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Investor Presentation

Annual General Meeting
16th November 2016

Emerchants

A Leader in Prepaid Payments Technology

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Emerchants is an ASX listed (ASX:EML) financial services company, specialising in prepaid stored value products, with offices in Brisbane, Australia, Birmingham, United Kingdom and Kansas City, United States of America. We offer innovative prepaid debit card programs for commercial entities, corporations and government departments. We presently manage over 850 programs in 13 countries including Austria, Australia, Belgium, France, Germany, Italy, Ireland, Netherlands, Portugal, Spain, United Kingdom, Canada and the United States of America, using our proprietary payments technology to offer our partners unprecedented secure access to actively manage card programs.

**Our vision is to transform the commercial payments landscape
by inspiring companies to demand more control,
more transparency and more flexibility over their money.**

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Investment Fundamentals

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Sales Pipeline

We generate revenues from programs that are directly sold by our sales teams and from programs where we partner with companies such as Blackhawk, Edge Loyalty, PaySafe and PayWith. Given long lead times in our sales cycles, the strength of our pipeline is critical to future revenue generation.

Diversification

We have transformed ourselves from a company in 2012 with operations only in Australia and with one customer representing 90% of revenues, with a market cap of \$10m, to a company with geographic diversification of revenues and earnings, with no material revenue concentration risk, and a market cap in excess of \$350m.

Debt

Nil.

Revenue Acceleration

Significant market potential exists in all of our core segments, driven by organic growth in existing programs, re-loadable programs in Europe and access to the largest prepaid market in the world in North America.

Proprietary Technology

Proprietary technology supporting a diverse range of prepaid products.

Management Depth

Highly experienced executives managing our business units providing a significant depth of management talent.

Scale

Gross margins averaging 78% and upwards of 90% on some programs, and on a relatively stable cost base, drives scale.

Cash

We ended FY16 with \$27m in cash, providing us with a strong balance sheet and the ability to use that cash for accretive investments and business development activities. In addition to our cash balances, our accrued breakage of \$8.8m continues to grow, and will convert to cash in the coming 12 months.

Multiple Revenue Sources

We benefit from multiple revenue streams including interchange, transaction fees, load fees, breakage, establishment fees, cash load fees and soon to include 3rd party merchant rebates.

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Shareholder Register

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Share Price Chart



Major Shareholders (as at 2nd Nov 2016)

Shareholder	Shares	Percentage
Board and Management	52,662,837	21.7%
JP Morgan Nominees Australia Limited	27,218,923	11.04%
HSBC Custody Nominees (Australia) Limited	22,634,484	9.22%
National Nominees Limited	21,587,940	8.85%
Citicorp Nominees Pty Limited	20,108,634	8.22%

August 2014 - August 2016

Emerchants

Key Metrics & Financial Results FY16

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850+

Programs across Europe,
United Kingdom, Australia,
United States and Canada

\$768.5

Loads to accounts
in FY16

\$2.7bn

Processing volume
per annum* (\$A)

*Total processing volume includes
B2B Virtual Card Payments

7.3m

Cards activated
in 2016

\$23.3m

Revenue (\$A)

78%

Gross Margin

\$5.5M*

EBITDA (\$A)

*Normalised EBITDA excludes \$460K in one-time
acquisition costs associated with the acquisition of
Store Financial Services LLC

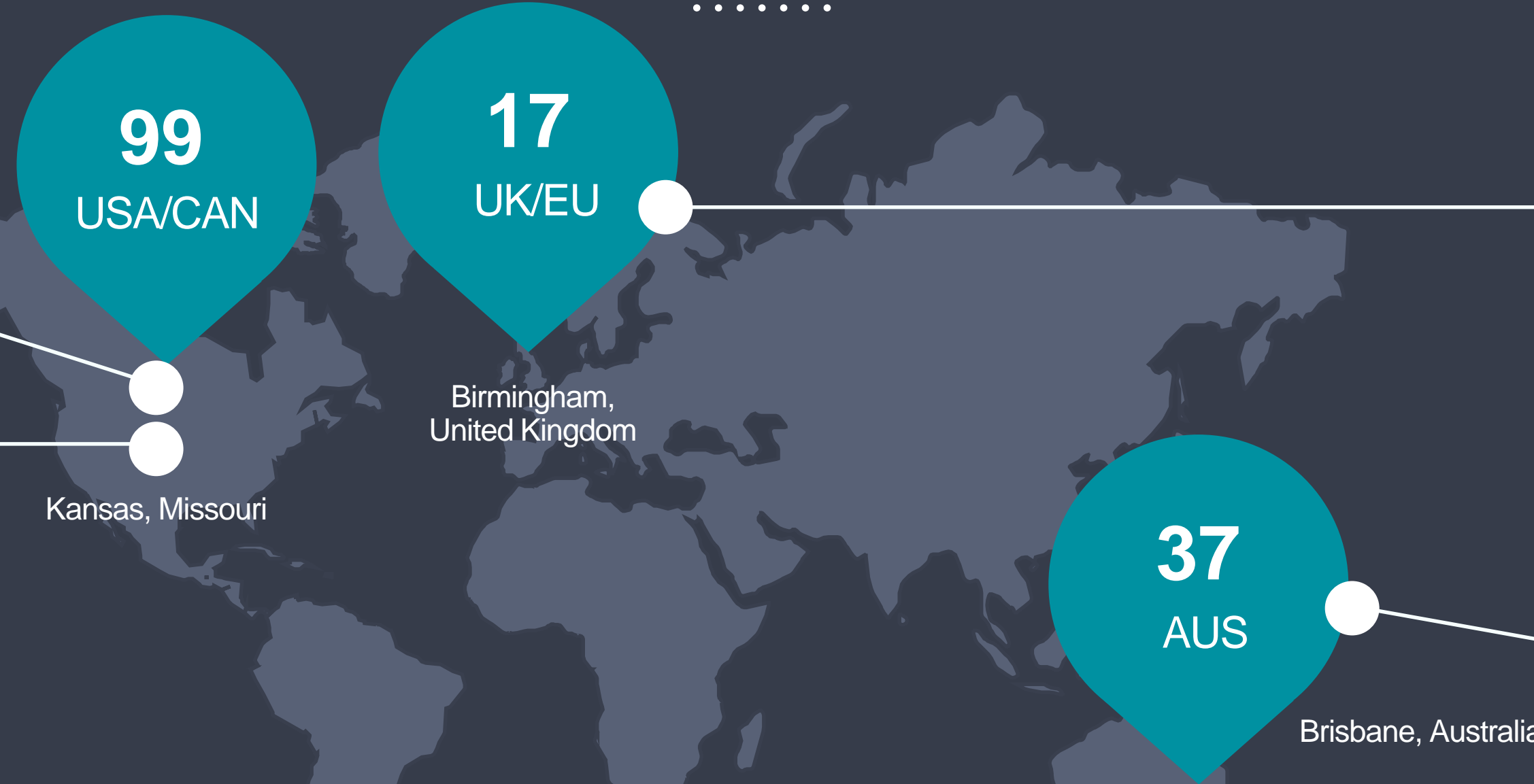
153*

FTE employees globally

*99 employees joined the group June 2016
following the acquisition of Store Financial LLC

Partnerships

Global Reach



Canadian Banking Partners



European Banking Partners



United States Banking Partners



Australian Banking Partners



- Australia
- Ireland
- United Kingdom
- Germany
- Netherlands
- Italy
- Portugal
- Spain
- France
- Belgium
- Austria
- Canada
- United States of America

Key

Employees
Country

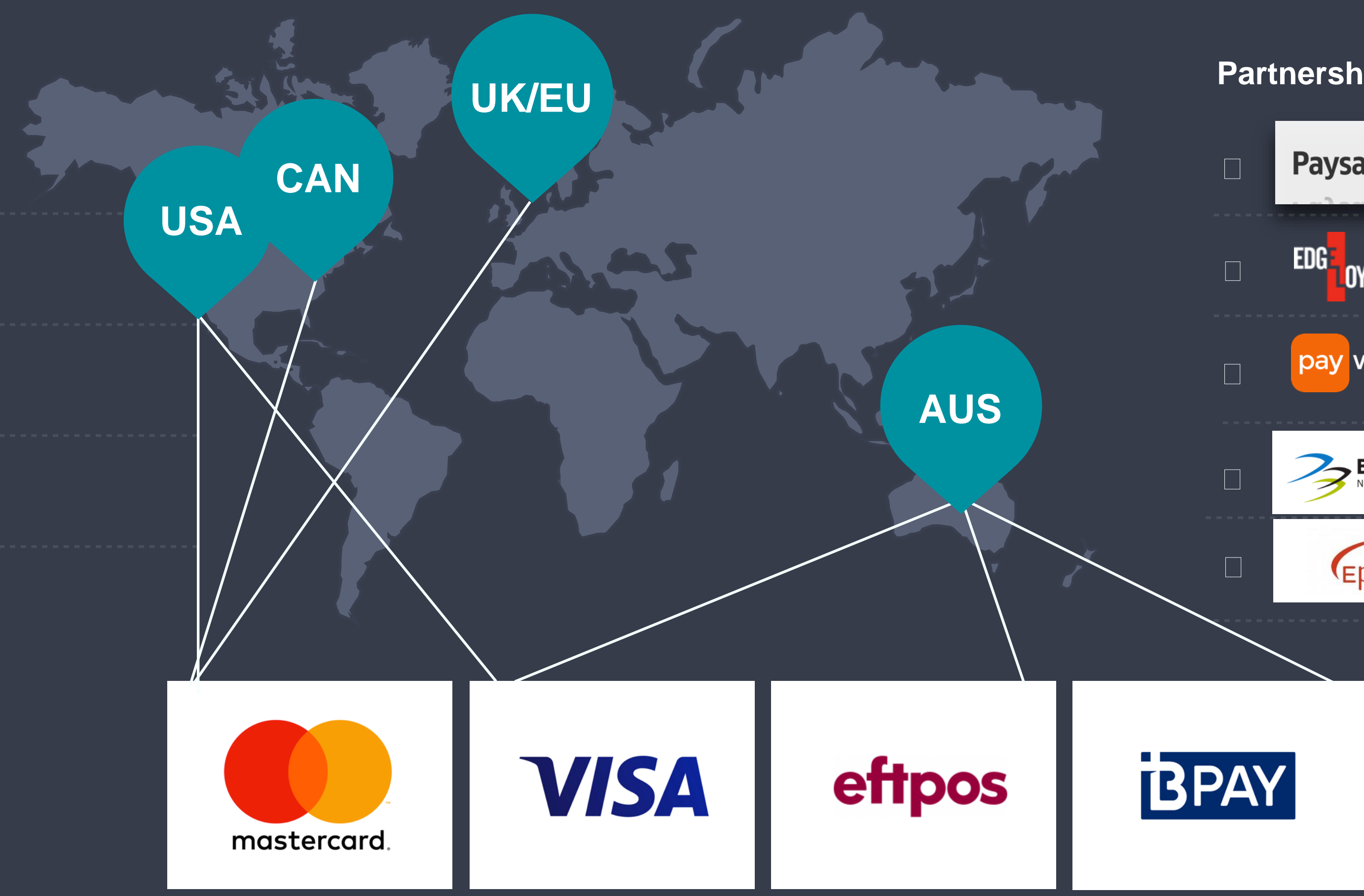
Partnerships

Strategic Partnerships

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Operating in 5 currencies

- Canadian Dollar (CAN)
- Pound Sterling (GBP)
- US Dollar (USD)
- Australian Dollar (AUD)
- Euro (EU)



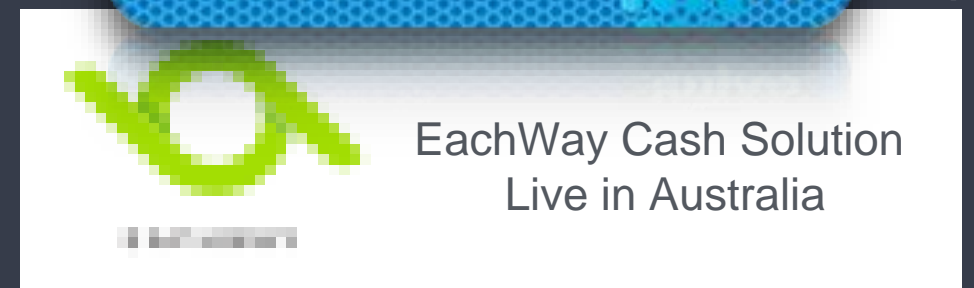
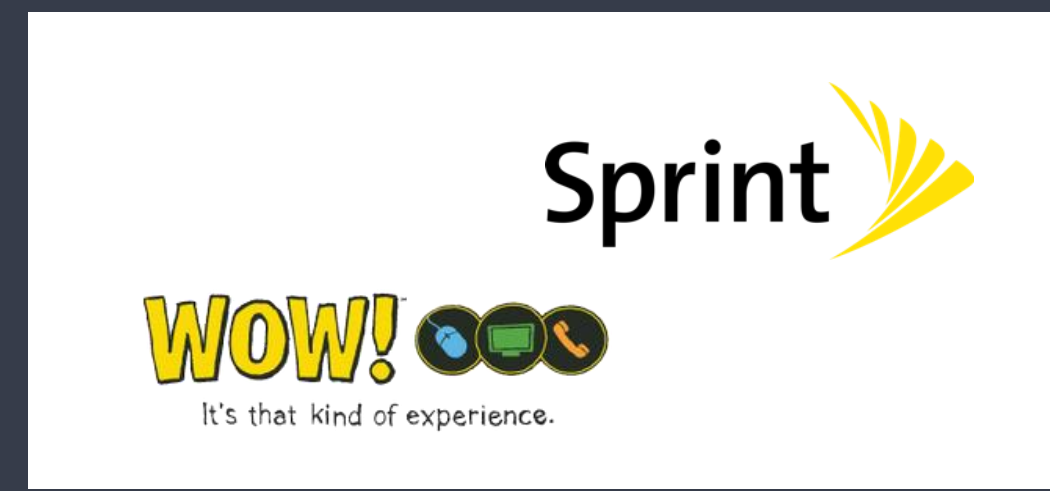
Partnerships

- Paysafe* UK EU
- EDGE LOYALTY UK AU US
- pay with US
- BLACKHAWK NETWORK AU UK EU
- ePIPOLI EU

Our Product Sales Segments

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<h2>Shopping</h2> <p>Mall Gift Solutions</p> <hr/> <p>AU UK EU US/C</p>	<h2>Incentive & Retail</h2> <p>Gift Card Solutions</p> <hr/> <p>Consumer & Employee Incentives Retail Gift Cards</p> <p>AU UK EU US/C</p>	<h2>Reloadable</h2> <p>Disbursement (GPR)</p> <hr/> <p>AU UK* EU US/C</p>	<h2>B2B Virtual</h2> <p>Payments</p> <hr/> <p>AU UK EU US/C</p>
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*UK launch in FY17

Our Products

We have built a diversified portfolio

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Reloadable Cards

Reloadable, EMV-enabled prepaid debit cards, provide instant access to funds 24x7x365 with funds accessed through any card accepting merchant and ATM worldwide. The predominant revenue stream is transaction fees and interest income on the stored value float.

B2B Payments

A flexible and efficient way to manage your accounts payable from monthly recurring invoices to major corporate purchases. Corporates moving to pay their suppliers via Virtual Card payments turns a cost into a revenue stream by creating interchange income that is then shared between the Corporate payer and EML. The sole revenue stream is interchange. Expect average revenue of ~ 75bps on dollar volumes at 95%+ gross margin.

mCard

Physical and virtual cards all controlled and managed by the consumers mobile device. Consumers can be presented with real time location based offers that are specific to individual merchants. The predominant revenue streams include transaction fees and interchange.



The ultimate mobile rewards program that allows companies to provide customers the ability to pay with their mobile phone or membership card and receive rewards, notifications, incentives and communications. The predominant revenue stream is merchant funded rebates.

Gift Cards

Non-Reloadable cards issued through specific segments such as Shopping malls, Incentive programs and general third party retail programs, in both a physical card format or a virtual card format delivered over a mobile device. The predominant revenue stream is breakage and interchange, particularly in the USA, and on interest on the stored value float, more so in Australia than in the other regions.

EachWay Cash Loads

Facilitating the direct, real-time loading of cash funds into gaming and other accounts, via a physical card or mobile device, using a combination of our direct platform connectivity and our Reloadable card technology. The predominant revenue stream is transaction fees from account loads. Expect average revenue of ~ 1.6% on dollar volumes at 95% + gross margin.



About Key Customers

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Shopping Mall
Gift Solutions

Incentive & Retail
Cards

Reloadable
Disbursement (GPR)

B2B Virtual
Payments

EachWay

Australia Launch

- William Hill launched May 2016
- bet365 launched August 2016
- Sportsbet contract signed for EachWay
- Expect four gaming operators live by end of FY17
- Software deployed in 4,500 merchants with 1,500 active (trained and in store locator)
- Load fees are funded by the gaming operators
- The EachWay and Disbursement card systems are fully integrated
- UK launch still on target for 2HFY17



Q1FY17

Q1FY17 Trading Update

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Key Metrics

- Q1 Dollars loaded \$234m (excluding B2B Virtual payments) increased 59.2% over the PCP
- Total Loads in Australia exceeded \$55m *in a single month* for the first time (Total Loads for Full Year FY12 was \$60m)
- Active accounts (excluding impact from US acquisition) increased by 20.6% over PCP
- Stored Value (excluding impact from US acquisition) increased by 10.8%

Trading Performance

- Despite currency headwinds versus the PCP, Gross Profit increased 218%
- Gross Profit percentage improved 5% over the PCP
- We expect to see significant growth in Q2FY17, traditionally our strongest Quarter due to seasonality in our Shopping mall gift card segment and Gaming programs in Australia in the Spring Racing Carnival
- Whilst EML does not provide earnings guidance, we are trading in line with analyst consensus

Q1FY17

Business Development Update

Signed agreement with Caesars Entertainment

- First enterprise client for our M-card program
- Caesars is the largest operator of casinos in North America, operating 40 casinos
- Potentially our single largest contract as program matures in 2-3 years
- Revenue stream funded by merchant rebates when Caesars “Total Rewards” cards are used to pay for retail goods and services in 3rd party retailers
- Transactions can be funded by the card balance, loyalty points, an additional funding source or a combination thereof
- Expected launch late 2HFY17

Re-loadable Segment

- Final stages of implementation for bet365 UK launch. Expect bet365 UK launch to act as catalyst for other gaming operators to follow
- Sportsbet multi-year contract extension signed in Australia. Sportsbet contracted to launch EachWay cash loads in Australia
- Re-loadable fuel cards launched in Italy with TBS Europe
- EachWay live in Australia with 2 gaming operators and expect to end FY17 with 4 gaming operators using the solution

Q1FY17

Business Development Update

Signed Multiple B2B Virtual Payment Agreements

- Programs with Sprint, Wide Open West, Clarcor and Midwest Recycling in implementation phase with launch in January 2017
- Originally forecast expected load volumes of \$100m in first year based on conservative assumptions of conversion (20% of supplier payments conversion)
- Indications from above programs lead us to re-forecast load volumes to \$200m in first year based on a 35%+ conversion rate. EML typically generates 0.75% in revenue per dollar loaded at a 100% gross margin
- Significant pipeline of opportunities that continues to increase

Gift

- Pipeline of opportunities in the Shopping Mall segment in Europe exceeding EU\$140m in Annual Loads (AU\$200m)
- Launch of open loop and virtual gift cards into 2,000 Auchan grocery stores in Italy underway with Epipoli
- Launch of virtual gift cards completed into 700 convenience stores in Italy through a new partner, BitKash
- Extended agreement with Pandora, one of our largest European gift card customers
- Launched several B2B Incentive card programs in the UK with Edge Loyalty
- Expanded our portfolio of shopping mall programs by 18 to 696 in total across the UK, Europe and North America

EML

Key Business Development Priorities in FY17 Driving FY18 EBITDA Expansion

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North America

- Caesars Entertainment m-card program launch
- Identify additional m-card customers and secure multiple new contracts
 - Close and launch multiple Re-loadable programs
- Continued sales success in the B2B Virtual Payments segment

Europe

- Successfully launch a re-loadable program for bet365 in the UK, acting as a catalyst for other gaming programs
 - Close multiple new contracts with UK and European gaming operators
 - Close and launch 1-2 new contracts with European shopping mall owners
- Continue to support Edge Loyalty as we expand our range of B2B Incentive card programs in the UK and Europe

Australia

- Finish FY17 with 4 gaming operators using the EachWay cash load network, using both card and digital delivery
- Close initial m-card programs encompassing both points earn/burn as currency and a merchant coalition network



E M L

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