proposition, which is still a key vertical today.

Peter has a beneficial interest of 861,427 ordinary shares via indirect holdings.

Company Secretary.

Mrs Sonya Tissera-Isaacs

Appointed on 26 November 2019
FGIA, BBus (Accounting and Banking Finance)

Sonya Tissera-Isaacs has a broad range of experience in corporate administration, corporate governance and finance having worked with listed and unlisted public, and other companies within the financial services, Superannuation and Not for profit sectors. Sonya is a Chartered Secretary/Chartered Governance Professional, a Fellow of the Chartered Governance Institute and a Fellow of the Governance Institute of Australia.

Emma Shand
Ceased to be a Director and commenced as Managing Director 11 July 2022

Ceased to be Managing Director on 17 April 2023

Tony Adcock
Independent Non-executive Director

Ceased to be a Director
22 February 2023

Melanie Wilson
Independent Non-executive Director

Ceased to be a Director
22 February 2023

Executive Leadership.

Kevin Murphy
Interim Group Chief Executive Officer
Appointed 17 April 2023

Jonathon Gatt
Interim Group Chief Financial Officer
Appointed 18 January 2023

Sarah Bowles
Group Executive Strategy and Communications

Rachelle St. Ledger
CEO Australia

Tessa Unsworth
Group Executive Program Management Office

Fiona Flannery
CEO PFS Card Services Ireland Limited (PCSIL)

Former Executive Key Management Personnel

Thomas Cregan
Managing Director and Group CEO

Ceased as MD and Group CEO 11 July 2022

Emma Shand
Managing Director and Group CEO

Ceased as MD and Group CEO 17 April 2023

Lorraine Buhagiar
MD Prepaid Financial Services (PFSL)

Paul Wenk
Group General Counsel

Jennie Power
Group Chief Compliance and Regulatory Officer

Brian Hanrahan
CEO Nuapay

Robert Shore
Group Chief Financial Officer

Ceased as CFO 18 January 2023

David Curneen[1]
Group Chief Operating Officer

Ceased as Group COO 30 September 2022

(1) Following Mr David Curneen's departure the decision was made not to replace the position of Group COO.

Performance overview.

Financial performance highlights

Net loss after tax

$284.8 million

PCP: $4.8 million

Loss after tax of $284.8 million after reflecting key movements in one-off items impacting EBITDA as well as acquisition related costs including fair value adjustments to contingent consideration of $23.4 million and an after tax impairment expense of $258.9 million.

Remediation within the PFS business are ongoing. We continue to defend the Class Action litigation in the Supreme Court of Victoria.

Closing cash balance

$71.4 million

PCP: $73.7 million

The Group's closing cash balance of $71.4 million decreased compared to PCP (3%). Net operating cash outflow of $2.6 million for the year, including significant cash outgoings for non-recurring items (fraud loss $8.7 million, remediation costs $14.6 million, restructuring costs $6.4 million, significant cash outgoings for non-recurring items or non-EBITDA items in operating cash flows $1.6 million).
The settlement of the Interchecks sale ($10.8 million) largely funded the capital expenditure for the year.

Gross Debit Volume

$129.6 billion

PCP: $80.2 billion

Gross Debit Volume (GDV) growth of 61% to $129.6 billion (PCP: $80.2 billion) predominantly attributable to the Sentenial acquisition included for the full year (FY23: $104.1 billion, PCP: $56.7 billion) following acquisition on 30 September 2021.

Revenue

$254.9 million

PCP: $234.1 million

Revenue growth of 9% on the PCP to $254.9 million which includes $33.2 million[1] of interest income, representing a significant $28.1 million[1] increase on PCP.

(1) Revenue and gross profit has been adjusted for bond investment interest income includes a reduction of $676,000 (30 June 2022: $1,734,000) for the non-cash amortisation of the AASB 3 fair value uplift of the Prepaid Financial Services bond portfolio at acquisition date.

(2) Underlying EBITDA is explained on page 17. These measure are non-IFRS measure and have not been audited. EBITDA is reconciled on the following page and is equivalent to the net profit/(loss) for the period including R&D tax offset and excluding share-based payments,depreciation and amortisation expense and unrealised foreign exchange included within the Statement of Profit or Loss and Other Comprehensive Income. This is a non-IFRS measure and has not been audited.

(3) NPATA is reconciled to net profit after tax on the following page and is net profit/(loss) after tax, with adjustments for acquisition related costs including: costs associated with the acquisition of a business; amortisation expense relating to the fair valued intangible assets for software and customer relationships; and fair value movements and financing costs relating to contingent consideration. EML acquisitions often include a contingent. consideration tied to the future short to medium term performance of the acquired business. The contingent consideration is fair valued at each reporting report with any changes to the fair value recognised in the P&L as well as financing costs in relation to the future liability. These measure are non-IFRS measure and have not been audited.

(4) The Directors view NPATA as the key measure of maintainable earnings of EML and best reflects the core drivers and ongoing influences upon business financial performance. Analysis of the results in the Performance Overview has been presented to align the information that is given to users of financial reports to the way the Directors view the business.

(5) EML CEO and Senior Executives' short and long-term incentives are linked to NPATA and associated targets. EML has included an Underlying EBITDA and NPATA on the following page that removes one-off costs, such as costs associated with the regulatory remediation and the class action, restructuring and fraud losses. The Directors consider these underlying measures aid the users understanding of the trading performance of EML.

Underlying gross profit[1]

$174.2 million

PCP: $159.6 million

Underlying gross profit improved 9% to be $174.2 million[1] (PCP: $159.6 million). Underlying gross profit has been adjusted for non-recurring fraud losses for the year of $8.5 million. Gross profit for the year was $165.8 million.

Underlying EBITDA[2]

$37.1 million

PCP: $51.2 million

Underlying EBITDA of $37.1 million (PCP: $51.2 million) is a result of the improved gross profit result offset by the increase in operational overheads in particular employee entitlements, ICT costs and expected credit losses in Europe and North America.

Underlying NPATA[2]

$4.9 million

PCP: $32.1 million

Underlying NPATA of $4.9 million[3] (PCP: $32.1 million) reflecting EBITDA result as well as reduced share-based payments expense compared to PCP.

Summary of Financial Performance

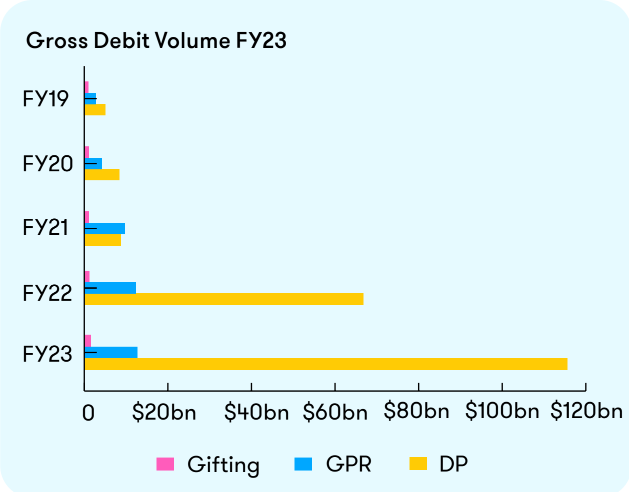
	FY23 $'000	FY22 $'000	% Growth
Total Gross Debit Volume			
Gifting	1,671,192	1,342,416	24%
General Purpose Reloadable	12,779,333	12,354,823	3%
Digital Payments	115,122,934	66,551,029	73%
Total Gross Debit Volume	**129,573,459**	**80,248,268**	**61%**
Revenue	254,190	232,383	9%
Add back: Non-cash amortisation of AASB3 fair value uplift to bond investments	676	1,736	(61%)
Total Revenue	**254,866**	**234,119**	**9%**
Gross profit[1]	165,768	159,552	4%
Gross profit %	65%	68%	(3%)
Other income	236	135	75%
Employee benefits expense	(81,728)	(66,243)	23%
Professional fees	(35,670)	(26,090)	37%
Information technology related costs	(20,739)	(15,776)	31%
Other expenses - operating[2]	(30,178)	(18,256)	65%
Research and development tax incentive offset	(284)	978	(129%)
EBITDA[3]	**(2,595)**	**34,300**	**(108%)**
Less			
Depreciation and amortisation expense	(35,071)	(29,943)	17%
Share-based payments	(1,780)	(2,991)	(40%)
Acquisition costs	(364)	(3,499)	(90%)
Finance costs	(3,582)	(2,390)	50%
Gain on cash flow hedge	-	543	(100%)
Impairment expense	(262,918)	(1,504)	17,381%
Fair value gain on financial assets and liabilities	23,868	1,774	1,245%
Other non-operating benefits	1,794	6,084	(70%)
Add back Research and development tax incentive offset	284	(978)	(129%)
Less: Loss on disposal of plant, equipment and right of use assets	(718)	-	(100%)
Add back: Non-cash amortisation of AASB3 fair value uplift to bond investments	(676)	(1,736)	(61%)
Loss before tax	**(281,758)**	**(340)**	**82,770%**
Tax expense	(3,066)	(4,461)	-31%
Net loss for the period	**(284,824)**	**(4,801)**	**5,833%**
Add back: Amortisation on acquisition intangibles, net of tax	18,210	16,505	10%
Add back: Non-cash amortisation of AASB3 fair value uplift to bond investments	676	1,736	(61%)
Add back: Acquisition costs	364	3,499	(90%)
Subtract: Fair value movements, net of tax	(23,642)	(1,774)	1,233%
Add back: Acquisition related costs - financing liabilities	3,371	3,234	3%
Add back: Impairment of acquisition intangibles, net of tax	258,875	1,218	21,154%
Subtract: Gain on cashflow hedge for acquisition, net of tax	-	(272)	100%
NPATA[3]	**(26,970)**	**19,345**	**(228%)**

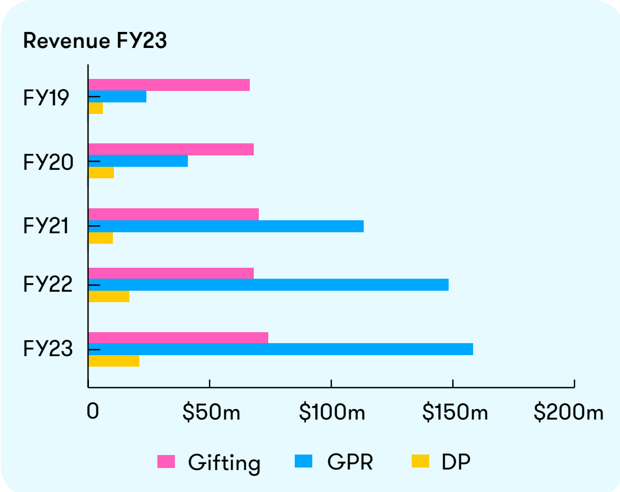
(1) Interest income - Bond investments have been added back to gross profit due to the AASB 3 fair value effect of the PFS bond portfolio.

(2) Includes $23.7 million of other operating expenses and Impairment loss on trade receivables.

(3) EBITDA and NPATA are non-statutory measures. These measures are non-IFRS measures and have not been audited.

	FY23			FY22		
	Gross profit (GP)	EBITDA	NPATA	Gross profit (GP)	EBITDA	NPATA
	$'000	$'000	$'000	$'000	$'000	$'000
As reported above	165,768	(2,595)	(26,970)	159,552	34,300	19,345
Add back: Non-recurring regulatory remediation and class action costs[1]	-	23,926	20,425	-	16,851	12,707
Add back: Non-recurring fraud losses[2]	8,476	8,476	6,357	-	-	-
Non-recurring restructuring and strategy establishment costs[3]	-	7,260	5,083	-	-	-
Underlying GP, EBITDA and NPATA[1], [2], [3], [4], [5]	**174,244**	**37,067**	**4,895**	**159,552**	**51,151**	**32,052**





Gross profit

The underlying gross profit of $174.2 million[1],[2],[3],[4],[5] benefited from $32.7 million[4] in net interest income offset by non-recurring revenue of $17.9 million from the back book of inactive cards in FY22.

EML's underlying gross profit margin was 68% (2022: 68%). The GPR segment continues to contribute more than the other segments, representing 55% of underlying gross profit. Margin also impacted by establishment gross profit decreasing by $7.2 million as European regulatory matters as well as other market conditions limited the business' ability to launch new programs.

Net interest revenue grew by $29.2 million as a result of increasing interest rates of central banks globally. EML holds $2.5 billion in stored value (FY22: $2.0 billion) of which a portion entitles EML to interest income.

EML has incurred fraud losses of $8.5 million during the year in relation to non-recurring fraud incidents.

Gross profit for the business was $165.8 million (2022: $159.6 million).

(1) The regulatory remediation and litigation costs includes Professional fees $20.6 million (refer Note A4 of the Financial Statements), Risk and Compliance costs $1.3 million (refer note A5 of the Financial Statements) and further $2.0 million included within Information Technology related costs.

(2) Please refer to Note A3 for details of fraud related costs.

(3) The restructuring and strategy establishment costs includes amounts within Employee entitlements $5.2 million, Professional fees $1.7 million and Other operating expenses $0.4 million.

(4) Interest income - Bond investments have been added back due to the AASB 3 fair value effect of the PFS bond portfolio.

(5) Underlying GP, EBITDA and Underlying NPATA are explained on page 16 within the Performance overview. These measures are non-IFRS measures and have not been audited.

Operating overheads

Underlying overheads[1]

$137.4 million

▲ 27%

Underlying overheads grew to $137.4 million, a 26% increase on PCP. Sentenial accounts for $7.8 million of the $27.8 million increase which represents the first full year of Sentenial overheads in the Group numbers as well as the incremental investment in this business in FY23.

Employee costs

▲ $81.7 million

Costs relating to employees increased by $15.5 million (+23%) compared to FY22. Employment related expenses make up approximately 49% of cash overheads. The increase reflects securing and retaining talent, additional risk and compliance resources to meet regulatory requirements, and annualised Sentenial employee costs. Underlying employee costs excludes one-off business restructuring expenses of $5.2 million

Professional fees

▲ $35.7 million

Professional fees have increased by $9.6 million to $35.7 million. They include professional consultation and outsourced providers resulting from the class action, regulatory remediation and associated legal action. Underlying professional fees were $10.1 million (2022: $8.5 million)

ICT costs

▲ $20.7 million

ICT costs have increased $5.0 million compared to PCP as the business continues to invest in stabilising and improving performance of the technology platforms including improving transaction monitoring against fraudsters and migration of our technology assets to the cloud. Underlying ICT expenses excludes $1.7 million in non-recurring ICT costs incurred due to regulatory remediation.

Other expenses[2]

▲ $30.2 million

Other expenses – operating increased by $11.9 million (+65%). The growth attributed to $5.5 million in providing for recoverability of debts in Europe and North America, $3.8 million in increased risk and compliance costs, and $2.2 million of additional travel as COVID travel restrictions lifted and the business focused on global collaboration. Underlying other expenses – operating excludes $0.3 million in non-recurring travel.

(1) Underlying overheads includes non-recurring regulatory remediation and class action costs, and restructuring and strategy establishment costs outlined on page 17.

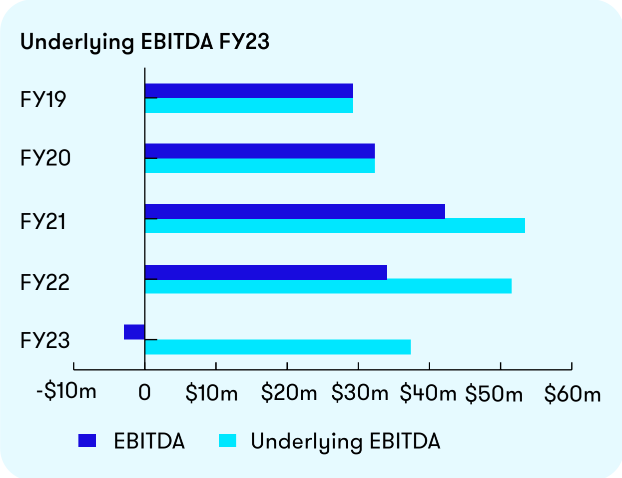
(2) Includes bank fees and other tax costs, risk and compliance, travel (refer to Note A5(a)) and Impairment loss on trade receivables excluding loss on disposal of plant, equipment and right of use assets.

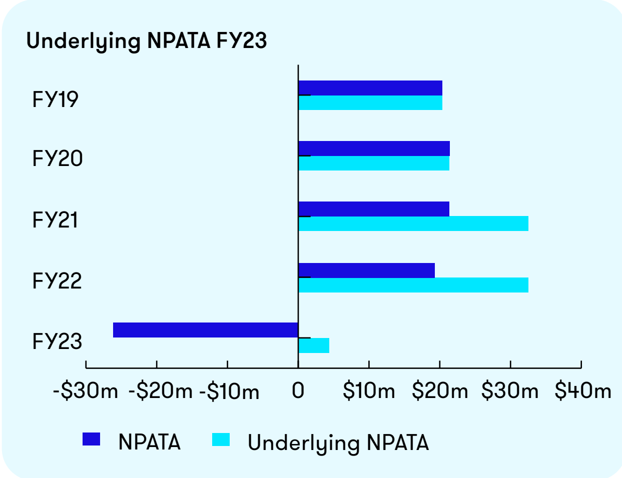
Underlying EBITDA[1]

$37.1 million

28%

The underlying EBITDA for the Group is $37.1 million[1] and after adjusting non-recurring items EBITDA is a loss of $2.6 million.





Non-operating overheads

Share-based payment expense

$1.8 million

Share-based payment expense is $1.8 million (PCP: $3.0 million).

Depreciation and amortisation

$35.1 million

Depreciation and amortisation costs have increased $5.1 million reflecting the inclusion of Sentenial software amortisation for the full year.

Impairment losses

$262.9 million

$262.9 million of impairment losses (before tax) in relation to acquisition of the PFS Group and Sentenial Group acquisitions. The impairment has resulted from growth being below acquisition models impacted by regulatory remediation considerations and market conditions for PFS Group and a slower than expected adoption for Sentenial Group of the Nuapay services. Refer to Note D3 for further details.

Fair value gain on contingent consideration

$23.4 million

Fair value gain on contingent consideration related to the Sentenial acquisition of $23.4 million also driven by the lower growth in Nuapay revenues as noted above.

(1) EBITDA and NPATA are non-statutory measures. These measures are non-IFRS measures and have not been audited..

Summary of Financial Position

	As at 30 June 2023 $'000	As at 30 June 2022 $'000	% Growth
Total Current assets	2,413,220	1,855,122	30%
Total Non-current assets	581,309	827,321	-27%
Total assets	**2,994,529**	**2,682,443**	**13%**
Total Current liabilities	2,709,866	2,100,079	29%
Total Non-current liabilities	110,110	145,247	-24%
Total liabilities	**2,819,976**	**2,245,326**	**26%**
Net assets	**174,553**	**437,117**	**-54%**
Equity	**174,553**	**437,117**	**-54%**

Assets

Cash and cash equivalents

- The Group has cash reserves at the reporting date of $71.4 million (down 3% on PCP) reflecting negative net operating cash flows in the year $2.6 million[1], despite headwinds from non-recurring cashflow outlays of $32.1 million. In addition, the business' capital investment for the year was largely funded by the settling of the Interchecks sale.

Segregated funds

- The segregated funds and bond investments total $2,576.2 million (2022: $2,005.6 million) offset by liabilities to stored value account holders of $2,566.5 million (2022: $2,000.1 million). The residual in the segregated funds, not offset by liabilities to stored value account holders reflects the premium paid to purchase bond investments using corporate funds and will convert into cash in a future period.

Intangible assets

- EML has significant intangible assets of $192.5 million (2022: $448.5 million) which is comprised of acquired and internally generated software, customer relationships, customer contracts and goodwill. During the year the Group invested $12.5 million in software and work in progress.
- An impairment loss of $262.9 million against acquisition assets of the PFS Group and Sentenial Group acquisitions has been recognised in the year. Refer to Note D3 for details.

Liabilities

Provision

- During the year EML has continued to invest significant resources to address regulatory concerns in Europe. EML has a closing provision of $14.5 million (2022: $8.1 million) in relation to the regulatory remediation requirements.
- EML continues to defend Class Action proceedings in the Supreme Court of Victoria. The proceedings allege that EML did not comply with its disclosure obligations and engaged in misleading and deceptive conduct regarding disclosure. EML has a closing provision of $15.1 million (with $3.0 million already paid) to reflect estimated legal costs associated with defending this action.
- Please refer to Notes B8 Provisions and F2 Contingent Liabilities for further details of developments for the above remediation and litigation related matters during the year.

Contingent consideration

- This liability of $7.0 million (2022: $28.9 million) reflects the fair value of amounts owing in relation to the Sentenial acquisition and has reduced due to the timing delay in realising revenue growth post-acquisition.

Interest-bearing borrowings

- Total interest-bearing borrowings of $98.5 million (2022: $91.4 million) reflecting external bank debt drawn in relation to the Sentenial Group acquisition in the prior year, loan notes relating to the PFS Group in 2021 and lease liabilities.

(1) Net operating cash outflow of $2.6 million for the year, including significant cash outgoings for non-recurring items fraud loss $8.7 million, remediation costs $14.6 million, restructuring costs $6.4 million, significant cash outgoings for non-recurring items or non-EBITDA items in operating cash flows $1.6 million..

Directors’ Report

Directors’ meetings

The number of meetings of the Company’s Board of Directors attended by each Director during the year ended 30 June 2023 were as follows:

Directors	Committee member	Board meetings: Number of meetings held	Board meetings: Number attended
Current Non-executive Directors			
Dr. Luke Bortoli[7]	CB, CN, R	46	14
Brent Cubis[8]	CA, R, N, C	46	25
Connor Haley[9]		46	11
Manoj Kheerbat[10]	R, N, A	46	22
Peter Lang[11]	CR, N, A	46	14
Former Non-executive Directors			
Tony Adcock[2]	CA, N, C	46	24
Thomas Cregan[6]		46	1
David Liddy AM[3]	CB, N, A, CC	46	31
Peter Martin[1]	CB, N, A, CC	46	18
Emma Shand[4]		46	39
Melanie Wilson[5]	A, CN, C	46	29

Directors	Committee member	Audit and Risk Committee (ARC): Number of meetings held	Audit and Risk Committee (ARC): Number attended	Remuneration and Nomination Committee* (RNC): Number of meetings held***	Remuneration and Nomination Committee* (RNC): Number attended	Regulatory Remediation Committee** (RRC): Number of meetings held	Regulatory Remediation Committee** (RRC): Number attended	Culture, Governance and Nomination (CGNC): Number of meetings held	Culture, Governance and Nomination (CGNC): Number attended
Current Non-executive Directors									
Dr. Luke Bortoli[7]	CB, CN, R	6	n/a	7	2	3	3	4	n/a
Brent Cubis[8]	CA, R, N, C	6	5	7	n/a	3	3	4	2
Manoj Kheerbat[10]	R, N, A	6	4	7	4	3	3	4	n/a
Peter Lang[11]	CR, N, A	6	3	7	2	3	3	4	n/a
Former Non-executive Directors									
Tony Adcock[2]	CA, N, C	6	3	7	5	3	n/a	4	2
David Liddy AM[3]	CB, N, A, CC	6	2	7	3	3	n/a	4	4
Peter Martin[1]	CB, N, A, CC	6	1	7	2	3	n/a	4	2
Melanie Wilson[5]	A, CN, N	6	2	7	5	3	n/a	4	4

* Remuneration Committee (REMCO) and Culture, Governance and Nominations Committee (CGNC) were disbanded during February 2023 to be consolidated into Remuneration and Nominations Committee (RNC).

** Regulatory Remediation Committee (RRC) was formed during March 2023.

*** Total number of meetings held during the year for CNGC were 4, REMCO were 5 and RNC was 2.

A Audit and Risk Committee (ARC) member

C Culture, Governance and Nominaton Committee (CGNC) member

CA Chair of the ARC

CB Non-executive Chair

CC Chair of the CGNC

CN Chair of the Remuneration and Nomination Committee (RNC)

CR Chair of the Regulatory Remediation Committee (RRC)

N RNC member

R RRC member

(1) Appointed member of REMCO effective 11 July 2022 and ceased as Non-executive Director and Chair effective 25 November 2022.

(2) Appointed member of CGNC effective 11 July 2022 and ceased as Non-executive Director effective 22 February 2023.

(3) Appointed as Non-executive Director, member of CGNC and ARC effective 11 July 2022, Chairman of the Board effective 25 November 2022 and ceased effective 22 February 2023.

(4) Appointed as Managing Director and Group CEO effective 11 July 2022 and ceased effective 17 April 2023.

(5) Ceased being a Non-executive Director effective 22 February 2023.

(6) Ceased being a Managing Director and Group CEO effective 11 July 2022.

(7) Appointed Non-executive Chair effective 22 February 2023, Chair of RNC and member of RRC effective 17 March 2023.

(8) Appointed as Non-executive Director effective 25 November 2022, member of ARC effective 5 December 2022, member of CGNC effective 15 December 2022 and Chair of ARC effective 17 March 2023.

(9) Appointed as Non-executive Director effective 22 February 2023.

(10) Appointed as Non-executive Director effective 5 December 2022 and member of REMCO effective 15 December 2022.

(11) Appointed Non-executive Director effective 22 February 2023, Chair of RRC and member of RNC and ARC effective 17 March 2023.

Interests in shares and share rights of the Company and related bodies corporate

Shares and share rights

The following shares and share rights in the Company were granted to Directors and Executive KMP of the Company during or since the end of the financial year as part of their remuneration:

Share rights	Series	Number granted
Emma Shand[1]	Series 51	1,612,903
Emma Shand[2,3]	Series 58	1,827,957
Robert Shore[3]	Series 58	269,112

(1) Upon Emma's resignation on 17 April 2023, Tranche 2 (537,634) and Tranche 3 (537,634) of her Sign-On grant, which were due to vest on 11 July 2023 and 11 July 2024 respectively were forfeited.

(2) Upon Emma's resignation on 17 April 2023, the number of rights granted to her as part of the FY23 LTVR Executive plan has reduced to 475,269 with the remainder cancelled.

(3) A total of 4,703,090 rights were issued under as part of FY23 LTVR under Series 58. The remaining rights not disclosed above were issued to non-KMP. Performance was assessed and subsequent cancellations were processed. Further information on the Group's share option/rights plans is disclosed in Note E3.

At the date of signing of this report unissued ordinary shares of the Company under option/right are:

Options/rights series	Number of options/rights	Expiry date	Exercise price	Class of share
Series 40	774,805	30/10/2023	$0.00	Ordinary
Series 43	29,191	30/10/2023	$0.00	Ordinary
Series 46	1,406,873	21/12/2036	$0.00	Ordinary
Series 47	265,479	23/12/2036	$0.00	Ordinary
Series 49	745,397	29/04/2024	$0.00	Ordinary
Series 51	537,634	19/12/2023	$0.00	Ordinary
Series 53	21,234	15/11/2023	$0.00	Ordinary
Series 54	21,235	15/04/2025	$0.00	Ordinary
Series 55	21,235	15/04/2025	$0.00	Ordinary
Series 56	118,949	14/06/2037	$0.00	Ordinary
Series 57	1,195,000	01/10/2037	$0.00	Ordinary
Series 58	3,329,424	13/01/2038	$0.00	Ordinary
Series 59	2,668,718	13/01/2038	$0.00	Ordinary
Series 62A	1,270,833	30/12/2023	$0.00	Ordinary
Series 62B	1,270,833	30/05/2024	$0.00	Ordinary
Series 63A	503,472	30/12/2023	$0.00	Ordinary
Series 63B	503,472	30/05/2024	$0.00	Ordinary
	14,623,859			

The following ordinary shares were issued by the Company during or since the end of the financial year as a result of the exercise of options/rights.

Grant date	Series	Options/rights exercised	Issue price	Number of shares issued	Class of share
17/06/2020	Series 38	16,856	$0.00	16,856	Ordinary
07/09/2020	Series 39	412,256	$0.00	412,256	Ordinary
01/07/2020	Series 42	92,202	$0.00	92,202	Ordinary
		521,314		**521,314**	

Dividends

No dividends were declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Principal activities

The principal activity of the entities within EML during the year was the provision of prepaid payment services in Australia, Europe and North America.

Review of operations

The full review of operations is contained in the Performance Overview.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Significant events after balance date

No significant transaction or event of a material and unusual nature after the balance sheet date have arisen, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in subsequent financial periods.

Corporate governance

The Group's corporate governance statement can be found on the website: www.emlpayments.com/company/investor-centre/corp-governance/.

Likely developments and expected results

The Group's focus will be to progress remediation as well as execute on our four strategic priorities announced in April this year: remediation, cost optimisation, growth in our core business and talent.

This will include realising phase one of our cost optimisation program to create a leaner operating model, focusing on growth in core areas such as Gifting and adding capability across the business in key roles where talent has been lost over time.

Our strategic review of the entire business will also remain on foot. Our focus is on reshaping EML as a stronger and simpler business going forward for our shareholders, customers and employees.

This report sets out information on the Group's business strategies and prospects for future financial years and refers to likely developments in the Group's operations and expected results of those operations in future financial years. Certain information is excluded because it is likely to result in material detriment or unreasonable prejudice to the Group (for example because the information is premature, commercially sensitive, confidential or could give a third party a commercial advantage).

Environmental legislation

The Group is considerate of managing business operations in an environmentally responsible manner. The Group has determined that no significant environmental regulations apply.

Rounding

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Indemnification and insurance of directors and officers

The Company has agreed to indemnify all the Directors and Officers of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors and Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Risks and risk management

The Group is exposed to a number of risks including operational, financial, regulatory, technological, market and broader economic factors. The Group seeks to manage these risks through its risk management framework overseen by the Board at a Group level and subsidiary level Boards where relevant. The process of risk management is operationalised through a framework of policies, procedures and internal controls at the Group and subsidiary level. All policies are subject to Board approval and are owned and executed by management.

At a Group level the Board has also formed the Audit and Risk Committee. The purpose of which is to oversee financial reporting, business policies and practices, legal and regulatory compliance, internal controls and risk reporting and oversee the whole of organisation risk management framework. Relevant regulated subsidiaries also have their own Management Business Risk and Compliance Committees or equivalents.

We recognise and manage a variety of business risks that could affect our operations and financial results. The main risks affecting the Group and the steps we take to manage or mitigate these risks are described below.

Operational

The Group is subject to the risk of impacts to operational performance which may give rise to a deterioration in business value. Impacts to operational performance may include a loss of key talent, changing customer requirements, increased competition, changes to regulations and other stakeholder driven effects. The Group recognises this risk and is focused on implementing policies and procedures that identify and respond to the impacts of operational disruption. This includes active Board and management co-ordination and oversight, talent, stakeholder and customer value and risk management, regulatory and compliance oversight, training and awareness.

Financial

The Group is subject to financial risks which may give rise to a deterioration in business value. Financial risks include increased operational costs, deteriorating customer pricing, credit, fraud and other related risks and costs of regulatory compliance, regulatory penalties and fines, reductions in interest income, increased costs of funding and an inability to raise funding. Financial risks may also include the risks associated with access to equity and debt funding sources and risks associated with financial instruments entered into by the Group as outlined under Note C3 of the Financial Statements. EML mitigates its financial risk by various means including regular monitoring of financial performance, cash balances and cashflows, managing business within existing debt covenant ratios, monitoring and forecasting of capital resources for business purposes and required levels of regulatory capital, monitoring and adjustment of pricing frameworks for its products and services, and maintaining close relationships with its banking partners.

Regulatory

Regulatory risk may impact on operational performance, financial performance, reputation and business value. The Group's businesses are subject to the oversight of multiple regulators across the various international jurisdictions in which it operates including relating to financial product regulation, payment system regulation, regulatory interpretation, Anti-Money Laundering and Counter-Terrorism Financing laws and privacy laws.

In some jurisdictions, entities within the Group require regulated licences to carry out aspects of their operations. The Group has two electronic money licences supervised by the Central Bank of Ireland – one of which is currently the subject of a remediation plan and payment volume growth cap. The Group has two licences supervised by the Financial Conduct Authority (UK) – one of which is currently the subject of remediation and voluntary suspension of new client onboarding. The Group has one licence supervised by the Autorité de contrôle prudentiel et de resolution. Completion of the relevant remediation is the subject of third-party assurance and regulator satisfaction. The Group also has one entity operating under an Australian Fiancial Services Licence.

The Group is subject to the risk of regulatory change, ongoing and increased costs associated with regulatory compliance, potential further growth cap(s) which may impact on customer and revenue growth, regulatory penalties and fines, licence cancellation or restriction (and the business impacts of cancellation or restriction) and litigation. The Group works closely with regulators, the schemes and local law firms to ensure it understands its regulatory requirements. We are committed to maintaining and protecting our reputation and operating ethically.

Technology

The Group is subject to technology related risks which may impact on operational performance, financial performance, reputation and business value. This may include performance, reliability and availability of our technology platform (or platforms provided by third parties), payment processors, technology obsolescence and availability of communication systems (including servers, internet hosting services and cloud environment), service outages, data corruption or unavailability, cyber-attacks, hardware and software failure and disruption from new technology. Cyber-attacks are one risk that has the potential to impact the Group and its customers through fraud, access to customer data or penetration of systems. We mitigate these risks by continuing to invest in our IT systems, and our employee training including carrying out regular phishing and penetration tests. We also work closely with our partners to minimise the risk of cyber-attacks and damage from cyber-attacks. Despite the Group's risk management effort, not all attacks are directed against the Group itself, and attacks on our partners may have an indirect impact on the Group.

Risks and risk management (continued)

Markets and Competition

The Group is subject to the risk of deteriorating market conditions impacting on the Group's financial performance and business value. The Group operates in a highly competitive market with strong competition the services it offers. One way the Group seeks to manage this risk is by entering into long-term contracts and seeking to differentiate its products and product feature offering.

Macro-economic conditions

The future business operations of the Group may be impacted by several macro-economic factors including:

- High inflation and interest rates;
- Deteriorating economic performance including recession; and
- Other economic impacts.

The Group seeks to mitigate this risk through having diverse sources of revenue – for example high inflation and interest rates may reduce payment volumes from which the Group earn revenue, but benefits revenue in the form of interest. The Board is mindful that macro-economic effects can also provide the Group with opportunities, including opportunities presented by changes in markets, consumer behaviour and technological innovation. The Board seeks to ensure that it and management keep abreast of such developments for the benefit of the Group.

Proceedings on behalf of the Company

No persons have applied for leave pursuant to Section 327 of the *Corporations Act 2001* to bring, or intervene in, proceedings on behalf of EML Payments Limited.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note A9 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note A9 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

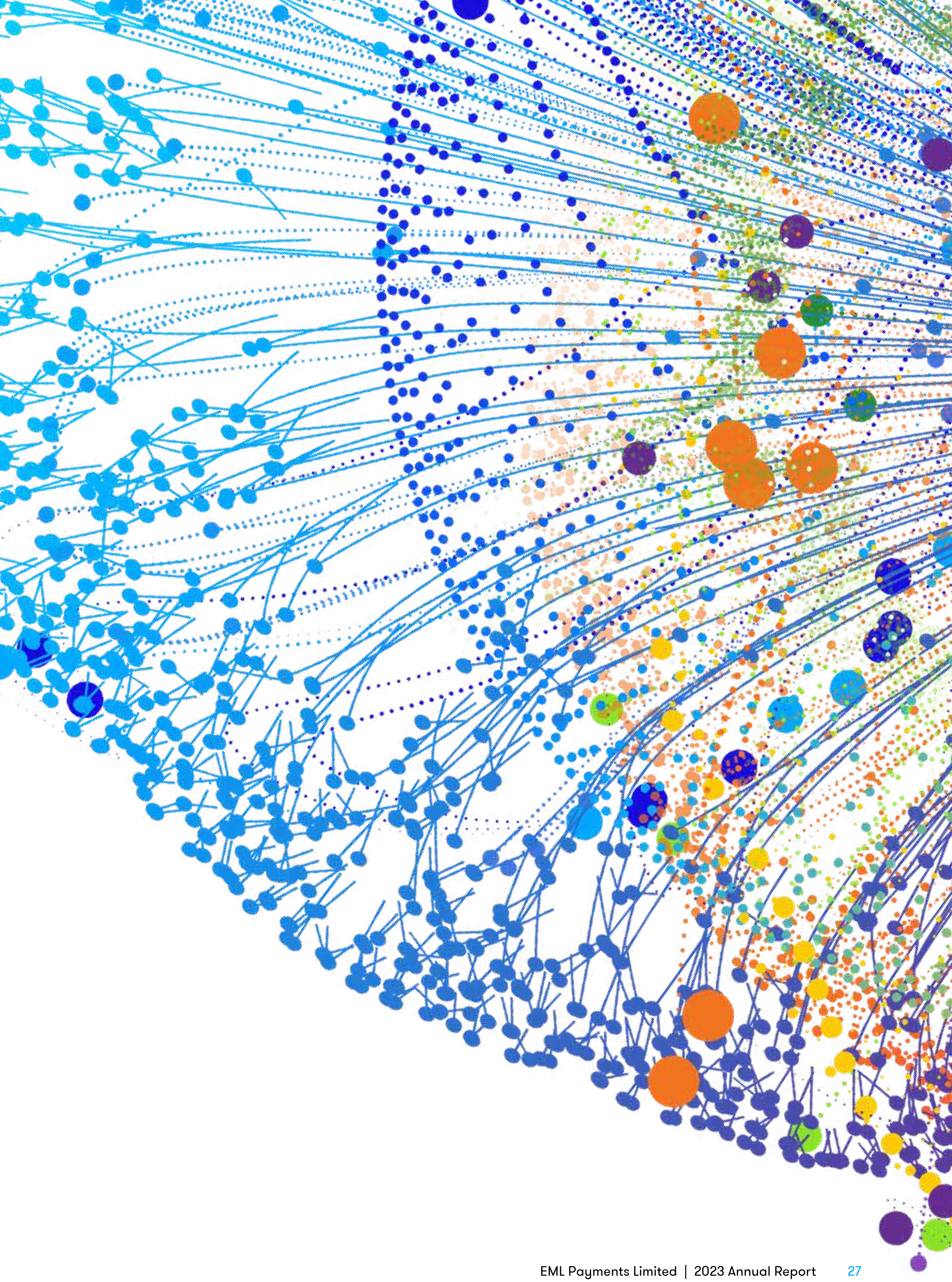
Auditor independence

Section 307C of the *Corporations Act 2001* requires our auditors, Deloitte Touche Tohmatsu, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 55 and forms part of this Directors' report for the year ended 30 June 2023.

Signed in accordance with a resolution of the Directors.

Dr. Luke Bortoli
Independent Non-executive Chair
28 August 2023

Remuneration Report.



Remuneration Report.

This Remuneration Report for the year ended 30 June 2023 (FY23) forms part of the Directors' Report. It has been prepared in accordance with the *Corporations Act 2001 (Cth), the Corporations Regulations 2001 and AASB 124 Related Party Disclosures.* It also includes additional information and disclosures that are intended to enable a deeper understanding by shareholders of EML's remuneration governance and practices.

The Remuneration Report contains the following sections:

Year in review: FY23 recap

EML navigated a challenging FY23, marked by remediation efforts, increased overheads, and reduced profitability. This year also brought substantial changes. FY23 saw changes to Key Management Personnel (KMP) and new Directors join the Board in February. This culminated in the announcement of new operational priorities in April, focused on solving the issues in the business today – and commencing a strategic review, with a view to maximising shareholder value.

Remuneration overview

Our remuneration framework aligns executive rewards with financial and non-financial performance metrics. Elements and composition adhere to ASX and market standards, tethered to our business strategy. Any arrangements related to previous executives remuneration arrangements stem from past decisions that departed from this framework.

Despite good progress on the new operational priorities in the second half, the Board has determined that:

- No FY23 Short Term Variable Remuneration (STVR) will be made to KMP. The EML Board exercised its discretion to withold these awards, despite some fulfiled conditions, in order to ensure alignment with the experience of shareholders over the reporting period;
- The FY21 ong Term Variable Remuneration (LTVR) performance related grants will not be awarded due to unmet financial targets; and
- No departed KMP received any FY23 STVR or FY21 LTVR awards.

Addressing the First Strike

Last year's 'First Strike' was taken seriously by the Board. The current Board is in the process of refining arrangements under the existing remuneration governance framework and to recalibrate and re-align with the renewal strategy that is being developed by new leadership.

Shareholders will see improved alignment with the framework, and with the shareholder experience, in the FY24 Remuneration Report, and we seek your support for this Remuneration Report during this reporting period, which is one of transition.

Section 2.5 of the FY23 Report outlines responses to investor feedback and the Board's FY24 plans to directly address matters raised.

With a renewed Board and management, we are dedicated to creating shareholder value and aligning executive remuneration with this objective. We request your endorsement of the Board's Remuneration Report at the 2023 AGM.

Remuneration Report Glossary

EML	EML Payments Limited
KMP	Key Management Personnel
NEDs	Non-executive Directors
FY22	The 2022 fiscal year
FY23	The 2023 fiscal year
KPIs	Key Performance Indicators
iTSR	Indexed Total Shareholder Return
STVR	Short Term Variable Remuneration
LTVR	Long Term Variable Remuneration
TRP	Total Remuneration Package
TFR	Total Fixed Remuneration
MD	Managing Director
VWAP	Volume Weighted Average Price
CAGR	Compound Annual Growth Rate
ROCE	Return on Capital Employed
Group CEO	Group Chief Executive Officer
Group CFO	Group Chief Financial Officer
Group COO	Group Chief Operating Officer
RACE	Return on adjusted capital employed
RNC	Remuneration and Nomination Committee
NPATA	Net profit after tax and acquisition related costs
EBITDA	Earnings before interest, tax, depreciation and amortisation

1. People covered in this report

1.1 Key management personnel

The KMP roles covered in this report are EML's Non-executive Directors, Group Chief Executive Officer (Group CEO), Group Chief Operating Officer (while appointed) (Group COO) and Group Chief Financial Officer (Group CFO).

Name	Position	Changes during FY23
Current Non-executive Directors		
Luke Bortoli	Non-executive Chair	Appointed 22 February 2023, appointed Chair 23 February 2023
Brent Cubis	Non-executive Director	Appointed 25 November 2022
Manoj Kheerbat	Non-executive Director	Appointed 5 December 2022
Peter Lang	Non-executive Director	Appointed 22 February 2023
Connor Haley	Non-executive Director	Appointed 22 February 2023
Former Non-executive Directors		
Tony Adcock	Non-executive Director	Ceased to be a Director 22 February 2023
David Liddy	Non-executive Chair	Appointed Chairman 25 November 2022, ceased to be a Director 22 February 2023
Peter Martin	Non-executive Chair	Ceased to be a Director 25 November 2022
Melanie Wilson	Non-executive Director	Ceased to be a Director 22 February 2023

Current executive KMP		
Kevin Murphy	Interim Group CEO	Appointed 17 April 2023
Jonathon Gatt	Interim Group CFO	Appointed 18 January 2023
Former executive KMP		
Thomas Cregan	Managing Director and Group CEO	Ceased to be Managing Director and Group CEO 11 July 2022
Emma Shand	Managing Director and Group CEO	Ceased to be Managing Director and Group CEO 17 April 2023
Robert Shore	Group CFO	Ceased to be Group CFO 18 January 2023
David Curneen[1]	Group COO	Ceased to be Group COO 30 September 2022

(1) Following Mr David Curneen's departure the decision was made not to replace the position of Group COO.

1.2 EML committee structures and participation

The following table provides further information on the roles and functions that Non-executive Directors fulfil:

Committee	Change in FY23	Current Chair	Current Members
Audit and Risk	-	Brent Cubis	Peter Lang, Manoj Kheerbat
Remuneration and Nomination	REMCO renamed RNC Remuneration and Nomination Committee	Luke Bortoli	Manoj Kheerbat, Peter Lang
Regulatory Remediation	New Committee formed March 2023	Peter Lang	Manoj Kheerbat, Luke Bortoli, Brent Cubis
Culture, Governance and Nomination	Collapsed into RNC in March 2023	-	-
Investment	Disbanded July 2022	-	-

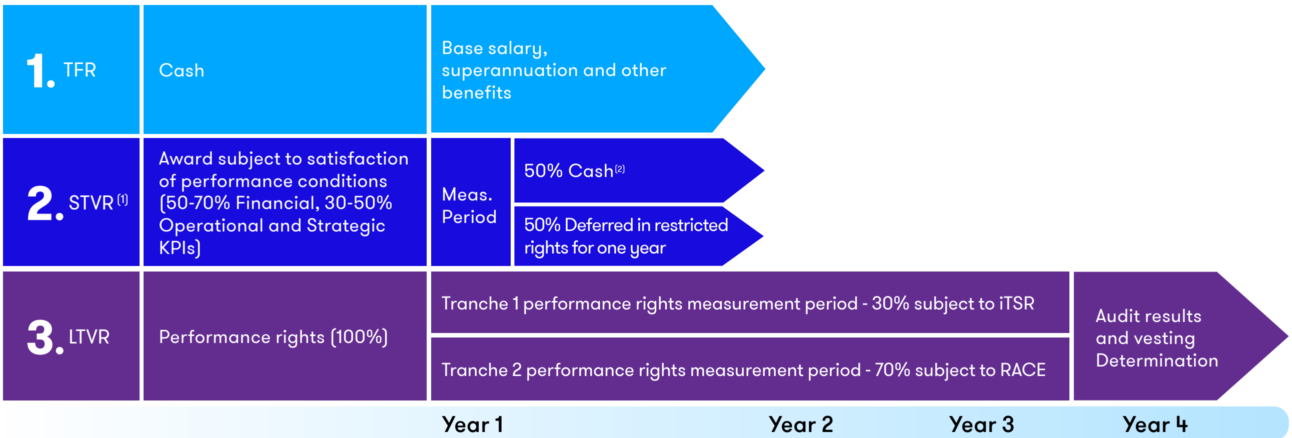
Remuneration Report.

2. Remuneration overview

2.1 Executive remuneration structure at-a-glance

The following diagrams outline EML's approach to executive remuneration and the remuneration cycle under the framework applicable to FY23:

Objective	Attract and retain the best talent	Reward current year performance	Reward long term sustainable performance
Remuneration component	**Total Fixed Remuneration (TFR)**	**Short Term Variable remuneration (STVR)**	**Long Term Variable Remuneration (LTVR)**
Purpose	TFR is set in relation to the external market and takes into account the size and complexity of the role, individual responsibilities and experience and skills.	STVR provides appropriate differentiation of pay for performance and is based on business and individual performance outcomes.	LTVR supports alignment to long-term overall company performance and is consistent with: Strategic business drivers and long-term shareholder return.
Delivery	Base salary, superannuation and other benefits.	50% Cash [2] and 50% restricted rights (deferred for one year subject to an exercise restriction).	100% Indeterminate number of performance rights performance tested over a three year measurement period.
FY23 approach	Target TFR positioning is set competitively with reference to P50 of a balanced comparator group of comparable ASX listed companies.	Business performance measures [1]: Financial (50%), Individual Strategic and Operational (50%)	LTVR performance measures: — Indexed TSR (iTSR): 30% — RACE: 70%.



(1) A gate applies to the STVR award such that Group NPATA must achieve a threshold performance for NPATA in order for any award to become payable.

(2) STVR Cash awards are generally awarded following the release of the audited Annual Report.

2.2 FY23 Company performance at-a-glance

The following outlines the Company's performance in FY23, which is intended to assist in demonstrating the link between performance, value creation for shareholders, and executive reward:

Unaudited	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2021 $'000	30 Jun 2020 $'000	30 Jun 2019 $'000
Statutory Net (loss)/profit after tax	(284,824)	(4,801)	(28,695)	(5,854)	8,450
EBITDA	(2,595)	34,300	42,175	32,536	29,701
EBITDA / ROCE	(1%)	6%	9%	6%	16%
NPATA	(26,971)	19,345	21,034	21,008	20,034
NPATA / ROCE	(9%)	3%	5%	4%	11%
Share price	$0.63	$1.23	$3.48	$3.34	$2.96
Share price change %	(49%)	(65%)	4%	13%	(65%)

Remuneration link	Metric	Rationale for metric use	FY23 outcome
STVR	Group NPATA	Weighting on financial value creation for shareholders, alongside the strategic and operational milestones that drive value creation in the longer term, to align stakeholder interest in the short-term.	Nil award
	Strategic/Operational Milestones Individual Effectiveness		Nil award
LTVR	iTSR/RACE	An internal metric is used to reflect long term financial sustainability under the control of management, and an external metric is used to reflect the long term value experience of shareholders.	To be assessed as at 1 July 2025

2.3 FY23 Executive remuneration opportunities and outcomes at-a-glance

The following charts outline the remuneration opportunities under EML's executive remuneration structures, with the outcomes dependent on performance over FY23 for STVR and LTVR, and the "Achieved" remuneration payable in respect of the completed FY23 year and performance delivered. No STVR payments were made in FY23 due to the EML Board's discretionary decision to withhold these awards, despite certain conditions being met. No LTVR vested in FY23 because threshold conditions were not met, nil vesting occurred (full forfeiture):

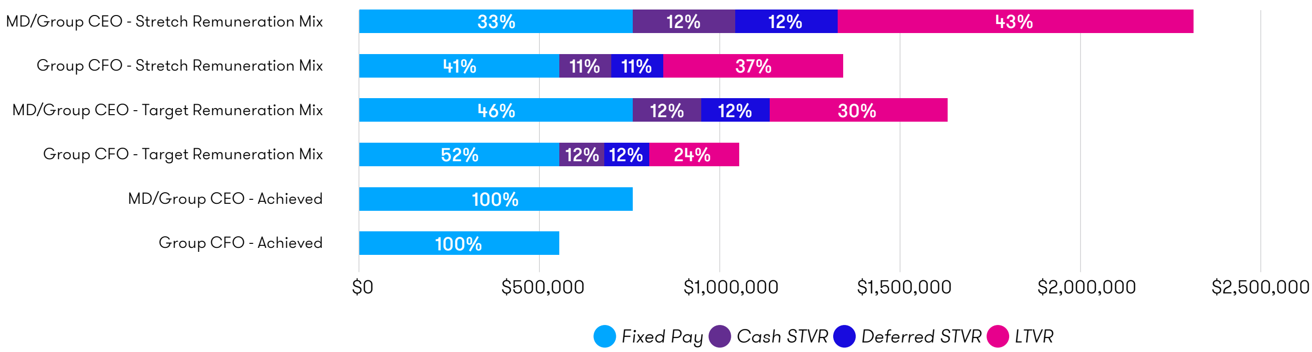


Table refers to former Managing Director and Group CEO Emma Shand who ceased to be Managing Director and Group CEO on 17 April 2023 and former Group CFO Robert Shore who ceased to be Group CFO on 18 January 2023.
Other roles and incumbents are not addressed because permanent KMP replacements were not identified during the year i.e. these packages were the only packages that were based on a regular remuneration arrangement/cycle for a permanent executive KMP role.
Note: "Achieved" refers to fixed remuneration received during FY22 and no variable remuneration awarded in FY23.
One-off remuneration that fell outside the regular framework (i.e. not Fixed Pay, STVR, Deferred STVR or LTVR) is addressed elsewhere in the report (see 4.4).

Remuneration Report.

2. Remuneration overview (continued)

2.4 Key KMP remuneration governance considerations and changes

The following summarises the key remuneration governance matters that were the focus of considerations in FY23, and those that are expected to be addressed in FY24, including planned changes and responses to feedback from proxy advisors.

2.5 Response to feedback

EML's Board has sought feedback from shareholders, stakeholders and governance advisors on its remuneration governance and practices, and notes the following:

a. The Board has held discussions with stakeholders regarding the immediate vesting of sign-on equity grants. It has been acknowledged that the previous decisions to award sign-on grants to the previous MD and Group CEO with short-term vesting did not meet shareholder expectations or align with their experiences. The Board recognises the need to attract talent to help accomplish our challenging objectives, but also acknowledges that if grants are to be issued, they should have an appropriate retention period and/or performance measures that are clearly aligned with external stakeholders.

b. Based on feedback received regarding the high base salary of the previous MD and Group CEO, the EML Board has conducted a review and made adjustments to the executive compensation level and structure. The fixed pay for the interim incumbent has been set lower compared to the previous MD and Group CEO. The Board intends to adhere to the sound principles outlined in the remuneration framework, which was developed to align with well-regarded market frameworks. The Board will be focusing on new market positioning and benchmarking, considering the challenging period ahead and the importance of retaining top key management personnel talent.

c. The Board plans to conduct a market position review in FY24 to ensure alignment with shareholders' expectations.

d. Payment of variable reward. In FY23, the framework functioned as intended, resulting in no FY23 STVR being granted to executives. This outcome aligns with shareholders' expectations.

e. The Remuneration Committee acknowledges the feedback regarding the iTSR comparator group. The Board plans to conduct a comprehensive review of all variable incentive performance hurdles, encompassing financial and non-financial aspects. As part of this review, the appropriate ASX market indicator of expected performance (including all constituents) will be considered.

f. The Board would welcome further feedback on the Company's disclosures and practices as part of a continuous improvement objective.

2.6 Other considerations

The priority for the latter part of FY23, and the early part of FY24, are the reviewing and recalibration of the application of the remuneration framework. Past practices have in some cases departed from the principles and elements set out in the framework. In order to ensure appropriate remuneration practices and appropriate links between performance and reward, the Board anticipates undertaking benchmarking and a review of performance metrics, hurdles, performance weightings and mix of elements to ensure that FY24 remuneration will be aligned with the current circumstances and renewed future plans of the business, and appropriate to the Company's current position in the market.

A high priority for the Board will be determining remuneration structures that can attract and retain new executive talent suitable for the next phase of development of EML, and aligned with restoring shareholder value. Sign-on arrangements in particular will only be considered if absolutely necessary and include measures that ensure alignment with shareholder value creation, such that reward will not arise if the incumbent does not stay-the-course with the business, and that any reward that does arise will be commensurate with value created for shareholders.

It is also important to highlight that the Company is facing a talent acquisition and retention challenge. The deterioration in business performance and the public focus on EMLs regulatory remediation programmes has meant that top talent is difficult to attract. The remuneration framework will need to remain flexible to ensure the Company can remain competitive in the market for great people. Talent is the key driver and underpinning of the rebuilding of EML.

2.7 Former Executive KMP and impact on remuneration

1. Former MD and Group CEO: On 11 July 2022, Mr Thomas Cregan ceased as MD and Group CEO. Mr Cregan was not provided with any termination payment or payment in lieu of notice, Mr Cregan ceased being an employee on 11 October 2022. All outstanding on-foot equity awards were treated in accordance with the default provisions per the plan rules as approved by shareholders. Mr Cregan's FY21 LTI were forfeited in full while his FY22 LTVR outstanding equity award will remain on foot as per the plan rules and will be tested in accordance with the respective vesting conditions following 30 June 2024. This serves as an incentive to maintain alignment with shareholders and company interests beyond termination of employment.
2. Former MD and Group CEO: On 17 April 2023, Ms Emma Shand ceased to be the MD and Group CEO. Ms Shand was paid 3 months termination benefit in lieu of notice from the date she ceased being an employee, being 17 July 2023. All outstanding on-foot equity awards were treated in accordance with the default provisions per the plan rules as approved by shareholders. Ms Shand's FY23 STVR opportunity remained on foot as per the plan rules, however no payment was made following the Board's discretionary decision to withhold the awards, despite certain conditions being met. Ms Shand's FY23 LTVR opportunity will remain on foot as per the plan rules and will be tested in accordance with the respective vesting conditions in July 2025. This serves as an incentive to maintain alignment with shareholders and company interests beyond termination of employment.
3. Former Group CFO: As announced, on 18 January 2023, Mr Robert Shore ceased from the Group CFO position. Mr Shore was provided with a termination payment of $220,000. No FY23 STVR was available to Mr. Shore. Mr Shore's FY22 and FY23 LTVR opportunities will remain on foot as per the plan rules and will be tested in accordance with the respective vesting conditions in July 2024 and July 2025. This serves as an incentive to maintain alignment with shareholders and company interests beyond termination of employment. Mr Shore ceased being an employee on 16 April 2023.
4. Former Group COO: Mr David Curneen ceased as Group COO on 30 September 2022. Mr Curneen was provided a termination payment of $424,478 (£243,793). All outstanding on-foot equity awards were treated in accordance with the default provision per the plan rules as approved by the shareholders. Mr Curneen's FY22 LTVR opportunity will remain on foot as per the plan rules and will be tested in accordance with the respective vesting conditions in July 2024. This serves as an incentive to maintain alignment with company and shareholder interests beyond the termination of employment. Following Mr Curneen's departure the decision was made not to replace the position of Group COO

2.8 Interim Executive KMP remuneration

Interim Group CEO

Mr Murphy was appointed as Interim Group CEO effective 17 April 2023, with a TFR opportunity of $360,000 as disclosed in EML's ASX announcement on that date. Mr Murphy's base salary and pension of $360,000 have been adjusted pro rata for a 6 month term. The Board determined that in stepping into the Interim role for 6 months, it was also appropriate to offer a one-off short-term equity incentive of $150,000 via our Executive Performance Rights Plan, ensuring strong alignment with interests of shareholders and reducing impact on cash resources. These rights will only vest if specific key performance indicators, directly related to the Board's Key Strategic objectives outlined in our ASX announcement on 17 April 2023, are achieved. This arrangement is designed to align with shareholder outcomes and reflects the interim nature of the appointment.

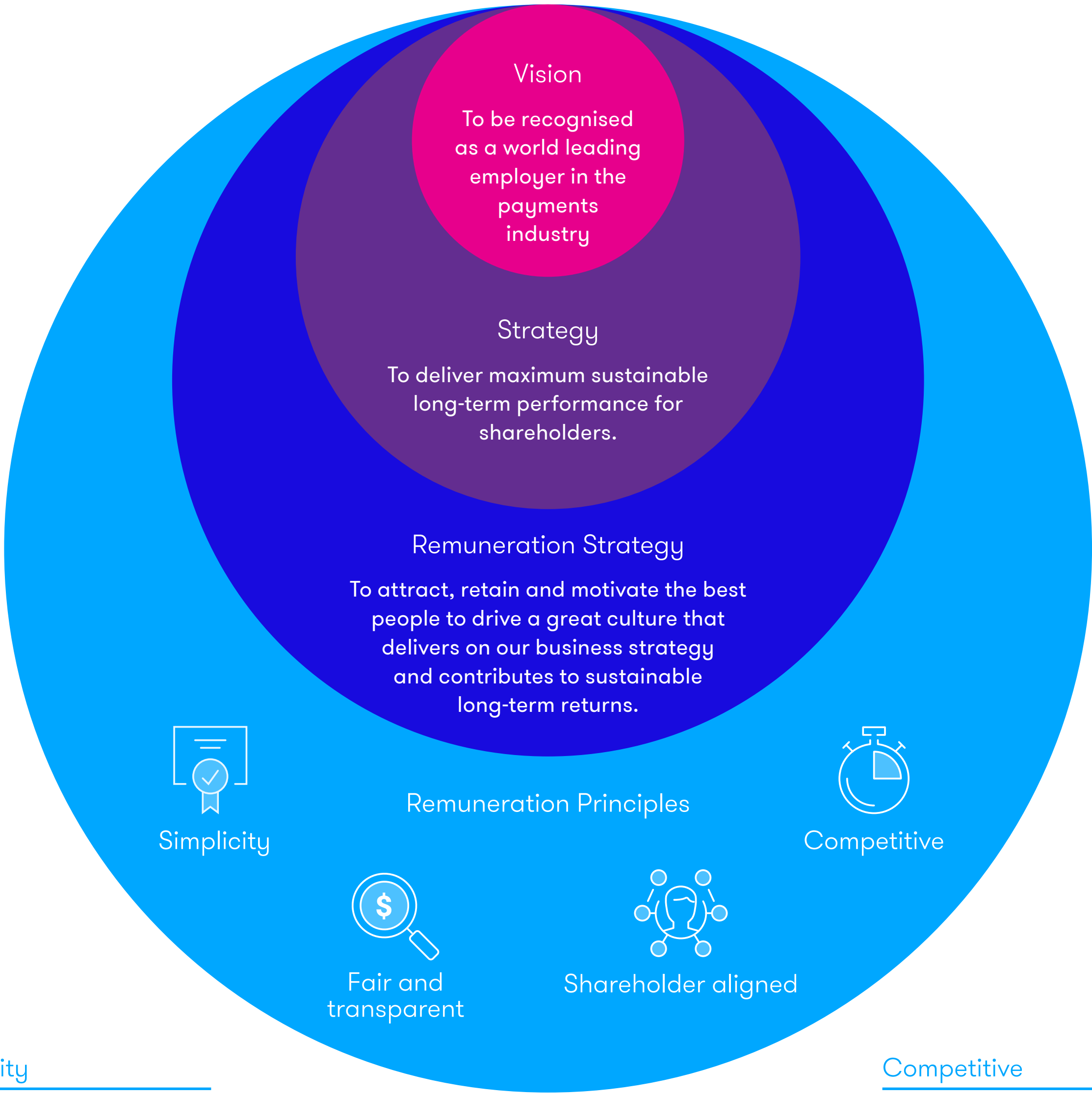
Interim Group CFO

Jonathan Gatt was appointed Interim Group CFO on 18 January 2022. Mr Gatt's substantive role is the CFO of Europe and therefore his variable remuneration offer sits outside of the Executive framework. Interim Group CFO TFR is based on contractual position of $341,187 (£185,000) and higher duties allowance of $194,965 (£105,715) inclusive of any pension obligations. Mr Gatt's STVR is set at 30% TFR opportunity and, if payable is paid wholly in cash.
The performance hurdles are in line with the executive offer and reflected 50% Group NPATA and 50% Individual KPIs.
Mr Gatt's Long-Term opportunity is set at 30% TFR opportunity and was offered for FY23 on a one year vesting service period. The performance hurdles are in line with the executive offer being 30% iTSR and 70% RACE.

Remuneration Report.

3. EML's remuneration strategy, policy and framework

3.1 Our remuneration strategy principles



Simplicity

- Our approach is relatively simple and easy to explain.
- We make it clear to our shareholders at the outset how much our Executives will be paid. This includes determining the appropriate balance between short and long term components.

Fair and transparent

- Our remuneration should be measurable, achievable, consistent, fair and transparent.
- Our remuneration should drive the 'right' behaviours (e.g. exhibit EML's values and meet community expectations), and ensure financial results are achieved in the 'right way'.

Shareholder aligned

- We encourage our Executives to think and act like owners.
- Our Executives are incentivised to focus on actions that will sustainably grow shareholder wealth and not on the impact their management decisions may have on the payments of STVRs.

Competitive

- We know that our Executive team has a highly desirable skill set, both in Australia and overseas, so we need to be competitive and flexible to attract and retain our talent.
- In recognising that our people are becoming increasingly attractive to large global players, we also ensure global benchmarks are market competitive for both Executive and selected senior leadership roles.

3.2 Executive remuneration - Total fixed remuneration and the variable remuneration framework

The primary purpose of the Remuneration Policy is to ensure that remuneration is competitive, aligned with the Company's business strategy and objectives in both the short term and the long term and produces appropriate alignment between stakeholder interests. In accordance with this objective, the Company has structured remuneration packages to provide an appropriate mix of fixed and performance-based remuneration components which link to both the individual's performance and Group performance. By adopting a robust approach to remuneration, the Group aims to attract and retain top talent while ensuring an appropriate variable cost to shareholders. The remuneration framework is also designed to reward prudent risk-taking, support effective risk management and prioritise the long term sustainability of the business.

Executive KMP remuneration is made up of three components:

- TFR;
- STVR, made up of:
  - Cash; and
  - Restricted rights (deferred); and
- LTVR.

TFR is made up of base salary, superannuation or pension and other benefits. To ensure an employee's TFR is both competitive and reasonable, it is benchmarked against median/P50 salary data based on a group of comparable Australian companies (within a range of half to double the Company's market value at the time, balanced, with 10 larger and 10 smaller to ensure measures of central tendency are highly relevant). EML plans to undertake benchmarking in FY24. Variable remuneration is intended to balance financials, risk and strategic or operational outcomes, using a blend of at risk remuneration and incentives. Metrics selected are intended to be linked to the primary drivers of value creation for stakeholders, and successful implementation of the long term strategy over both the short and long term. Thresholds are intended to be a near-miss of expectations, while target is intended to be challenging but realistically achievable objective with a probability of around 50% to 60%. Stretch is designed to be exceptionally challenging with a probability of 10%.

Remuneration Report.

3. EML's remuneration strategy, policy and framework (continued)

3.3 FY23 short term variable remuneration plan

A description of the STVR structure applicable for FY23 is set out below:

Purpose	STVR is intended to create a strong link between executive reward and performance over a one year period, by assessing key drivers of value creation linked to annual business plans and EML's strategy.
Measurement period	The financial year of the Company (1 July – 30 June).
Opportunity	Opportunity as % of TFR Target / Stretch Group CEO[1]: 75% / 100% Group CFO: 45% / 60% (1) FY23 Group CEO opportunity level exceeded recommended percentage.
Outcome metrics and weightings	For FY23, the following metrics and weightings applied: — Financial – 50%; — Strategic/operational milestones – 50%; These metrics were because they had the most direct alignment with shareholder interests and the strategic direction of the Group. Specific metrics and outcomes by individual are addressed later in this report.
Gate	A gate applies to the STVR award such that Group NPATA must be at least equal to threshold performance for NPATA in order for any award to become payable.
Award, settlement and deferral	STVR will be calculated based on the audited financial performance. 50% of any STVR is to be paid in cash, 50% of any STVR is to be settled in the form of a grant of restricted rights subject to an exercise restriction for one year to facilitate malus/clawback.
Cessation of employment	In the case of termination for cause, fraud or misconduct, full forfeiture applies. For participants who cease employment with EML before the end of the measurement period in other circumstances, a pro-rata forfeiture based on the remaining portion of the measurement period applies. Entitlement to STVR, if any, will be determined for all participants following the end of the measurement period, unless otherwise determined by the Board.
Corporate actions	In the event of a corporate action including a takeover, a demerger, change in control, delisting or major return of capital, the Board may in its discretion decide to: — Terminate the plan for the measurement period and pay pro-rata STVR based on the completed proportion of the measurement period taking into account outcomes up to the date of the change in control; — Continue the STVR but make interim non-refundable pro-rata STVR based on the completed proportion of the measurement period, taking into account outcomes up to the date of the change in control; or — Allow the STVR to continue without change. If a payment is made and the plan continues in relation to the measurement period, only the excess of the STVR calculated at the end of the measurement period, compared to the amount already paid, would be payable. If the STVR calculated at the end of the measurement period is less than the payment already made in relation to the Corporate Action event, no payment will be made, and no portion of the amount already paid is refundable to the Company, except as otherwise provided for in relation to any applicable malus or clawback policy. In the circumstances of a corporate action, the proportions of STVR that are subject to deferral as outlined in an offer, may be deemed not to be subject to deferral, and any portions of STVR specified in an offer to be payable in the form of equity may be deemed to be payable in cash, at the discretion of the Board.
Board discretion	The Board has discretion to adjust STVR to ensure that they are not inappropriate including awards to nil despite any metric outcome. The Board will only adjust remuneration outcomes where it believes to not do so would produce a more inappropriate outcome. The Board has broad discretion to vary the terms of the STVR opportunity for compliance reasons or to ensure that participants are neither advantaged or disadvantaged by unforeseen changes in circumstances.
Malus and clawback	In addition to retaining an overarching discretion in respect of award outcomes, the Board will have the power to: trigger forfeiture of unpaid at (i.e. malus) and or deferred equity subject to exercise restrictions (i.e. clawback). To reflect emerging best practice (and the heightened scrutiny of remuneration governance in the financial services sector), the trigger events will include serious misconduct including fraud, dishonesty, gross negligence, recklessness, or willful indifference; a material misstatement in, or omission from EML's financial statements, or a misstatement of a performance condition applicable to the STVR. Where a participant has acted or failed to act in a way that has contributed to material reputational damage to EML; and where, in the opinion of the Board acting in good faith, all or part of the initial award is no longer justified having regard to the circumstances or information which has come to light after an offer was made under the STVR (e.g. poor customer outcomes). To maximise legal enforceability, the above clawback/malus provisions are reflected in the offer documents as well as the plan rules.

3.4 FY23 long term variable remuneration plan

A description of the LTVR structure applicable for FY23 is set out below:

Purpose

LTVR supports alignment between long term overall company performance and long term executive reward and is linked to:

- Strategic business drivers and sustainable financial improvement;
- Long-term shareholder return.

Instrument

The LTVR is in the form of indeterminate performance rights with a nil exercise price, which may be settled in cash or EML shares at the Board's discretion.

Measurement period

The performance rights are subject to a measurement period from the start of FY23 (1 July 2022) to the end of FY24 (30 June 2025), with no vesting or assessment of performance conditions prior to the end of the measurement period, in the ordinary course of events.

Term

Each right has a term of 15 years from the grant date and if not exercised within that term the rights will lapse.

Opportunity

	Opportunity as % of TFR	
	Target	Stretch
Group CEO[1]	100%	200%
Group CFO	45%	90%

(1) FY23 Group CEO opportunity percentage departed for the established framework. A review will be undertaken in respect of the framework in FY24.

Grant calculation

The number of rights to be granted is determined by the formula as follows;
No. rights = TFR x LTVR % ÷ 10-day VWAP
Where LTVR % is the maximum LTVR opportunity as a % of TFR.

Settlement

The rights are "Indeterminate performance rights" which may be settled in the form of a company share or cash equivalent at the Board's discretion.

Performance metrics and vesting schedule

Tranche 1 performance rights are subject to an iTSR performance vesting condition (Weight 30%). This vesting condition compares the Company's TSR over the measurement period with the movement in the ASX 300 Information Technology Total Return Index. This Index is a TSR Index.

TSR is calculated as a percentage growth in shareholder value based on share price growth and dividends, assuming that they are reinvested into shares. It is calculated over a specific period which for purpose of this invitation is the measurement period.

Performance level	EML TSR compared to TSR of the ASX 300 Total Return Index	% of Performance rights vesting[1]
Threshold	= Index TSR	25%
Target	Index TSR + 2.5% TSR CAGR	50%
Stretch	≥ Index TSR + 5% TSR CAGR	100%

(1) Pro-rata vesting between threshold, target and stretch.

Tranche 2 performance rights are subject to a RACE performance vesting condition (Weight 70%). This vesting condition measures the company's operational financial return which is then compared against the vesting scale. These metrics were selected as being the most direct indicators of internal and external views of value creation of the long term, based on EML's current strategy and circumstances.

Performance level	RACE	% of Performance rights vesting[1]
Threshold	15%	25%
Target	17.5%	50%
Stretch	20%	100%

(1) Pro-rata vesting between threshold, target and stretch.

Remuneration Report.

3. EML's remuneration strategy, policy and framework (continued)

3.4 FY23 long term variable remuneration plan (continued)

Gates	A gate applies to the Tranche 1 iTSR performance rights, such that vesting will not be considered if the Company's TSR is not positive for the measurement period. No gate applies to Tranche 2.
Retesting	No retesting is allowed for under the plan rules.
Financial year	The financial year of the Company (1 July – 30 June).
Corporate actions	In the event of delisting, unvested performance rights with nil exercise price will vest on a pro rata basis taking into account the change in share price during the measurement period up until delisting and the proportion of the measurement period elapsed. In the event of a demerger or major return of capital, the Board has discretion to vest, lapse or adjust the terms of rights to ensure that Participants are neither advantaged nor disadvantaged, subject to the ASX Listing Rules.
Board Discretion	The Board has discretion to adjust vesting to ensure that it is not inappropriate, including reducing vesting to nil despite any vesting condition assessment outcome. The Board will only adjust remuneration outcomes where it believes to not do so would produce a more inappropriate outcome. The Board has broad discretion to vary the terms of the LTVR opportunity for compliance reasons or to ensure that participants are neither advantaged or disadvantaged by unforeseen changes in circumstances.
Malus and clawback	In addition to retaining an overarching discretion in respect of vesting outcomes, the Board will have the power to: trigger forfeiture of unvested equity (i.e., malus) and or equity subject to exercise restrictions. To reflect emerging best practice (and the heightened scrutiny of remuneration governance in the financial services sector), the trigger events will include serious misconduct including fraud, dishonesty, gross negligence, recklessness, or wilful indifference; a material misstatement in, or omission from EML's financial statements, or a misstatement of a performance condition applicable to the LTVR. Where a participant has acted or failed to act in a way that has contributed to material reputational damage to EML; and where, in the opinion of the Board acting in good faith, all or part of the initial award is no longer justified having regard to the circumstances or information which has come to light after a grant was made under the LTVR (e.g., poor customer outcomes). To maximise legal enforceability, the above clawback/malus provisions are reflected in the offer documents as well as the plan rules.

3.5 FY23 NED remuneration

The below framework is in place for FY23 and remains consistent with the FY22 framework:

FY23 EML Board framework

Role/function	Board $
Chair	210,000
Deputy Chair	175,000
Non-executive Director	155,000

Fees are inclusive of superannuation.

The EML NED remuneration is structured such that Board Committee fees are combined with Board Fees. An exception exists for one NED who is currently sitting on the board of a regulated overseas subsidiary (disclosed in table 5.2). EMLs current Board does not have a director serving as a Deputy. The total amount of fees paid to NEDs in the year ended 30 June 2023 is within the aggregate amount approved by shareholders of $1,250,000 (2022: $1,250,000). The total NED remuneration paid in FY23 was $826,009 (2022: $836,077) which did not include any equity grants.

4. The link between performance and reward in FY23

The Board reviews the performance conditions for the variable remuneration plans on an annual basis, and weighs metrics across Group, business unit/region and individual/role-related key result areas, classifiable as financial, strategic or operational metrics. The Board is responsible for assessing performance against metrics and determining the STVR awards and LTVR vesting.

The following disclosures are intended to assist in demonstrating the link between EML's strategy, performance and executive reward in the FY23 period.

4.1 FY23 STVR outcomes

The STVR plan is designed to reward executives for the achievement against annual performance objectives set by the Board at the beginning of the performance period, linked to the strategy and annual business plans. The payment of an STVR is dependent on delivery of performance against a range of weighted outcome metrics and Board discretion. The performance metrics, goals and outcomes are summarised below, in respect of each executive:

Objective	Weighting	Performance			Outcome (% of object met)	Outcome (% of max award)
		Threshold	Target	Maximum		
Financial objectives [1]	50%				0%	0%
Strategic objectives						
Group CFO	50%				0%	0%
MD and Group CEO	50%				0%	0%

(1) Threshold not met for Company Financial Objective. A gate applies to the STVR award such that the Group Financial measure must be met in order for any award to become payable. Nil variable remuneration awarded in FY23.

(2) The outcome is 0% due to Board discretion exercised.

4. The link between performance and reward in FY23

4.2 FY21 LTVR outcome

The long term opportunity that was eligible to vest in FY23, subject to performance assessment on the FY23 results is described below:

Instrument	Options
Measurement period	3 Years
Performance metrics and weightings	Tranche 1 (75% weighted at Target) subject to an NPATA/CAGR:

Performance level	NPATA 3 Year Growth CAGR	% of option vesting[1]
Threshold	12.5%	0%
Target	15%	50%
Stretch	17.5%	100%

(1) Pro-rata vesting between threshold, target and stretch.

Tranche 2 (25% weighted at Target) subject to a ROCE:

Performance level	NPATA Return on Adjusted Capital Employed	% of option vesting[2]
Threshold	12.5%	0%
Target	15%	50%
Stretch	17.5%	100%

(2) Pro-rata vesting between threshold, target and stretch.

Performance outcome and vesting determination	The Board has assessed that the threshold performance vesting conditions have not been met, and as a result, 0% vesting applies in respect of the completed FY23 reporting period for participants.

4.3 FY23 LTVR structure

Executive KMP	Role	Series	Tranche	Weighting	Number eligible to vest	Target performance	Actual outcome	% of tranche vested	No. vested	Fair value at grant date	Value of LTVR that vested $	Realisable value $
Emma Shand	MD and Group CEO	Series 58	Index TSR + TSR CAGR	30%	142,581	Index TSR + 2.5% TSR CAGR	-	0%	-	35,645	Nil	Nil
			RACE	70%	332,688	17.5% RACE	-	0%	-	85,834	Nil	Nil
Robert Shore	Group CFO	Series 58	Index TSR + TSR CAGR	30%	80,734	Index TSR + 2.5% TSR CAGR	-	0%	-	20,184	Nil	Nil
			RACE	70%	188,378	17.5% RACE	-	0%	-	48,602	Nil	Nil
Jonathon Gatt	Interim Group CFO	Series 59	Index TSR + TSR CAGR	30%	30,792	Index TSR + 2.5% TSR CAGR	-	0%	-	7,698	Nil	Nil
			RACE	70%	71,847	17.5% RACE	-	0%	-	18,537	Nil	Nil
Total					847,020		-	0%	-	216,537	Nil	Nil

4.4 FY23 Achieved total remuneration package

The following outlines "Achieved" (what became payable, awarded or vested) total remuneration, and amounts that were forfeited or lapsed as the result of performance assessments in the reporting period:

			Fixed package		Variable remuneration								
Executive KMP	Role	Year	Amount $	% of TFR	Sign on grant vested	% of TFR	Cash bonus amount $	% of TFR	STVR[1] amount $	% of TFR	LTVR [2] amount $	% of TFR	Total TFR $
Thomas Cregan[3]	MD and Group CEO	2023	233,502	100%	-		-	-	-	-	-	-	233,502
		2022	741,227	42%	-		-	-	216,855	12%	828,162	46%	1,786,244
Emma Shand[4]	MD and Group CEO	2023	935,779	73%	349,462	27%	-	-	-	-	-	-	1,285,241
Kevin Murphy[5]	Interim Group CEO	2023	91,829	100%	-		-	-	-	-	-	-	91,829
Robert Shore[6],[9]	Group CFO	2023	596,115	46%	-		700,000	54%	-	-	-	-	1,296,115
		2022	522,711	58%	-		-	-	132,752	15%	236,962	27%	892,425
Jonathon Gatt[7]	Interim CFO	2023	253,680	86%	40,580	14%	-	-	-	-	-	-	294,260
David Curneen[8]	Group COO	2023	146,256	100%	-		-	-	-	-	-	-	146,256
		2022	419,632	100%	-		-	-	-	-	-	-	419,632

(1) This is the grant value of the deferred STVR that vested in the reporting period.
(2) This is the grant value of the LTVR that vested in the reporting period.
(3) Thomas Cregan ceased to be MD and Group CEO on 11 July 2022.
(4) Emma Shand was appointed MD and Group CEO on 11 July 2022 and ceased to be MD and Group CEO on 17 April 2023.
(5) Kevin Murphy was appointed Interim Group CEO on 17 April 2023.
(6) Robert Shore ceased to be Group CFO on 18 January 2023.
(7) Jonathon Gatt was appointed Interim Group CFO on 18 January 2023.
(8) David Curneen ceased to be Group COO on 30 September 2022.
(9) Robert Shore was granted a one-off cash bonus of $700,000 on the 31 December 2022 for satisfying the relevant conditions as outlined in his employment terms.

Remuneration Report.

5. Statutory tables and supporting disclosures

5.1 Executive KMP statutory remuneration for FY23

The following table outlines the statutory remuneration of Executive KMP:

			Fixed pay				Variable remuneration				Total for year		Other statutory items		
Name	Role	Year	Salary $	Super / pension $	Other benefits[1] $	Total TFR $	Deferred STVR[2] $	LTVR[3] $	Sign on grant $	Cash bonus $	Total TRP $	Variable remuneration as % of TRP	Termination benefits $	Change in long service leave $	Total
Thomas Cregan	MD and Group CEO	2023	199,452	8,431	25,619	233,502	-	(171,387)	-	-	62,115	0%	-	(15,520)	46,595
		2022	678,369	23,568	39,290	741,227	133,984	(96,757)	-	-	778,454	5%	-	32,769	811,223
Emma Shand	MD and Group CEO	2023	841,071	31,265	63,443	935,779	-	121,479	349,462	-	1,406,720	33%	209,957	-	1,616,677
Kevin Murphy	Interim Group CEO	2023	91,829	-	-	91,829	22,935	-	-	-	114,765	20%	-	-	114,765
Robert Shore	Group CFO	2023	530,025	21,077	45,013	596,115	-	(32,716)	-	700,000	1,263,399	53%	220,000	(13,866)	1,469,533
		2022	452,369	23,568	46,774	522,711	106,647	63,994	-	-	693,352	25%	-	13,866	707,218
Jonathon Gatt[4]	Interim Group CFO	2023	245,861	7,819	-	253,680	-	29,011	93,182	-	375,873	31%	-	-	375,873
David Curneen	Group COO	2023	139,291	6,965	-	146,256	-	-	(104,287)	-	41,969	0%	424,478	-	570,734
		2022	407,461	12,171	-	419,632	-	286,711	-	-	706,343	41%	-	-	706,343
Total KMP compensation		2023	2,047,529	75,557	134,075	2,257,161	22,935	(53,613)	338,357	700,000	3,264,841	1%	854,435	(29,386)	4,089,890
		2022	1,538,199	59,307	86,064	1,683,570	240,631	253,948	-	-	2,178,149	23%	-	46,635	2,224,784

(1) Other benefits relate to company funded benefits including accrued annual leave.

(2) Note that the deferred STVR reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Variable remuneration outcomes for the reporting period are outlined elsewhere in this report.

(3) Note that the LTVR reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Where a market based measure of performance is used such as TSR or share price, no adjustments can be made to reflect actual LTVR vesting.

(4) Jonathon Gatt's employment contract is in GBP and his remuneration is paid in GBP. This is converted to AUD for the purposes of this report.

It should be noted that due to the structure of the LTVR, grants are fully expensed in the year in which they are granted to align with the one year service vesting condition.

5.2 Non-executive Director KMP statutory remuneration for FY23

The following table outlines the statutory and audited remuneration of NEDs:

NED	Role	Year	Board fees $	Subsidiary fees[1] $	Superannuation $	Other benefits[14] $	Equity grant expense $	Termination benefits $	Total $
Peter Martin[2]	Non-executive Chair	2023	78,041	-	8,314	-	-	-	86,355
	Non-executive Chair	2022	184,091	-	18,409	-	-	-	202,500
David Liddy[3]	Non-executive Chair, Deputy Chairman and Non-executive Director	2023	125,947	-	-	-	-	-	125,947
	Deputy Chairman and Non-executive Director	2022	159,034	-	7,153	-	-	-	166,187
Luke Bortoli[4]	Non-executive Chair	2023	67,100	-	7,046	-	-	-	74,146
Tony Adcock[5]	Non-executive Director	2023	93,514	-	9,819	-	-	-	103,333
	Non-executive Director	2022	135,928	38,504	15,962	-	-	-	190,394
Brent Cubis[6],[12]	Non-executive Director	2023	92,765	-	-	-	-	-	92,765
Kirstin Ferguson[7]	Non-executive Director	2022	4,857	-	486	-	-	-	5,343
Connor Haley[8]	Non-executive Director	2023	54,896	-	-	-	-	-	54,896
Manoj Kheerbat[9]	Non-executive Director	2023	80,762	6,610	8,480	-	-	-	95,852
Peter Lang[10]	Non-executive Director	2023	49,679	-	5,216	12,083	-	-	66,978
Emma Shand[13]	Non-executive Director	2023	3,340	-	351	-	-	-	3,691
	Non-executive Director	2022	112,087	-	11,209	-	-	-	123,296
Melanie Wilson[11],[12]	Non-executive Director	2023	103,333	-	-	-	-	-	103,333
	Non-executive Director	2022	148,357	-	-	-	-	-	148,357
Total Non-executive KMP compensation		2023	749,377	6,610	39,226	12,083	-	-	807,296
		2022	744,354	38,504	53,219	-	-	-	836,077

(1) Subsidiary fee comprises fees paid during the reporting period for work relating to a NED sitting on the board of a regulated overseas subsidiary to provide oversight and assistance with respect to a significant regulatory issue in that region. This is not a typical arrangement and is not intended to extend beyond the reporting period.

(2) Peter Martin ceased to be director 25 November 2022.

(3) David Liddy appointed Chairman 25 November 2022, ceased to be director 22 February 2023.

(4) Luke Bortoli appointed 22 February 2023 and Chairman 23 February 2023.

(5) Tony Adcock ceased to be director 22 February 2023.

(6) Brent Cubis appointed 25 November 2022.

(7) Kirstin Ferguson ceased to be director 16 July 2021.

(8) Connor Haley appointed 22 February 2023.

(9) Manoj Kheerbat appointed 5 December 2022. Additional subsidiary fee paid during the reporting period for work relating to a NED sitting on the board of a regulated overseas subsidiary.

(10) Peter Lang appointed 22 February 2023.

(11) Melanie Wilson ceased to be director 22 February 2023.

(12) Remuneration is paid through a service company.

(13) Emma Shand ceased to be NED on 11 July 2023 and appointed as MD and Group CEO on the same date.

(14) Other benefits relate to company funded benefits.

5. Statutory tables and supporting disclosures (continued)

5.3 Executive KMP equity interests and changes during FY23

5.3.1 Executive equity interests – rights

Rights granted to executive KMP during the financial year:

			During the financial year			
Executive KMP	Options series	Date granted	No. granted during the year	No. vested during the year	% Vested	% Forfeited
Emma Shand	Series 51	25/11/22	1,612,903	537,634	33%	67%
	Series 58	13/01/23	1,827,957	-	0%	74%
Robert Shore	Series 58	13/01/23	269,112	-	0%	0%

Jonathon Gatt was granted rights before he became KMP in the financial year and therefore the rights have been excluded from the above table.

5.3.2 Option/rights holdings of executive KMP (number):

Unissued ordinary shares of EML Payments Limited under option/right at the date of this report of Executive KMP are as follows:

		Opening balance	Granted as remuneration	Exercised	Cancelled	Net change other[1]	Closing balance	Vested and exercisable	Vested during year
Thomas Cregan	30/06/23	902,116	-	(92,202)	(328,865)	(481,049)	-	-	-
	30/06/22	826,321	328,198	(252,403)	-		902,116	-	-
Emma Shand	30/06/23	-	3,440,860	-	(2,533,064)	(907,796)	-	-	-
Robert Shore	30/06/23	467,520	269,112	(57,837)	(177,889)	(500,906)	-	-	-
	30/06/22	413,731	166,580	(112,791)	-	-	467,520	-	-
Jonathon Gatt[2]	30/06/23	-	-	-	-	187,984	187,984	21,234	-
David Curneen	30/06/23	258,516	-	-	(116,685)	(141,831)	-	-	-
	30/06/22	-	258,516	-	-	-	258,516	-	-
Total held by Executive KMP	**30/06/23**	**1,628,152**	**3,709,972**	**(150,039)**	**(3,156,503)**	**(1,843,598)**	**187,984**	**21,234**	**-**
	30/06/22	1,240,052	753,294	(365,194)	-	-	1,628,152	-	-

(1) Thomas Cregan, Emma Shand, Robert Shore and David Curneen were no longer Executive KMP at 30 June 2023. Therefore the "Net change- other" column removes their holdings to reflect cessation as Executive KMP during the year.

(2) Jonathon Gatt was appointed Interim Group CFO on 18 January 2023. His opening balance at the time of commencing in this role was 187,984.

Other transactions

Where Directors had other transactions with the Company, particulars of those transactions, which do not form part of this Remuneration report, are shown at Note F1 to the Financial Statements.

The following table summarises the value of options/rights to Executive KMP granted, exercised or lapsed during the year:

Executive KMP	Series	Value granted at the grant date[1] $	Value exercised at the exercised date[2] $	Value lapsed at the lapsed date[4] $	Plan
Thomas Cregan	Series 34, 41, 42, 48	-	75,145	2,066,668	ESOP 2/EPLRP
Emma Shand	Series 51, 58	1,509,763	-	1,040,343	EPOS 2/EPLRP
David Curneen	Series 45, 50, 51, 52	-	-	382,557	EPOS 2/EPLRP
Robert Shore	Series 33, 39, 40, 45, 58	67,924	50,607	650,948	ESOP 2/EPLRP

(1) The value of the options/rights granted during the period is calculated using a Black-Scholes and Monte Carlo valuation methodology and recognised in compensation over the vesting period of the grant, in accordance with the Australian Accounting Standards.

(2) The value of options/rights exercised at the exercise date was based on the number of shares actually awarded to the KMP at the market value of the shares on the date exercised. Thomas Cregan exercised 92,202 share options/rights in Series 42 on 26 September 2022 when the Company's share price was 81.5c; Robert Shore exercised 57,837 share options/rights in Series 39 on 1 September 2022 when the Company's share price was 87.5c.

(3) Jonathon Gatt was granted rights before he became KMP in the financial year and therefore the rights have been excluded from the above table.

(4) This is the value at grant date of the options/rights that lapsed for executive KMP during the financial year ended 30 June 2023.

Remuneration Report.

5. Statutory tables and supporting disclosures (continued)

5.3 Executive KMP equity interests and changes during FY23 (continued)

5.3.3 Ordinary shares held in EML Payments Limited by Directors and Executive KMP

Movements in equity interests held by Executive and Non-executive KMP during the reporting period, including their related parties, are set out below:

		Balance at the beginning of the year	Granted as remuneration	On exercise of options	Net change other	Balance at the end of the year
Non-executive Directors						
Peter Martin	30/06/2023	6,536,320	-	-	(6,536,320) [1]	-
	30/06/2022	6,736,320	-	-	(200,000)	6,536,320
David Liddy	30/06/2023	960,000	-	-	(960,000) [1]	-
	30/06/2022	960,000	-	-	-	960,000
Tony Adcock	30/06/2023	25,000	-	-	(25,000) [1]	-
	30/06/2022	25,000	-	-	-	25,000
Luke Bortoli	30/06/2023	-	-	-	-	-
Brent Cubis	30/06/2023	-	-	-	-	-
Connor Haley	30/06/2023	-	-	-	30,434,127 [2]	30,434,127
Manoj Kheerbat	30/06/2023	-	-	-	-	-
Peter Lang	30/06/2023	-	-	-	861,427 [3]	861,427
Melanie Wilson	30/06/2023	48,000	-	-	(48,000) [2]	-
	30/06/2022	48,000	-	-	-	48,000
Executive Director						
Thomas Cregan	30/06/2023	15,522,660	-	92,202	(15,614,862) [1]	
	30 /06/2022	15,270,257	-	252,403	-	15,522,660
Emma Shand	30/06/2023	-	-	-	-	-
Other Executives						
Kevin Murphy	30/06/2023	-	-	-	-	-
Robert Shore	30/06/2023	154,154	-	57,837	(211,991) [1]	-
	30/06/2022	191,363	-	112,791	(150,000)	154,154
Jonathon Gatt	30/06/2023	-	-	-	-	-
David Curneen	30/06/2023	-	-	-	-	-
	30/06/2022	-	-	-	-	-
Total Directors and Executive KMP ordinary shares held in EML Payments Limited	30/06/2023	23,246,134	-	150,039	7,899,381	31,295,554
	30/06/2022	23,230,940	-	365,194	(350,000)	23,246,134

(1) Peter Martin, David Liddy, Tony Adcock, Melanie Wilson, Thomas Cregan, Emma Shand, Robert Shore and David Curneen were no longer Directors and/or Executive KMP at 30 June 2023. Therefore the "Net change- other" column removes their holdings as they are not KMP at 30 June 2023.

(2) At appointment as NED on 22 February 2023 Connor Haley had a balance of 38,353,640. Sales of 7,919,513 were made between 22 February 2023 and 30 June 2023.

(3) At appointment as NED on 22 February 2023 Peter Lang had a balance of 861,427 shares.

The following outlines the accounting values and potential future costs of equity remuneration granted during FY23 for executive KMP:

Executive KMP	Series	Tranche	Grant type	Number of rights	Vesting conditions	Grant date	Fair value at grant date	Total fair value at grant $	Value expensed in FY23[1] $
Emma Shand	Series 51A	Sign on bonus - Tranche 1	Sign on	537,635	Service	25/11/2022	$0.65	349,462	349,462
	Series 58A	FY23 LTVR Performance Rights	LTVR	142,581	iTSR	13/01/2023	$0.25	35,645	35,645
	Series 58B	FY23 LTVR Performance Rights	LTVR	332,688	RACE	13/01/2023	$0.26	85,834	85,834
Robert Shore	Series 58A	FY23 LTVR Performance Rights	LTVR	80,734	iTSR	13/01/2023	$0.25	20,184	20,184
	Series 58B	FY23 LTVR Performance Rights	LTVR	188,378	RACE	13/01/2023	$0.26	48,602	48,602
Jonathon Gatt[2]	Series 59A	FY23 LTVR Performance Rights	LTVR	30,792	iTSR	13/01/2023	$0.25	7,698	7,698
	Series 59B	FY23 LTVR Performance Rights	LTVR	71,847	RACE	13/01/2023	$0.26	18,056	18,056

(1) This is the grant value of the options/rights that vested in the reporting period. The entire grant expense has been recognised in 2023 to match service period.

(2) Jonathon Gatt was granted rights before he became KMP in the financial year and therefore the rights have been excluded from the above table.

5.4 KMP service agreements

5.4.1 Executive KMP service agreements

The following outlines service agreements for current and former Executive KMP:

Name	Position held	Employing Company	Appointment date	Period of notice from KMP or Company
Thomas Cregan[1]	MD and Group Chief Executive Officer	EML Payments Limited	03/01/2012	3 months
Emma Shand[2]	MD and Group Chief Executive Officer	EML Payments Limited	11/07/2022	6 months
Kevin Murphy	Interim Group Chief Executive Officer	EML Payments Limited	17/04/2023	3 months
Robert Shore	Group Chief Financial Officer	EML Payments Limited	04/10/2016	3 months
Jonathon Gatt	Interim Group Chief Financial Officer	EML Payments Limited	18/01/2023	3 months
David Curneen[3]	Group Chief Operational Officer	EML Payments Limited	20/10/2021	3 months

(1) Mr Thomas Cregan ceased to be MD and Group CEO on 11 July 2022.

(2) Ms Emma Shand ceased to be Managing Director and Group CEO on 17 April 2023.

(3) Mr David Curneen ceased to be COO on 30 September 2022.

Under the *Corporations Act 2001*, broadly the termination benefit limit is 12 months average salary (over prior 3 years), unless shareholder approval is obtained.

5.4 KMP service agreements (continued)

5.4.2 Non-executive Directors service agreements

The appointment of Non-executive Directors is subject to a letter of engagement. The NEDs are not eligible for any termination benefits following termination of their office, nor any payments other than those required under law such as in respect of superannuation. There are no notice periods applicable to either party under this approach.

5.5 Other statutory disclosures

5.5.1 Loans to KMP and their related parties

During the financial year and to the date of this report, the Company made no loans to directors and other KMP and none were outstanding as at 30 June 2022 (2021: $nil).

5.5.2 Other transactions with KMP

There were no other disclosable transactions with KMP for FY23.

5.5.3 External remuneration consultants

During FY23, the Board retained external remuneration consultants; Godfrey Remuneration Group Pty Ltd (GRG) to provide assistance with drafting EML's Remuneration Report. These services provided by GRG did not constitute remuneration recommendations, however the advisor maintained an appropriate level of independence from KMP in executing its duties. The fees payable to GRG was $71,390 (2022: $78,640) inclusive of GST.

Directors' Declaration.

In the opinion of the Directors of EML Payments Limited (the Company):

The Directors declare that:

(i) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

(ii) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note F4 to the financial statements

(iii) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity, and

(iv) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 295 of the *Corporations Act 2001*.

Dr Luke Bortoli
Non-executive Chairman

28 August 2023

Independent Auditor's Report.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Level 23, Riverside Centre
123 Eagle Street
Brisbane, QLD, 4000
Australia

Phone: +61 7 3308 7000
www.deloitte.com.au

Independent Auditor's Report to the members of EML Payments Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of EML Payments Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Recoverability of the carrying value of goodwill and intangible assets for Prepaid Financial Services (PFS) Group and the Sentenial Group As disclosed in Note D2 *Intangibles* and Note D3 *Impairment assessment*, the Group has recognised impairment totalling $262.9 million against goodwill and intangible assets allocated to the Prepaid Financial Services Group (PFS Group) ($193.7 million) and the Sentenial Group ($69.2 million) Cash Generating Units (CGUs) which arose on the acquisitions of the businesses in FY 2020 and FY 2022 respectively. Management has conducted impairment tests to assess the recoverability of the carrying values of both CGUs. As disclosed in Note D3, management's assessment of the recoverable amount for the PFS Group CGU has been based on a discounted Value in Use cash flow model (VIU). Significant judgement was required with regard to estimating forecast revenue growth, potential fines and other costs relating to the ongoing remediation activities and regulatory engagement for the PFS Group CGU. Judgement was also required in estimating the discount rate and terminal value growth rates to be used in the VIU assessment. As disclosed in Note D3, management's assessment of the recoverable amount for the Sentenial Group CGU at 30 June 2023 has been based on a fair value less cost to sell model (FVLCTS). This required significant judgement due to assumptions in estimating: - future cash flows including growth rates over the forecast period; - the appropriate discount rate to be applied; and - the terminal value growth rate to be used in the FVLCTS assessment.	To evaluate the Group's assessment of the recoverable amount of the PFS Group and Sentenial Group CGUs, our procedures included but were not limited to the following: • Obtaining an understanding of the key controls associated with the preparation of valuation models used to estimate the recoverable amount of each CGU by management and approval by the Board; • Assessing whether the carrying value of the PFS Group and Sentenial Group CGUs included all assets, liabilities and cash flows directly attributable to the CGU and a reasonable allocation of corporate overheads; • Evaluating the Group's historical ability to forecast future cashflows by comparing budgets with actual results; • Assessing the reasonableness of the projected cash flows against external economic and financial data; • Testing that forecast cashflows and growth assumptions used in the models were consistent with the most up-to-date Board approved forecasts; • Assessing, in conjunction with our valuation specialists, the key assumptions used by management in the impairment models, in particular challenging the assumptions used in calculating the respective discount rates for each CGU and terminal growth rates for the PFS Group CGU; • In respect of the PFS Group CGU, challenging management's assessment of the impact of ongoing remediation activities and regulatory engagement on the forecast cash flows and how these have been considered in the impairment model; • In respect of the Sentenial Group CGU, challenging management's estimates of future revenue growth forecasts and other inputs in the FVLCTS model; and • Assessing the recoverable amount against the carrying value of each CGU. We also evaluated the adequacy of the Group's disclosures in Note *D3 Impairment assessment* to the financial statements.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Provisions and contingent liabilities in respect of regulatory matters impacting the Prepaid Financial Services Group As disclosed in Note B8 *Provisions*, the Prepaid Financial Services Group (PFS Group) is involved in a number of regulatory matters. The PFS Group has developed a remediation program to address the concerns raised by its regulators. The investigation and the implementation of the ensuing remediation programs is still ongoing. At 30 June 2023, the Group has recognised a provision of $14.5 million for the likely costs that will be incurred to reach a resolution on the regulatory matters including professional advisory services to facilitate resolutions and an estimate of any fines that may be imposed by the regulatory bodies. Provisions for costs of external advisors have been determined considering the likely scope of work to be undertaken and estimates received from professional advisors. Provisions for any potential fine or enforcement action have been made after receipt of legal advice. This provision involves significant management estimation of the probability and quantum of outflows for remediation and potential fines or enforcement costs associated with the regulatory matters. Management has also disclosed contingent liabilities with regards to compliance matters in Note F2 *Contingent Liabilities*.	In conjunction with our component auditors our audit procedures included but were not limited to the following: • Obtaining an understanding of the status of the regulatory matters impacting the PFS Group at the date of this report through inspection of correspondence received from regulators and related documentation, and inquiries of internal legal counsel, senior members of management, the Directors of the Group and the Directors of the entities within the PFS Group; • Inspecting documentation prepared by the Group and holding discussions with external legal counsel advising the Group on the matter regarding the approach and methodology utilised in estimating the provision for any potential fine or enforcement costs; • Challenging the Group's assessment of the consequences of the regulatory matters on the Group's financial statements including remediation costs and contingent liabilities; and • Assessing the adequacy of the provision and related disclosures in Notes B8 *Provisions* and F2 *Contingent Liabilities* to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 48 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of EML Payments Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants
Brisbane, 28 August 2023

Auditor's Independence Declaration.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Riverside Centre
Level 23
123 Eagle Street
Brisbane QLD 4000
GPO Box 1463
Brisbane QLD 4001 Australia

Tel: +61 7 3308 7000
Fax: +61 7 3308 7001
www.deloitte.com.au

The Board of Directors
EML Payments Limited
Level 12/333 Ann Street
Brisbane City QLD 4000

28 August 2023

Dear Board Members

Auditor's Independence Declaration to EML Payments Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of EML Payments Limited.

As lead audit partner for the audit of the financial report of EML Payments Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants

Financial Statements.

Statement of Profit or Loss and Other Comprehensive Income.

	Notes	Consolidated 30 June 2023 $'000	Consolidated 30 June 2022 $'000
Revenue from contracts with customers	A2	221,686	229,050
Interest income	A2	32,504	3,333
Total Revenue		254,190	232,383
Cost of sales	A3	(89,098)	(74,567)
Gross Profit		**165,092**	**157,816**
Other income	A2	236	678
Expenses			
Employee benefits expense		(81,728)	(66,243)
Professional fees	A4	(35,670)	(26,090)
Information technology related costs		(20,739)	(15,776)
Other operating expenses	A5	(24,418)	(17,264)
Share-based payments	E3	(1,780)	(2,991)
Depreciation and amortisation expense		(35,071)	(29,943)
Acquisition costs		(364)	(3,499)
Finance costs	A6	(3,582)	(2,390)
Impairment expense	D2	(262,918)	(1,504)
Fair value gain on financial assets and liabilities	A7	23,868	1,774
Impairment loss on trade receivables[1]		(6,450)	(992)
Other non-operating benefits	A5	1,766	6,084
Total Expenses		**(447,086)**	**(158,834)**
Loss before income tax		(281,758)	(340)
Income tax expense	A8	(3,066)	(4,461)
Net loss for the year		**(284,824)**	**(4,801)**
Other comprehensive income/(loss), net of income tax			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		20,922	(17,221)
Loss on fair valuation of cashflow hedge, net of tax		-	(262)
Items that will not be reclassified subsequently to profit and loss:			
(Loss)/gain on fair valuation of financial asset held at fair value through other comprehensive income, net of tax		(619)	4,081
Other comprehensive income/(loss) for the year, net of income tax		**20,303**	**(13,402)**
Total comprehensive loss for the year		(264,521)	(18,203)
Loss per share (cents per share)	A10		
Basic (cents per share)		**(76.39)**	**(1.29)**
Diluted (cents per share)		**(76.39)**	**(1.29)**

(1) Impairment loss on trade receivables have been disclosed separately from Other operating expenses in the prior year to align with current period disclosure.

The accompanying notes form part of these financial statements.

Statement of Financial Position.

	Notes	Consolidated 30 June 2023 $'000	30 June 2022 $'000
Current assets			
Cash and cash equivalents	B1	71,362	73,699
Contract assets	B3	27,482	21,531
Trade and other receivables	B4	38,857	35,836
Other assets	B5	12,318	8,583
Current tax receivable		3,169	5,758
Segregated funds and bond investments	C1	2,260,032	1,709,715
Total current assets		**2,413,220**	**1,855,122**
Non-current assets			
Contract assets	B3	35,706	28,565
Trade and other receivables	B4	7,809	7,399
Segregated funds and bond investments	C1	316,208	295,842
Equity investments	C4	1,613	11,432
Other assets	B5	301	-
Plant, equipment and right-of-use assets	D1	10,570	12,719
Intangibles	D2	192,468	448,460
Deferred tax asset	A8	16,634	22,904
Total non-current assets		**581,309**	**827,321**
Total assets		**2,994,529**	**2,682,443**
Current liabilities			
Trade and other payables	B6	82,284	65,685
Current tax payable		3,105	2,786
Other liabilities	B7	7,165	7,831
Provisions	B8	18,836	19,917
Interest-bearing borrowings	B9	24,951	3,721
Contingent consideration	C5	7,016	-
Liabilities to stored value account holders	C2	2,566,509	2,000,139
Total current liabilities		**2,709,866**	**2,100,079**
Non-current liabilities			
Other liabilities	B7	11,737	10,427
Provisions	B8	11,888	90
Interest-bearing borrowings	B9	73,541	87,685
Contingent consideration	C5	-	28,856
Deferred tax liability	A8	12,944	18,189
Total non-current liabilities		**110,110**	**145,247**
Total liabilities		**2,819,976**	**2,245,326**
Net assets		174,553	437,117
Equity			
Issued capital	E1	494,208	494,208
Accumulated losses		(339,606)	(60,562)
Foreign currency translation reserve	E2	(22,507)	(43,429)
Share and options reserve	E2	45,840	43,884
Other reserves	E2	(3,382)	3,016
Total equity		174,553	437,117

The accompanying notes form part of these financial statements.

Statement of Cash Flows.

	Notes	Consolidated 30 June 2023 $'000	30 June 2022 $'000
Cash flows from operating activities			
Receipts from customers		206,495	194,594
Payments to suppliers and employees		(232,229)	(194,548)
Payments to segregated funds	C1	-	(27,848)
Net tax paid		(110)	(9,812)
Payments of acquisition related expenses		(364)	(6,109)
Interest paid		(1,950)	(4,107)
Interest received		25,515	5,749
Receipt from cashflow hedge	A2,C3	-	543
Net cash used in operating activities	B2	**(2,643)**	**(41,538)**
Cash flows from investing activities			
Payment for plant and equipment		(437)	(1,684)
Payments for intangibles		(11,306)	(12,374)
Payments for business combinations, net of cash acquired		-	(57,087)
Receipts from sale of financial assets	C4	10,866	-
Net cash used in investing activities		**(877)**	**(71,145)**
Cash flows from financing activities			
Payments for principal relating to lease liability		(2,172)	(1,914)
Proceeds from interest-bearing borrowings		-	48,168
Net cash (used in)/generated by financing activities		**(2,172)**	**46,254**
Net decrease in cash held		(5,692)	(66,429)
Cash at beginning of the year		73,699	141,228
Impacts of foreign exchange		3,355	(1,100)
Cash at end of the year	B1	**71,362**	**73,699**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity.

	Notes	Issued capital $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Share and options reserves $'000	Other reserves $'000	Total $'000
Balance at 1 July 2021		456,157	(55,761)	(26,208)	41,510	(803)	414,895
Total comprehensive loss							
— Loss for the year		-	(4,801)	-	-	-	(4,801)
Other comprehensive income							
— Unrealised foreign currency gain/(loss), net of tax		-	-	(17,221)	-	-	(17,221)
— Loss on fair valuation of cashflow hedge, net of tax		-	-	-	-	(262)	(262)
— Gain on fair valuation of financial asset held at fair value through other comprehensive income, net of tax		-	-	-	-	4,081	4,081
Total comprehensive (loss)/profit for the year		**-**	**(4,801)**	**(17,221)**	**-**	**3,819**	**(18,203)**
Transactions recorded directly in equity							
— Issue of share capital	E1	38,211	-	-	-	-	38,211
— Share-based payments, tax effected		-	-	-	2,374	-	2,374
— Issue costs, net of tax		(160)		-		-	(160)
Balance at 30 June 2022		**494,208**	**(60,562)**	**(43,429)**	**43,884**	**3,016**	**437,117**
Balance at 1 July 2022		494,208	(60,562)	(43,429)	43,884	3,016	437,117
Total comprehensive loss							
— Loss for the year		-	(284,824)	-	-	-	(284,824)
Other comprehensive loss							
— Unrealised foreign currency gain/(loss), net of tax		-	-	20,922	-	-	20,922
— (Loss)/gain on fair valuation of financial asset held at fair value through other comprehensive income, net of tax		-	-	-	-	(619)	(619)
Total comprehensive (loss)/profit for the year		**-**	**(284,824)**	**20,922**	**-**	**(619)**	**(264,521)**
Transactions recorded directly in equity							
— Transfer of gain on disposal of equity investments at fair value through other comprehensive income to accumulated losses, net of tax		-	5,779	-	-	(5,779)	-
— Share-based payments, tax effected		-	-	-	1,956	-	1,956
Balance at 30 June 2023		**494,208**	**(339,606)**	**(22,507)**	**45,840**	**(3,382)**	**174,553**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements.

A1 Segment information

The operating segments have been identified based on internal reports about components of the Group. These are regularly reviewed by the Board of Directors of EML Payments Limited who is the Chief Operating Decision Maker (CODM). The CODM is responsible for resource allocation and performance assessment of the operating segments.

The product segments provide a clear view of the Group's results. The Group has reported its three product segments as follows:

— Gifting products provide single load gift cards for shopping malls and incentive programs across the world.

— General Purpose Reloadable (GPR) products provide reloadable cards to a variety of industries including, but not limited to Government, Salary Packaging, Gaming and Digital Banking. This segment provides a full-service offering including issuance, processing and program management.

— Digital Payments (DP), products provide payment options for consumers. Industries include, but are not limited to Open Banking, Buy-Now Pay-Later providers and Bill payment providers.

Segment financial performance is assessed on gross profit being revenue less directly attributable costs of goods sold.

Information reported to the Group's CODM for the purposes of resource allocation and assessment of performance of the product segments of the business operations. Information about segment performance is reviewed on a monthly basis.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the years under review:

	Year ended 30 June 2023				Year ended 30 June 2022			
	Gifting $'000	GPR $'000	DP $'000	Group $'000	Gifting $'000	GPR $'000	DP $'000	Group $'000
Recurring revenue - Transaction based revenue	31,974	108,868	19,831	160,673	30,450	98,811	16,849	146,110
Recurring revenue - Service-based revenue	32,978	9,205	451	42,634	28,063	25,126	196	53,385
Non-recurring revenue	4,856	12,925	598	18,379	9,560	19,489	506	29,555
Total revenue from contracts with customers	**69,808**	**130,998**	**20,880**	**221,686**	**68,073**	**143,426**	**17,551**	**229,050**
Interest income – Stored value	4,743	16,856	815	22,414	347	535	25	907
Interest income – Group funds		-	-	101	-	-	-	14
Interest income – Bond investment	-	9,989	-	9,989	-	2,412	-	2,412
Add back: Non-cash amortisation of AASB 3 bond fair value uplift from acquisition date [1]	-	676	-	676	-	1,736	-	1,736
Total Interest income	**4,743**	**27,521**	**815**	**33,180**	**347**	**4,683**	**26**	**5,070**
Total revenue	**74,551**	**158,519**	**21,695**	**254,866**	**68,420**	**148,109**	**17,576**	**234,119**
Gross profit	**60,451**	**93,454**	**11,863**	**165,768**	**54,599**	**90,027**	**14,926**	**159,552**
Gross profit %	81%	59%	55%	65%	80%	61%	85%	68%
Other income	-	-	-	236	-	-	-	678
Total expenses	-	-	-	(447,086)	-	-	-	(158,834)
Less: Non-cash amortisation of AASB 3 bond fair value uplift from acquisition date[1]	-	-	-	(676)	-	-	-	(1,736)
Loss before tax				(281,758)				**(340)**
Income tax expense				(3,066)				**(4,461)**
Net Loss for the year				(284,824)				**(4,801)**

(1) Interest income - Bond investments include a reduction of $676,000 (2022: $1,736,000) for the non-cash amortisation of the AASB 3 fair value uplift of the PFS bond portfolio at acquisition date.

A1 Segment information (continued)

(a) Other segment revenue information - geography

The following table disaggregates revenue from contracts with customers by geography:

	Year ended 30 June 2023				Year ended 30 June 2022			
	Australia $'000	Europe $'000	North America $'000	Group $'000	Australia $'000	Europe $'000	North America $'000	Group $'000
Recurring revenue - Transaction based revenue	33,214	100,985	26,474	160,673	29,681	90,261	26,168	146,110
Recurring revenue - Service-based revenue	2,385	29,024	11,225	42,634	1,480	37,813	14,090	53,383
Non-recurring revenue	2,268	14,567	1,544	18,379	3,286	24,815	1,456	29,557
Revenue from contracts with customers	**37,867**	**144,576**	**39,243**	**221,686**	**34,447**	**152,889**	**41,714**	**229,050**

(b) Segment assets/(liabilities)

Assets and liabilities are not monitored at the product segment, the following is an analysis of Group's net assets/(liabilities) by geography:

	Year ended 30 June 2023				Year ended 30 June 2022			
	Australia $'000	Europe $'000	North America $'000	Group(1) $'000	Australia $'000	Europe $'000	North America $'000	Group(1) $'000
Current assets	320,474	2,074,172	18,574	2,413,220	281,511	1,557,757	15,854	1,855,122
Non-current assets	235,711	303,788	41,810	581,309	450,245	348,050	29,026	827,321
Total liabilities	(329,212)	(2,454,982)	(35,782)	(2,819,976)	(251,501)	(1,965,431)	(28,394)	(2,245,326)
Net assets/(liabilities)	**226,973**	**(77,022)**	**24,602**	**174,553**	**480,255**	**(59,624)**	**16,486**	**437,117**

(1) Group totals include the effects of intercompany eliminations. Net assets include the intercompany balances.

Notes to the Financial Statements.

A2 Revenue, Interest income and Other income

	Consolidated	
	30 June 2023 $'000	30 June 2022 $'000
(a) Revenue from contracts with customers		
Recurring revenue – Transaction-based revenue	160,673	146,110
Recurring revenue – Service-based revenue		
— Account management fees[1]	24,718	27,489
— Breakage revenue	8,857	15,887
— Dormant state accounts revenue[2]	4,478	6,879
— Other service-based revenue	4,581	3,130
	42,634	**53,385**
Non-recurring revenue		
— Establishment revenue	18,379	25,096
— Other service-based revenue[3]	-	4,459
	18,379	**29,555**
	221,686	**229,050**
(b) Interest income		
Interest income – Stored value	22,414	908
Interest income – Group funds	101	13
Interest income – Bond investments[4]	9,989	2,412
	32,504	**3,333**
(C) Other income		
Gain on cashflow hedge	-	543
Other	236	135
	236	**678**

(1) For the financial year ended 30 June 2023, the Group revised existing terms and conditions for European Gifting and GPR accounts. This allowed the Group to recognise Account Management Fees (AMF) on existing accounts where the Group has previously provided settlement services. The Group has recognised a $5,020,000 (2022; $14,785,000) AMF revenue benefit relating to the existing accounts in the Gifting and GPR segment, with a corresponding increase to Contract assets (refer Note B3).

(2) For the year ended 30 June 2022, there was a $3,098,000 revenue benefit in the European region relating to the GPR segment. Dormant state accounts revenue is where cardholder liabilities are no longer required to be retained by the Group under the applicable Electronic Money Regulations (EMRs) and therefore were released from safeguarding requirements.

(3) For the year ended 30 June 2022, a $4,459,000 revenue benefit was recognised in the Gifting segment. This relates to an agreement with a customer to provide an additional once off service, with a corresponding increase to Contract assets (refer Note B3).

(4) Interest income - Bond investments include a reduction of $676,000 (30 June 2022: $1,736,000) for the non-cash amortisation of the AASB 3 fair value uplift of the PFS bond portfolio at acquisition date.

Revenue is recognised when performance obligations are satisfied with an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is categorised in relation to the nature of the occurrence.

(a) Revenue from contracts with customers

(i) Recurring revenue – Transaction-based

Transaction-based revenue (fixed consideration)

The Group generates fixed consideration from cardholder transactions. This revenue includes transaction fees on load, spend, monthly card and other cardholder activities as well as fees generated from interchange. Consideration for transaction-based revenue is drawn from customer and cardholder prepaid balances or invoiced to customers on a monthly basis.

Spend fees

Transaction fees on spend and fees generated from interchange are recognised at the time the cardholder uses their card.

A card transaction occurs each time the card is used either online, or at a physical location where the card is presented. The performance obligation for the Group relates to providing the cardholder access to funds to the value of their prepaid account (i.e. a distinct service each time the card is used).

Revenue is recognised at the point in time the service has been provided to the cardholder. The transaction price is fixed and determined with reference to the contracted terms.

Load fees

Load fees are recognised when money is loaded onto a card. The performance obligation for the Group relates to the facilitation on the load to the card and is satisfied when the load has occurred.

Monthly card fees

Monthly card fees are generated each month a cardholder has access to a card. The performance obligation for the Group relates to the provision of card services to a cardholder and is satisfied on a recurring basis each month the card is held.

(ii) Recurring revenue – Service-based

Service-based revenue (variable consideration)

The Group generates variable consideration from providing services to the cardholder.

Account Management Fees (AMF)

AMF is an amount which is generated from monthly charges on cardholder accounts. The Group's performance obligation with the cardholder relates to the provision of settlement services for redemption of value through goods and services, up to the card balance.

AMF is variable consideration, dependant on future cardholder behaviour. The Group estimate future cardholder behaviour to determine expected AMF. Where the Group expects to be entitled to an AMF amount and can demonstrate the ability to reliably measure the value, revenue is recognised at the point in time when the settlement services are provided. EML utilise cardholder behaviour to estimate performance obligation completion.

Variable consideration can only be recognised where it is highly probable that a significant reversal will not occur.

Key judgements and estimations - Account Management Fee (AMF) revenue

Estimating variable consideration

The Group estimates future cardholder behaviour to determine expected AMF revenue. These estimations utilise and analyse historical data, market-specific trends, and existing economic conditions for each program. The calculated AMF revenue rates are reviewed regularly in line with new commercial agreements and changes in cardholder behaviour.

Estimating when a highly probable reversal will not occur

The timing of the Group estimating when a highly probable reversal will not occur is at different stages for Gifting and GPR. This is due to the nature of the products.

Gifting products

AMF revenue is estimated and recognition commences from the month when funds are loaded onto the account on Gifting products. It is at this point the Group has estimated that it is highly probable that a significant reversal will not occur as there is more certainty in the spend profile on a single load product. The estimated AMF revenue is then recognised as transactions are settled in proportion to the pattern of rights exercised by the cardholder.

GPR products

AMF revenue is estimated and recognition commences from account inactivity (being 12 months from the date of last transaction) for GPR products. It is at this point the Group has estimated that it is highly probable that a significant reversal will not occur. This point has been identified as a GPR product may have multiple load and spend events. The estimated AMF revenue relating to past services is then recognised.

Notes to the Financial Statements.

A2 Revenue, Interest income and Other income (continued)

Dormant state accounts revenue

The Group expects to generate revenue from GPR products where a balance expires unused. In accordance with the relevant Electronic Money Regulations (EMRs), accounts become dormant following expiry of the product and termination of the agreement with the end user.

Subject to redemption fees or dormancy fees as outlined in the applicable terms and conditions, balances may convert to revenue at the point the liability to the customer is no longer required to be retained by the Group under relevant EMRs. This time period varies depending on the jurisdiction under which the product was issued. Once calculated, the amount of liability to be extinguished will be approved by the Business Risk and Compliance Management Committee. This revenue will only be recognised once the liability is extinguished and revenue will be recognised net of commission to our partners.

Breakage revenue

The Group generates revenue from prepaid products on unused amounts (i.e. the residual non-refundable, unredeemed or unspent funds). This is primarily generated through:

- Expiry - Revenue recognised according to the expected residual balance at expiry; and
- Derecognition - Where cards in certain jurisdictions in which EML operates, or due to contractual agreements, do not have an expiry date, external expert advisors are used to estimate residual value.

The Group's performance obligation is with the cardholder and either relates to redemption of value through goods and services, not cash, or providing the infrastructure to settle in goods and services, up to the card balance. Where the Group expects to be entitled to a breakage amount and can demonstrate the ability to reliably measure the value, revenue is recognised over time in proportion to the pattern of rights exercised by the cardholder. The transaction price is variable and therefore estimated using historical data, market-specific trends, and existing economic conditions for each program.

The estimated residual percentage is reviewed regularly in line with new commercial agreements and changes in cardholder behaviour. The Group will not recognise any estimated breakage amounts until it is highly probable that a significant revenue reversal will not occur. The highly probable threshold is based on historical analysis and future estimation of the ongoing cardholder behaviour. If the Group cannot determine whether breakage will occur, it will not recognise any amounts as breakage until the likelihood of the customer exercising its rights becomes remote.

(iii) Non-recurring revenue

Establishment revenue

The Group's Establishment revenue, set up and card sales, is recognised at the point in time the service has been provided. Where the Group has not yet satisfied performance obligations, any consideration received has been recognised as deferred income in Other liabilities, refer to Note B7. The transaction price is fixed and determined with reference to the contracted terms.

Card sales revenue is recognised when the order is confirmed by the client as this represents the point in time at which the Group has satisfied its performance obligation and the Group has the right to consideration. Card orders are highly branded to the client's specific requirements and are unable to be repurposed.

Other service based revenue

Other service-based revenue was generated in the year ended 30 June 2022. The Group's performance obligation was completed during the year the revenue was recognised. The transaction price is variable consideration, dependant on future cardholder behaviour. Where the Group can demonstrate the ability to reliably measure the value, revenue is recognised at a point in time as the contract is terminated.

(b) Interest income

Interest income is recognised using the effective interest method in accordance with AASB 9 Financial Instruments. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

A2 Revenue, Interest income and Other income (continued)

Key judgements and estimations - Breakage revenue

We refer to the portion of the dollar value of unused, prepaid stored value accounts that cardholders do not redeem as breakage. We include in breakage revenue all revenue generated from expected residual value. Management have exercised judgement in assessing the features of the Group's breakage products and have concluded that the residual non-refundable, unredeemed, or unspent funds on gift cards fall within the scope of AASB 15. This is because the Group's performance obligation is with the cardholder and either relates to redemption of value through goods and services, not cash, or providing the infrastructure to settle in goods and services, up to the card balance.

Where we expect to be entitled to a breakage amount and, to the extent that it is highly probable that a significant reversal will not occur, the Group uses historical data, market-specific trends, existing economic conditions for each program to measure the residual percentage. The Group will then recognise breakage revenue as variable consideration in proportion to the pattern of rights exercised by the cardholder.

The calculated residual percentage and pattern of rights of exercise are reviewed regularly in line with new commercial agreements and changes in cardholder behaviour.

A3 Cost of sales (COS)

	Consolidated	
	30 June 2023 $'000	30 June 2022 $'000
Transaction costs	53,833	46,655
Fraud losses and other fraud related costs[1]	14,681	1,983
Establishment COS	12,057	16,022
Interest expense stored value	371	3,617
Other COS	8,156	6,290
	89,098	**74,567**

(1) The increase in fraud losses during 2023 is partially related to one-off fraud events representing $8,476,000. This is principally attributable to the Merchant Fraud announced on 24 August 2022 in respect of the Sentenial Group.

A4 Professional fees

	Consolidated	
	30 June 2023 $'000	30 June 2022 $'000
Professional fees incurred and provided for in relation to the regulatory remediation and litigation[1]	20,572	16,851
Other professional fees[2]	15,098	9,239
	35,670	**26,090**

(1) Refer to Note B8 for details regarding the regulatory remediation and litigation on shareholder class action.

(2) Includes auditor's remuneration. Refer to Note A9 for details regarding remuneration of audit and non-audit services.

Notes to the Financial Statements.

A5 Other expenses

	Consolidated 30 June 2023 $'000	30 June 2022 $'000
(a) Other operating expenses		
Bank fees and other tax costs	6,373	5,644
Risk and compliance costs[1]	9,445	5,667
Travel related expenses	3,862	1,668
Other	4,738	4,285
	24,418	**17,264**
(b) Other non-operating benefits		
Foreign exchange gain, net	(1,766)	(6,084)
	(1,766)	**(6,084)**

(1) Risk and compliance costs include $1,313,000 relating to regulatory remediation expenses provided for during FY23.

A6 Finance costs

	Consolidated 30 June 2023 $'000	30 June 2022 $'000
Commitment fees on borrowings	454	485
Interest expense – Interest-bearing borrowings	3,043	1,905
Interest expense - other	85	-
	3,582	**2,390**

A7 Fair value (gain)/loss on financial assets and liabilities

	Consolidated 30 June 2023 $'000	30 June 2022 $'000
Fair value (gain)/loss on financial assets held at FVTPL		
— Fair value (gain)/loss on equity investment	(905)	6,982
Fair value (gain)/loss on financial liabilities held at FVTPL		
— Fair value gain on contingent consideration (Note C5)	(23,414)	(9,074)
— Fair value loss on other financial liabilities	451	318
	(23,868)	**(1,774)**

A8 Taxation

	Consolidated 30 June 2023 $'000	30 June 2022 $'000
(a) Recognised in the Statement of Profit or Loss and Other Comprehensive income		
Current income tax expense	(3,246)	(6,782)
Deferred tax benefit relating to the origination and reversal of temporary differences	(2,023)	2,219
Refundable R&D tax offset	(284)	978
Over/(under) provision of current income tax in prior year	2,487	(876)
Income tax expense	**(3,066)**	**(4,461)**
(b) Reconciliation between income tax expense and loss before income tax		
Loss before income tax	(281,758)	(340)
Income tax benefit using the domestic corporation tax rate of 30% (2022: 30%)	84,527	(102)
Tax effect of:		
Non-deductible expenses	(3,018)	(4,122)
Impairment of goodwill	(29,010)	-
Tax deduction in respect of contributions to employee share trust	281	891
Effect of differences in tax rates[1]	(48,218)	(728)
Refundable R&D tax offset	(284)	978
Impact of changes in tax rates[1]	(247)	-
Tax losses not recognised	(10,550)	(467)
Over/(under) provision of income tax in prior year	1,082	(459)
Fair value gain on financial assets/liabilities	2,928	(156)
Recognised directly in equity	-	89
Other	(557)	(385)
Income tax expense	**(3,066)**	**(4,461)**

(1) United Kingdom corporate tax rate is 19% with a rate increase to 25% with effect from 1 April 2023 (pro-rata for current year), Irish corporate tax rate is 12.5%, Australian corporate tax rate is 30%, United States corporate tax rate is 26.13% (2022: 24.95%) and Canadian corporate tax rate is 26.5%.

	Consolidated 30 June 2023 $'000	30 June 2022 $'000
(c) Deferred tax asset		
Provisions	5,698	4,168
Intangible assets	3,110	3,244
Recognition of tax losses and credits[1]	4,978	12,805
Share capital costs	343	581
Other	2,505	2,106
Deferred tax asset	**16,634**	**22,904**
(d) Deferred tax liability		
Contract assets	(1,548)	(885)
Intangible assets	(8,004)	(12,957)
Plant, equipment and right-of-use assets	(1,258)	(1,948)
Financial assets	(383)	(1,464)
Other	(1,751)	(935)
Deferred tax liability	**(12,944)**	**(18,189)**

(1) The Group has a further $19,643,000 of DTA tax losses which have not been recognised however remain available to the Group.

Notes to the Financial Statements.

A8 Taxation (continued)

Movement in deferred tax balances

Movement in deferred tax balances during the financial year:

	Consolidated			
	Deferred tax assets		Deferred tax liability	
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
Balance at the beginning of the financial year	22,904	21,453	(18,189)	(14,276)
Movement recognised in profit or loss	(6,892)	736	4,869	2,174
Movement recognised in equity	231	89	1,464	(1,464)
Arising on business combination	-	-	-	(5,217)
Foreign currency exchange movement and other	391	626	(1,088)	594
Balance at the end of the financial year	**16,634**	**22,904**	**(12,944)**	**(18,189)**

Key judgements and estimations - recovery of Deferred tax assets (DTA)

The Group recognises DTAs arising from unused carried forward losses and credits in Europe, North America and Australia. DTAs are recognised for unused tax losses to the extent that probable future taxable profits will be available against which the losses can be utilised. Significant judgement on future profitability is required to determine the amount of DTAs that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. In addition to assessing future taxable profits in determining the DTA to be recognised on carried forward losses and credits the Group has also given consideration to the level of taxable temporary differences arising in the relevant tax jurisdiction, the drivers for the incurrence of the tax losses and expectation of these continuing, consecutive years of losses and any tax planning opportunities available.

The Group has prepared forecasts of taxable profits based on approved forecasts of financial performance adjusted for taxable profits that supports the recoverability of the DTAs recognised in respect of unused tax losses. These have been recognised on the basis that the Group expects that there will be sufficient future taxable profits available against which the tax losses can be realised within a reasonable time frame. The Group has a further $19,643,000 of DTA tax losses which have not been recognised however remain available to the Group.

Deferred income tax

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

Tax consolidation legislation

The Company and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual company as if each company continued to act as a taxpayer on its own.

The Company recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group.

Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

Notes to the Financial Statements.

A9 Auditor's remuneration

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
(a) Statutory audit and review of financial statements		
Group	950,000	498,000
Controlled entities	1,658,324	1,075,954
Controlled entities – non-recurring fees	476,105	449,779
Controlled entities – non-recurring fees relating to prior year	433,718	158,108
Statutory audit and review of financial statements	**3,518,147**	**2,181,841**
(b) Other non-audit services in relation to the entity and any other entity in the consolidated group		
Other assurance services	63,207	276,418
Other consulting services	-	265,787
Total remuneration for non-audit services	63,207	**542,205**
	3,581,354	**2,724,046**

The auditor of EML Payments Limited is Deloitte Touche Tohmatsu.

A10 Earnings per share

	Consolidated 30 June 2023 Cents per share	Consolidated 30 June 2022 Cents per share
(a) From continuing operations attributable to shareholders		
Basic earnings per share	(76.18)	(1.29)
Diluted earnings per share[1]	(76.18)	(1.29)
(b) (Loss) Used in calculating basic and diluted earnings per share	(284,824,000)	(4,801,000)
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	373,885,828	370,737,434
Adjustment for shares deemed to be issued at nil consideration in respect of option rights entitlements[2]	8,796,327	5,212,134
Adjustment for shares deemed to be issued in respect of contingent consideration	745,397	745,397
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	383,427,553	376,694,965

(1) Diluted EPS is the same as Basic EPS as the Group was loss making for the financial years.

(2) The options included in the above calculation are options for all series on offer at balance date.

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for the costs of servicing equity (other than dividends).

B1 Cash and cash equivalents

	Consolidated	
	30 June 2023 $'000	30 June 2022 $'000
Cash on hand and at bank	71,362	73,699

B2 Reconciliation of operating cashflows

Reconciliation of operating loss after income tax to net cash used in operating activities:

		Consolidated	
	Notes	30 June 2023 $'000	30 June 2022 $'000
Net loss after income tax		(284,824)	(4,801)
Add: non-cash items			
Depreciation and amortisation		35,071	29,943
Share-based payments	E3	1,780	2,991
Net foreign exchange differences		(1,384)	(6,311)
Impairment expense	D2	262,918	1,504
Impairment loss on trade receivables[1]		6,450	992
Fair value gain on financial assets and liabilities	A7	(23,868)	(1,774)
Interest expense – interest-bearing borrowings		-	1,449
Amortisation of the bond portfolio		(2,009)	2,915
Other		708	992
Change in operating assets and liabilities			
Increase in contract assets		(9,331)	(23,359)
Increase in trade and other receivables[1]		(7,062)	(11,947)
Increase in other assets		(3,109)	(590)
Decrease/(increase) in current tax receivable		3,037	(2,553)
Increase in segregated funds and bond investments		(394,421)	(304,355)
Decrease/(increase) in other long-term receivables		134	(618)
Decrease/(increase) in deferred tax asset		6,871	(2,116)
Increase/(decrease) in trade and other payables		12,460	(6,341)
(Decrease)/increase in other liabilities		(373)	4,556
Increase in provisions		8,173	7,126
Increase in liabilities to stored value account holders		392,652	274,197
Decrease in deferred tax liability		(6,382)	(3,438)
Net cash used in operating activities		**(2,643)**	**(41,538)**

[1] Impairment loss on trade receivable has been disclosed separately from (increase)/decrease in trade receivables in the prior year to align with current period disclosure

Notes to the Financial Statements.

B3 Contract assets

	Consolidated 30 June 2023 $'000	30 June 2022 $'000
Current		
Contract assets	27,482	21,531
Non-current		
Contract assets	35,706	28,565

Contract assets are rights to consideration in exchange for services provided to the cardholder. Where the Group performs services before the cardholder pays consideration, a contract asset is recognised for the earned consideration that is conditional until payment is received.

Where the Group expects to be entitled to variable consideration and can demonstrate the ability to reliably measure cardholder redemption patterns, the Group will recognise a contract asset in proportion to the pattern of rights exercised by the cardholder. The variable consideration is in the form of service-based revenue including account management fees, breakage and non-recurring revenue including contract termination revenue.

Variable consideration can only be recognised where it is highly probable that a significant reversal will not occur. The Group will only recognise an asset when it expects to be entitled to the revenue and can demonstrate the ability to reliably measure cardholder redemption patterns. The value recognised is in proportion to the pattern of rights exercised by the cardholder.

Contract assets are generated from the revenue categories of Account management fees, Breakage revenue and other service-based revenue.

Contract assets are subject to the expected credit loss assessment under AASB 9. The Group directly holds the cardholder assets, and can directly withdraw the consideration when eligible. The credit risk associated with these balances is contained to the associated financial institution which holds the funds on deposit. Therefore, due to the nature of this balance no expected credit loss has been recognised.

The Group has considered whether our non-current contract assets includes a significant financing component. When applying the financing component, consideration has been given to the effects of the following key factors:

- Stored value is pre-paid by the customer on their desired timing of receiving the services and held within segregated bank accounts which are not used for funding the trading operations of the Group.
- There is an immaterial difference between the estimated amount of promised consideration and the cash consideration received; and
- EML is pre-funded and uses proprietary software to track cardholder data and control the flow of funds out of the segregated bank accounts.

For certain contract assets that have a multi-year cash conversion period, revenue consideration and the associated contract assets have been reduced by an implied financing component.

The below table reconciles movements in Contract assets during the financial year:

	Consolidated 30 June 2023 $'000	30 June 2022 $'000
Opening balance – 1 July	50,096	26,582
Revenue recognised	38,054	50,517
Cash receipts	(28,673)	(26,726)
Unrealised foreign currency exchange difference	3,711	(277)
	63,188	**50,096**

B4 Trade and other receivables

	Consolidated 30 June 2023 $'000	30 June 2022 $'000
Current		
Trade receivables	42,453	37,473
Provision for expected credit loss	(7,005)	(1,743)
Interest receivable	3,409	106
	38,857	35,836
Non-current		
Customer deposits[1]	7,554	7,273
Other	255	126
	7,809	**7,399**

(1) Customer deposits represent long-term cash guarantees on deposit with a financial institution. The liability for Customer deposits is disclosed in Note B7.

The Group has $6,029,000 (2022: $13,681,000) of trade receivables that are overdue and not impaired.
For self-issued products, the Group controls cash stored value and have the right to offset client share of payables after providing sufficient notice. The Group continually reviews and considers forward-looking information where available, and current customer correspondence. Refer to Note C3 for further details on the Group's credit risks.

Expected credit losses

The Group applies the simplified approach to measuring expected credit losses (ECLs) for all trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group considers historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment when applying the ECL criteria.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. These will not be considered an expected credit loss if the Group controls an offsetable client share of breakage or other amounts payable covering the outstanding amount. A trade receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

B5 Other assets

	Consolidated 30 June 2023 $'000	30 June 2022 $'000
Current		
Prepayments	8,648	5,739
Other	3,670	2,844
	12,318	**8,583**
Non-current		
Prepayments	301	-
	301	-
Total Other assets	**12,619**	**8,583**

Notes to the Financial Statements.

B6 Trade and other payables

	Consolidated	
	30 June 2023 $'000	30 June 2022 $'000
Trade creditors	55,623	45,694
Accrued expenses	21,468	15,942
Sales tax payable, net	1,979	1,453
Other payables	3,214	2,596
	82,284	**65,685**

Generally, payables are non-interest bearing and are normally settled on 30 day terms.

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

B7 Other liabilities

	Consolidated	
	30 June 2023 $'000	30 June 2022 $'000
Current		
Deferred income	5,430	6,186
Other	1,735	1,645
	7,165	**7,831**
Non-current		
Customer deposits[1]	7,554	7,273
Other	4,183	3,154
	11,737	**10,427**

(1) Customer deposits represent long-term cash guarantees on deposit with a financial institution. The receivable for Customer deposits is disclosed in Note B4.

The following table reconciles movements in deferred income (current):

	Consolidated	
	30 June 2023 $'000	30 June 2022 $'000
Opening balance - 1 July	6,186	1,836
Consideration received from customers in the previous reporting period, recognised as revenue in the current period where the performance obligation has been completed	(6,186)	(1,836)
Consideration received from customer in the current reporting period for future performance obligations	5,430	6,186
	5,430	**6,186**

B8 Provisions

	Consolidated	
	30 June 2023	30 June 2022
	$'000	$'000
Current		
Employee benefits	1,047	2,144
Regulatory matters	12,892	8,084
Litigation	4,897	9,689
	18,836	**19,917**
Non-current		
Employee benefits	54	90
Regulatory matters	1,585	-
Litigation	10,249	-
	11,888	**90**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

The below table reconciles movements in provisions during the financial year:

	Employee benefits	Regulatory matters	Litigation	Total
	$'000	$'000	$'000	$'000
Opening balance - 1 July 2022	2,234	8,084	9,689	20,007
(Credited)/charged to profit or loss				
— Additional provisions recognised	1,143	10,552	7,627	19,322
— Amounts used during the period	(2,276)	(4,261)	(2,170)	(8,707)
— Unrealised foreign currency exchange differences	-	102	-	102
Closing balance - 30 June 2023	**1,101**	**14,477**	**15,146**	**30,724**

B8 Provisions (continued)

(i) Employee benefits

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date.

Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

(ii) Regulatory matters

PFS Group regulatory findings

The PFS Group is involved in a number of regulatory matters for which the Group has raised a provision. PFS Card Services (Ireland) Limited (PCSIL), a wholly owned subsidiary of EML, received correspondence during the financial year ended 30 June 2021 from its regulator the Central Bank of Ireland (CBI), raising significant regulatory concerns. PCSIL is licensed in Ireland under the supervision of the CBI, and operates branches in France (overseen by ACPR [1]) and Spain (overseen by SEPBLAC [2]) via passporting of its Irish licence into those jurisdictions. PCSIL's remediation plan includes each of its Irish, French and Spanish businesses. PCSIL has ongoing communications with each of its regulators regarding activities carried on within their respective jurisdictions, some of which relate to the matters similar to or the subject of PCSIL's remediation. As announced on 19 May 2021, PCSIL commenced a remediation program in response to the CBI's concerns. The remediation is ongoing and PCSIL has continued to execute on its remediation plan, including implementing relevant additional controls into its internal control framework where necessary. Final completion of the remediation plan is subject to independent third-party assessment and the CBI's approval.

Prepaid Financial Services Limited (PFSL), a wholly owned subsidiary of EML, agreed with the UK's Financial Conduct Authority (FCA) during the financial year ended 30 June 2023, to temporarily cease onboarding new customers, agents and distributors following concerns raised by the FCA primarily in relation to the risk and control frameworks and governance. Prepaid Financial Services Limited (PFSL) is licensed in the UK under supervision of the FCA. The concerns highlighted by the FCA are similar in nature to those raised by the CBI and disclosed to the ASX previously. PFSL's agreement to cease onboarding will remain in place until the FCA is satisfied that PFSL has successfully executed a remediation plan based on satisfactory third-party assessment.

A provision has been recognised for the likely costs that will be incurred to reach a resolution of PFS Group regulatory matters, including professional advisory services to facilitate resolution and best estimate of any fines that may be imposed by regulatory bodies against PFS Group entities and branches. As at 30 June 2023, the Group has a provision of $14,477,000 (2022: $8,084,000) in relation to the above matters, the majority of the increase being in relation to increased costs of implementing its remediation plan. Additional costs may be incurred consequential to these matters, which are unknown or do not meet the criteria to be provided at 30 June 2023 which have been identified as contingent liabilities, refer Note F2.

Key estimation - Regulatory matters provision

The provision for regulatory matters represents management's best estimate of the Group's liability for remediation and potential fines or enforcement costs associated with the regulatory issues. The Group has engaged expert legal and professional advisors to assist with the remediation of issues raised. Provisions for the cost of external advisors have been determined considering the likely scope of work to be undertaken and estimates received from professional advisors. Provisions for any potential fine or enforcement action have been made after receipt of legal advice. Any future changes in the amount will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(1) Autorité de Contrôle Prudentiel et de Résolution

(2) Servicio Ejecutivo de la Comisión de Prevención del Blanqueo de Capitales e Infracciones Monetarias

(iii) Litigation

Shareholder class action

On 16 December 2021, Shine Lawyers filed class action proceedings in the Supreme Court of Victoria. The proceedings allege that the Company did not comply with its disclosure obligations and engaged in misleading and deceptive conduct regarding disclosure. As announced on 16 December 2022, EML consented to the filing of an Amended Statement of Claim in the class action. The Amended Statement of Claim, among other things, increases the total number of allegations from 4 to 20 and expands the previous claim period from 19 December 2020 – 18 May 2021, to the period 19 December 2020 – 25 July 2022. The Company strongly denies the allegations and denies any liability. EML has engaged highly experienced and leading class action defence lawyers and will continue to vigorously defend the proceedings.

A provision has been recognised for the legal costs which are considered likely to be incurred in defence of the class action. Given the increase in the number of allegations and claim period, EML has increased the provision to reflect the costs likely to be incurred in defending the Amended Statement of Claim within the class action. As at 30 June 2023, EML has a provision of $15,146,000 (2022: $9,689,000) with movements reflecting the increase to the provision and expenditure incurred during the financial year.

Beyond this, additional legal costs or damages, if any, may be incurred, which are unknown or do not meet the criteria to be provided at 30 June 2023. The Group expects to recover a portion of the costs associated with the class action through its insurance policy, however this insurance recovery does not yet meet the criteria for recognition. Further, the Group has the benefit of deed poll from the lawyers representing the plaintiffs in the class action, such that in the event that the Group is successful in its defence of the class action, the Group also expects to recover a portion of its legal costs from the plaintiffs' lawyers.

Key estimation - Litigation

The provision for litigation represents management's best estimate of the Group's liability for legal costs that meet the criteria for recognition. The Company has engaged expert legal advisors to assist with the defence. Provisions for the cost of external advisors have been determined considering the scope of work which is considered likely to be undertaken. Any future changes in the provision amount will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

B9 Interest-bearing borrowings

	Consolidated	
	30 June 2023 $'000	30 June 2022 $'000
Current		
Loan notes	22,296	1,586
Financial institution loan	677	212
Lease liabilities	1,978	1,923
	24,951	**3,721**
Non-current		
Loan notes	19,540	36,053
Financial institution loan	49,252	45,563
Lease liabilities	4,749	6,069
	73,541	**87,685**

The interest-bearing borrowings are held at amortised cost.

B9 Interest-bearing borrowings (continued)

(i) Loan notes

The loan notes relate to the unlisted, unsecured loan notes issued by the Group to the PFS Group vendors. The loan notes are interest bearing at 4% (2022: 2%) and repayable in two tranches by 28 June 2024 and 30 June 2025. The Group holds an election to repay at any earlier date.

(ii) Financial institution loan

The Group has access to a multi-currency debt facility under a Syndicated Facilities Agreement. The currencies available for draw down include AUD, USD, CAD, GBP and current borrowings are in EUR.

No amount was drawn during the year ended 30 June 2023. The drawn facility has a repayment date of 28 September 2024. As at 30 June 2023, the total undrawn amount is $195,000,000 (2022: $195,000,000) and this undrawn facility expires on 30 April 2024. Under the facility agreement the Group is required to provide collateral in the form of security over specific subsidiary's assets and shares [1], such that at all times:

- The aggregate EBITDA of those subsidiaries providing security over their assets and shares represents at least 85% of the annual EBITDA of the Group; and
- The net assets of those subsidiaries providing security over their assets and shares represents at least 85% of the net assets of the Group.

Loan covenants

Under the terms of the interest-bearing borrowing facility, the Group is required to comply with the following financial covenants:

- Gearing ratio, calculated as financial indebtedness including any borrowings and lease arrangements as a ratio to financial indebtedness plus equity of the Group, must not exceed 0.45:1 and not to be less than zero as at the compliance date (i.e., 31 December and 30 June annually);
- Senior debt ratio, calculated as the drawn amount under the facilities as a ratio to the Group's EBITDA as adjusted for specific items per the Syndicated Facilities Agreement including extraordinary non-recurring gains and losses, must not exceed 2.50:1 for any 12-month period ending on a compliance date and not to be less than zero; and
- Interest cover ratio, calculated as EBITDA (calculated as outlined above) as a ratio to interest expense including all interest, fees, discounts, premiums or other finance costs of a regular and recurring nature, must not be less than 5.00:1 for any 12-month period ending on a compliance date.

The Group has complied with these covenants as at 30 June 2023.

(iii) Lease liabilities

The Group is a lessee, and all leases are primarily for office properties. The remaining lease terms range between one and seven years.

In calculating the present value of lease payments, the Group has opted to use the method of the incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable. In the case of leases acquired in a business combination, the incremental borrowing rate at the date of acquisition is used.

The corresponding right-of-use assets and accumulated depreciation are included in Note D1.

The Group has $7,031,000 of contractual cash obligations (2022: $8,519,000), which is reduced by amounts representing finance charges of $369,000 (2022: $527,000). The maturity analysis of lease liabilities is presented in Note C3.

Key judgement - Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

C1 Segregated funds and bond investments

Segregated funds and bond investments are amounts held in respect of stored value issued by the Group, funded by external account holders. The liability to the external account holders is disclosed in Note C2.

Cash received from stored value account holders is placed in facilities according to assessed short-term treasury and liquidity needs. The financial risk and return of the Segregated funds and bond investments is attributable to the Group. Refer to Note C3 for information regarding credit risk.

The Group generates interest income on Segregated funds and bond investments. Income generated from Segregated funds held with financial institutions is impacted by movements in central bank cash rates. Income generated from Bond investments is determined based on the effective interest rate at purchase date.

The net income generated in the financial year ended 30 June 2023 was $32,708,000 (2022: $1,436,000), being $22,414,000 Interest income - Stored value (2022: $908,000, Note A2(b)), $9,989,000 Interest income - Bond investments (2022: $2,412,000, Note A2(b)), $676,000 add back for the non-cash amortisation of the AASB 3 fair value uplift of the PFS bond portfolio at acquisition date (2022: $1,736,000), less the impact of $371,000 of interest expense from a negative cash rate on the European stored value assets (2022: $3,617,000, Note A3).

	Consolidated	
	30 June 2023	30 June 2022
	$'000	$'000
Current		
Cash held with financial institutions	1,951,709	1,473,321
Bond investments	308,323	236,394
Total Current	**2,260,032**	**1,709,715**
Non-current		
Bond investments	316,208	295,842
Total Non-current	**316,208**	**295,842**
Total Bond investments	**624,531**	**532,236**
Total Segregated funds and bond investments	**2,576,240**	**2,005,557**

Bond investments

The Group assess the liquidity needs of Stored value from account holders, and where not required to meet short term account holder cash needs, excess funds may be invested in high-quality bonds. Certain regulators require the Group to submit the Treasury Investment Policy for approval to ensure safeguarding requirements will be met.

The bonds are held at amortised cost. The portion of this asset funded by Stored value represents the par value of the bond. The portion relating to assets of EML refers to the amortised cost portion. The amortised cost portion will be unwound over the life of the bond portfolio comprising cash interest income and non-cash interest charge.

The fair value of the portfolio at 30 June 2023 was $608,775,000 (2022: $527,577,000). Refer to Note C5.

The below table indicates the balance ownership:

	Consolidated	
	30 June 2023	30 June 2022
	$'000	$'000
Assets of stored value from account holders	614,800	526,818
Assets of EML	9,731	5,418
	624,531	**532,236**

(1) Funds received from customers or held on behalf of cardholders relating to stored value is specifically excluded as collateral.

C1 Segregated funds and bond investments (continued)

Bond investments (continued)

Bond investments will generate $8,707,000 (2022: $5,021,000) of cash interest over the remaining life of the bonds which will mature over the period to September 2025. Cash interest booked to interest income in the Statement of Profit or Loss and Other Comprehensive Income will be offset by the remaining non-cash amortisation, which is inclusive of the remaining AASB 3 fair value uplift on the PFS acquisition of $162,000 (2022: $821,000).

Segregated assets - PFS Group

During the financial year ended 30 June 2022, the Group injected $27,792,000 into the Segregated funds and bond investments as a correction for an error relating to the period prior to the Group's acquisition. This error was identified outside of the measurement period and related to information that could reasonably be expected to have been obtained at the acquisition date.

This cash outflow had been identified as the category Payment to segregated funds in the Statement of Cash Flows for the year ended 30 June 2022.

C2 Liabilities to stored value account holders

	Consolidated	
	30 June 2023 $'000	30 June 2022 $'000
Liabilities to stored value account holders	2,566,509	2,000,139

Liabilities to stored value account holders are held at demand value and represent funds received for stored value accounts issued by the Company that have in turn been deposited by the Group with a financial institution. As Liabilities to stored value account holders are on-demand liabilities they are classified as current liabilities. The Liabilities to stored value account holders are utilised in the same proportion as the Segregated funds and bond investments. However, a portion of the surplus segregated funds are invested into bonds and result in a portion classified as non-current. This results in the presentation of a net current liability position. The Segregated funds and bond investments are disclosed in Note C1.

C3 Financial instruments

Overview

This note presents information about the Group's financial instruments including:

- An overview of all financial instruments held by the Group;
- Exposure to risks and the Group's objectives and processes for managing the risk;
- Accounting policies; and
- Capital management.

The Group's basis for determining the fair value of financial instruments is included in Note C5.

The financial assets and financial liabilities of the Group are detailed below:

		Consolidated	
	Notes	30 June 2023 $'000	30 June 2022 $'000
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	B1	71,362	73,699
Trade and other receivables	B4	46,666	43,235
Segregated funds and bond investments	C1	2,576,240	2,005,557
Financial assets at fair value through profit or loss (FVTPL)			
Equity investment – at FVTPL	C4	1,531	601
Financial assets at fair value through other comprehensive income (FVOCI)			
Equity investment – at FVOCI	C4	**82**	**10,831**

		Consolidated	
	Notes	30 June 2023 $'000	30 June 2022 $'000
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables[1]	B6	80,306	64,232
Interest-bearing borrowings	B9	98,492	91,406
Liabilities to stored value account holders	C2	2,566,509	2,000,139
Customer deposits liability – non-current	B7	7,554	7,273
Financial liabilities at fair value through profit or loss (FVTPL)			
Contingent consideration[2]	C5	**7,016**	**28,856**

(1) Sales tax payable of $1,979,000 (2022: $1,453,000) under Trade and other payable is not considered a financial liability and has been excluded.

(2) The contingent consideration relates to the Sentenial Group acquisition. Payment in cash or equity in 2024 is at EML's discretion. No determination has been made, however, has been presented as a cash liability in Statement of Financial Position and for liquidity analysis purposes.

Notes to the Financial Statements.

C3 Financial instruments (continued)

Financial risk management

This section explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. The below table details the risks arising from financial instruments that the Group is exposed to.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk – (refer to (i))	Cash and cash equivalents; Trade and other receivables; Customer deposits; and Segregated funds and bond investments.	Credit ratings Aging analysis Credit spreads	Investment guidelines for bank deposits, diversification of bank deposits. Credit limits
Liquidity risk – (refer to (ii))	Trade and other payables; Interest-bearing borrowings; Contingent consideration – cash settled portion; and Segregated funds and bond investments.	Maturity analysis Cash flow forecasts	Maintaining adequate cash reserves and continuously monitoring forecast and actual cash flows.
Market risk – Currency risk (refer to (iii))	The Group's operating activities (when revenue or expense is denominated in foreign currency); and Equity investments The Group's net investments in foreign subsidiaries.	Sensitivity analysis	Forward exchange contracts to cover specific material foreign currency exposures.
Market risk – Interest rate risk (refer to (iii))	Cash and cash equivalents; Segregated funds and bond investments; and Interest-bearing borrowings.	Sensitivity analysis	Invest excess cash or funds in term deposits at required maturities. Interest rate derivative contracts to cover specific interest rate risk exposure.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risk and adherence to limits. The policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. At the balance date there were no significant concentrations of credit risk.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved Authorised Deposit Institutions (ADI) with an acceptable credit rating up to a 12 month term. Expected credit losses on cash and cash equivalents has been measured on a 12-month expected loss basis which has been adjusted for liquidity. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings.

Trade and other receivables and customer deposits

Outstanding customer receivables and customer deposits are generated by transaction and service based revenue and is regularly monitored. For sponsor-issued products, a cash guarantee may be held on deposit with a financial institution to offset credit risk (refer to Note B4). For self-issued products, the Group controls cash stored value and have, in certain instances, the right to offset client funds or a share of client breakage payable after providing sufficient notice.

The Group has $6,029,000 (2022: $13,681,000) of Trade receivables that are overdue and not impaired. As at 30 June 2023, the expected credit loss provision has increased to $7,005,000 (2022: $1,743,000). For self-issued products, the Group controls cash stored value and have the right to offset client share payable after providing sufficient notice, resulting in an insignificant expected credit loss amount, refer to Note B4.

Segregated funds and bond investments

The Group recognises Segregated funds and bond investments and offsetting Liabilities to stored value account holders. These categories represent stored value accounts issued by the Group. These balances are utilised in the same proportion. Therefore, the only credit risk is with the financial institution which holds the funds on deposit.

Bond Investments

The Group's bond investments are considered to have low credit risk, and the ECL considerations are therefore limited to 12 months expected losses. The Group's Treasury Investment Policy provides the guidelines for investing cardholder funds and requires that bonds purchased are secure, liquid and low credit risk. The Group assess the impact of current economic conditions, collate external credit ratings and consider historical default rates on investments that have the same credit rating. Refer to Note C1 for further information on Bond investments.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.

C3 Financial instruments (continued)

(a) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the maturity analysis are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the reporting date.

	Consolidated					
	Carrying amount	Contractual cash flows	6 Mths or less	6-12 Mths	1-2 Years	2+ Years
Contractual maturities of financial liabilities	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2023						
Non-derivatives						
Trade and other payables	80,306	80,306	80,306	-	-	-
Interest-bearing borrowings	98,492	98,573	4,882	20,026	70,583	3,082
Liabilities to stored value account holders[1]	2,566,509	2,566,509	-	-	-	-
Customer deposits- non-current[2]	7,554	7,554	-	-	-	-
Contingent consideration	7,016	7,259	-	7,259	-	-
Total	**2,762,069**	**2,762,393**	**87,380**	**27,285**	**70,583**	**3,082**
30 June 2022						
Non-derivatives						
Trade and other payables	64,232	64,232	64,232	-	-	-
Interest-bearing borrowings	91,406	91,899	2,872	866	19,348	68,813
Liabilities to stored value account holders[1]	2,000,139	2,000,139	-	-	-	-
Customer deposits- non-current[2]	7,273	7,273	-	-	-	-
Contingent consideration[3]	28,856	36,274	-	-	36,274	-
Total	**2,191,906**	**2,199,817**	**67,104**	**866**	**55,622**	**68,813**

(1) Liabilities to stored value account holders is utilised in the same proportion as the Segregated funds and bond investments. Therefore, the contractual cashflow would net off.

(2) Customer deposits are included in Other liabilities, non-current. The liability for customer deposits is utilised in the same proportion as the Customer deposits receivable. Therefore, the contractual cashflow would net off, refer to Note B4.

(3) For the financial year ended 30 June 2022, the contingent consideration – cash settled portion relates to the Sentenial Group acquisition. Payment in cash or equity in 2024 is subject to share issue limits defined by EML otherwise require approval. No determination has been made, however, has been presented as a cash liability for liquidity analysis purposes.

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

The below table sets out the changes in the liabilities for which cash flows have been classified as financing activities in the Statement of Cash Flows.

	Consolidated							
$'000	At 1 July $'000	Business combination $'000	Interest expense $'000	Additions $'000	Disposals $'000	Cash flows $'000	Unrealised foreign currency exchange difference $'000	At 30 June $'000
30 June 2023								
Interest-bearing borrowings – loan notes	37,639	-	1,083	-	-	-	3,114	41,836
Interest-bearing borrowings – financial institutional loan	45,775	-	1,780	-	-	(1,365)	3,739	49,929
Interest-bearing borrowings – lease liabilities	7,992	-	180	353	-	(2,203)	406	6,727
Total	**91,406**	**-**	**3,043**	**353**	**-**	**(3,568)**	**7,259**	**98,492**
30 June 2022								
Interest-bearing borrowings – loan notes	38,245	-	1,103	-	-	-	(1,709)	37,639
Interest-bearing borrowings – financial institutional loan	-	-	665	48,168	-	(452)	(2,606)	45,775
Interest-bearing borrowings – lease liabilities	6,881	326	137	3,772	(696)	(1,914)	(514)	7,992
Total	**45,126**	**326**	**1,905**	**51,940**	**(696)**	**(2,366)**	**(4,829)**	**91,406**

(iii) Market risk

The Group operates internationally and is exposed to foreign currency risk and interest rate risk that will affect the Group's income or the value of its holdings of financial instruments. The objective of risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

It is the policy of the Group to enter into forward exchange contracts to cover specific material foreign currency exposures that will impact the Group's cash flow. At 30 June 2023, there are no outstanding forward exchange contracts (2022: nil).

Foreign currency sensitivity

The sensitivity to the Group's profit or loss to a reasonably possible change in GBP, Euro and USD exchange rates, with all other variables held constant is immaterial due to the portfolio nature of the business operating in a number of currencies.

Notes to the Financial Statements.

C3 Financial instruments (continued)

The impact on Equity for a 10% increase/decrease of the AUD against the GBP, Euro and USD exchange rates, with all other variables held constant is:

Impact on equity	GBP		USD		EUR		Total	
	Consolidated							
	2023	2022	2023	2022	2023	2022	2023	2022
Sensitivity	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
10% increase of AUD	7,212	6,448	1,612	2,918	18,596	24,119	27,420	33,485
10% decrease of AUD	(7,212)	(6,448)	(1,612)	(2,918)	(18,596)	(24,119)	(27,420)	(33,485)

The impact of the movement in GBP, USD and EUR is attributable to the Group's investment in foreign operations.

In addition, translation of the net investment hedges would result in an increase in equity of $5,674,000 (2022: $4,249,000) for a 10% increase in AUD or a decrease in equity of $5,674,000 (2022: $4,249,000) for a 10% decrease in AUD. However, there would be no net effect on equity because there would be an offset in the currency translation of the foreign operations.

(b) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

At the reporting date the Group's interest-bearing financial instruments were:

	Consolidated	
	30 June 2023 $'000	30 June 2022 $'000
Variable rate instruments		
Cash and cash equivalents	71,362	73,699
Segregated funds – cash held with financial institutions	1,951,709	1,473,321
Interest-bearing borrowings – financial institutional loan	(49,252)	(45,563)
Total	1,973,819	1,501,457

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity, therefore a change in interest rates at the reporting date would not affect profit or loss or equity.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Consolidated			
	Profit or loss		Equity	
	100BP increase $'000	100BP decrease $'000	100BP increase $'000	100BP decrease $'000
30 June 2023				
Variable rate instruments	20,723	(17,386)	20,723	(17,386)
30 June 2022				
Variable rate instruments	16,792	(14,872)	16,792	(14,872)

(iv) Capital management

Risk management

Capital is defined as the equity of the Group.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future working capital. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group encourages employees to be shareholders, including through Share Rights Plans.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group operates regulated payments entities in a number of markets and is subject to certain minimum capital adequacy tests applicable to the Group's licences. The Group is not subject to other externally imposed capital requirements.

Classification of financial assets

The Group initially measures a financial asset at its fair value plus transaction costs except for trade receivables that are initially measured at transaction price determined under AASB 15. This is because the Group has applied the practical expedient of not adjusting for the effects of a significant financing component if the Group expects at contract inception that the performance obligations have an expected duration of one year or less.

Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date (i.e. the date that the Group commits to purchase or sell the asset).

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the Solely Payments of Principal and Interest (SPPI) test and Business Model test (held to collect contractual cash flows) are satisfied.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade and other receivables – Note B4.

Financial liabilities at fair value through profit or loss

The Group has measured its contingent consideration generated from acquisitions as a financial liability at fair value through profit or loss.

(v) Hedge accounting policy

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'other gains and losses' line item. Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Notes to the Financial Statements.

C4 Equity investments

	Consolidated	
	30 June 2023	30 June 2022
	$'000	$'000
Equity investments – at Fair Value through Other Comprehensive Income (FVTOCI)	82	10,831
Equity investments – at Fair Value through Profit or Loss (FVTPL)	1,531	601
	1,613	11,432

Fair value considerations have been included in Note C5.

The Group held Series A Convertible preferred stock in Interchecks Technologies Inc. (Interchecks) at FVTOCI. On 19 August 2022, the Group entered an agreement for the sale of this investment for $10,866,000 (US$7,392,000) and the transaction completed in September 2022. The Group had made an irrevocable election for the classification of any gains and losses to be recognised through OCI and as such on disposal the gain of $5,854,000 (net of tax) sale has been transferred to accumulated losses.

The Group has sold its holding in The Hydrogen Technology Corporation on 5 June 2023 for US$0.001 per share (US$960.04). A gain on sale of $1,450 has been recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023.

C5 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and liabilities. The Group's financial instruments are included in the Statement of Financial Position at amounts that approximate fair values. The basis for determining fair values is disclosed below.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted market price (unadjusted) in an active market for identical assets and liabilities;

Level 2: valuation techniques on observable inputs, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3: valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The Group does not have any financial assets that are categorised as Level 2 in the fair value hierarchy. The Group has financial liabilities categorised as Level 1 in the fair value hierarchy. There were no transfers between Level 1 and 2 in the period. The Group's financial assets categorised as Level 3 in the fair value hierarchy are described below.

(i) Bond investments

The Group measure Corporate bonds at amortised cost. The fair value, as determined by the quoted market price (i.e. Level 1), can fluctuate significantly based on conditions outside of the Group's control - i.e. economic conditions. The fair value of the portfolio at 30 June 2023 was $608,775,000 (30 June 2022: $527,577,000). The carrying value of the portfolio has been determined in note C1.

C5 Fair value (continued)

(ii) Equity investments

The following table gives information about the valuation technique and inputs used.

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2023 $'000	2022 $'000				
Visa Inc.	**1,531**	601	Level 1	Quoted market price of Visa Inc. Class A common stock to which a discount has been applied for the illiquidity and the conversion rate variability of the preferred stock of Visa Inc. This was converted at the balance date exchange rate.	The final conversion rate of Visa Inc. Series B preferred stock into Visa Inc. Class A common stock.	A decrease in conversion rate would result in a decrease in the fair value.
Pareto	**82**	79	Level 3	The valuation considers events during the financial year, metrics of financial performance and other contributory data.	Metrics of financial performance.	A decrease in metrics of financial performance would result in a decrease in the fair value.
Interchecks Technologies Inc. (disposed during the year ended 30 June 2023)	**-**	10,752	Level 3	Market price of recent capital raise, adjusted for a non-active market discount.	A non-active market discount of 20%.	A decrease in the non-active market discount would result in an increase in the fair value.
The Hydrogen Technology Corporation (disposed during the year ended 30 June 2023)	**-**	-	Level 3	The valuation considers events during the financial year, metrics of financial performance and other contributory data. Refer to note C4.	Metrics of financial performance	A decrease in metrics of financial performance would result in a decrease in the fair value.
	1,613	**11,432**				

Notes to the Financial Statements.

C5 Fair value (continued)

(iii) Contingent consideration

The Group's contingent consideration is recognised in relation to the equity earn-out of the recent business combinations. It is measured at fair value at the end of each reporting period. The following table gives information about the valuation technique and inputs used.

	Fair value as at 2023 $'000	Fair value as at 2022 $'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Prepaid Financial Services (Ireland) Limited (PFS Group) Contingent consideration in a business combination	-	-	Level 3	Valuation has been assessed with a discounted, forecast expected EBITDA performance method and completion conditions.	Present value of forecast EBITDA for each measurement period.	An increase in the actual or expected EBITDA would result in an increase in the fair value.
					Discount rate.	An increase in the discount rate would result in a decrease in the fair value.
Sentenial Limited Contingent consideration in a business combination	7,016	28,856	Level 3	Valuation has been assessed with a discounted, forecast expected revenue performance method.	Present value of forecast revenue for the measurement period.	An increase in the actual or expected revenue would result in an increase in the fair value.
					Discount rate.	An increase in the discount rate would result in a decrease in the fair value.
	7,016	28,856				

	Consolidated 30 June 2023 $'000	Consolidated 30 June 2022 $'000
Current		
Contingent consideration	7,016	-
Total Current	7,016	-
Non-current		
Contingent consideration	-	28,256
	-	**28,256**
Total Contingent consideration	**7,016**	**28,256**

Movement in the fair value of contingent consideration:

	EML Money Group 2023 $'000	PFS Group 2023 $'000	Sentenial Group 2023 $'000	Total 2023 $'000	EML Money Group 2022 $'000	PFS Group 2022 $'000	Sentenial Group 2022 $'000	Total 2022 $'000
Opening balance – 1 July	-	-	28,856	28,856	863	14,280	-	15,143
Acquisitions	-	-	-	-	-	-	25,929	25,929
Settlement of contingent consideration	-	-	-	-	(887)	-	-	(887)
Fair value gain on contingent consideration (Note A7)	-	-	(23,414)	(23,414)	-	(13,595) [1]	4,521	(9,074)
Effect of unrealised foreign currency exchange difference	-	-	1,574	1,574	24	(685)	(1,594)	(2,255)
Closing balance at 30 June	-	-	**7,016**	**7,016**	-	-	**28,856**	**28,856**

(1) During the financial year ended 30 June 2022, management revised the estimated achievement of the EBITDA earn-out results for PFS Group resulting in a fair value adjustment to the contingent consideration, payable in future periods.

C5 Fair value (continued)

Contingent consideration - Sentenial Group

Contingent consideration relates to an earn-out arrangement, payable in cash or equity at EML's discretion in 2024. The earn-out relates to targets correlating to incremental open banking revenue in the year ending on 31 December 2023. The contingent consideration is capped at EUR 40,000,000 ($65,670,000).

The contingent consideration is split between the vendors, maximum of EUR 38,000,000, payable in cash or equity at EML's discretion and key employees, maximum of EUR 2,000,000, payable as equity. The key employees have been granted share options in EML that will vest in proportion to the earn-out achievement.

As required by accounting standards, a financial liability of $7,016,000 representing the fair value of the earn-out was recognised at 30 June 2023.

Significant estimation - Contingent consideration relating to earn-out

In the event that certain pre-determined open banking revenue results are achieved by the Sentenial Group for the 12-month period ending 31 December 2023, a maximum of EUR 40,000,000 ($65,699,000) may be payable in cash or equity subject to EML's set limit otherwise requiring approval.

Fair value is based on a discounted, estimated revenue achievement for the measurement period. At 30 June 2023, the fair value has been measured to $7,016,000 (2022: $28,856,000).

A reasonable possible change in estimated revenue achievement has been considered that would result in a range of undiscounted earn-out payable of between $6,339,000 and $8,180,000 (2022: $34,110,000 and $41,835,000).

Contingent consideration - PFS Group

Contingent consideration includes completion settlements and an earn-out arrangement, both payable in cash. The earnout relates to certain predetermined EBITDA results for the three financial years ended 30 June 2021 to 2023. The contingent consideration is capped at $110,721,000, payable in cash. Any payments will be made in three tranches, payable by 31 August 2021, 31 August 2022 and 31 August 2023. The completion settlements will be released once conditions have been met.

Significant estimation - Contingent consideration relating to earn-out

In the event that certain pre-determined EBITDA results are achieved by the PFS Group for the three financial years ending 30 June 2021 to 2023, a maximum of $104,808,000 (GBP 55,000,000) may be payable in cash.

Fair value is based on a discounted, estimated EBITDA achievement for the measurement periods. At 30 June 2023, the fair value has been measured to $nil (30 June 2022: $nil). The estimated EBITDA used in the calculations are subject to interpretation of the appropriateness of costs included and excluded from EBITDA based on the Share Purchase Agreement.

A reasonable possible change in estimated EBITDA achievement is considered to be GBP 1 million and this would not impact the fair value estimation.

Notes to the Financial Statements.

D1 Plant, equipment and right-of-use assets

	Consolidated				
	Computer Equipment	Office Equipment	Leasehold improvements	Right-of-Use Assets[1]	Total
At Cost – 30 June 2023	$'000	$'000	$'000	$'000	$'000
Useful life (in years)	**3 – 4**	**10**	**6 – 7**	**1 – 7**	
Year ended 30 June 2023					
At 1 July 2022, net carrying amount	1,986	2,550	1,255	6,928	12,719
Additions	1,058	91	(364)	344	1,129
Lease modification	-	-	-	-	-
Disposals	(12)	(537)	-	-	(549)
Transfers	373	-	-	-	373
Depreciation charge for the year	(1,183)	(578)	(137)	(1,793)	(3,691)
Effect of unrealised foreign currency exchange differences	121	103	36	329	589
At 30 June 2023, net carrying amount	**2,343**	**1,629**	**790**	**5,808**	**10,570**
At 30 June 2023					
Cost	7,801	4,437	1,655	13,370	27,263
Accumulated depreciation and impairment	(5,458)	(2,808)	(865)	(7,562)	(16,693)
Net carrying amount	**2,343**	**1,629**	**790**	**5,808**	**10,570**
At Cost – 30 June 2022					
Year ended 30 June 2021					
At 1 July 2021, net carrying amount	2,542	2,757	256	5,690	11,245
Additions	375	172	1,137	3,772	5,456
Acquired as part of a business combination	93	43	-	325	461
Lease modification[2]	-	-	-	(696)	(696)
Disposals	-	-	-	-	-
Depreciation charge for the year	(1,154)	(636)	(135)	(2,042)	(3,967)
Effect of unrealised foreign currency exchange differences	130	214	(3)	(121)	220
At 30 June 2022, net carrying amount	**1,986**	**2,550**	**1,255**	**6,928**	**12,719**
At 30 June 2022					
Cost	7,119	5,120	1,952	13,129	27,320
Accumulated depreciation and impairment	(5,133)	(2,570)	(697)	(6,201)	(14,601)
Net carrying amount	**1986**	**2,550**	**1,255**	**6,928**	**12,719**

(1) The Group's Right-of-use assets mainly relate to leases for office properties. Refer to Note B9 for further disclosure on the nature of these arrangements.

(2) For the year ended 30 June 2022, PFS Card Services Ireland Limited exercised their option to modify the lease term resulting in a decrease in the Right-of-use asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

D2 Intangibles

At Cost – 30 June 2023	Consolidated Software $'000	Customer relationships $'000	Customer contracts $'000	Goodwill $'000	Other $'000	WIP[2] $'000	Total $'000
Useful life (in years)	4 – 7	3 – 6	5 – 8				
Balance at 1 July 2022							
At 1 July 2022, net carrying amount	59,801	1,023	64,418	312,884	4,294	6,040	448,460
Additions	944	-	-	-	-	11.559	12,503
Disposals	(314)	-	-	-	-	-	(314)
Transfers	15,275	-	-	-	-	(16,693)	(1,418)
Amortisation charge for the year	(18,445)	(445)	(12,490)	-	-	-	(31,380)
Impairment expense[1]	(5,215)	-	(27,128)	(230,575)	-	-	(262,918)
Effect of unrealised foreign currency exchange differences	4,208	59	4,633	18,101	348	186	27,535
At 30 June 2023, net of accumulated amortisation and impairment	**56,254**	**637**	**29,433**	**100,410**	**4,642**	**1,092**	**192,468**
At 30 June 2023							
Cost	110,417	6,600	106,503	331,792	4,642	1,092	561,046
Accumulated amortisation and impairment	(54,163)	(5,963)	(77,070)	(231,382)	-	-	(368,578)
Net carrying amount	**56,254**	**637**	**29,433**	**100,410**	**4,642**	**1,092**	**192,468**

(1) An impairment expense was recognised for $262,918,000 (2022: $1,504,000) for the year ended 30 June 2023. This has been recognised separately on the Statement of Profit or Loss and Other Comprehensive Income. Refer to Note D3 for further information.

(2) Intangibles – WIP has been disclosed separately from Intangibles – Software

At Cost – 30 June 2022	Software $'000	Customer relationships $'000	Customer contracts $'000	Goodwill $'000	Other $'000	WIP[1] $'000	Total $'000
Useful life (in years)	4 – 7	3 – 6	5 – 8				
Balance at 1 July 2021							
At 1 July 2021, net carrying amount	19,803	2,696	78,788	235,988	4,478	8,381	350,134
Additions	-	-	-	-	-	13,613	13,613
Transfers	14,527	-	-	-	-	(15,314)	(787)
Acquired as part of a business combination	41,738	-	-	91,438	-	-	133,176
Amortisation charge for the year	(13,540)	(710)	(11,726)	-	-	-	(25,976)
Impairment expense	-	(873)	(631)	-	-	-	(1,504)
Effect of unrealised foreign currency exchange differences	(2,727)	(90)	(2,013)	(14,542)	(184)	(640)	(20,196)
At 30 June 2022, net of accumulated amortisation and impairment	**59,801**	**1,023**	**64,418**	**312,884**	**4,294**	**6,040**	**448,460**
At 30 June 2022							
Cost	89,288	14,805	98,539	313,690	4,294	6,040	526,656
Accumulated amortisation and impairment	(29,487)	(13,782)	(34,121)	(806)	-	-	(78,196)
Net carrying amount	**59,801**	**1,023**	**64,418**	**312,884**	**4,294**	**6,040**	**448,460**

(1) Intangibles – WIP has been disclosed separately from Intangibles – Software

(i) Intangible assets acquired separately

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with the effect of any changes in accounting estimates being accounted for on a prospective basis.

Notes to the Financial Statements.

D3 Impairment assessment

Carrying amount of goodwill, allocated to the cash generating units

For the purpose of impairment testing, goodwill is allocated to each of the Group's CGU (or groups of CGUs) expected to benefit from the synergies of the combination. Each CGU to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. On disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The recoverable amount of the Group's CGUs have been determined based on the higher of fair value or value-in use calculations, using discounted cash flow projections adopting financial forecasts developed by senior management and approved by the Directors covering a five year period.

	Carrying amount of Goodwill allocated to CGU	
	30 June 2023 $'000	30 June 2022 $'000
Australia	10,777	10,777
Europe	59,050	55,281
North America	7,783	7,506
PFS Group	-	152,813
Sentenial Group	22,800	86,507
Consolidated Group	**100,410**	**312,884**

Key assumptions used recoverable amount calculations

The recoverable amount of the Group's CGUs have been determined based on the higher of fair value or value-in use calculations, using discounted cash flow projections based on five year financial forecasts from FY24 onwards.

The key assumptions used in the discounted cash flow projections for the CGUs at 30 June 2023 were as follows:

Assumption	Description
Forecast growth including Gross Debit Volume (GDV) and revenue	The Group determine growth of GDV and revenue with consideration to: — Growth in existing contracts; — Recent new contracts; — Sales pipeline; — Interest income on the stored value float; and — Management estimates. The growth percentage used within the impairment calculations is based on past performance and management's expectations of market development. The long-term growth rate for each of the CGUs does not exceed the long-term average growth rate for the business in which the CGU operates. The forecast is based on FY24 forward estimates. The resulting compound annual growth rate (CAGR) of revenue for the purpose of the calculations was as follows:

	Forecast FY24-FY28 30 June 2023	Forecast FY23-FY27 30 June 2022
Australia	4.9%	12.2%
Europe	5.1%	5.8%
North America	5.2%	4.6%
PFS Group	4.5%	9.1%
Sentenial Group	37.1%	46.4%

D3 Impairment assessment (continued)

Assumption	Description
Forecast growth including Gross Debit Volume (GDV) and revenue (continued)	The revenue CAGR has been calculated to include recurring revenue, non-recurring revenue and interest income. The forecast growth has been impacted significantly by the interest income assumptions offsetting more conservative recurring revenue growth assumptions. Additional details relevant to this for the PFS Group and Sentenial Group CGUs are detailed below.
Weighted Average Cost of Capital (WACC)	The discount rate applied is calculated with reference to a WACC formula. The inputs are based on: Cost of equity is calculated with the following inputs: — Risk free rate for a ten-year Australian Commonwealth Government bond as at balance date; — The implied risk premium, being the increased return required over and above a risk-free rate by an investor who is investing in the market as a whole; and — Risk adjustment applied to reflect the risk of the Group relative to the market as a whole, reflected through the application of a five-year forecast beta for the Group. The cost of debt has been based on the base interest rate on borrowing of 4.27% for Australian dollar denominated borrowings plus the margin referenced in the multi-currency debt facility; refer to Note B9. The Group has access to the current facility which provides opportunity for borrowing in jurisdictions which currently have available lower interest rate levels. However, the Group has determined to utilise the more conservative assumption of Australian dollar denominated debt for base interest rate projections. The allocation between the debt to equity has been applied based on a theoretical long-term capital structure for the Group (comprising 80% equity and 20% debt). The Group also includes any specific asset risk factors into its review of the business risks associated with each CGU. The Group has assessed that a 1% change in the discount rate is reasonably possible. This does not give rise to an impairment other than detailed below. The Group has used the following post-tax WACC for each CGU, with increases largely driven by risk free rate increasing during the financial year:

	30 June 2023	30 June 2022
Australia	11.7%	11.3%
Europe	11.7%	11.4%
North America	11.7%	11.4%
PFS Group	12.7%	12.1%
Sentenial Group	17.8%	15.5%

Terminal growth rate	The terminal growth rate of 3.0% (2022: 3.5%) is the average growth rate used to extrapolate cash flows beyond the five-year forecast period has reduced in line with market expectations.

During the financial year ended 30 June 2023, there have been significant judgements made in respect of the PFS Group and Sentenial Group CGUs. Further detail of those specific significant judgements is provided below and should be read in combination with the above.

Notes to the Financial Statements.

D3 Impairment assessment (continued)

Key assumptions, judgement and estimations used for value-in-use calculations – PFS Group

During the financial year ended 30 June 2021, PCSIL, a wholly owned subsidiary of EML, received correspondence from CBI raising significant regulatory concerns. PCSIL is working to address these regulatory concerns through a remediation plan. On 10 November 2022, the Group announced the extension of the limitations to growth of 10% on annualised payment volumes until December 2023.

As announced on 24 February 2023, the CBI wrote to PCSIL stating that it considered that PCSIL had made limited remediation progress and that significant and ongoing deficiencies remained in PCSIL's AMF/CFT control framework. CBI also noted that it was not satisfied with PCSIL's remediation plan and timetable for completion. On 31 March 2023 EML announced that the CBI had directed that a nil% growth cap in total payment volumes apply to PCSIL for the 12 months to 31 March 2024. The remediation is ongoing and PCSIL has continued to execute on its remediation plan, including implementing relevant additional controls into its internal control framework where necessary. Final completion of the remediation plan is subject to independent third-party review and the CBI's approval. A provision has been recognised for the likely costs that will be incurred to reach a resolution of PFS Group regulatory matters, including advisory services to facilitate resolution and best estimate of any fines that may be imposed by regulatory bodies against PFS Group entities and branches.

During the financial year ended 30 June 2023, Prepaid Financial Services Limited (PFSL), a wholly owned subsidiary of EML, agreed with the UK's FCA to temporarily cease onboarding new customers, agents and distributors following concerns raised by the FCA primarily in relation to the risk and control frameworks and governance. PFSL's agreement to cease onboarding will remain in place until the FCA is satisfied that PFSL has successfully executed a remediation plan based on satisfactory third-party assessment.

A contingent liability has been disclosed in Note F2 in relation to additional costs that may be incurred consequential to these matters, which are unknown or do not meet the criteria to be provided at 30 June 2023.

In light of the above ongoing developments with the remediation activities of the PFS Group CGU its operating performance has continued to decline against the Group's expectation. The significant resource commitment to achieving remediation targets, operational impacts (both already existing and anticipated into the future) for existing customers and prospects as well as reputational impacts of the regulatory challenges has resulted in a significant decline in the pipeline for growth for the PFS Group CGU. Consideration of the PFS Group CGU's targets and budget settings for FY24 has also seen a significant decline in expected performance in FY24. These matters are anticipated to have a significant impact on the PFS Group's performance as regards existing customers as well as prospects for new customers over the forecast period. This assessment and the lower than expected performance observed in 2H'FY23, in combination with the increasing cost base to manage ongoing regulatory requirements represent indicators of impairment.

Based on the indicators of impairment for the PFS Group CGU, the Group has undertaken a detailed impairment assessment as at 30 June 2023 and concluded that the carrying value for this CGU is greater than its recoverable amount, resulting in an impairment loss of $193,748,000 recognised as an impairment expense in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023.

The impairment has been recognised against the assets as set out below which are all within the Europe assets for segment purposes (refer Note A1):

Asset	Recoverable amount $000	Impairment loss $000
Goodwill	-	161,405
Software assets	5,640	5,215
Customer contracts and relationships	29,086	27,128

D3 Impairment assessment (continued)

Key assumptions, judgement and estimations used for value-in-use calculations – PFS Group

The recoverable amount for the CGU is $39,126,000. The key assumptions that have been adopted in respect of the impairment assessment include:

- Revenue growth factors have been substantially reduced in the current period compared to 30 June 2022, which has resulted in lower projected GDV and revenue projections for the PFS Group CGU. The PFS Group forecasts include an assessment of growth in existing customers, the pipeline and new contract prospects. The progress of the business during FY23 has confirmed that the new contract forecasts and pipeline for the PFS Group is below previous expectations; influenced by business performance, market conditions and impacts on timelines to program deliveries as a result of ongoing remediation.
- These impacts had seen some impacts in the period to December 2022 however with the strategy being considered assumptions reflected reduced growth short term (particularly in the FY24 base model period) however an accelerated return to growth from FY24. With the progression of remediation matters, the imposition of a nil% growth level in March 2023 and the operational focus remaining on remediation, the Directors have considered that return to growth in light of the current circumstances of the business will be lower short term and take a reasonable time line to ramp over the forecast period.
- Following the impairment at 31 December 2022, there have continued to be impacts of the projected forecast performance of the PFS Group CGU and its growth prospects over time.
- The base year of FY24 is based on Board approved forecasts, with forecast growth rates for later years summarised below:

Year	Forecast growth 30 June 2023	Forecast growth 31 December 2022	Forecast growth 30 June 2022
FY25	2.5%	10%	10%
FY26	5%	10%	10%
FY27	5%	10%	10%
FY28	7.5%	N/A	N/A

- Improved interest revenue returns reflecting increasing central bank interest rates including relevant bond investment returns. Interest income on the stored float balance is a core component of the business model. Central bank interest rates have risen, and continue to return to more normalised levels, resulting in the CGU benefiting from improved cash inflows. The interest revenue growth had a material impact on revenue and gross profit growth for the PFS Group over the forecast period;
- Higher operating overheads to address the remediation plan alongside business-as-usual requirements are reflected in the forecast for the period. These have been revised up to 31 December 2022 and again at 30 June 2023 as further clarity on the CBI's requirements have been understood and PCSIL addresses deficiencies noted by CBI; and
- WACC of 12.7% (30 June 2022: 12.1%) reflects the base assumptions for the EML Group and an additional business risk premium for the PFS Group CGU as compared to both 30 June 2022 and 31 December 2022. This additional risk premium was increased to reflect the risk in relation to the ongoing remediation activities and regulatory engagement relevant to PFS Group. Although there have continued to be regulatory remediation and growth challenges faced by the business, the risk premium has not been further increased as the cash flow assumption changes are considered to relevantly address that risk arising in the second half of FY23.

The above represent the key material assumptions and uncertainties on which the impairment assessment has been prepared and have given rise to the impairment loss taken, aligning the recoverable amount with the carrying value of the assets of the PFS Group CGU. Any further deterioration in these key assumptions could result in the recoverable amount falling below the carrying value of the assets in a future period and may require a further impairment loss. Any improvement in these assumptions will not result in any reversal of the impairment loss in relation to goodwill.

Notes to the Financial Statements.

D3 Impairment assessment (continued)

Key assumptions, judgement and estimations used for fair value less costs to sell calculations – Sentenial Group

On 30 September 2021, the Group acquired 100% of the Sentenial Group. The business has continued not to achieve the original acquisition plan and is considered to be approximately 18 months behind, despite achieving year on year growth of 61% since acquisition (9 months in FY22) and having a strong pipeline for organic growth. Despite the growth in FY23 the performance against forecast has continued to remain lower in the second half of FY23. This combined with longer lead times being experienced on B2B sales has resulted in the Group determining that impairment indicators for the business exist and the Group has prepared detailed impairment assessments.

The Group has undertaken a detailed impairment assessment adopting a fair value less cost to sell (FVLCTS) discounted cash flow forecast and concluded that the carrying value for this CGU is greater than its recoverable amount, resulting in a total impairment loss of $69,170,000 recognised as an impairment expense in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023. The recoverable amount for the CGU is $55,708,000.

The key assumptions that have been adopted in respect of the impairment assessment include:

- Growth rates reflect the approved forecast for the year ended 30 June 2024 which is below previous forecasts with FY25-FY28 projected at 30-50% (on a declining growth curve) against the 2022 and half year forecasts of 20-60%.
- Gross profit margins are projected to ease due to changing product mix as the open banking product line grows faster than the direct debit products lines;
- Investment through operating overheads and capital investment have been made and are adopted in the fair value less costs to sell models, in line with business plans to facilitate the growth targets and minimise the risks to achieve future growth targets; and
- WACC of 17.8% (2022: 15.5%) reflecting the base assumptions above plus an assumed market participant risk premium.

The above represent the key material assumptions and uncertainties on which the impairment assessment has been prepared and have given rise to the impairment loss taken, aligning the recoverable amount with the carrying value of the assets of the Sentenial Group CGU. Any further deterioration in these key assumptions could result in the recoverable amount falling below the carrying value of the assets in a future period and may require a further impairment loss.
Any improvement in these assumptions will not result in any reversal of the impairment loss on goodwill.

E1 Issued capital

	Consolidated	
	30 June 2023	30 June 2022
	$'000	$'000
373,984,129 fully paid ordinary shares (30 June 2022: 373,462,815)	494,208	494,208

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(a) Movements in issued capital

	30 June 2023		30 June 2022	
	No.	$'000	No.	$'000
Balance at start of the year	373,462,815	494,208	361,828,369	456,157
Issued for consideration in business combination – Sentenial Group	-	-	9,594,897	37,324
Issued for contingent consideration – EML Money Group	-	-	621,444	887
Options/rights exercised [1]	521,314	-	1,418,105	-
Costs associated with the issue of shares	-	-	-	(160)
Balance at the end of the year	**373,984,129**	**494,208**	**373,462,815**	**494,208**

(1) Options/rights exercised during the period relate to the employee share options. Refer to Note E3 for further details.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of applicable taxes, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the purchase consideration of the acquisition.

E2 Reserves

	Consolidated	
	30 June 2023	30 June 2022
	$'000	$'000
Share rights and options reserve	45,840	43,884
Foreign currency translation reserve	(22,507)	(43,429)
Other reserves		
— Fair value reserve for financial assets at FVOCI	(509)	5,888
— Other	(2,873)	(2,872)
Total Other reserves	(3,382)	3,016
	19,951	**3,471**

(a) Movements in Share rights and options reserve

	Consolidated	
	30 June 2023	30 June 2022
	$'000	$'000
Balance at the beginning of the financial year	43,884	41,510
Issue of shares to employee share trust	1,780	3,002
Deferred tax movement recorded directly in equity	176	(628)
	45,840	**43,884**

Notes to the Financial Statements.

E3 Share-based payments

(i) Employee share option plan

The Group established an equity-based compensation plan for employees which was approved by shareholders at an Extraordinary General Meeting held on 14 November 2018 (ESOP 2). ESOP 2 operated for incentives that commenced until FY21 and was open to any person who is a full-time or permanent part-time employee or Director of the Company or a related body corporate of the Company. Options and rights may not be granted to a Director or his or her associates under ESOP 2 unless approval of the grant is given by shareholders in general meeting in accordance with the requirements of the ASX Listing Rules.

The Board has broad discretions
under ESOP 2, including (without limitation) as to:

(a) The timing of making an offer to participate in ESOP 2;

(b) Identifying persons eligible to participate in ESOP 2; and

(c) The terms of issue of options (including vesting conditions, if any).

Each employee share option converts into one ordinary share of the Company on exercise. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

ESOP 2 only remains relevant to the sign on options granted in 2022 and the FY21 Long Term Incentive Plan options that were granted during the FY21 financial year as they had a Long term measurement period of 3 years which is due to be assess at 30 June 2023.

(ii) Employee rights plan

The Group established an equity-based compensation plan for employees which was approved by shareholders at an Annual General Meeting held on 17 November 2021 (EPLRP). EPLRP is open to any person who is a full-time or permanent part-time employee or Director of the Company or a related body corporate of the Company. Rights may not be granted to a Director or his or her associates under EPLRP unless approval of the grant is given by shareholders in general meeting in accordance with the requirements of the ASX Listing Rules.

The Board has broad discretions under EPLRP, including (without limitation) as to:

(a) The timing of making an offer to participate in EPLRP;

(b) Identifying persons eligible to participate in EPLRP; and

(c) The terms of issue of rights (including vesting conditions, if any).

Each employee right converts into one ordinary share of the Company on exercise. The rights carry neither rights to dividends nor voting rights. Rights may be exercised at any time from the date of vesting to the date of their expiry.

E3 Share-based payments (continued)

(iii) Movements in share options/rights

	Consolidated			
	2023		2022	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Outstanding at beginning of financial year	6,407,108	-	4,998,113	-
Issued during financial year	9,264,862	-	2,669,363	-
Issued as contingent consideration (refer to Note C5)	-	-	745,397	-
Exercised for issued capital during the financial year	(521,314)	-	(1,418,105)	-
Exercised for cash during the financial year	-	-	(41,573)	-
Cancelled during the financial year	(4,091,876)	-	(546,087)	-
Outstanding at end of the financial year [1]	**11,058,780**	-	**6,407,108**	-

(1) Issued share options/rights outstanding at the end of the financial year had a weighted average exercise price of $nil (2022: $nil) and a weighted average remaining contractual life of 484 days (2022: 344 days).

The weighted average fair value of options granted during the year was $0.39 per option (2022: $2.86).

The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income in relation to share-based payments $1,780,000 (2022: $2,991,000).

(iv) Fair value measurement

The fair value of equity-settled share options is estimated as at the date of grant using the Black-Scholes model and/or Monte Carlo simulation method. The inputs into the model are as follows:

Options using Black Scholes model:

	Series 38	Series 40	Series 43	Series 46	Series 47	Series 51A	Series 53
Number at the end of financial year	-	774,805	29,191	1,406,873	265,479	537,634	21,234
Fair value at grant date	$3.80	$3.07	$3.66	$1.56/ $3.11 [3]	$3.11	$0.65	$3.03
Grant date share price	$3.80	$3.07	$3.66	$3.11	$3.11	$0.65	$3.03
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	71%	58%	60%	96%	96%	94%	78%
Risk-free interest rate	0.92%	0.44%	0.37%	1.35%	1.35%	3.74%	1.85%
Term (vesting period)	1	3	2	1	3	0	1
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Grant date	14/02/2022	07/09/2020	18/01/2021	21/12/2021	23/12/2021	25/11/2022	14/02/2022
Vesting date	31/08/2021	31/08/2023	31/08/2023	1/07/2023	1/07/2024	25/11/2022	13/09/2023
Expiry date	31/10/2021	31/08/2023	30/10/2023	21/12/2036	23/12/2036	19/12/2024	12/11/2023
Performance measures	n/a	Yes [2]	Yes [2]	Yes [2]	Yes [2]	Yes [2]	n/a

Notes to the Financial Statements.

E3 Share-based payments (continued)

	Series 54	Series 55	Series 56	Series 57A	Series 57B	Series 57C
Number at the end of financial year	21,235	21,235	118,949	398,334	398,333	398,333
Fair value at grant date	$3.03	$3.03	$1.33	$0.80	$0.80	$0.80
Grant date share price	$3.03	$3.03	$1.33	$0.80	$0.80	$0.80
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	79%	70%	96%	94%	94%	94%
Risk-free interest rate	1.85%	1.85%	3.68%	3.71%	3.71%	3.71%
Term (vesting period)	2	3	3	1	2	3
Dividend yield	70%	0%	0%	0%	0%	0%
Grant date	14/02/2022	14/02/2022	14/06/2022	30/09/2022	30/09/2022	30/09/2022
Vesting date	14/02/2024	14/02/2025	01/07/2024	31/12/2023	31/12/2024	31/12/2025
Expiry date	14/04/2024	15/04/2025	14/06/2037	29/02/2024	01/03/2025	01/03/2026
Performance measures	n/a	n/a	Yes[2]	n/a	n/a	n/a

	Series 58B	Series 59B	Series 60	Series 61
Number at the end of financial year	2,330,596	1,868,101	0	0
Fair value at grant date	$0.26	$0.26	$0.65	$0.61
Grant date share price	$0.65	$0.65	$0.65	$0.61
Exercise price	$0.00	$0.00	$0.00	$0.00
Expected volatility	94%	93%	91%	91%
Risk-free interest rate	3.57%	3.57%	3.57%	3.74%
Term	0	0	0	0
Dividend yield	0%	0%	0%	0%
Grant date	13/01/2023	13/01/2023	13/01/2023	30/06/2023
Vesting date	30/06/2025	30/06/2025	30/06/2023	17/10/2023
Expiry date	09/01/2038	09/01/2038	29/08/2023	16/12/2023
Performance measures	Yes[2]	Yes[2]	Yes[1]	Yes[1]

Rights using Monte Carlo model:

	Series 58A	Series 59A
Number at the end of financial year	998,828	800,617
Fair value at grant date	$0.25/$0.26[3]	$0.25/$0.26[3]
Grant date share price	$0.25	$0.25
Exercise price	$0.00	$0.00
Grant date	13/01/2023	13/01/2023
Vesting date	30/06/2025	30/06/2025
Expiry date	09/01/2038	09/01/2038
Performance measures	Yes[2]	Yes[2]

(1) The number of short-term variable remuneration (STVR) options/rights available at the vesting date will be impacted by the Group's and the individual's achievement judged against both qualitative and quantitative criteria as outlined in the Remuneration report.

(2) The number of long-term variable remuneration (LTVR) options/rights available at the vesting date will be impacted by the Group's and the individual's achievement judged against both qualitative and quantitative criteria as outlined in the Remuneration report.

(3) Due to the different performance conditions relating to the Series 46, 58A and 59A performance rights, there are two different fair valuations at grant date.

The expected life of the options/rights is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

E3 Share-based payments (continued)

(v) Accounting policy

Equity settled transactions

Equity-settled share-based payments to employees and others providing similar services are measured at fair value at the grant date.

The fair value of all other performance rights and options is calculated using the Black-Scholes pricing model, taking into account the lack of dividends during the vesting period. The fair value of performance rights with the relative TSR condition is calculated at the date of grant using the Monte-Carlo simulation model, taking into account the impact of the TSR condition and the lack of dividends during the vesting period. The value disclosed is the portion of the fair value of the rights recognised as an expense in each reporting period. Details used for the determination of the fair value are set out above.

The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. It excludes the effect of non-market-based vesting conditions.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions.

Cash settled transactions

There are no options/rights outstanding that are cash settled (2022: none).

Key assumption – Share-based payment transactions

Equity-settled transactions

The Group measures the cost of equity-settled transactions with employees and Directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes formula and the Monte Carlo simulation model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in reserves under equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit within profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised separately in share-based payments expense.

Notes to the Financial Statements.

E4 Parent entity disclosures

The individual financial statements for the parent entity show the following aggregate amounts:

Financial position	30 June 2023 $'000	30 June 2022 $'000
Assets		
Current assets	55,097	62,963
Non-current assets	221,294	450,525
Total assets	276,391	513,488
Liabilities		
Current liabilities	55,417	46,591
Non-current liabilities	11,403	1,762
Total liabilities	66,820	48,353
Net assets	209,571	465,135
Equity		
Issued capital	494,204	494,204
Reserves	37,574	35,750
Accumulated losses	(322,207)	(64,819)
Total equity	209,571	465,135
Financial performance		
Loss after income tax for the year	(257,387)	(13,530)
Other comprehensive loss	-	(3,694)
Total comprehensive loss for the year	**(257,387)**	**(17,224)**

(i) Commitments and contingencies

The parent entity did not have any commitments as at 30 June 2023 (2022: nil).

The parent entity has provided bank guarantees for obligations to card schemes of $2,047,000 (2022: $1,986,000) and office properties of $569,000 at 30 June 2023 (2022: $569,000). No liability is expected to arise. Refer to Note F2 for further details.

The parent entity has offered financial support to some of its wholly owned subsidiaries within the Group to strengthen the continued operation of those subsidiaries as going concerns. This may give rise to a future cash outflow which is unknown at the financial report date.

(ii) Determining the parent entity financial information

The financial information for the parent entity, EML Payments Limited has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost less accumulated impairment losses in the financial statements of EML Payments Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

E5 Controlled entities

	Country of Incorporation	Ownership Interest (%) 30 June 2023	30 June 2022
Parent entity			
EML Payments Limited	Australia	100	100
Controlled entities			
EML Payment Solutions Limited	Australia	100	100
EML Payments Europe Limited	United Kingdom	100	100
EML Payments USA LLC	United States	100	100
EML Payments Mexico S de R.L.	Mexico	100	100
EML Financial 2 LLC	United States	100	100
EML Payments Canada, Ltd	Canada	100	100
EML Payments AB	Sweden	100	100
EML Money Designated Activity Company	Ireland	100	100
EML Payments (EU) Limited	Ireland	100	100
Flex-e-Card Limited	United Kingdom	100	100
Flex-e-Card International DMCC	United Arab Emirates	100	100
EML Payments European Holdings Limited	Ireland	100	100
Prepaid Financial Services (Ireland) Limited	Ireland	100	100
PFS Card Services Ireland Limited	Ireland	100	100
P.F.S. Spain SL	Spain	100	100
Prepaid Financial Services Limited	United Kingdom	100	100
Spectre Technologies Limited	Malta	100	100
Sentenial Limited	Ireland	100	100
Sentenial Limited	United Kingdom	100	100
Nuapay SAS	France	100	100
Sentenial BVBA	Belgium	100	100
Sentenial SARL	France	100	100
Sentenial GmbH	Germany	100	100
A2A International Holdings Limited	Malta	-	100

Notes to the Financial Statements.

F1 Related party disclosures

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(a) Controlled entities

Details of Controlled entities, including the percentage of ordinary shares held are disclosed in Note E5 to the financial statements.

(b) Associate entities

EML Group does not have any associate entities.

(c) Transactions with related parties

(i) Wholly-owned

During the financial year, EML Payments Limited provided central administration and Director services to controlled entities. No management fees were charged during the financial year ended 30 June 2023 (2022: $nil).

(ii) Other related parties

The Group did not enter into any other related party transactions during the financial year.

(d) Key management personnel compensation

	Consolidated	
	30 June 2023 $	30 June 2022 $
Short-term employee benefits	3,649,676	2,407,120
Post-employment benefits	114,782	112,526
Long-term benefits	(29,387)	46,636
Termination	854,435	-
Share-based payments	307,680	494,579
	4,897,186	**3,060,861**

Detailed remuneration disclosures are provided in the Remuneration Report.

(e) Other transactions with key management personnel

There were no transactions with key management personnel during the financial year ended 30 June 2023.

F2 Contingent liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

Host-based store value accounts with BIN sponsors

A number of BIN Sponsors provide depository accounts to the Group to facilitate clients of the Group to deposit funds relating to the provision of prepaid payment products. The BIN Sponsors have sole authority to transact on the licensee depository accounts. Due to the fact that the Group does not have ownership or the right to direct operation of the depository accounts, the account is not recognised as an asset in the financial statements of the Group.

Under the agreements:

(i) In consideration of the BIN Sponsors performing any Authorised Act, the Group will indemnify the BIN Sponsors and the Directors, employees, officers, agent and independent contractors of the BIN Sponsors on demand from time to time; and

(ii) The Group is liable to the BIN Sponsors in respect of any debit balance of the depository account and in respect of any other moneys owing or contingently owing by the Group to the BIN Sponsors under or in connection with the depository account.

Guarantees

The Group has provided the following bank guarantees at 30 June 2023:

- Bank guarantees with the lessors of the office properties to the value of $569,000 (30 June 2022: $569,000). No liability is expected to arise;
- Bank guarantees for obligations to card schemes to the value of $3,558,000 (30 June 2022: $3,430,000). No liability is expected to arise.
- Bank guarantees for obligations to payment processors to the value of $410,000 (30 June 2022: $376,000). No liability is expected to arise.

Compliance and other matters

The Group operates in a number of regulated markets and works hard to meet its evolving regulatory requirements. We aim to maintain collaborative relationships with all our regulators. The Group is subject to regulatory reviews and inquiries and from time to time these may result in litigation, fines, audits or other regulatory enforcement actions.

As at 30 June 2023, the Group is engaged in regulatory and compliance audits and reviews in the normal course of operations across several jurisdictions. Actual and potential claims and proceedings may arise in the conduct of the Group's business with clients and customers, revenue authorities, regulators, employees, and other stakeholders with whom the Group interacts. The Group recognises provisions for matters where an economic outflow of resources as a result of events occurring prior to the reporting date is probable and can be reliably measured utilising information that is known as at the reporting date. Provisions for these matters are included within Note B8. In some circumstances, including under Share Purchase Agreements and other contractual rights, the Group may receive protections to cover any potential fines or warranty claims that could ultimately be incurred for conduct or issues arising prior to the Group's acquisition which may also be offset against amounts held in escrow, vendor loans or contingent consideration, refer Note B9 and C5.

Notes to the Financial Statements.

F2 Contingent liabilities (continued)

PFS Group regulatory findings

The PFS Group is involved in a number of regulatory matters for which the Group has raised a provision. PCSIL, a wholly owned subsidiary of EML, received correspondence during the financial year ended 30 June 2021 from its regulator the CBI, raising significant regulatory concerns. PCSIL is licensed in Ireland under the supervision of the CBI, and operates branches in France (overseen by ACPR) and Spain (overseen by SEPBLAC) via passporting of its Irish licence into those jurisdictions. PCSIL's remediation plan includes each of its Irish, French and Spanish businesses. PCSIL has ongoing communications with each of its regulators regarding activities carried on within their respective jurisdictions, some of which relate to the matters similar to or the subject of PCSIL's remediation. PCSIL commenced a remediation program in response to the CBI's concerns. The remediation is ongoing and PCSIL has continued to execute on its remediation plan, including implementing relevant additional controls into its internal control framework where necessary. Final completion of the remediation plan is subject to independent third-party assessment and the CBI's approval.

PFSL a wholly owned subsidiary of EML, agreed with the UK's Financial Conduct Authority (FCA) during the financial year ended 30 June 2023, to temporarily cease onboarding new customers, agents and distributors following concerns raised by the FCA primarily in relation to the risk and control frameworks and governance. PFSL is licensed in the UK under supervision of the FCA. The concerns highlighted by the FCA are similar in nature to those raised by the CBI and disclosed to the ASX previously. PFSL's agreement to cease onboarding will remain in place until the FCA is satisfied that PFSL has successfully executed a remediation plan based on satisfactory third-party assessment.

A provision has been recognised for the likely costs that will be incurred to reach a resolution of PFS Group regulatory matters, including professional advisory services to facilitate resolution and best estimate of any fines that may be imposed by regulatory bodies against PFS Group entities and branches. As at 30 June 2023, the Group has a provision of $14,477,000 (2022: $8,084,000) in relation to the above matters, the majority of the increase being in relation to increased costs of implementing its remediation plan. Additional costs may be incurred consequential to these matters, which are unknown or do not meet the criteria to be provided at 30 June 2023.

Litigation - Shareholder class action

On 16 December 2021, Shine Lawyers filed class action proceedings in the Supreme Court of Victoria. As announced on 16 December 2022, EML consented to the filing of a draft Amended Statement of Claim in the class action. The Amended Statement of Claim, among other things, increases the total number of allegations from 4 to 20 and expands the previous claim period from 19 December 2020 – 18 May 2021, to the period 19 December 2020 – 25 July 2022. The Company strongly denies the allegations and denies any liability. EML has engaged highly experienced and leading class action defence lawyers and will continue to vigorously defend the proceedings.

A provision has been recognised for the likely legal costs which are considered likely to be incurred in defence of the class action. Given the increase in the number of allegations and claim period, EML has increased the provision to reflect the costs likely to be incurred in defending the Amended Statement of Claim within the class action. As at 30 June 2023, EML has a provision of $15,146,000 (2022: $9,689,000) with movements reflecting the increase to the provision and expenditure incurred during the financial year.

Beyond this, additional legal costs or damages, if any, may be incurred, which are unknown or do not meet the criteria to be provided by the Group at 30 June 2023. The Group expects to recover a portion of the costs associated with the class action through its insurance policy, however this does not yet meet the criteria for recognition. Further, the Company has the benefit of deed poll from the lawyers representing the plaintiffs in the class action, such that in the event that the Company is successful in its defence of the class action, the Company also expects to recover a portion of its legal costs from the plaintiffs' lawyers.

F3 Subsequent events

There has not arisen an item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company subsequent to 30 June 2023.

F4 Statement of material accounting policies

(a) Reporting entity

EML Payments Limited (Company) is a for-profit company incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. The consolidated financial report of the Company for the year ended 30 June 2023 comprises the Company and its subsidiaries (together referred to as the Group or consolidated entity or EML). The consolidated financial report was authorised for issue in accordance with a resolution of the Directors on 28 August 2023.

(b) Basis of preparation

The financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of EML Payments Limited and its subsidiaries.

The financial report has also been prepared on a historical cost basis except where otherwise stated. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated. The Company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are the provision of payment services.

For the purpose of preparing the consolidated financial statements, the company is a for profit entity.

Statement of compliance

The financial report complies with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

AASB 101:16 *Compliance with Australian Accounting Standards* ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with International Financial Reporting Standards as issued by the IASB.

(c) Adoption of new and revised standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current year.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies for the period ended 30 June 2023.

The Group has made the election to early adopt the Disclosure of Accounting Policies – Amendments to AASB101 which becomes mandatory to the Group for the period commencing 1 July 2023. This amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies. The impact of this to the Group's 30 June 2023 financial statements has been to remove disclosures of accounting policy information which is deemed immaterial to the Group.

F4 Statement of material accounting policies (continued)

d) Accounting standards and interpretations that have been issued but not yet effective

The Group has not applied the following new and revised AASBs that have been issued but are not yet effective:

Standards/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be Initially applied in the financial year ending
Amendments to AASB 101 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current	1 January 2023	30 June 2024
Amendments to AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	1 January 2023	30 June 2024
Amendments to AASB 112 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	30 June 2024

The Group has determined no material impact of the issued but not yet effective standards.

(e) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(f) Going concern

During the year ended 30 June 2023, the Group incurred a total loss after tax of $284,824,000 (2022: loss after tax of $4,801,000). This was largely as a result of the non-cash impairment expenses incurred on both the PFS Group CGU and Sentenial Group CGU as detailed in Note D3. Cash outflows from operating activities for the year ended 30 June 2023 were $2,643,000 (2022: outflow of $41,538,000). At balance date the Group had a net current asset deficiency of $296,646,000 (2022: deficiency of $244,957,000) and net assets of $174,553,000 (2022: $437,117,000).

The Directors note that the net current asset deficiency results solely from:

- The classification of Liabilities to stored value accounts holders as current liabilities on the basis these are on-demand cardholder liabilities; and
- A portion of the surplus segregated funds being classified as non-current assets due to investment of these funds into secure, liquid and low credit risk bonds with maturities greater than 12 months.

Please refer to further details of the Segregated funds and bond assets and Liabilities to stored value account holders in Notes C1, C2 and C3 including further details on the financial risk management considerations for the Group.

The financial statements have been prepared on a going concern basis. To assess the appropriateness of the Group's going concern assumption, management have:

- Updated its economic outlook and prepared Group cash flow forecasts having regard to the working capital and liquidity requirements of the Group under various scenarios.
- The Group has recognised record revenue for the FY23 and has significantly reduced its cash outflows generated from operations. The Group notes the improved interest rate environment and outlook which benefits the Group through improved interest revenue returns with interest revenue on the stored float balance representing a core component of the business model. For the year ended 30 June 2023 the Group earned interest revenue of $32,504,000 (2022: $3,333,000). In addition, the Group is executing on its cost optimisation program, which has identified further opportunities for cost optimisation in FY24.

F4 Statement of material accounting policies (continued)

(f) Going concern (continued)

- Re-evaluated material areas of judgement and uncertainty including continuing regulatory and litigation matters.
- Re-assessed current cash resources, ability to realise assets and funding sources available to the Group, alongside the expected future cash requirements. As at 30 June the Group had $71,362,000 million of cash and cash equivalents.
- As outlined in Note B9, the Group has total interest-bearing liabilities of $98,492,000 as at 30 June 2023. The Group has a total of $195,000,000 of undrawn facilities which are available for drawdown until 6 April 2024 (any further draw down will be subject to maintaining compliance with covenants as well as any other requirements of its facility agreement including approvals where applicable). The Group is in compliance with its loan covenants as at 30 June 2023 as discussed in Note B9 and based on forecast positions will remain compliant for at least the next 12 months. The Group expects, if considered necessary, to be able to extend or renegotiate its facilities before they fall due.

As a result of the above analysis, the Directors have reached a conclusion that the Group is able to continue as a going concern, able to meet its obligations as they fall due, for at least, but not limited to, 12 months from the date of this report.

(g) Foreign currency translation

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting the consolidated financial statements,
the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period.

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

ASX
Additional information.

Additional information as required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

1.1 Share information

As at 31 July 2023 the Company only has one class of shares, fully paid ordinary share and all holders listed hold fully paid ordinary shares. There are no unlisted securities and there is currently no on-market buy-back.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(a) Each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

(b) On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each Fully Paid Share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

1.2 Distribution of shares (as at 31 July 2023)

No.	No of Shareholders	Fully Paid Shares	%
1 to 1,000	10,364	4,705,837	1.26
1,001 to 5,000	7,152	17,859,821	4.78
5,001 to 10,000	2,017	15,291,076	4.09
10,001 to 50,000	1,935	42,501,422	11.36
50,001 to 100,000	252	18,514,227	4.95
100,001 and Over	232	275,111,746	73.56
Total	**21,952**	**373,984,129**	**100**

Unmarketable Parcels	**7,730**	**2,368,959**	

1.3 Substantial Shareholders (as at 31 July 2023)

The following shareholders are recorded as substantial shareholders:

Name	Fully paid shares number
FIRST SENTIER	54,390,989
ALTA FOX OPPORTUNITIES FUND, LP	30,434,127
COMMONWEALTH BANK OF AUSTRALIA	23,512,981
SUPERANNUATION AND INVESTMENTS HOLDCO PTY LTD	24,769,158
Total	**133,107,255**

1.4 Holders of unquoted equity securities (as at 31 July 2023)

A total of 14,623,859 unlisted options are on issue at 31 July 2023. All unlisted options are held by 55 employees under the Company's Employee Share Options Plan.

1.5 Twenty Largest Shareholders (as at 31 July 2023)

Name	Fully paid ordinary number	%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	35,453,841	9.48
CITICORP NOMINEES PTY LIMITED	32,204,926	8.61
ALTA FOX OPPORTUNITIES FUND, LP	30,434,127	8.14
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	30,018,066	8.03
BNP PARIBAS NOMINEES PTY LTD	22,512,387	6.02
ARGO INVESTMENTS LIMITED	18,590,447	4.97
CITICORP NOMINEES PTY LIMITED	11,620,506	3.11
NATIONAL NOMINEES LIMITED	7,106,890	1.90
BT PORTFOLIO SERVICES LIMITED	6,373,662	1.70
BNP PARIBAS NOMS PTY LTD	3,861,453	1.03
LSR TRADING PTY LIMITED	3,500,000	0.94
SEAN FITZGERALD	2,740,112	0.73
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	2,419,392	0.65
PACIFIC CUSTODIANS PTY LIMITED	2,191,199	0.59
WILDWOOD CAPITAL PTY LTD	2,034,261	0.54
UBS NOMINEES PTY LTD	2,000,000	0.53
LEE SMASH REPAIRS PTY LTD	1,927,199	0.52
WILDWOOD CAPITAL PTY LTD	1,496,450	0.40
GEGM INVESTMENTS PTY LTD	1,490,759	0.40
SUPERHERO SECURITIES LIMITED	1,369,575	0.37
Total	**219,345,252**	**58.65**

1.6 Share buy-backs (as at 31 July 2023)

There is no current on-market buy-back scheme.

2. Other information

EML Payments Limited, incorporated and domiciled in Australia, is a public listed company limited by shares.

Corporate Information

(as at 30 June 2023)

Directors

Dr. Luke Bortoli
Non-executive Chair
(Appointed 22 February 2023)

Brent Cubis
Non-executive Director
(Appointed 25 November 2022)

Connor Haley
Non-executive Director
(Appointed 22 February 2023)

Manoj Kheerbat
Non-executive Director
(Appointed 5 December 2022)

Peter Lang
Non-executive Director
(Appointed 22 February 2023)

Company Secretary

Sonya Tissera-Isaacs

ABN

93 104 757 904

Registered Office and Principal Place of Business

Level 12, 333 Ann Street

Brisbane City QLD 4000

Telephone:
(07) 3557 1100

Facsimile:
(07) 3607 0111

Website: www.emlpayments.com

Auditors

Deloitte Touche Tohmatsu

Level 23, Riverside Centre

123 Eagle Street

Brisbane City QLD 4000

Telephone: (07) 3308 7000

Facsimile: (07) 3308 7004

Bankers

Australia and New Zealand Banking Group Limited

Level 5, 242 Pitt Street

Sydney NSW 2000

Share Register

Link Market Services Limited

Level 21, 10 Eagle Street

Brisbane City QLD 4000

Telephone
(within Australia): 1300 554 474

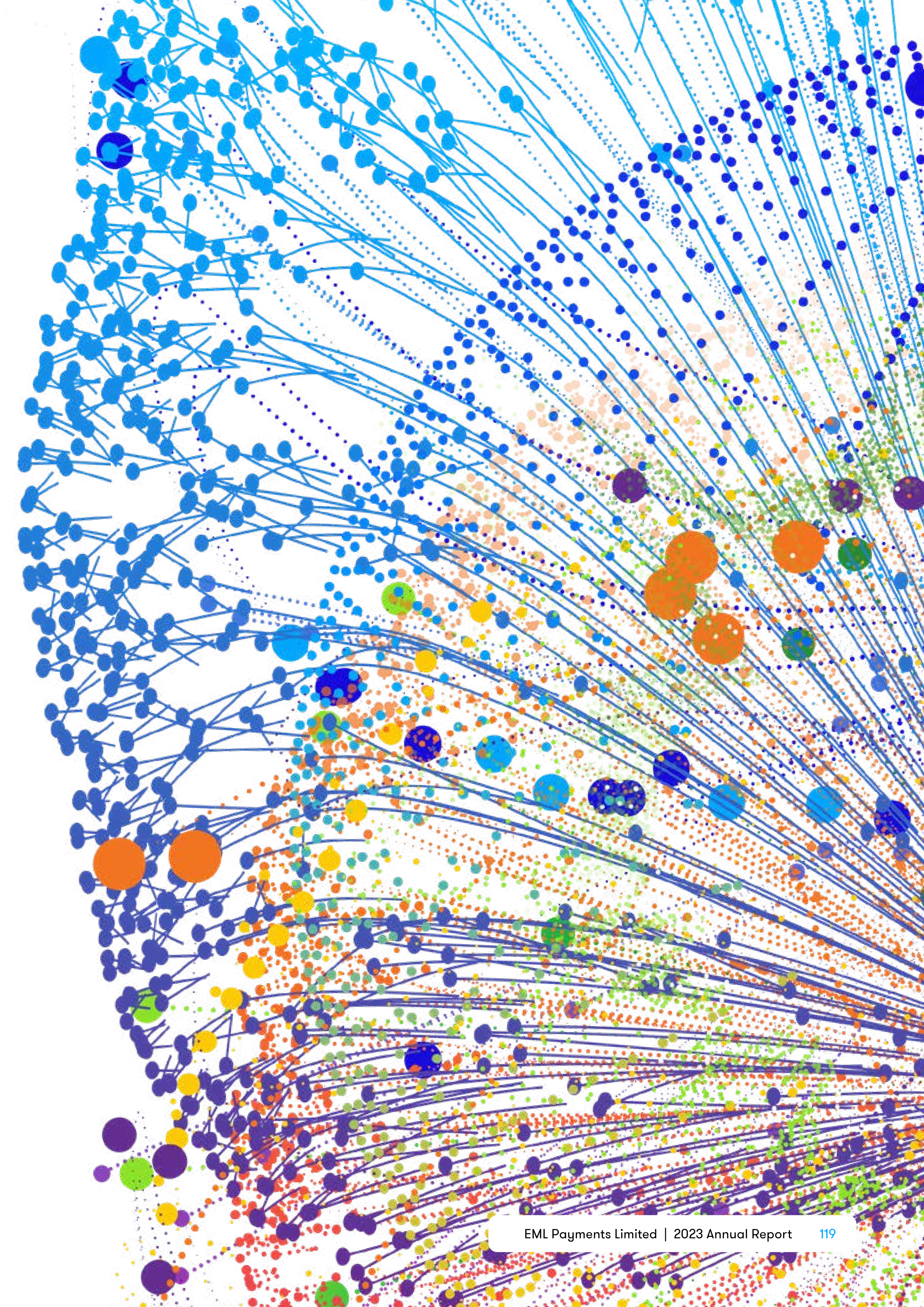
Facsimile:
(02) 9287 0303

Website:
www.linkmarketservices.com.au

Securities Exchange Listing

EML Payments Limited is listed on the Australian Securities Exchange

(ASX: EML)



emlpayments.com

Level 12 / 333 Ann Street
Brisbane QLD 4000

Telephone: (07) 3557 1100
Facsimile: (07) 3607 0111

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