



AUSTRALIAN EMERGING COMPANIES CONFERENCE SERIES: FINTECH



11 April 2018

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PRESENTER:

Rachelle St. Ledger
CEO Australia

Important Notice

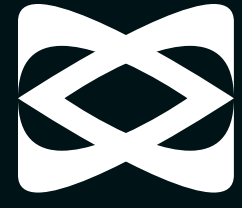
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This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to EML's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on any forward looking statements.

Unless otherwise specified all information is for the six months ending 31 December 2017 ('HY2018'), and is presented in Australian Dollars. Unless otherwise stated, the prior comparative period refers to the six months ending 31 December 2016 ('HY2017' or 'PCP')

- > EML enable our customers to deliver value to their customers / employees through our innovative prepaid solutions.
- > EML continues to evolve and lead the way through innovative, people focused solutions.
- > EML's markets evolve at different timeframes which create future opportunities for growth.



EML

empowering your payments

ABOUT EML

Who is EML >

A growing ASX listed FinTech company focused on enhancing their brand partners, by offering innovative accessible prepaid programs – immediately.

- > EML issue and distribute mobile, virtual and physical card solutions to some of the largest corporate brands around the world
- > EML's onsite technical and customer service teams offer support in five languages, with 24/7 support



A woman with long dark hair, wearing a light-colored blazer, is smiling. She is holding a smartphone in her right hand and a black payment terminal in her left hand. The background is a bright, out-of-focus indoor setting with large windows.

**Our customers' success
is our success**

We enable our customers to deliver
value to their customers or employees.



Innovative salary packaging solutions

EML enable McMillan Shakespeare, AccessPay, Paywise, Eziway and Salary Options to offer a tax compliant product to their customers including Mobile Merchant Rewards.



Immediate access to winnings

EML enable our partners including Sportsbet, CrownBet, Ladbrokes and bet365 to drive loyalty while giving their customers instant access to their funds.

Driving footfall into malls

EML enable our customers to deliver value and drive revenue into their tenants.



GOING GLOBAL >

We are currently managing:



APPROXIMATELY
1,100 IN **19**
CARD PROGRAMS COUNTRIES

GROUP GDV (FY17)

\$4.42bn ⬆️ 348%

GROUP GDV (HY18)

\$3.58bn ⬆️ 86%

> 12 years experience

> 2 PCI DSS Tier 1 Platforms



We have an international presence with offices strategically located to service Australia, UK, Europe, US and Canada.

Significant barriers to entry >

Public facing products & solutions:



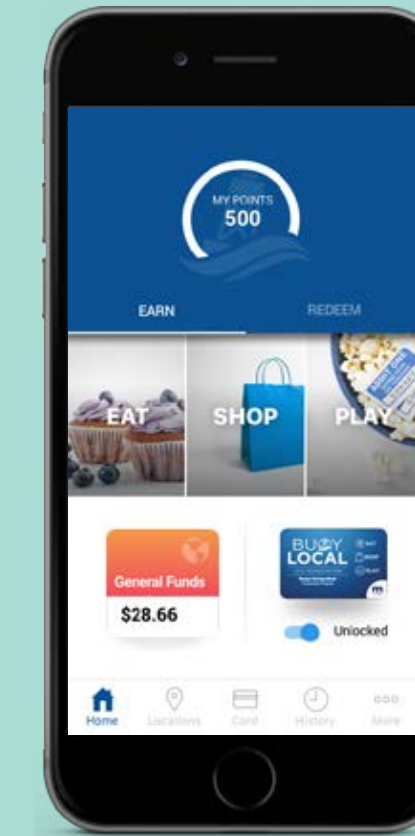
Non-reloadable



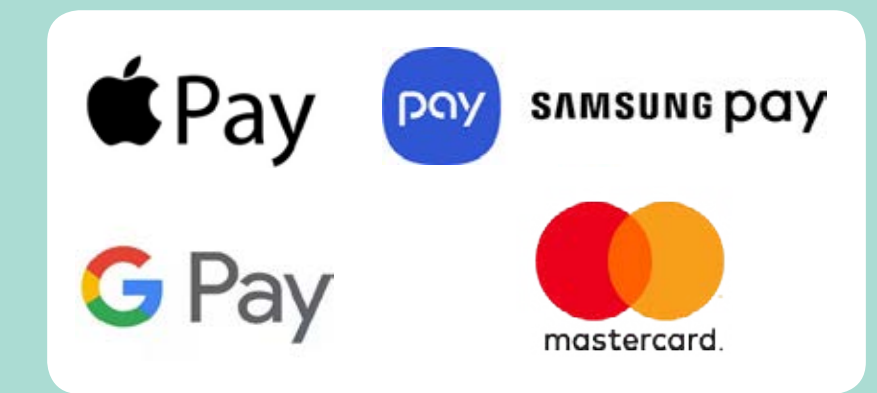
Virtual



Reloadable



Mobile Merchant Rewards



Mobile payments

Non-public facing operations:

END TO END

End to End payment processing platform (card issuing, transaction processing, fraud control, settlement and reconciliation)

INFORMATION TECHNOLOGY

2 in-house, prepaid, processing platforms

4 Data Centres

30% Staff are IT based

MULTI Multi-currency & Multi-lingual

LEVEL 1
PCI-DSS Level 1 compliant

~\$30m
Over ~\$30m invested in our platforms to date

5 Connectivity to 5 major card schemes

REGULATORY AND COMPLIANCE ACROSS THE GLOBE

9 issuing bank agreements

19 Compliance with 19 regulatory authorities

PEOPLE

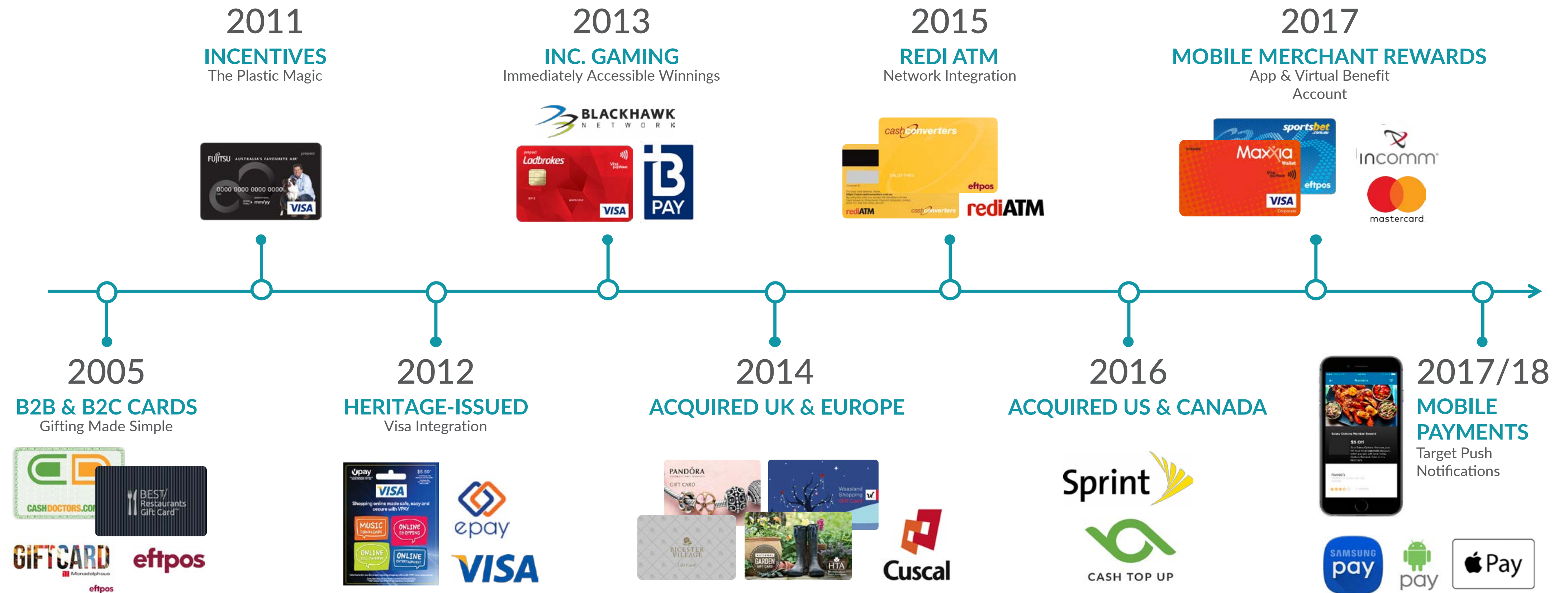
170 Over 170 employees servicing 19 countries

52 Abiding by over 52 regulations / laws

4 Major licences
 > AFSL (Australia)
 > MasterCard membership (Australia)
 > BPay (Australia)
 > Mastercard private label issuance (UK and Europe)

100 Over 100+ years prepaid experience in group leadership team

EML TIMELINE >



#21

Deloitte Tech Fast 50
Australia

#174

Deloitte Tech Fast 500
Asia Pacific





PRODUCTS & FUTURE

Meeting consumer demand for digital payments >

EML will be the first non bank self-issuer in Australia providing a secure alternative to cash or card payments.



A man wearing glasses and a blue patterned shirt is holding a Visa Salary Packaging Card. The card is blue and white, featuring the Visa logo and the text "Salary Packaging Card". The card number is partially visible as "8748 0000 0000 0000". The man is looking at the card with a slight smile. In the background, there is a blurred office setting with a desk and a drink with a pink straw.

Leaders in payment technology for the salary packaging industry >

EML created a proprietary, customisable, nimble and future proof platform.

HIGHLIGHTS › DIGITISING SALARY PACKAGING

Salary packaging before EML

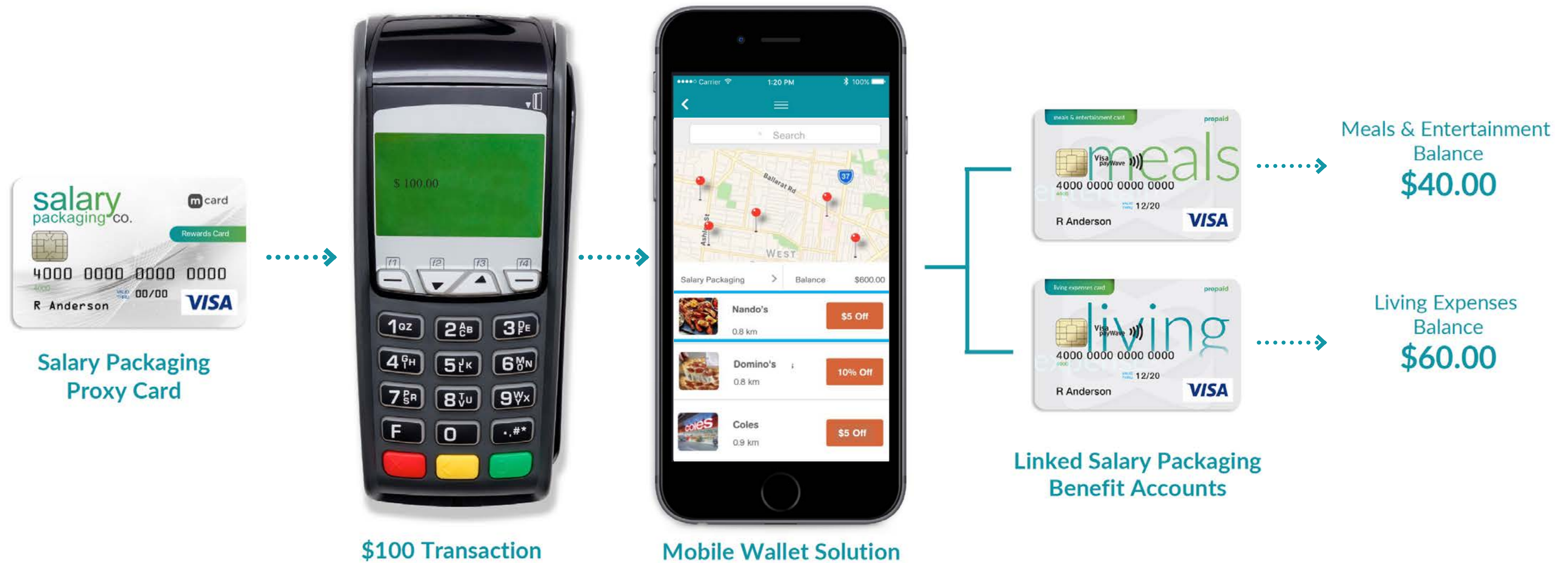


Employee issued with a card for each entitled benefit

Transaction with required benefit card

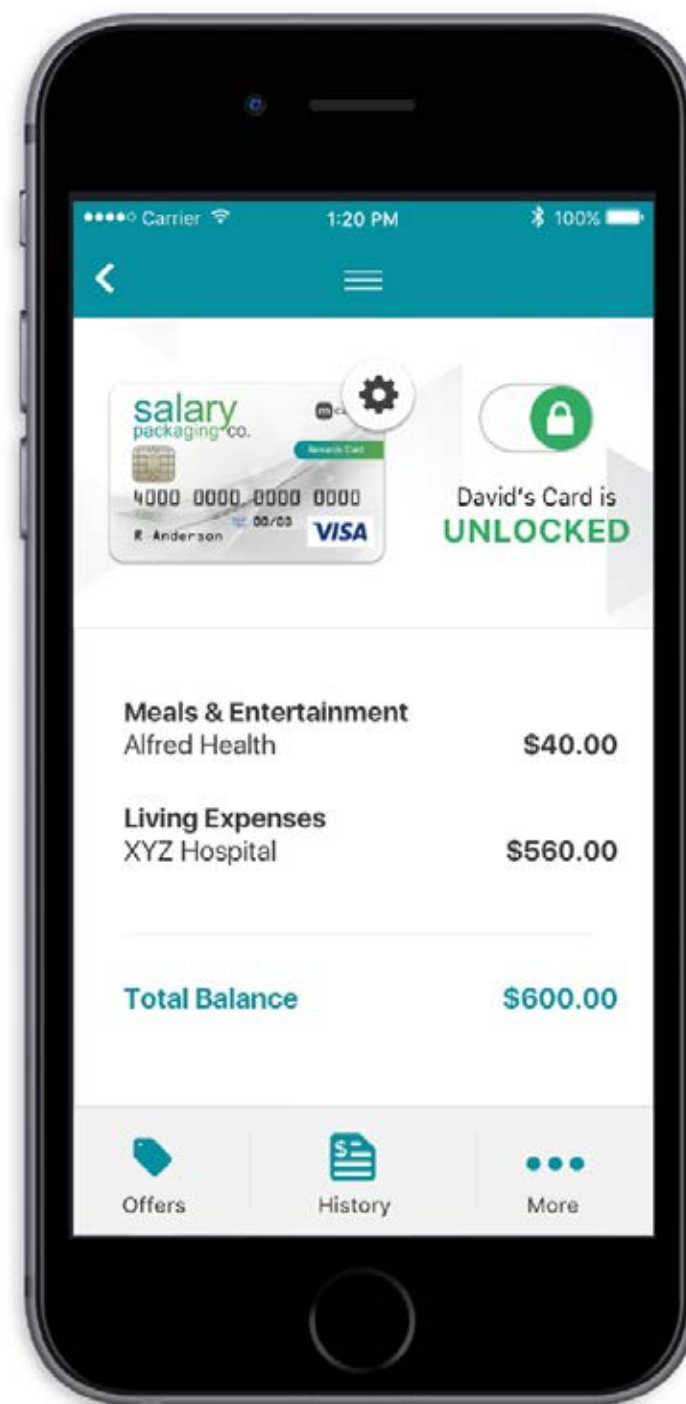
HIGHLIGHTS › DIGITISING SALARY PACKAGING

EML salary packaging

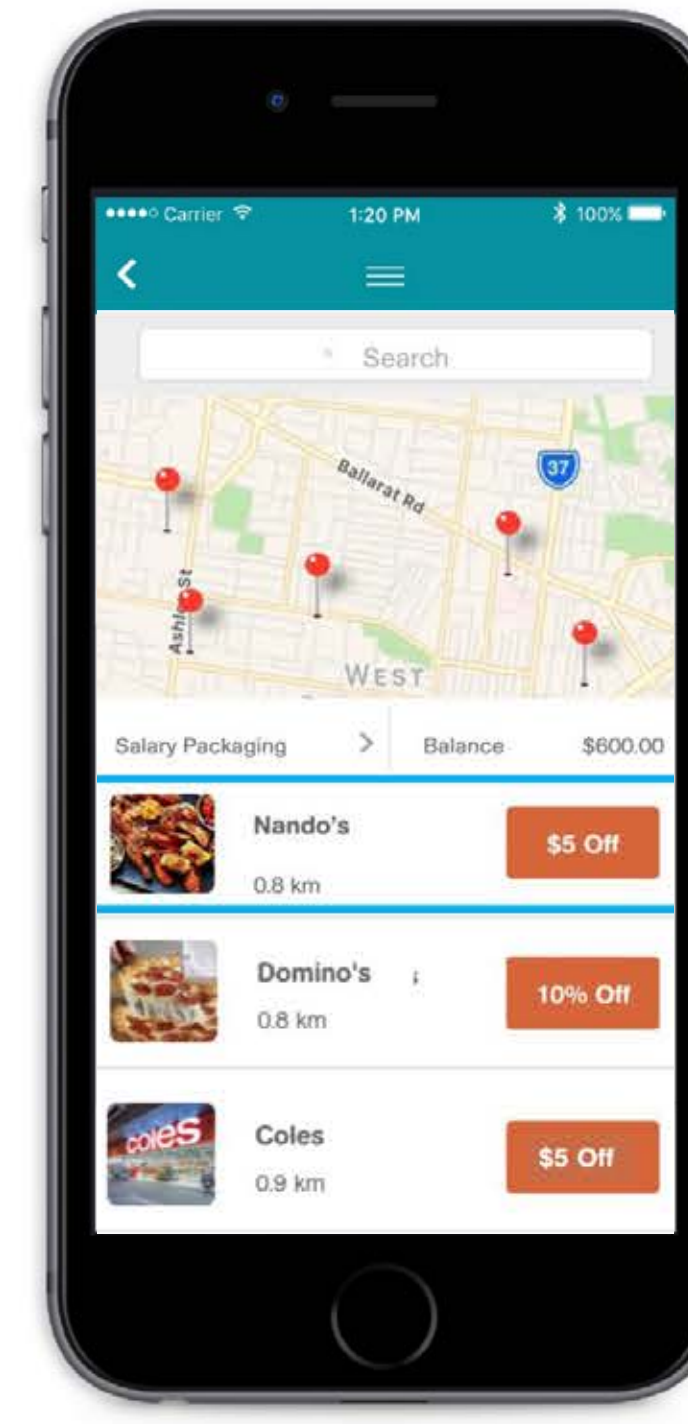


HIGHLIGHTS › INNOVATION IN SALARY PACKAGING

EML future salary packaging



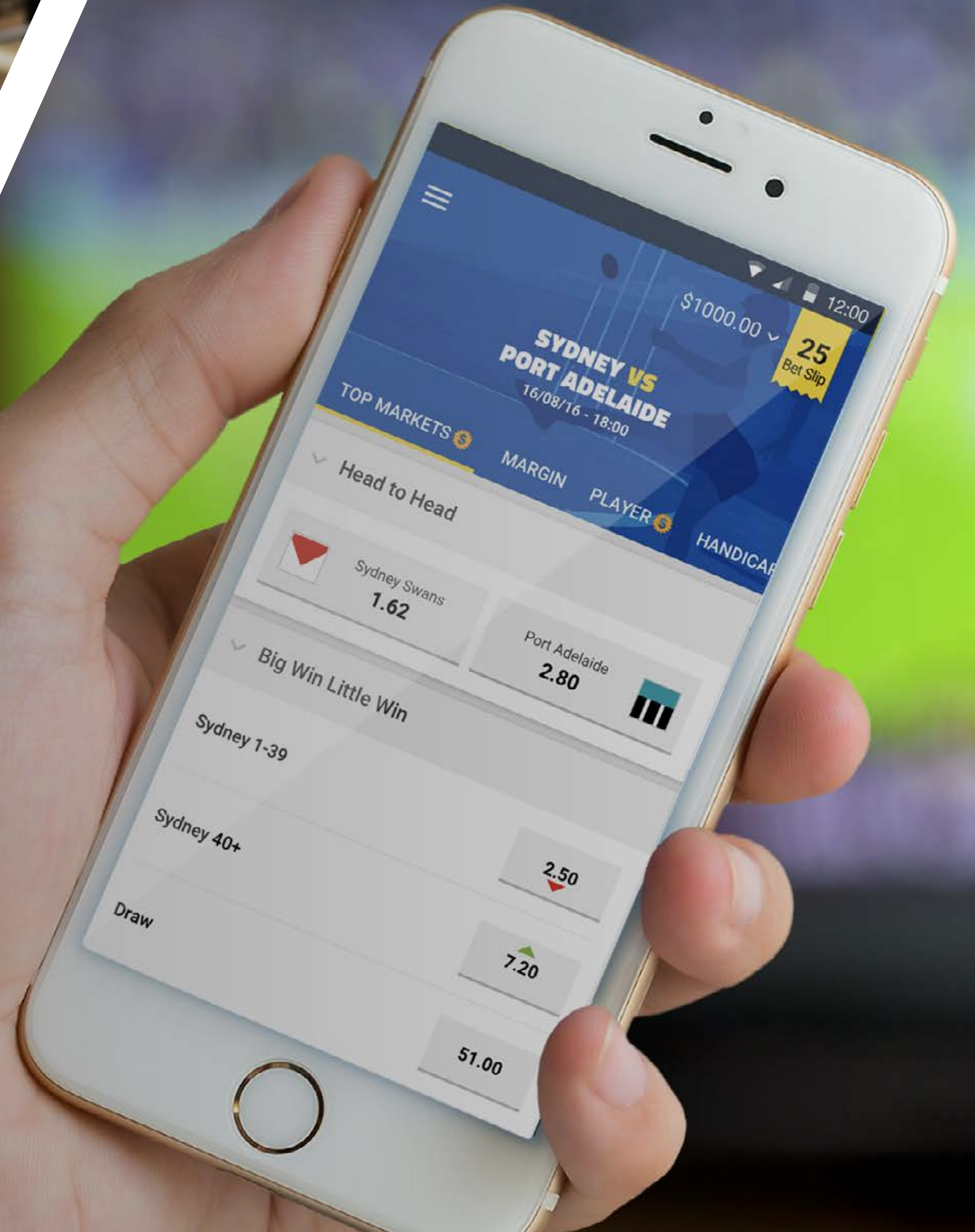
Mobile payments



Balance online

From non-reloadable to reloadable

In time, cards will migrate to mobile payments >

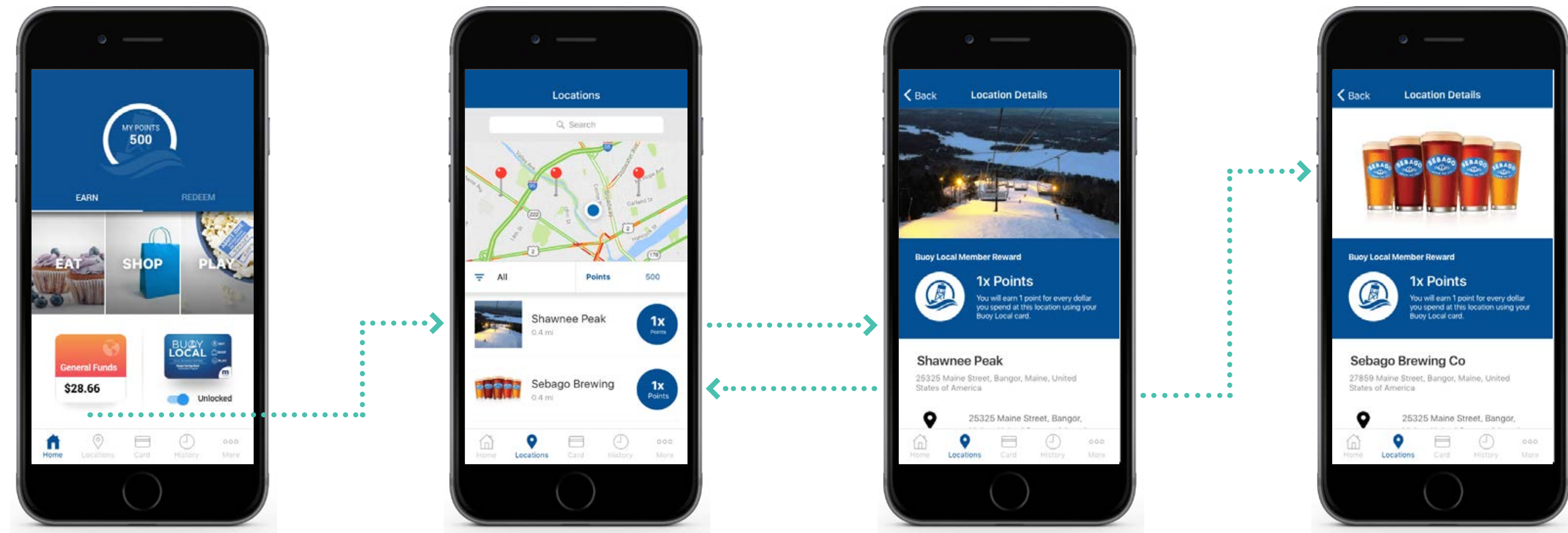


A pioneering community rewards program >

We launched a program that merges points, loyalty, rewards, gifts and payments into a mobile app and a single card.



Locations / Offers



Transactions



Rewarding merchants & consumers with our mall solution >

We are taking our Mobile Merchant Reward Program to the malls to drive consumer engagement and ensure ongoing relevance.

Ivanhoe
Cambridge

GUILDFORD
TOWNSHIP

GUILDFORD REWARDS

Earn Mall Reward Dollars with every Swipe!

Pick up your Guildford Rewards Card from Guest Services and start earning rewards today!

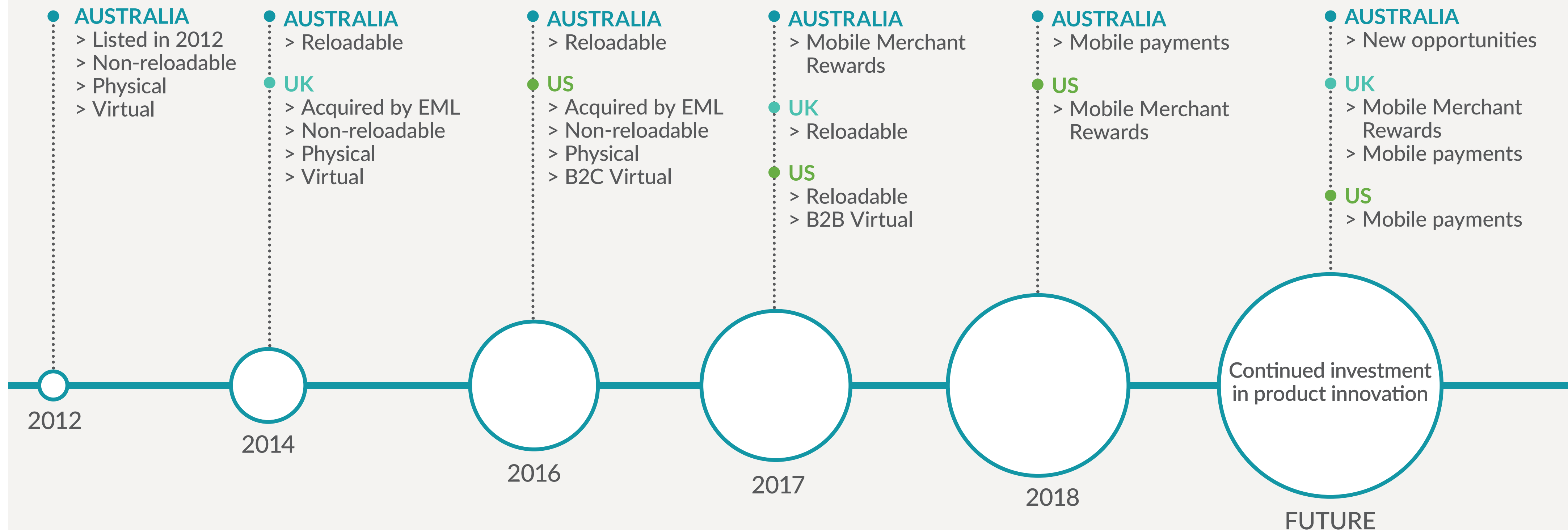


Visit guildfordrewards.com for details.



TIMELINE › PRODUCT & TECHNOLOGY

EML invest in growth verticals and future opportunities through product and technology innovation. We continue to actively investigate and discover new market niches in the FinTech Industry across all regions, recognising that these markets evolve independent of each other.



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- > EML continues to evolve and lead the way through innovative, people focused solutions.
- > EML's markets evolve at different timeframes which create future opportunities for growth.



Q&A



APPENDIX

APPENDIX > KEY DATA 3 YEARS



KEY METRICS (\$'000s)	H1 2015A	H2 2015A	FY2015A	H1 2016A	H2 2016A	FY2016A	H1 2017A	H2 2017A	FY2017A	HY 2018A
	6 mnths	6 mnths	12 mnths	6 mnths	6 mnths	12 mnths	6 mnths	6 mnths	12 mnths	6 mnths
Headcount (closing)	55	55	55	59	150	150	168	170	170	179
Average Headcount for the period	40	55	48	57	71	64	158	169	160	173
Gross debit volume (GDV)	\$194,006	\$253,509	\$447,515	\$383,419	\$602,302	\$985,720	\$1,930,241	\$2,492,532	\$4,422,774	\$3,583,289
Non-reloadable	\$100,572	\$152,033	\$252,605	\$178,432	\$133,088	\$311,521	\$438,181	\$223,003	\$661,184	\$467,085
Reloadable	\$93,434	\$101,476	\$194,910	\$204,986	\$251,941	\$456,928	\$272,565	\$999,628	\$1,272,193	\$1,840,281
B2B Virtual Payments	\$0	\$0	\$0	\$0	\$217,596	\$217,596	\$1,219,495	\$1,269,902	\$2,489,397	\$1,275,924
Total Stored Value	\$91,196	\$75,330	\$75,330	\$131,499	\$219,620	\$219,620	\$392,819	\$302,001	\$302,001	\$514,521
Interest on Stored Value (exc group funds)	\$380	\$434	\$814	\$399	\$496	\$894	\$549	\$647	\$647	\$1,116
Effective Interest Rate (%)	0.83%	1.15%	1.08%	0.61%	0.45%	0.41%	0.28%	0.43%	0.43%	0.43%

APPENDIX > KEY DATA 3 YEARS



KEY FINANCIALS (\$'000s)	H1 2015A	H2 2015A	FY2015A	H1 2016A	H2 2016A	FY2016A	H1 2017A	H2 2017A	FY2017A	HY 2018A
	6 mnths	6 mnths	12 mnths	6 mnths	6 mnths	12 mnths	6 mnths	6 mnths	12 mnths	6 mnths
Revenue (includes interest income)	\$5,079	\$9,357	\$14,437	\$10,560	\$12,751	\$23,311	\$32,440	\$25,520	\$57,960	\$38,241
Non-reloadable	\$2,933	\$7,469	\$10,402	\$8,820	\$9,934	\$18,754	\$28,206	\$19,707	\$47,913	\$26,086
Reloadable	\$2,075	\$1,841	\$3,916	\$1,691	\$2,860	\$4,551	\$3,277	\$4,611	\$7,887	\$10,886
B2B Virtual Payments	\$0	\$0	\$0	\$0	\$127	\$127	\$682	\$1,001	\$1,683	\$1,042
Group interest & adjustments	\$71	\$48	\$119	\$49	(\$170)	(\$120)	\$275	\$202	\$477	\$227
Gross profit	\$3,746	\$7,538	\$11,284	\$8,121	\$10,080	\$18,201	\$25,433	\$18,813	\$44,246	\$28,709
Non-reloadable	\$2,446	\$6,134	\$8,580	\$6,920	\$8,033	\$14,954	\$22,307	\$14,922	\$37,229	\$20,570
Reloadable	\$1,235	\$1,351	\$2,587	\$1,214	\$2,129	\$3,343	\$2,389	\$3,300	\$5,689	\$7,192
B2B Virtual Payments	\$0	\$0	\$0	\$0	\$110	\$110	\$617	\$621	\$1,238	\$871
Group interest & adjustments	\$66	\$53	\$119	(\$13)	(\$193)	(\$206)	\$120	(\$29)	\$91	\$76
Overheads (excl acquisition costs)	(\$3,603)	(\$5,400)	(\$9,002)	(\$6,059)	(\$7,636)	(\$13,695)	(\$16,040)	(\$15,074)	(\$31,114)	(\$15,647)
Acquisition related overheads	(\$292)	(\$55)	(\$347)	\$0	(\$456)	(\$456)	(\$35)	(\$15)	(\$51)	(\$190)
Research and development credit	\$698	\$0	\$698	\$997	(\$6)	\$990	\$605	\$834	\$1,439	\$605
EBTDA	\$549	\$2,084	\$2,633	\$3,058	\$1,981	\$5,040	\$9,963	\$4,558	\$14,521	\$13,477
EBTDA margin	11%	22%	18%	29%	16%	22%	31%	18%	25%	35%
Cash opening	\$4,496	\$5,288	\$4,496	\$4,264	\$4,094	\$4,264	\$26,942	\$31,811	\$26,942	\$39,872
Operating activities	(\$1,398)	\$1,046	(\$352)	\$317	\$1,661	\$1,978	\$9,640	\$9,615	\$19,255	(\$3,361)
Investing activities	(\$11,105)	(\$2,070)	(\$13,175)	(\$543)	(\$34,012)	(\$34,555)	(\$4,888)	(\$1,594)	(\$6,482)	(\$1,835)
Financing activities (incl FX)	\$13,295	\$0	\$13,295	\$56	\$55,199	\$55,255	\$117	\$40	\$157	21
Cash closing	\$5,288	\$4,264	\$4,264	\$4,094	\$26,942	\$26,942	\$31,811	\$39,872	\$39,872	\$34,697

EML abides by over 52 regulations / laws across Australia, UK, Europe, US and Canada.

AUSTRALIA:

Corporations Act 2001
ePayments Code
ASIC Act 2001
Anti-Money Laundering and Counter-Terrorism Financing Act 2006
Privacy Act 1988
Payment Systems Regulation Act 1998
Banking Act 1959a
Consumer Electronic Clearing System (CS3)
Network Rules & Regulations for Visa, Mastercard and eftpos
Payment Card Industry Data Security Standards
The Competition and Consumer Act 2010
Fair Trading Act 1989
BPAY® Rules and Procedures

UK & EUROPE:

Data Protection Act 1988
Proceeds of Crime Act 2002
Joint Money Laundering Steering Group Guidance 2017
Terrorism Act 2000
Counter Terrorism Act 2008
Serious Organised Crime and Police Act 2005
Financial Services Act 2013
Electronic Money Regulations 2011
Payment Services Directive II
Payment Services Regulation 2017
4th Anti-Money Laundering Directive
Network Rules & Regulations
Payment Card Industry Data Security Standards

US

Federal Credit Card Accountability Responsibility and Disclosure (CARD) Act
Regulation E (Electronic Funds Transfer Act), CC (Expedited Funds Availability Act) & GG (Prohibition on Funding of Unlawful Internet Gambling)
Dodd-Frank Wall Street Reform and Consumer Protection Act and Durbin Amendment
CFPB Rulemakings
Bank Secrecy Act (BSA)/Anti-Money Laundering (AML), Know Your Customer (KYC), Consumer Identification Procedures (CIP)
USA Patriot Act & Graham-Leach-Bliley Act (GLBA)
Unfair, Deceptive, or Abusive Acts & Practices (UDAAP)
Network Rules & Regulations
National Automated Clearing House Association (NACHA)
Money Service Business (MSB) & Money-Transmitter Licensing (MTL)
Health Insurance Portability and Accountability Act (HIPAA)
Payment Card Industry Data Security Standards
Service Order Control (SOC) Statement of Standards for Attestation Engagements (SSAE)

State Consumer Protection, Gift & Abandoned/Unclaimed Property laws
Politically Exposed Persons lists (PEP)
Privacy Shield & General Data Protection Regulation (GDPR)
Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM)

CANADA:

Federal Prepaid Payment Products Regulations
Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), Know Your Customer (KYC), Know Your Business (KYB), Consumer Identification Procedures (CIP)
Personal Information Protection and Electronic Documents Act (PIPEDA)
Network Rules & Regulations
Payment Card Industry Data Security Standards
Service Order Control (SOC) Statement of Standards for Attestation Engagements (SSAE)
Provincial Consumer Protection & Gift Card laws
Politically Exposed Persons lists (PEP)
Canada Anti-Spam Law (CASL)

Thank you.



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