21 August 2019

ASX Market Announcements
20 Bridge Street
SYDNEY NSW 2000

Money in Motion

+61 (07) 3557 1100

Level 12
333 Ann Street
Brisbane QLD 4000

EML Payments Limited
ACN 104 757 904

EML ANNOUNCES RECORD REVENUES OF $97.2M AND EBITDA OF $29.1M FOR FINANCIAL YEAR 2019

- Group Gross Debit Volume of $9.03 billion, up 34% over PCP;
- Group Revenue of $97.2 million, up 37% over PCP;
- Group EBITDA[1] of $29.1 million, up 40% over PCP (including $0.6 million of acquisition expenses);
- Group NPAT of $8.5 million, up 283% over PCP;
- Operating cash inflows of $22.0 million (excluding one-time benefit of $7.1 million in accelerated breakage cash receipts);
- Cash on hand of $33.1 million and a $15.0 million loan with a major Australian bank; and
- Exceeded FY19 guidance for Revenue ($88-94 million) and EBITDA ($27-28 million)

EML Payments Limited (ASX: EML) is pleased to release its 2019 Full Year Results, as attached to this announcement with its Appendix 4E.

Highlights for the year ended 30 June 2019 include:

Gross Debit Volume ('GDV') of $9.03 billion, up 34% over PCP

GDV represents the debit volume processed by the Group through our proprietary processing platforms. GDV grew by 34% over the prior corresponding period to $9.03 billion. Whilst this volume translates to revenues at different rates depending on the program and region, GDV is a proxy indicator of customer demand for our payment services.

Our Gift & Incentive ('G&I') segment performed well, with GDV growth of 42% to $1.06 billion. This was driven by stable trading conditions in North American malls, rapid growth in Europe from newly launched malls and the acquisitions of our Nordics and Irish businesses. On 28 June 2019 we closed our acquisition of Flex-e-Card, which added 226 malls to our European portfolio and took our overall number of mall gift card programs to more than 900, and we expect to see continued GDV growth in FY20.

GDV from our General Purpose Reloadable ('GPR') segment fell by 18% to $2.74 billion. That decline is attributable to a decline in volumes from a single program in North America, as highlighted in the first half results. Excluding that program (LuLaRoe), GDV increased by $218 million over the prior corresponding period. LuLaRoe is a low yielding program in terms of revenue yield and with improved mix, revenue in the GPR segment increased 11% over the prior year due to volumes generated from higher yielding programs.

In our Virtual Account Numbers ('VANS', I.E. commercial payments) segment in North America, GDV increased by 96% to $5.23 billion, driven by a combination of organic growth in existing customers and the launch of programs that were previously announced but not yet in market. Our run rate in June 2018 was approximately $700 million for the month, so we are seeing positive signs for growth in this segment heading into FY20.

[1] EML generates interest income on Stored Value balances and as such is a source of core revenue. Earnings Before Tax, Depreciation & Amortisation ('EBITDA') is used as the most appropriate measure of assessing performance of the group. EBITDA includes R&D tax offset and excludes share based payments, and is reconciled to statutory profit and loss within the FY2019 Annual Report.

Our total GDV for the month of June 2019, which represents our exit run-rate for FY20, was approximately $1 billion, so we start FY20 with positive momentum in GDV growth.

Revenue of $97.2 million, up 37% over PCP

Revenue increased by 37% over the prior corresponding period to $97.2 million.

Revenue growth was evident in each segment, with our G&I segment increasing revenue by 42%, GPR segment increasing revenue by 11% and our VANS segment increasing revenue by 165%.

We had previously guided that our VANS segment would grow from $2.4 million in revenue in FY18 to $4 million in FY19, so the outperformance to generate $6.4 million in revenue was a positive result.

The adoption of the new AASB 15 revenue recognition standard did not impact full year financials, as guided by management.

EBITDA of $29.1 million, up 40% over PCP

The Group generated EBITDA of $29.1 million for the year, which included $0.6 million of acquisition related costs.

EBITDA growth has exceeded 30% in each of the last three years and the Group is well placed for future continued growth, driven by:

- Continued GDV growth from new and existing programs in each segment;
- The contribution to Group financials from the Flex-e-Card acquisition (incremental $4 million EBITDA);
- The contribution to Group financials from the transition of an additional 100,000 salary packaging benefit accounts (by April 2021) through our agreement with Smartgroup;
- Full year contribution from ECE in Germany which launched in October 2018;
- An improvement in gross margins from self-issuance in Europe and Australia; and
- Continued focus on reducing costs and insourcing where possible.

Underlying Operating Cash Flow of $22.0 million and Cash on hand of $33.1 million

Cash inflows from operating activities totalled $29.1 million, which included a one-time benefit of $7.1 million in accelerated cash conversion of breakage on certain USA gift card programs representing 100% EBITDA conversion to cash.

On an underlying basis, excluding the one-time benefit of accelerated breakage conversion, underlying operating cash flows totalled $22.0 million or a conversation rate to EBITDA of 75.6%, in the middle of the guidance range of 70-80%.

EML ended the year with $33.1 million in cash and $31.8 million of breakage accruals, which will convert to cash over the coming 12-36 months. During the year we also drew down a $15.0 million loan with a major Australian bank to facilitate the purchase of Flex-e-Card. Our gearing remains highly conservative given total debt is less than half of cash on hand at year end.

Business Development Update

The 2019 financial year saw a continuation of our progress with respect to new contract signings, new program implementations and product development.

A number of highlights in the year were:

Sports Betting in the US: We launched our first GPR program with Pointsbet in New Jersey in January 2019 and subsequently signed an agreement with bet365 for their programs in the USA, which we expect to launch in early FY20. Sports betting has now been legalised in 11 states and we remain focused on signing additional contracts and to expand with our existing customers into other states.

Growth in Salary Packaging: We have continued to increase our penetration of the Salary Packaging vertical in Australia. When we launched the programs on July 1, 2017 we transitioned 112,000 benefit accounts and ended this financial year with 175,000 benefit accounts representing organic growth of 56% over 2 years. In May 2019, we announced an eight year agreement with Smart Salary which will see an additional 100,000 accounts transition to EML by April 2021.

ECE Launch: The Group completed its launch with ECE in Germany in October 2018. ECE is the largest owner and operator of shopping malls in the country with 90 malls under management and the group will benefit from a full year contribution from this program in FY20.

Acquisition of PerfectCard: On 4 July 2018, we acquired PerfectCard, Ireland's first authorised eMoney institution and a FinTech company providing incentive gift cards and corporate expense solutions. During the financial year we migrated all of our programs from sponsor issuance to self-issuance under own license. We incurred an expense of $0.4 million in FY19 but having completed that project we would expect to see increasing gross margins in our European business.

Acquisition of Flex-e-Card: On 28 June 2018 we closed our acquisition of Flex-e-Card, increasing our portfolio of mall gift card programs by 226 to over 900 programs worldwide and expanding our geographic presence to include Poland and the United Arab Emirates. As with the PerfectCard team in Ireland, we are excited to welcome the Flex team to EML. GDV growth in July 2019, the first month of contribution, was ahead of our investment case driven by Poland, Italy and the UAE in particular.

Pays Technology Launched: We officially launched our new mobile-based products utilising Pays technology in Australia (Apple Pay, Google Pay and Samsung Pay) to enable our clients to reach their customers instantly and we remain excited about the global pipeline of opportunities for this innovative product. We expect to launch the offering in Europe and North America during the back half of calendar 2019.

Please also refer to EML's Investor Presentation lodged with the ASX today for more detailed information.

About EML Payments Limited

With EML, you will be empowered with more control, transparency and flexibility over your payment processes. Whether you serve businesses or consumers, EML makes your payment processing more efficient and secure from start to finish, while helping you improve customer service and increase brand loyalty.

Our portfolio offers innovative financial technology that provide solutions for payouts, gifts, incentives and rewards, and supplier payments. We issue mobile, virtual and physical card solutions to some of the largest corporate brands around the world, processing billions of dollars in payments each year, and manage more than 1,400 programs across 23 countries in North America, Europe and Australia.

For more information on EML Payments Limited, visit: EMLpayments.com

For further information, please contact:

Tom Cregan
Managing Director and Group Chief Executive Officer
EML Payments Limited
M: 0488 041 910
E: tcregan@emlpayments.com.au

Rob Shore
Group Chief Financial Officer
EML Payments Limited
M: 0419 590 128
E: rshore@emlpayments.com.au

APPENDIX 4E

Preliminary Final Report

EML PAYMENTS LIMITED
93 104 757 904

1. Details of the reporting period and the previous corresponding period	
	• Current period: 1 July 2018 to 30 June 2019 • Previous corresponding period: 1 July 2017 to 30 June 2018

2. Results for announcement to the market			
	Key information	**Percentage change**	**Year ended 30 June 2019 $'000**
2.1	Revenues from ordinary activities	37%	97,195
2.2	Profit/(Loss) from ordinary activities after tax attributable to members	275%	8,268
2.3	Net profit / (loss) for the period attributable to members	143%	11,715
	Dividends	**Amount per security**	**Franked amount per security**
2.4	Final dividend	-	-
2.5	Record date for determining entitlements to the dividend	N/A	
2.6	**Commentary on results for the financial year** Refer Annual Report Attached.		

3. Consolidated Statement of Comprehensive Income	
	Refer Annual Report Attached.

4. Consolidated Statement of Financial Position	
	Refer Annual Report Attached.

5. Consolidated Statement of Cash Flow	
	Refer Annual Report Attached.

6. Consolidated Statement of Change in Equity	
	Refer Annual Report Attached.

7. Dividend	
	It is not proposed to pay dividends.

8. Dividend reinvestment plan	
	There is no dividend reinvestment plan in operation.

9. Net tangible assets per security			
		Year ended 30 June 2019 $	Year ended 30 June 2018 $
	Ordinary shares	0.16	0.26

10. Control gained or lost over entities during the financial year		
	Name of entities where control was gained during the financial year	**Date control gained**
	PerfectCard DAC	4 July 2018
	PerfectCard IT Limited	4 July 2018
	Flex-e-Card Limited	28 June 2019
	Flex-e-Card International DMCC	28 June 2019
	Name of entities where control was lost during the financial year	**Date control lost**
	None	N/A

11. Investment in associates and joint ventures	
	Not applicable.

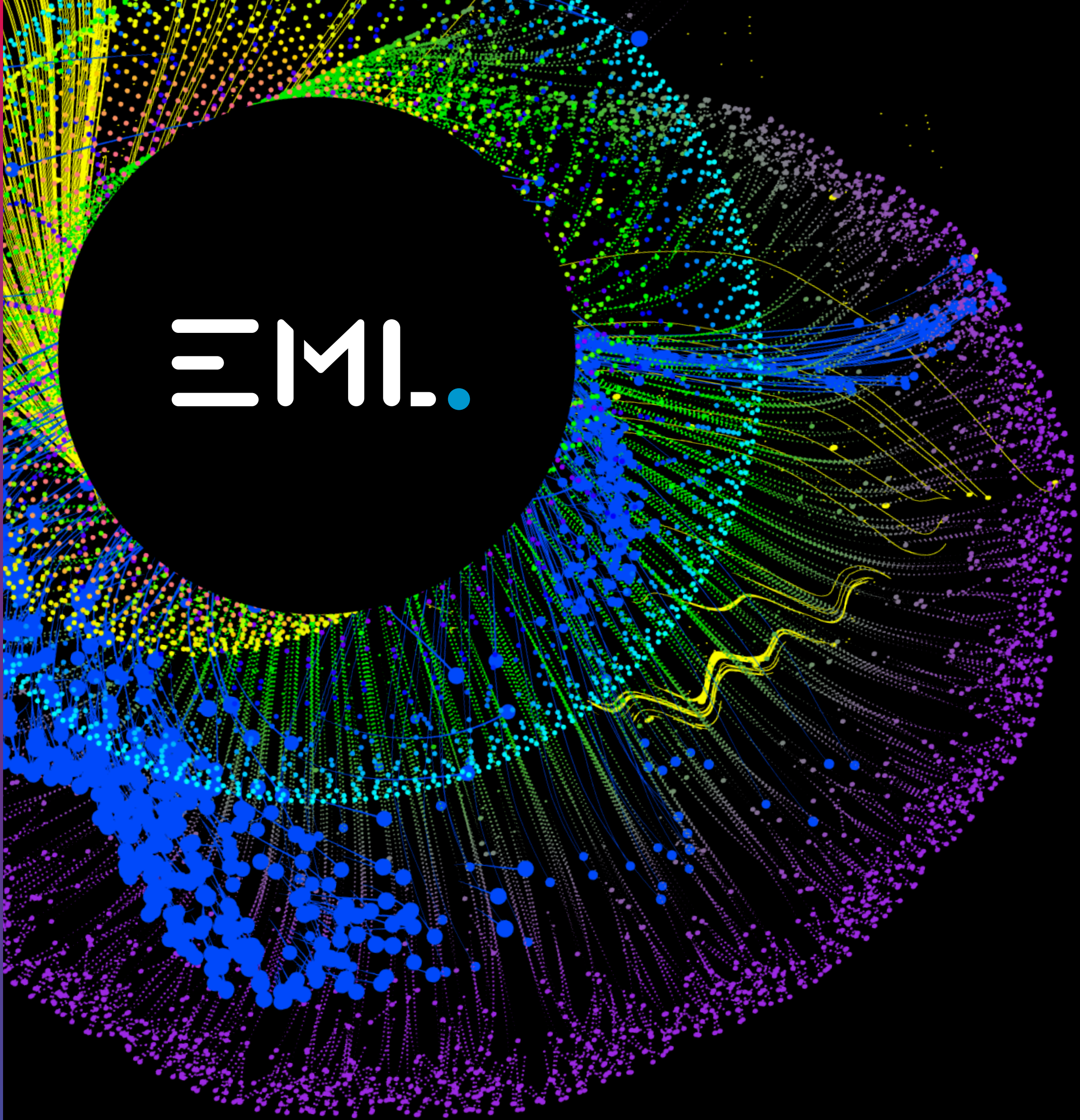
12. Other information	
	Refer Annual Report Attached.

13. Foreign entities	
	Refer Annual Report Attached.

14. Commentary on results for the period	
	Refer Annual Report Attached.

15. Audit	
	The accounts have been audited and an unqualified opinion has been issued.

16. Attachments	
	The Annual Report of EML Payments Limited for the year ended 30 June 2019 is attached.



2019 Annual Report.

Money in Motion

Our financial results at a glance.

GDV ($)

9.03b ▲34%

REVENUE

97.2m ▲37%

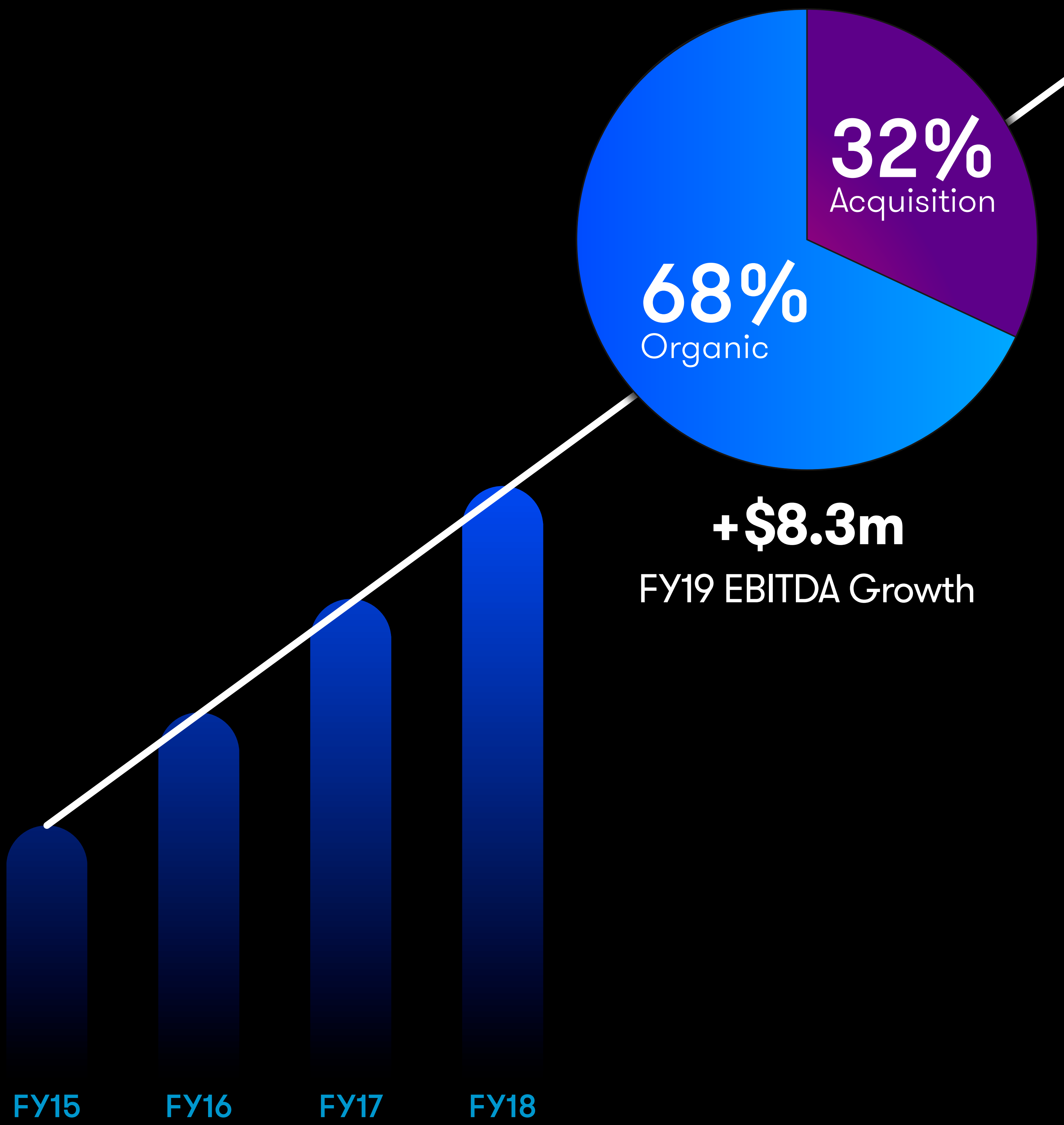
EBITDA ($)

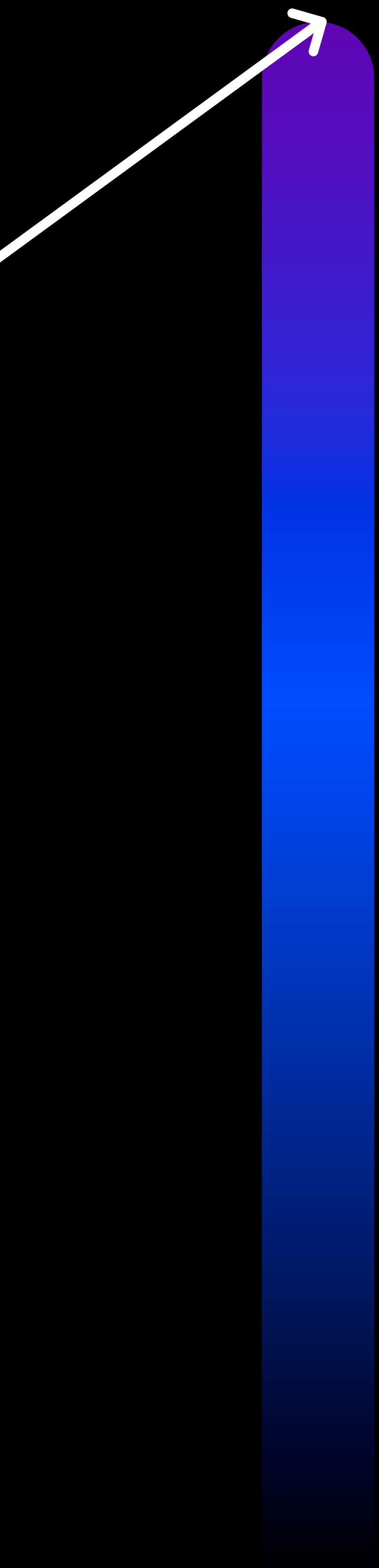
29.1m ▲ 40%

NET PROFIT AFTER TAX ($)

8.5m ▲ 283%

Track record of growth.





FY19

82%

5 YR EBITDA CAGR

2015

GDV	0.52B
EBITDA	2.6M
HEADCOUNT	55
COUNTRIES	10

2019

GDV	9.03B
EBITDA	29.1M
HEADCOUNT	223
COUNTRIES	23

The people behind our business.

We are proud of the expertise and professionalism of our teams across our global business. As part of our focus on People and Culture EML re-designed our remuneration approach - to simplify it, make it fairer, more transparent and strengthen alignment with our long-term value creation objectives.

We continue to focus on attracting and developing talent as we accelerate the growth of our business and have implemented an all employee short term incentive plan in FY19. Our first employee engagement survey has been completed and will guide our initiatives in future years as we recognise a motivated and engaged team is critical to our ongoing success.

STAFF

275

COUNTRIES

23

OFFICES

5 Primary office locations
+ 5 Satellite locations

PEOPLE IN I.T. ROLES

1:4

One Team.

Openness.

Simplicity.

5- YEAR PERFORMANCE OVERVIEW

($ Thousands)	FY 2015 $'000	FY 2016 $'000	FY 2017 $'000	FY 2018 $'000	FY 2019 $'000
HEADCOUNT	55	150	170	182	275
ACQUISITIONS	1	1	-	1	2*
COUNTRY COUNT	10	13	13	21	23
TOTAL GROSS DEBIT VOLUME					
General Purpose Reloadable (GPR)	245,013	456,927	1,272,366	3,348,467	2,739,337
Gift & Incentive (G&I)	277,553	311,721	661,010	737,371	1,059,983
Virtual Account Numbers (VANS)	-	217,595	2,489,398	2,666,372	5,231,591
TOTAL GROSS DEBIT VOLUME	**522,566**	**986,243**	**4,422,774**	**6,752,210**	**9,030,911**
REVENUE	14,437	23,311	57,960	71,020	97,195
EBITDA	**2,630**	**5,040**	**14,521**	**20,760**	**29,134**
Depreciation and amortisation	(2,690)	(3,694)	(10,076)	(8,798)	(10,267)
Share-based payments	(5,104)	(2,073)	(5,317)	(4,986)	(4,214)
Other expenses	(647)	(1,023)	(1,249)	(1,990)	(5,627)
NPBT	(5,811)	(1,750)	(2,121)	4,986	9,026
Tax benefit/(expense)	8,668	1,838	2,130	(2,778)	(576)
NPAT	2,857	88	9	2,208	8,450
Less: Profit Attributable to Non-controlling interests	-	-	-	-	(182)
Net Profit after tax attributable to equity holders of the parent	**2,857**	**88**	**9**	**2,208**	**8,268**
KEY OPERATING DATA					
Gross Debit Volume Growth %		89%	348%	53%	34%
Revenue Growth %		61%	149%	23%	37%
EBITDA Growth %		83%	185%	43%	40%
EBITDA Margin %		22%	25%	29%	30%

*Flex-e-Card Group was acquired on 28 June 2019 is consolidated onto the 30 June 2019 balance sheet and did not contribute to earnings in the FY19 year.

Contents.

Chairman's Report.

EML Payments Ltd ('EML') has delivered another successful year. We are proud of our seven-year continuous growth, into a diversified global payments business with Gross Debit Volume ('GDV') in excess of $9 billion. Built on the strong foundations of our payment solutions capability, our global footprint and the strength of our talented team across the world, our core competencies will continue to drive expansion in years to come.

Since inception, EML has focused on long-term value creation for our shareholders through growth and diversification of geography, product and customers targeting profitable and cash generative opportunities in a fast growing industry. Over the last seven years, our EBITDA has grown at a CAGR of 82% demonstrating our ability to deliver sustainable growth, both organically with growth from existing customers and new customers launching our technology, and through targeted acquisitions. In FY19 this trend has continued with organic growth from existing and new customers delivering approximately 68% of EBITDA growth and 32% from acquisitions.

The Group delivered another set of record financial results with EBITDA up 40% on FY18 to $29.1 million on Gross Debit Volume ('GDV') in excess of $9.0 billion. Our headline results show revenue growth of 37% to $97.2 million and gross margins remain steady at 75.1%. Our Balance Sheet remains very strong with cash of $33.1 million with $15.0 million of debt from a major domestic bank, following the acquisition of Flex-e-card. This facility provides us with flexibility for future acquisition opportunities given the strong underlying operating cash inflows for the year of $22.0 million (76% of EBITDA).

Our FY19 results include PerfectCard DAC ('PFC') following our acquisition of a majority shareholding (74.86%) on 4 July 2018. In its first year of ownership, PFC has exceeded our investment case GDV, Revenue and EBITDA. We have expanded the use of their eMoney licence (regulated by the Central Bank of Ireland) and transitioned the majority of our BIN sponsor issued programs to Self-Issuance in the year. PFC remains important in reducing the risks associated with Brexit to our European operations. In June 2019 we acquired the remaining minority interest shareholdings for €3.3 million.

On 28 June 2019 we acquired 100% of Flex-e-Card Limited ('FEC') for cash consideration of £21.6 million and welcomed their 52 employees to the Group. FEC is a FinTech company enhancing our Gift & Incentive segment, with 226 shopping centres in Europe and the United Arab Emirates. The acquisition of FEC plus the launch of ECE in Germany, secures our global leadership of the shopping mall vertical.

In Australia, our salary-packaging vertical continues to expand rapidly supporting over 175,000 benefit accounts. We now support all major participants in this vertical after announcing a contract with Smartgroup Limited (ASX: SIQ) in June 2019 who will progressively transition their volumes. We expect to service 250,000 benefit accounts by June 2021.

The EML management team continues to deliver on all financial, strategic and operational targets. We are investing to attract and retain a highly skilled team to deliver on our growth objectives. We have recently formalised our Short Term ('STIP') and Long Term ('LTIP') Incentive Plans. We have also upgraded our offices in Brisbane, Birmingham and Kansas City with Dublin commencing early in FY20. We have also undertaken a company-wide employee engagement survey for the first time.

On behalf of the Board I'd like to thank our clients, staff and shareholders for their support and look forward to continuing our rapid international growth in 2020 and beyond.

Peter Martin
Non-executive Chairman

20 August 2019

5yr GDV Growth
94%

YOY EBITDA growth
40%

% EBITDA conversion to cash
76%

Board of Directors.

PETER MARTIN

Chairman, Non-Executive Director

Appointed on 19 April 2012
Appointed as Chairman on 18 February 2015

MBA (Harvard Business School)
B. Civil Engineering (Monash University)

Mr Martin was formerly the Chief Executive Officer of Rothschild Australia Asset Management (Rothschild) and was a director of a number of Rothschild boards in Australia and overseas. Mr Martin has over 45 years' international commercial experience in marine construction, finance and investment management. Mr Martin has a beneficial interest in 7,655,213 ordinary shares.

DAVID LIDDY AM

Independent Non-Executive Director

Appointed on 27 April 2012

MBA (Macquarie University)
Fellow of the Australian Institute of Company Directors

Mr Liddy has over 43 years' experience in banking, including international postings in London and Hong Kong. He was Managing Director and Chief Executive Officer of Bank of Queensland from April 2001 to August 2011. He is currently a Director of Steadfast Group Limited and a Fellow of the Australian Institute of Company Directors.

Mr Liddy retired as the Chairman of Collection House Limited on 4 November 2016.

Mr Liddy is a member of the Audit and Risk committee, the Remuneration and Nomination committee and the Investment committee. He holds has a beneficial interest in 800,000 ordinary shares.

Board of Directors.

DR KIRSTIN FERGUSON

Independent Non-Executive Director

Appointed on 20 February 2018

PhD (Queensland University of Technology)
B. Law (Hons) (Queensland University of Technology)
B. History (Hons) (University of New South Wales)

Dr Kirstin Ferguson is an independent non-executive director with 10 years' experience across a range of company boards including ASX100, ASX200, government, not-for-profit and significant private companies. Kirstin has considerable expertise as a Remuneration Committee Chair in a range of listed and unlisted contexts.

Dr Ferguson has had a successful executive career as a CEO of an international consulting organisation, as well as senior executive experience in a professional services environment. The earlier part of Kirstin's career was spent as an Officer in the Royal Australian Air Force.

Dr Ferguson has been a non-executive director of SCA Property Group Ltd (ASX:SCP) since 1 January 2015. In the last three years, Dr Ferguson previously served as a non-executive director of Board of CIMIC Ltd (ASX:CIM).

Dr Ferguson does not have a beneficial interest in ordinary shares.

Dr Ferguson is the Chair of the Remuneration and Nomination committee.

THOMAS CREGAN

Managing Director & Group Chief Executive Officer

Appointed on 27 August 2012

MBA (Monash University)
B. Bus (Monash University)

Prior to joining the Group, Mr Cregan was the Executive Vice President of NetSpend Corporation in the USA. NetSpend is a market leader in the pre-paid card industry which was acquired by Total Systems for $1.6bn. Previous roles held include Founder and Managing Director of E-pay Australia and New Zealand Pty Ltd, President of E-pay Americas, and Sales and Channel Management positions at Westpac Bank, Singtel Optus Limited and Mobil Oil Australia. Mr Cregan has a beneficial interest in 16,474,723 ordinary shares and 954,272 options over ordinary shares.

TONY ADCOCK

Independent Non-Executive Director

Appointed on 21 November 2011

MBA (University of Hull)
B. Sc (Hons) (Keele University)
Fellow of the Institute of Company Directors
AICD "Mastering the Boardroom" Order of Merit

Mr. Adcock has more than 30 years' experience in banking and financial services, capital markets and M&A at board, operational and consulting levels across Australia, Asia Pacific, Europe and the US. He has more than 20 years experience as a Chairman, Director and Independent Director across Fintech, Innovative Agri-business, Mining, Oil & Gas

Mr Adcock recently attended the Harvard Business Schools' course on "Board Effectiveness" and Oxfords' Said Business School on "Blockchain strategy".

Mr Adcock was formerly a Partner in PwC Consulting running an Asia Pacific business line and a Treasurer & General Manager in Banking. He was previously a director of Discovery Resources Ltd. Mr Adcock has a beneficial interest in 50,000 Ordinary shares.

Mr Adcock is Chair of the Audit and Risk Committee and a Member of the Investment Committee.

MELANIE WILSON

Independent Non-Executive Director

Appointed on 20 February 2018

MBA (Harvard Business School)
B. Com (Hon) (University of Queensland)

Mrs Wilson has over 12 years' experience in senior management roles across global retail brands including Limited Brands (Victoria's Secret, Bath & Bodyworks – New York), Starwood Hotels (New York), Woolworths/Big W and Diva/Lovisa.
Her experience extends across all facets of retail including: store operations, merchandise systems, online/e-commerce, marketing, brand development and logistics/fulfilment. She also held corporate finance and strategy roles with leading investment banks and management consulting firms including Goldman Sachs and Bain & Company.

Since 2016, Mrs Wilson has served as a non-executive Director of Baby Bunting Group Ltd (ASX: BBN), ISELECT (ASX: ISU) and Shaver Shop Group Limited (ASX: SSG).

Mrs Wilson has a beneficial interest in 40,000 ordinary shares.

Mrs Wilson is the Chair of the Investment committee and a member of the Audit and Risk committee

Company Secretaries.

PAUL WENK

Group General Counsel and Company Secretary

Appointed on 14 November 2018

Bachelor of Laws (Hons.)
Bachelor of Economics
Graduate, Australian Institute of Company Directors

Mr Wenk has been EML Payments' Group General Counsel since July 2018 and EML Payments Company Secretary since November 2018. Prior to joining EML, Mr Wenk was a lawyer with global firm, Herbert Smith Freehills, 13 of them as a Partner. During that time, Mr Wenk gained significant experience acting for financial services clients in advisory, regulatory and litigious contexts.

WINTON WILLESEE

Joint Company Secretary

BBus, DipEd, PGDipBus, MCom, FFin, CPA, GAICD, FGIS/FCIS

Mr Willesee is an experienced company secretary. Mr Willesee has considerable experience with ASX listed and other companies over a broad range of industries having been involved with many successful ventures from early stage through to large capital development projects.

Mr Willesee holds a Master of Commerce, a Post-Graduate Diploma in Business (Economics and Finance), a Graduate Diploma in Applied Finance and Investment, a Graduate Diploma in Applied Corporate Governance, a Graduate Diploma in Education and a Bachelor of Business. He is a Fellow of the Financial Services Institute of Australasia, a Graduate of the Australian Institute of Company Directors, a Member of CPA Australia and a Fellow of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators/ Chartered Secretary.

Mr Willesee was appointed as Joint Company Secretary on 22 December 2017 and resigned on 14 November 2018.

ERLYN DALE

Joint Company Secretary

BCom., GradDipACG, AGIA, ACIS

Ms Dale has a broad range of experience in company administration and corporate governance having held positions as non-executive director and/or company secretary for a number of ASX listed public companies across a range of industries. Ms Dale has completed a Bachelor of Commerce (Accounting and Finance) and a Graduate Diploma of Applied Corporate Governance and is an Associate Member of both the Institute of Chartered Secretaries and Administrators and the Governance Institute of Australia.

Ms Dale was appointed as Joint Company Secretary on 22 December 2017 and resigned on 14 November 2018.

Image Dubai City Scape at Night - Colin Davidson, Head of Region - MENA, Flex-e-Card


noon

Managing Director's Report.

EML Payments is delighted to announce full year 2019 EBITDA of $29.1 million, an increase of $8.3 million (40%) from FY18 EBITDA. Gross Debit Volume ('GDV') continued to increase, up 34% to $9.0 billion whilst revenues increased 37% to $97.2 million.

GDV
9.0bn

EBITDA
29.1m

Number of countries
23
▲ 21 in FY18

The 2019 year for EML was another year of growth, both in financial terms as well as organisational terms.

At the November 2018 Annual General Meeting we provided our first formal financial guidance as a listed company for the FY19 year, in which we forecast Revenues in the range of $90-95 million, EBITDA in the range of $26-28 million and cash flow conversion in the range between 70-80%.

We are pleased to have delivered against every metric. Revenue was $97.2 million (up 37% versus the Prior Corresponding Period or "PCP"), EBITDA was $29.1 million (up 40% versus the PCP) and normalised cash flows from operations were 76% (statutory cash flow conversion was 100%, driven by one-off historical breakage payments in North America.

This is the 5th year in a row where we have generated 30%+ EBITDA growth and whilst we continue to invest in our technology, these results are driven by people, and one of the benefits of scale is our ability to invest in our people.

Our employees are at the heart of the Group's success and we are proud of the expertise and professionalism of our teams. During the year the Group successfully recruited a number of talented senior managers from well-established organisations, including Brandon Thompson (Chief Commercial Officer), Kristen Shaw (Chief People Officer), Paul Wenk (General Counsel) and Jamison Jaworski (CEO, EML Americas); our "bench strength" has never been better.

We are also pleased when we can promote from within, with Robert Shore stepping into the Group Chief Financial Officer role, Eric Mettemeyer taking on the role of Chief Corporate Development Officer / M&A, and Richard Anderson as our first Group Chief Marketing Officer, all of which continues to build on our flexibility and cross-functional knowledge within EML. Our acquisition of Perfectcard DAC and Flex-e-Card sees our leadership team welcome Nikki Evans and Neil Wake.

As part of our focus on People and Culture, EML re-designed our remuneration approach - to simplify it, make it fairer, more transparent and strengthen alignment with our long-term value creation objectives. Most important was the inaugural implementation of an all employee short-term incentive plan.

Beyond remuneration, we have invested in employee engagement, ensuring that we value our employees' right to have their say. The results of these will be used to influence ongoing enhancements to our initiatives and programs. Our initiatives for 2020 will include expanding the career paths available to our team members. We will also continue to focus on attracting and developing talent as we accelerate the growth of our business.

Along with a new brand in FY19, we created a new mission statement, in which "EML creates awesome, instant and secure payment solutions, used by our customers to stay connected to their customers, anytime, anywhere, wherever money is in motion". We take our mission statement seriously, but mission statements come to life based on the people that are in any company – they can be bland "wall-art" or something that motivates every one of us every day, and being an employer of choice and having a motivated and engaged team is critical to the latter outcome.

The fact we have been able to beat our guidance metrics, despite making these investments, is a positive sign, because it demonstrates that as the business grows, we can self-fund these investments whilst still providing strong returns for shareholders.

The FY19 year was an important one in terms of product and business development initiatives that will drive long-term growth for the company. We closed the acquisition of Flex-e-Card and became the largest provider of gift card solutions to the global shopping mall industry, where we now support in excess of 900 malls worldwide. We launched our first Reloadable card to support the US gaming industry in New Jersey with Pointsbet in January 2019, signed an agreement for bet365 and are well advanced on other discussions in this market, which we believe represents a 5-10 year growth opportunity as states legalise online sports betting.

We expanded our presence in the Australian Salary packaging vertical with the announcement of an 8-year agreement with Smart Group, which will see our portfolio expand from 175,000 benefit account holders at year end to approximately 250,000 by the end of FY21. And from a product perspective, we launched a fully integrated mobile payments solution in Australia on the Apple-pay, Google-pay and Samsung-pay wallets, and we expect to launch these in North America and Europe in the coming months.

Innovation is in our DNA and it's evident in our investment in products, technology and business development, and we expect that investment to continue. As a payment technology company that exists in some ways because it disrupts traditional financial industry verticals, one of our risks is becoming complacent and not continuing to invest in disruptive solutions.

We intend to guard against that by creating a stand-alone innovation hub in FY20, and to make sure that whether we are leaders in a certain industry vertical, or are just building a presence in a certain industry vertical, we will be focused on not resting on our laurels and ensuring that we are providing the best solutions to our current and prospective customers.

On behalf of EML, I'd like to thank our customers, suppliers and shareholders for your support over the last 12 months. I'd also like to thank the EML team for delivering the best outcomes for our customers every day and for coming to work inspired to drive financial innovation.

Yours sincerely,

Thomas Cregan
Managing Director

20 August 2019

Global Executive team.

THOMAS CREGAN
MANAGING DIRECTOR & GROUP CEO

ROBERT SHORE
GROUP CHIEF FINANCIAL OFFICER

ANDREW BETTS
CHIEF GROUP RISK OFFICER

BRANDON THOMPSON
GROUP CHIEF COMMERCIAL OFFICER

PAUL WENK
GROUP GENERAL COUNSEL

KRISTEN SHAW
GROUP CHIEF PEOPLE OFFICER

RICHARD ANDERSON
GROUP CHIEF MARKETING OFFICER

JASON NADLER
GROUP CHIEF TECHNOLOGY OFFICER

Gift & Incentive. (G&I)

The Gift & Incentive segment provides single load gift cards for shopping malls and incentive programs across the world. Providing services to over 900 shopping malls globally, our partners include many of the largest retail property groups. We manage programs in all our regions across multiple markets and industries.

Gross Debit Volume on Gift and Incentive programs increased 44% to $1.1bn in FY19 driving revenue growth of 42% to $66.4m in FY19.

EML grew the G&I segment organically with new programs and verticals in particular the launch of 90 additional malls and two multi-retailer gift card programs in Europe. In North America, EML signed an incentive partner that works with clients in various industries including healthcare, automotive, financial services and government agencies. EMLs' solutions enable their clients to reward and incent their consumers utilizing a prepaid card. One program, launched in March of 2019, provides an incentive card solution for health insurance clients to reward consumers for getting health check-ups with a single load Visa prepaid card.

In Australia, EML provided an innovative solution to salary packaging GPR customers at the end of the FBT year.

Customers purchased a single load card with unused salary packaging funds to bring a valuable service to cardholders and leverages two EML products to increase GDV per customer.

We acquired EML Payments AB in the Nordics (February 2018), PerfectCard in Ireland (July 2018) and Flex-e-Card who provide programs across Europe and in the UAE (June 2019). All acquisitions are performing ahead of our investment cases and will contribute to the continued growth of this segment.

Finally, EML launched an innovative instant gift product allowing gift, incentive and promotional companies to send money instantly to a Apple, Samsung or Google digital wallets. This solution has a wide range of applications from large public promotions to instant payment of an insurance settlement. With this product, EML can offer an end to end digital solution that is fast, secure and involves no plastic or inventory.

FINANCIAL HIGHLIGHTS

GDV

1.1bn

▲ 44%

REVENUE

66.4m

▲ 42%

GDV:REVENUE

626bps

▼ 1%

GROSS PROFIT

52.4m

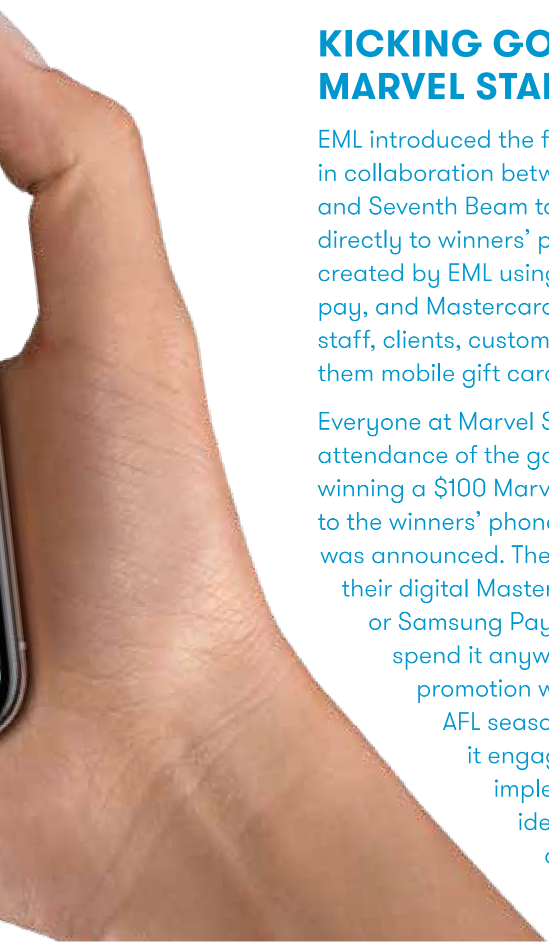
▲ 43%

PERFECTCARD

PerfectCard ('PFC') joined the Group on 4 July 2019. PFC was Ireland's first authorised eMoney institution and a FinTech company providing incentive and corporate expense solutions.

PFC is regulated by the Central Bank of Ireland and having an Irish eMoney license allows EML to self-issue regulated payment products across the European Union without the need for external third party bin sponsors, resulting in cost savings and provides our customers with greater regulatory certainty.

EML has transitioned the majority of our progams in Europe from our previous sponsor banks to PFC.



KICKING GOALS AT MARVEL STADIUM WITH PAYS

EML introduced the first of its kind Rewards promotion in collaboration between Marvel Stadium, Disney, ESPN, and Seventh Beam to deliver $100 Marvel gift cards directly to winners' phones. The Innovative technology created by EML using Apple Pay, Google Pay, Samsung pay, and Mastercard, allows customers to engage staff, clients, customers, or suppliers by sending them mobile gift cards instantly to their phones.

Everyone at Marvel Stadium was invited to guess the attendance of the game, with the closest 10 guesses winning a $100 Marvel gift card, delivered instantly to the winners' phones as soon as the attendance was announced. The winners can then instantly add their digital Mastercard to Apple Pay, Google Pay or Samsung Pay digital wallet, and immediately spend it anywhere that accepts Mastercard. This promotion will run for the remainder of the 2019 AFL season and we're excited not only to see it engage fans, but also for how this initial implementation will trigger additional ideas on how this technology can change customer engagement.

FLEX-E-CARD

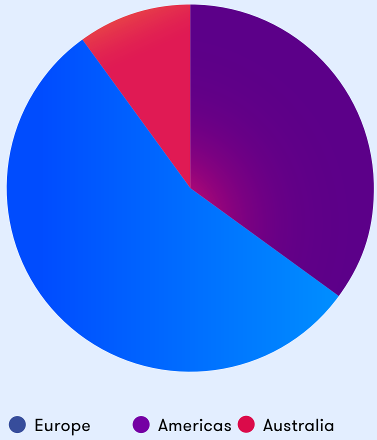
EML acquired 100% of Flex-e-Card ('FEC'') on 28 June 2019 for total consideration of $39.9m (refer note F6).

FEC is a FinTech company providing gift card solutions to the shopping mall sector, with 226 shopping centres under contract in Europe (principally the United Kingdom, Ireland, Poland, Italy, and Finland), and the United Arab Emirates.

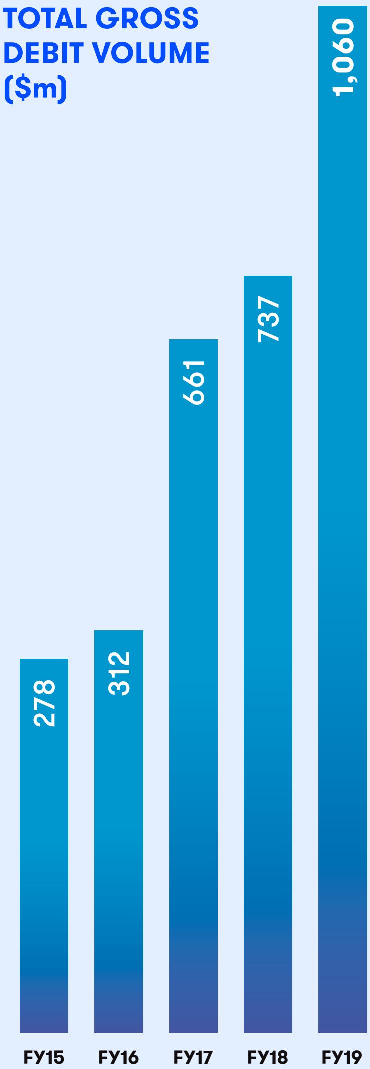
FEC enhances our global leadership of shopping mall vertical, securing EML's global leadership of this segment with more than 900 shopping mall gift card programs under management at the end of FY19.

FEC has had significant success and is demonstrating rapid growth in Poland and the United Arab Emirates where EML did not operate. FECs' operations in the UAE include incentive programs for car dealerships, which represents a sizeable growth opportunity.

FEC staff are specialists in the mall space and bring significant expertise to EML. We welcome Neil Wake, Managing Director of FEC and his team to the Group.



TOTAL GROSS DEBIT VOLUME ($m)



General Purpose Reloadable ('GPR')

EML continues to grow General Purpose Reloadable ('GPR') programs in three key verticals across our global operations. The EML GPR solution is a full-service offering including issuance, processing and program management to a wide range of industries.

Gross Debit Volume on General Purpose Reloadable Cards declined 18% to $2.7bn. Despite this, the GPR segment generated revenue growth of 11% to $23.9m from a favorable change in program mix.

GDV from our Australian gaming payouts vertical grew by 22% over FY18 demonstrating continued strong demand for an established product. EML launched new programs in North America and Europe including bet365 & PointsBet in New Jersey and betsson in Sweden. Our innovative solution for the nascent USA market includes functionality to accept loads via credit or debit card to the GPR product to support partners. The organic growth of existing programs in Australia and the launch of new programs and partnerships in the Americas and Europe led to an overall increase of GDV in the gaming vertical of 25% on FY18 to reach $0.7bn.

EMLs' salary packaging vertical increased to over 175,000 active benefit accounts up from 112,000 on launch in July 2017. EML expects to provide services to more than 250,000 benefit accounts by June 2021 as we transition the remainder of Smartgroups' benefit accounts to our solution.

EML launched two new GPR programs in Europe with alternative banking providers, Instabank (Nordics) and Swirlcard (Ireland). EMLs' solutions include delegated authorisation which allows partners to make authorization decisions at the individual transaction level. Our solutions provide loan providers an end to end solution for a card product whilst retaining control of loan decisioning.

The diversity of programs launched in gaming, salary packaging and alternative banking shows the flexibility and strength of the EML GPR offering.

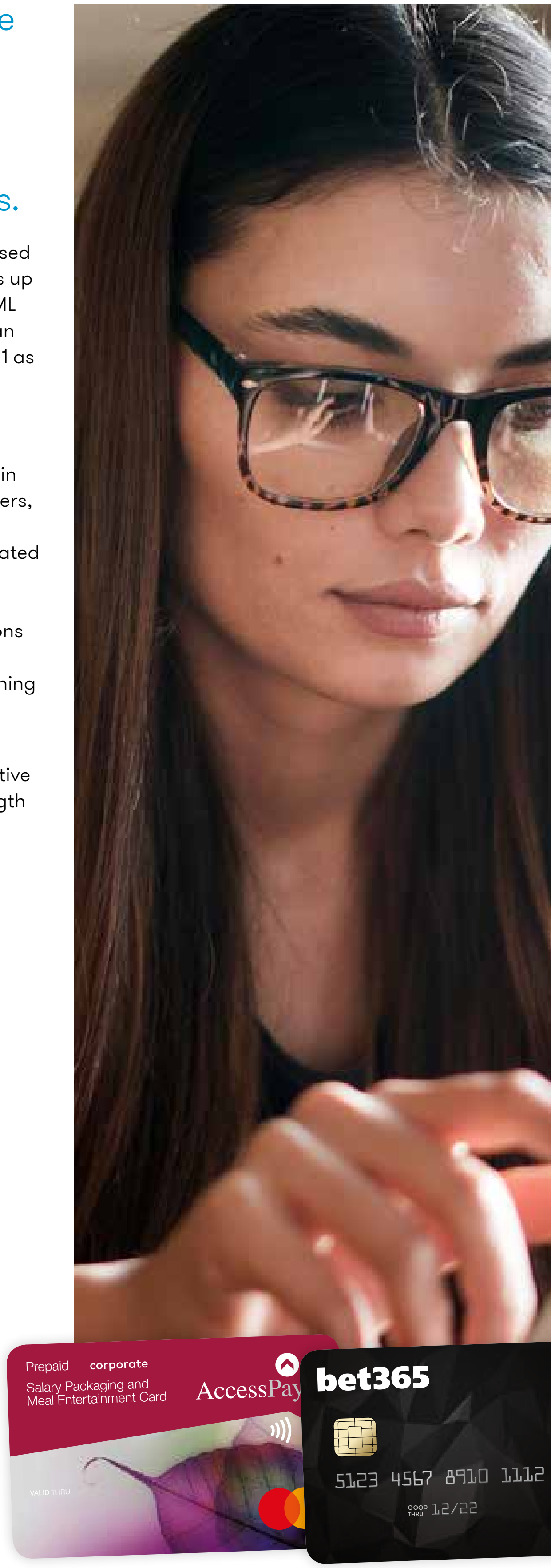
FINANCIAL HIGHLIGHTS

GDV
2.7bn
▼ 18%

REVENUE
23.9m
▲ 11%

GDV:REVENUE
87bps
▲ 34%

GROSS PROFIT
15.8m
▲ 12%



Consumer finance with delegated authorisations

EML's innovative solution

Through delegated authorisation EML provides revolutionary hybrid technology providing a GPR chip and PIN contactless MasterCard to our partner. Consumers can instantly access the service provided by the partner for real time POS, ATM and online purchases.

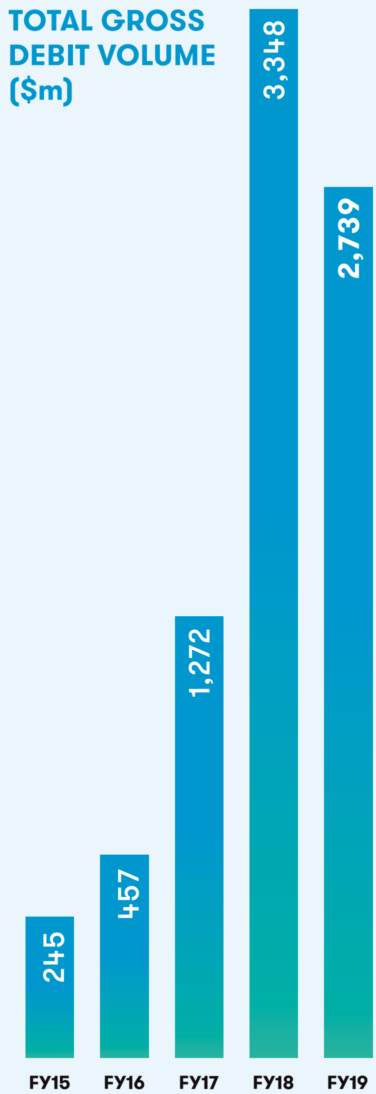
Authorisation is delegated to the partner who approves/declines the transaction depending on whether the consumer has approval to do so from the partner. The consumers card is loaded and settled simultaneously in real time.

With Instabank, consumers can instantly access credit on the go from Instabank at POS, online or ATM. (anywhere Mastercard is accepted)

Consumers experience a seamless transaction that moves funds in real-time via EML's Delegated Authorization Webservices API to the Instapay card from the Instabank Flexible Loan balance.

Instabank is a registered bank regulated by the Norwegian FSA.

Hybrid credit/ prepaid card | **Delegated authorisation** | **Real time load and settlement**



Virtual Account Numbers ('VANS').

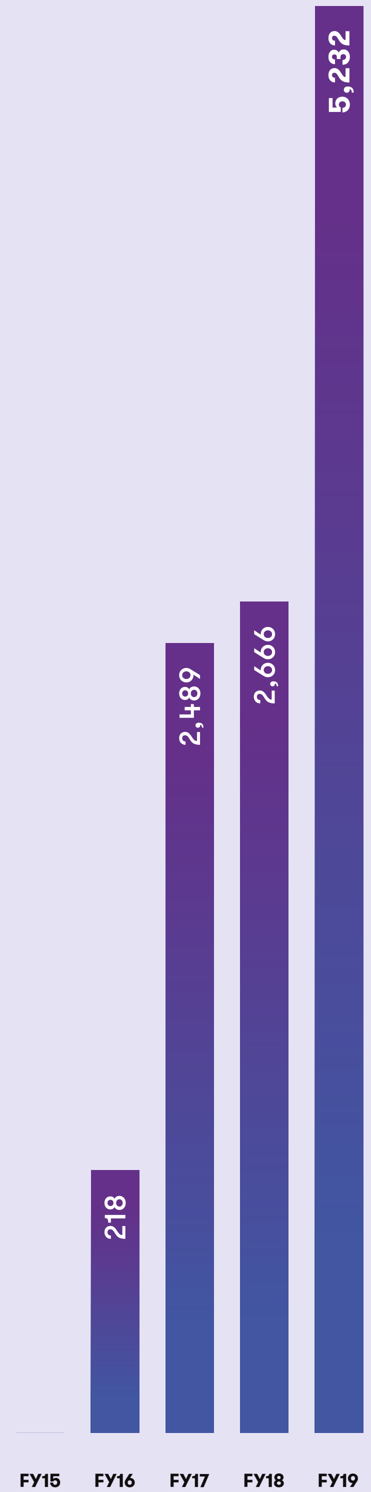
EML provides businesses a competitive edge with proprietary technologies and custom solutions for Virtual Account Numbers.

Gross Debit Volume for the segment increased 96% to $5.2bn in the financial year with revenue increasing by 165% to $6.4m.

The EML platform gives our customers the ability to issue multiple payment types without changing internal processes; saving money and administration costs while improving transparency and control. As an issuing processor, certified program manager and full-service payment provider, EML streamlines end-to-end payments.

Two existing VANs clients, both bill payment providers in the US, drove significant transaction growth in FY19. The exit processing run rate from the last month of the FY19 year was $700m per month.

TOTAL GROSS DEBIT VOLUME ($m)



FINANCIAL HIGHLIGHTS

GDV
5.2bn
▲ 96%

REVENUE
6.4m
▲ 165%

GDV:REVENUE
12bps
▲ 33%

GROSS PROFIT
4.4m
▲ 111%

Image Dubai City Scape - Colin Davidson, Head of Region - MENA, Flex-e-Card

Performance Overview.

FY19 delivered a record year, GDV increased to $9.0 billion in FY19, up 35% on PCP (2018: $6.75 billion) with significant growth in the Gift & Incentive ('G&I': up 43.8%) and Virtual Account Numbers ('VANS': up 96%) segments. The Group achieved record EBITDA of $29.1 million for the year ending 30 June 2019, inclusive of acquisition costs as noted above, which represent an EBITDA margin of 30.0% up from 29.2% in the prior year.

The net result of operations for the year was a profit after income tax of $8,450,000 (2018: $2,208,000).

	FY 2019 $'000	FY 2018 $'000	GROWTH
TOTAL GROSS DEBIT VOLUME			
General Purpose Reloadable (GPR)	2,739,337	3,348,447	(18%)
Gift & Incentive (G&I)	1,059,983	737,381	44%
Virtual Account Numbers (VANS)	5,231,591	2,666,382	96%
TOTAL GROSS DEBIT VOLUME	**9,030,911**	**6,752,210**	**34%**
REVENUE	97,195	71,020	37%
Gross Profit	**73,015**	**53,301**	**37%**
Gross Profit %	75%	75%	(-%)
Overheads – employment related	(29,079)	(21,945)	33%
Overheads – other	(15,516)	(11,693)	33%
Acquisition related costs	(567)	(280)	103%
Research and Development tax offset	1,281	1,377	(7%)
EBITDA*	**29,134**	**20,760**	**40%**
LESS			
Depreciation and amortisation expense	(10,267)	(8,798)	17%
Share-based payments	(4,214)	(4,986)	(15%)
Research and development tax offset included above	(1,281)	(1,377)	(7%)
Other non-cash items	(4,346)	(613)	609%
Profit for the year before tax	**9,026**	**4,986**	**81%**
Tax (including Research and development tax offset)	(576)	(2,778)	(79%)
Net profit for the year	**8,450**	2,208	283%

* EBITDA is reconciled above and disclosed within the Directors' Report 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 non-cash unrealised foreign exchange included within the Statement of Profit or Loss and Other Comprehensive Income. The analysis of results below is primarily based on EBITDA so as to align the information that is given to users of financial reports to the way the Directors view the business and to assist better understanding of the Group's performance. The Directors believe that EBITDA is the most appropriate measure of maintainable earnings of the Group and therefore best reflects the core drivers and ongoing influences upon those earnings. The Directors also link the Group CEO and Senior Executives' short and long term incentives to EBITDA as detailed in the remuneration report.

The key drivers for the movement in the net profit for the year were:

FINANCIAL GROWTH

- Growth in the G&I segment was balanced with organic volume increases (65.1% of GDV growth) including the launch of large German malls customer ECE in October 2018 and the full year impact of our acquisitions (34.9% of GDV growth) of EML Nordics AB (February 2018) and PerfectCard Group (July 2018). There was no GDV contribution from our acquisition of Flex-e-Card on 28 June 2019.
- Growth in the VANS segment GDV is entirely organic with notable increases in volumes processed for PPS and BillGo. Processing run rate is now $700 million per month converting to revenue at 12bps.
- GDV in the General Purpose Reloadable ('GPR') segment declined $609 million (18.1%) due to lower volumes processed for LuLaRoe. Excluding this customer, GPR segment volumes increased $218 million (15.2%) on the prior year with strong growth in Australian Salary Packaging (GDV up 17.8% to $0.8 billion) and gaming payout cards. Gaming cards increased to 13 programs across 4 countries with GDV of $0.7 billion, 7% of total Group GDV. Despite lower volumes in our GPR segment, a shift towards higher converting programs increased revenue to a record $23.9 million, up $2.3 million on FY18.
- Group Revenue increased by 37% to $97.2 million, a yield on GDV of approximately 108bps up 3bps from the prior year. 87.1% of the Group's revenue is from recurring revenue sources, the continued increase reflecting a low customer churn rate.
- Gross Profit margins were in line with PCP at 75.1% (FY18: 75.1%) despite costs of $0.5 million incurred in the year to exit BIN sponsorship contracts and transition to self-issuance. These one off costs have been fully expensed and will benefit the Group's Gross Profit margins in future years.

EXPENSES

- Employment related expenses were $29.1 million (2018: $21.9 million) up 32.5% on PCP due to recruitment of senior executives to manage the increasing scale and complexity of the Group's operations, the acquisition of EML Nordics, PerfectCard and the establishment of a global Short-Term Incentive Plan. At the end of June the Group had 223 FTE (excluding Flex-e-Card employees) (2018: 182) supporting revenue growth of 36.5%. Employment related expenses make up 65.5% of total Group overheads reflective of the nature of our business. The Group continues to leverage its growth efficiently with employment costs as a percentage of revenue falling to 29.9% from 30.9% in PCP despite the investments noted above to attract and retain talent.
- Other overhead expenses increased 30.6% to $34.5 million as the Group's operations have expanded to include a regulated business in Ireland, a further three offices in Sweden & Ireland and higher spend on marketing to support continued growth. The Group incurred acquisition costs of $0.6 million primarily in relation to the acquisitions of PerfectCard DAC and Flex-e-Card Limited.
- The Group received a $1.3 million benefit from R&D Tax Concession programs in Australia and the United Kingdom. R&D tax concessions continue to be included in the EBITDA measure as this is a refund of expenditure previously incurred. Costs are predominantly internal employment costs, expended on qualifying research and development activities that the Group undertakes to continue offering innovative market leading products.
- Share-based payments expense is down 15% on PCP to $4.2 million and primarily relates to the amortisation of the performance options awarded to the management of the North America business as part of the initial acquisition agreement. A total of 6.2m options were granted (Series 16) vesting in September 2019 as the North America business achieved EBITDA targets.

FINANCIAL POSITION

- PerfectCard (acquired July 2018) is included for the first time and the full year impact of EML Nordics AB (acquired February 2018). The acquisition of Flex-e-Card Limited ('FEC'), completed immediately prior to year-end on 28 June 2019, has not contributed to the Income Statement however their assets and liabilities are consolidated into the Group Statement of Financial Position.
- The breakage accrual of $31.8 million represents the residual portion of funds on Gift & Incentive accounts that the Group has previously sold and expects to convert to cash. Included in this balance is $6.9 million in relation to PerfectCard, and $4.9 million in relation to Flex-e-Card, both entities acquired in the year.

Performance Overview.

($ Thousands)	FY 2019	FY 2018	GROWTH ON PRIOR COMPARATIVE 12 MONTHS
SUMMARY FINANCIAL POSITION			
Cash and cash equivalents	33,085	39,006	(15%)
Contract asset	31,828	19,826	61%
Receivable from financial institutions[1]	244,824	67,714	262%
Other short term receivables and other current assets	17,712	12,300	44%
Investments and other long term assets	16,696	12,663	32%
Deferred tax asset	22,653	18,783	21%
Plant and equipment	5,355	3,481	54%
Goodwill and intangibles	104,554	65,767	59%
Total assets	**476,707**	**239,540**	**99%**
Liabilities to stored value account holders[1]	244,824	67,714	262%
Deferred tax liabilities	7,315	5,410	35%
Interest-bearing borrowings	15,000	-	100%
Other liabilities	65,337	36,643	78%
Total Liabilities	**332,476**	**109,767**	**203%**
Total Equity	**144,231**	**129,773**	**11%**
Cash flows from operating activities	29,162	6,372	358%
Cash flows from investing activities	(49,818)	(6,637)	651%
Cash flows from financing activities	15,014	26	57646%

(1) Receivable from financial institutions and liabilities to stored value account holders offset and relate to products where EML has self-issued the card.

A significant proportion of our deferred tax asset reflects the fact that the Group expects to continue generating taxable income in Australia and the United Kingdom and consequently, under the accounting standards, has recognised carried forward tax losses.

During the year the Group reached agreement with a North American sponsor bank to accelerate the conversion to cash of $7.1 million of previously accrued breakage. The Group will continue to benefit from accelerated cash conversion on these ongoing programs in future periods.

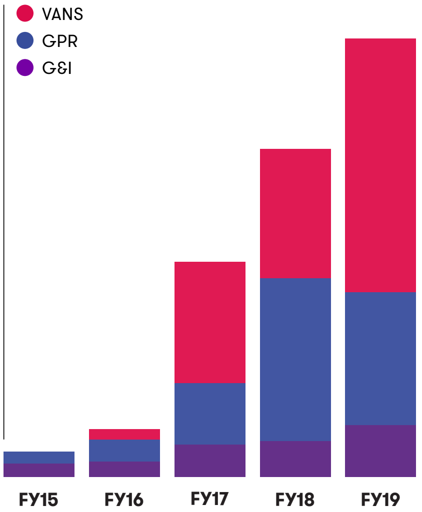
Cash inflows from operating activities totalled $29.2 million due to the Group generating EBITDA of $29.1 million and a one off benefit of $7.1 million from accelerating the conversion of North American breakage to cash. Outside of the one-off cash inflow benefit in North America, the Group converted EBITDA to cash at 75.6% ($22 million).

Cash outflows from investing activities included $44.0 million for the acquisitions of PerfectCard in July 2018 and Flex-e-Card in June 2019 (Note F6). We continued to invest in software development including the mobile Pays product in North America, salary packaging solution in Australia and General Purpose Reloadable programs in Europe and North America (Note E2).

Cash inflows from financing activities included the drawn-down of a debt facility from a major domestic bank of $15.0m and payments received upon exercise of share based payments vested in the year.

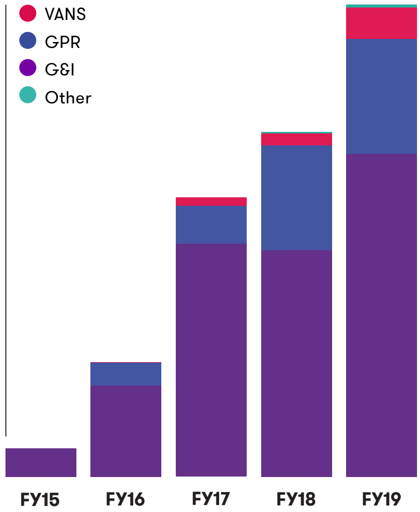
TOTAL GROSS DEBIT VOLUME 2019
(AUD BILLIONS)

$9.03 billion



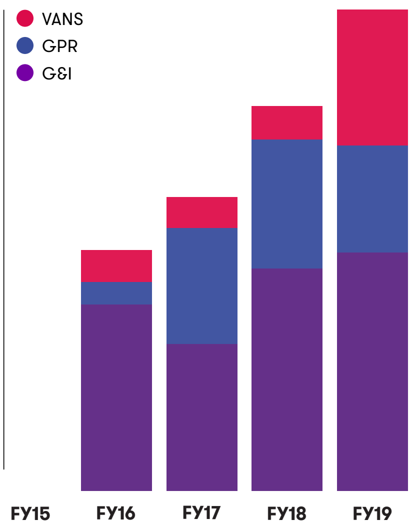
REVENUE 2019
(AUD MILLIONS)

$97.2 million



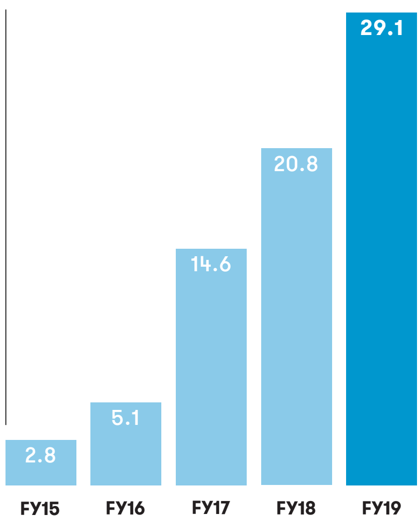
STORED VALUE 2019
(AUD MILLIONS)

$495.4 million



EBITDA 2019
(AUD MILLIONS)

$29.1 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 2019 were as follows:

		BOARD MEETINGS		AUDIT AND RISK COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE		INVESTMENT COMMITTEE	
Directors	COMMITTEE MEMBER	NUMBER OF MEETINGS HELD	NUMBER ATTENDED	NUMBER OF MEETINGS HELD	NUMBER ATTENDED	NUMBER OF MEETINGS HELD	NUMBER ATTENDED	NUMBER OF MEETINGS HELD	NUMBER ATTENDED
Peter Martin	CB	11	10	n/a	n/a	6	6	n/a	n/a
Tony Adcock	CA, I	11	11	4	4	n/a	n/a	7	7
David Liddy AM	A, R, I	11	11	4	4	6	6	7	7
Dr Kirstin Ferguson	CR	11	11	n/a	n/a	6	6	n/a	n/a
Melanie Wilson	CI, A	11	11	4	4	n/a	n/a	7	7
Thomas Cregan	-	11	10	n/a	n/a	n/a	n/a	n/a	n/a

CA – Chair of the Audit & Risk Committee
A – Audit Committee member
CR – Chair of the Remuneration and Nomination Committee
R – Remuneration and Nomination Committee member
CI – Chair of the Investment Committee
I – Investment Committee member
CB – Non-executive Chairman

Interests in Shares and Options of the Company and Related Bodies Corporate

Shares & Share Options

The following shares and share options 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:

Other Executives	SERIES	NUMBER OF ORDINARY SHARES
SHARE OPTIONS		
Thomas Cregan	Series 27	391,566
Thomas Cregan	Series 32[3]	185,994
Robert Shore	Series 28[1]	155,896
Robert Shore	Series 29[2]	99,774
Brandon Thompson	Series 28[1]	231,418
Brandon Thompson	Series 29[2]	148,108

(1) A total of 1,700,131 options were issued under Series 28. The remaining options not disclosed above were issued to non-KMP, further information on the Group's option plans is disclosed in Note F3.

(2) A total of 650,664 options were issued under Series 29. The remaining options not disclosed above were issued to non-KMP, further information on the Group's option plans is disclosed in Note F3.

(3) Series 32, relating to Thomas Cregan's STIP has been recognised for accounting purposes as the service period has commenced. However, shareholder approval will be sought at the AGM during November 2019. In accordance with accounting standards, the temporary Grant date has been taken to be balance date and will be revised upon shareholder approval.

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

Expiry date	OPTIONS SERIES	EXERCISE PRICE	NUMBER OF OPTIONS	CLASS OF SHARE
UNLISTED				
30/09/2019	Series 16	$1.45	5,915,789	Ordinary
30/09/2020	Series 20	$0.00	1,452,281	Ordinary
28/09/2021	Series 21	$0.00	125,085	Ordinary
28/09/2021	Series 22	$0.00	125,084	Ordinary
28/09/2021	Series 23	$0.00	125,083	Ordinary
28/09/2021	Series 24	$0.00	61,275	Ordinary
28/09/2021	Series 25	$0.00	61,275	Ordinary
28/09/2021	Series 26	$0.00	61,274	Ordinary
31/10/2021	Series 27	$0.00	391,566	Ordinary
31/10/2021	Series 28	$0.00	1,700,131	Ordinary
31/10/2021	Series 29	$0.00	650,664	Ordinary
12/11/2019	Series 30	$0.00	43,268	Ordinary
12/11/2019	Series 31	$0.00	43,268	Ordinary
31/10/2021	Series 32[1]	$0.00	185,994	Ordinary
			10,942,037	

(1) Series 32, relating to Thomas Cregan's STIP has been recognised for accounting purposes as the service period has commenced. However, shareholder approval will be sought at the AGM during November 2019. In accordance with accounting standards, the temporary Grant date has been taken to be balance date and will be revised upon shareholder approval.

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.

Grant date	OPTIONS EXERCISED	ISSUE PRICE	NUMBER OF SHARES ISSUED	CLASS OF SHARE
31/12/2015	1,638,300	$0.87	1,638,300	Ordinary
08/12/2016	190,833	$0.00	190,833	Ordinary
19/03/2019	50,000	$0.00	50,000	Ordinary
15/06/2019	700,002	$0.00	700,002	Ordinary
	2,579,135		**2,579,135**	

Directors' Report.

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 the EML Payments Group 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 and Regional Reports.

Rounding

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

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

On 22 July 2019, EML entered into an agreement to purchase software from PayWith Worldwide, Inc. that supports EML's Salary Packaging vertical. EML will pay total cash consideration of USD $1 million and transfer its investment in PayWith Worldwide Inc. (approximately 19%) as part of the purchase consideration. At 30 June 2019, a fair value adjustment of $1,181,000 has been recognised directly in reserves in accordance with AASB 9.

On 10 July 2019, EML received approval from the Central Bank of Ireland to acquire the remaining 25.14% Minority Interest holding in PerfectCard DAC.

In July 2019 EML agreed to buy back a contractual agreement with a Salary Packaging consultant who assisted EML in signing key contracts and navigating the regulatory and taxation requirements. EML was paying a trailing commission stream, which will now cease, in consideration EML has issued 704,878 Ordinary Shares at a cost of approximately AUD $2.0 million, recognised within Share Based Payments expense in FY20.

Except as disclosed above, no other 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.

Likely developments and expected results

The Company will continue to grow volumes by identifying opportunities that offer significant payment volumes and will benefit from customised payment solutions to improve their offerings or current processes. This strategy has been successfully demonstrated with the recent execution of a number of agreements in the salary packaging industry in Australia, Europe and North America and online wagering in the UK. We expect a significant increase in the volumes associated with these Reloadable products in the coming financial years. We continue to identify a number of industries that would offer similar scale to our existing markets and would benefit from customised functionality. In the coming financial years we will continue to improve our product offerings and actively target clients in high volume industries.

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.

Indemnification and insurance of directors and officers

The Company has agreed to indemnify all the Directors, Officers and the Company Secretary 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, Officers or Company Secretary 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.

Proceeding 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 A4 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 A4 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit 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 & 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 54 and forms part of this Directors' report for the year ended 30 June 2019.

Signed in accordance with a resolution of the Directors.

Peter Martin

Peter Martin
Non-executive Chairman

20 August 2019

Remuneration Report.

Dear Shareholders

On behalf of EML's Board, I am pleased to present the Remuneration Report for the year ended 30 June 2019.

The purpose of this Report is to outline EML's approach to remuneration for Executives and Non-Executive Directors, and in particular, the links between EML's Remuneration Framework and business strategy, performance and reward.

In the current financial year, EML has delivered a year of impressive results across all aspects of the business including financial, customer, internal processes and innovation.

EML is committed to ensuring its remuneration framework rewards decision making by executives that is aligned with the long term interests of shareholders. This is achieved through allowing EML's people to be rewarded financially in the form of both short and long-term remuneration as shareholder value is created. The objectives of EML's remuneration framework are to:

- Maintain market competitive remuneration that enables the Group to attract and retain key talent;
- Align remuneration to the Group's strategic and business objectives and the creation of shareholder value;
- Be fair, transparent and easily understood by all stakeholders; and
- Be acceptable to shareholders and meet community expectations.

As mentioned in this letter last year, during FY19 the Board undertook a wide-ranging review of EML's existing remuneration arrangements to ensure that our framework is fit- for-purpose and continues to support our core business objectives. In particular, the Board focused on ensuring the remuneration framework supported sustainable long-term value creation for EML's shareholders while also retaining and attracting executives in an international market. In making these adjustments, our remuneration principles of simplicity, fair and transparent, shareholder aligned and competitive were followed.

The full details of the adjustments are disclosed in this Report. In summary, the Board has sought to ensure our Executive KMP think and act like owners of EML and so rather than pay out cash rewards for STI and LTI's, we reward in equity.

We welcome any feedback you might have on our remuneration framework as we continue to ensure it is meeting the needs and expectations of our shareholders, employees and other stakeholders.

On behalf of the Board, we recommend this report to you.

Dr Kirstin Ferguson

Chair, Remuneration and Nomination Committee

Remuneration Report Glossary

CCO	Group Chief Commercial Officer
CEO	Group Chief Executive Officer
CFO	Group Chief Financial Officer
EBITDA	Earnings before interest, tax, depreciation and amortisation
ESOP	Employee Share Options Plan
EML	EML Payments Limited
FR	Fixed Remuneration
FY18	The 2018 fiscal year
FY19	The 2019 fiscal year
KMP	Key Management Personnel
KPIs	Key Performance Indicators, the basis for EML's STIs
NEDs	Non-executive Directors
PBT	Profit before tax
RNC	EML's Remuneration and Nomination Committee
ROCE	Return on Capital Employed
STIs/LTIs	Short-term incentives/ long-term incentives
TRP	Total Remuneration Package

The Remuneration Report contains the following sections:

1. Introduction

This report forms part of the Company's FY19 Directors' Report and sets out EML Group's remuneration arrangements for Key Management Personnel (KMP) in accordance with the requirements of the Corporations Act 2001 and its regulations.

1.1 Key Management Personnel (KMP)

In this report, KMP are those individuals having the authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly.

KMP are comprised of the Board of Directors and members of the Executive leadership team who have the authority and responsibility for planning, directing and controlling the activities of the Group.

Executive Directors and Other Executives considered KMP are referred to collectively as "Executive KMP" in this report.

1.2 People covered by the Remuneration Report

The Remuneration Report discloses the remuneration arrangements and outcomes for those individuals who we have determined to meet the definition of Executive KMP under AASB 124 Related Party Disclosures. Table 1.4 summarises each Executive KMP, their position and term as Executive KMP.

1.3 Changes in Executive KMP

Following some key changes to our corporate structure, we have re-considered our classification of Executive KMP for the purposes of disclosure in our FY19 Remuneration Report. The changes to our corporate structure are summarised as follows:

- **Group CFO –** Following the resignation of Bruce Stewart, effective 14 November 2018, Robert Shore was promoted to Group CFO of EML, an Executive KMP position. Previously, Mr Shore was the Group Finance Director & Investor Relations Manager, a non-KMP position. Mr Shore's appointment was disclosed to the ASX by company announcement on 14 November 2018. Mr Shore's remuneration from 14 November 2018 is required to be disclosed in the 30 June 2019 remuneration report, reflecting his service as an Executive KMP. Remuneration earned (and expensed) prior to this date was not in Mr Shore's capacity as an Executive KMP and has not been disclosed.

- Mr Stewart's contract contained a 3 month notice period, which he served, as a handover period and the last date of his employment was 28 February 2019.

- **Group Chief Commercial Officer** – Brandon Thompson remains in his capacity as Group Chief Commercial Officer ('CCO') and as of 1 July 2018 has taken on responsibility for all regional operational and commercial performance. As a result EML's three regional CEO roles now report directly to the CCO and are no longer considered Executive KMP for reporting purposes.

- **Group Corporate Development Officer –** Eric Mettemeyer, formerly the CEO of the EML Americas operations, has taken the role of EML's Group Corporate Development Officer, effective 1 July 2018. Mr Mettemeyer reports directly to the MD & Group CEO and will no longer be considered Executive KMP for reporting purposes.

- **Group Chief Risk Officer –** Andrew Betts is Group Chief Risk Officer and reports directly to the MD & Group CEO and will no longer be considered executive KMP for reporting purposes.

These changes to our Executive KMP took effect on 1 July 2018. We consider the Executive KMP roles to have the authority and direct responsibility for planning, directing and controlling the activities of the Group.

Accordingly, our Executive KMP now comprises three individuals:

- **Managing Director and Chief Executive Officer –** Tom Cregan;
- **Group Chief Financial Officer –** Robert Shore (Bruce Stewart until 14 November 2018); and
- **Group Chief Commercial Officer –** Brandon Thompson.

Remuneration Report.

1. Introduction (continued)

1.4 Executive KMP FY19

The table below shows all the Executive KMP covered by the FY19 Remuneration Report.

	POSITION	FY18	FY19
EXECUTIVE DIRECTOR			
Thomas Cregan	Managing Director & Group Chief Executive Officer	✓	✓
OTHER EXECUTIVES			
Bruce Stewart (Resigned 14 November 2018)	Group Chief Financial Officer & European Chief Operations Officer	✓	Until 14 November 2018
Robert Shore (Appointed 14 November 2018)	Group Chief Financial Officer	✗	From 14 November 2018
Brandon Thompson	Group Chief Commercial Officer	✓ From 1 June 2018	✓
Andrew Betts	Group Chief Risk Officer	✓	✗
Rachelle St Ledger	Chief Executive Officer - Australia	✓	✗
Stuart Green	Chief Executive Officer - Europe	✓	✗
Eric Mettemeyer	Chief Executive Officer - North America	✓	✗

2. Remuneration and Nomination Committee

EML's Board and the Remuneration and Nomination Committee (Committee) are responsible for setting and overseeing remuneration policies and practices for the Group.

Members of the Committee

The Committee is appointed by the Board and comprised solely of Non-executive Directors:

1. Dr Kirstin Ferguson (Committee Chair);
2. Peter Martin; and
3. David Liddy AM.

2. Remuneration and Nomination Committee (continued)

Remuneration Governance

The Board of EML (Board) has adopted a Board Charter which sets out the objectives, responsibilities and framework for the operation of the Board. A copy of the Board Charter is available at www.emlpayments.com

The Board Charter confirms that the Board is accountable to shareholders for EML's performance and for the proper management of EML's business and affairs.

To assist the Board in carrying out its responsibilities, the Committee has responsibility for reviewing, making recommendations to the Board and, where relevant, approving the remuneration arrangements in place for the Non-Executive Directors, the Group CEO/ MD and Other Executives.

The charter for the Committee is reviewed by the Board annually and can be found at www.emlpayments.com

Role of the Committee

Remuneration of all Executive KMP is determined by the Board, acting on recommendations made by the Committee.

In relation to remuneration, the Committee provides advice and recommendations to the Board for approval on:

- The Group's remuneration policies and frameworks for KMP Executives;
- Fixed annual remuneration and incentive outcomes for Executives;
- Incentive plans for all Employees;
- Key performance indicators (KPIs) and assessing performance against those KPIs by Executives;
- Remuneration policies and fees for Non-executive Directors and Committee members; and
- Any other remuneration matters that relate to Executives.

The Committee also considers and makes recommendations to the Board on other people related issues such as staff engagement, diversity and inclusion, health and safety and workplace culture.

Attendance

Other Directors of the Board and the Managing Director attend Committee meetings by invitation. Importantly, executives (including the Managing Director) do not attend meetings or sections of meetings where agenda items for discussion relate to their own remuneration outcomes.

External advisors and remuneration consultants

Where necessary, the Committee seeks assistance from independent experts and advisors on remuneration related matters. Remuneration consultants provide information on market trends in respect of executive remuneration structures and benchmarking information on executive remuneration levels. Other external advisors assist with the administration of the Group's remuneration plans.

During the year, the Committee engaged KPMG for assistance in providing market practice insights in relation to local and global variable reward practices. Egan Associates were also engaged to advise on remuneration benchmarking for Executives and Non-Executive Directors. KPMG and Egan Associates did not make any 'remuneration recommendations' (as defined in the Corporations Act) in relation to any KMP during FY19.

The Committee independently appoints its remuneration consultants and engages with them in a manner in which any information provided is not subject to undue influence by management. The information provided by external advisors is used as an input into the Committee's considerations and decision making only.

The Board has ultimate decision making authority over matters of remuneration structures and outcomes.

Specific responsibilities

The specific responsibilities of the Board and the Committee are detailed in their respective charters, which are available on EML's website at www.emlpayments.com

3. Remuneration Strategy

During FY19 the EML Board undertook a wide-ranging review of the Company's Remuneration framework (see table 4.1 for FY19 changes). This included considering the strategy and principles by which all employees of EML are remunerated as well as reviewing the operation of the existing remuneration framework in practice.

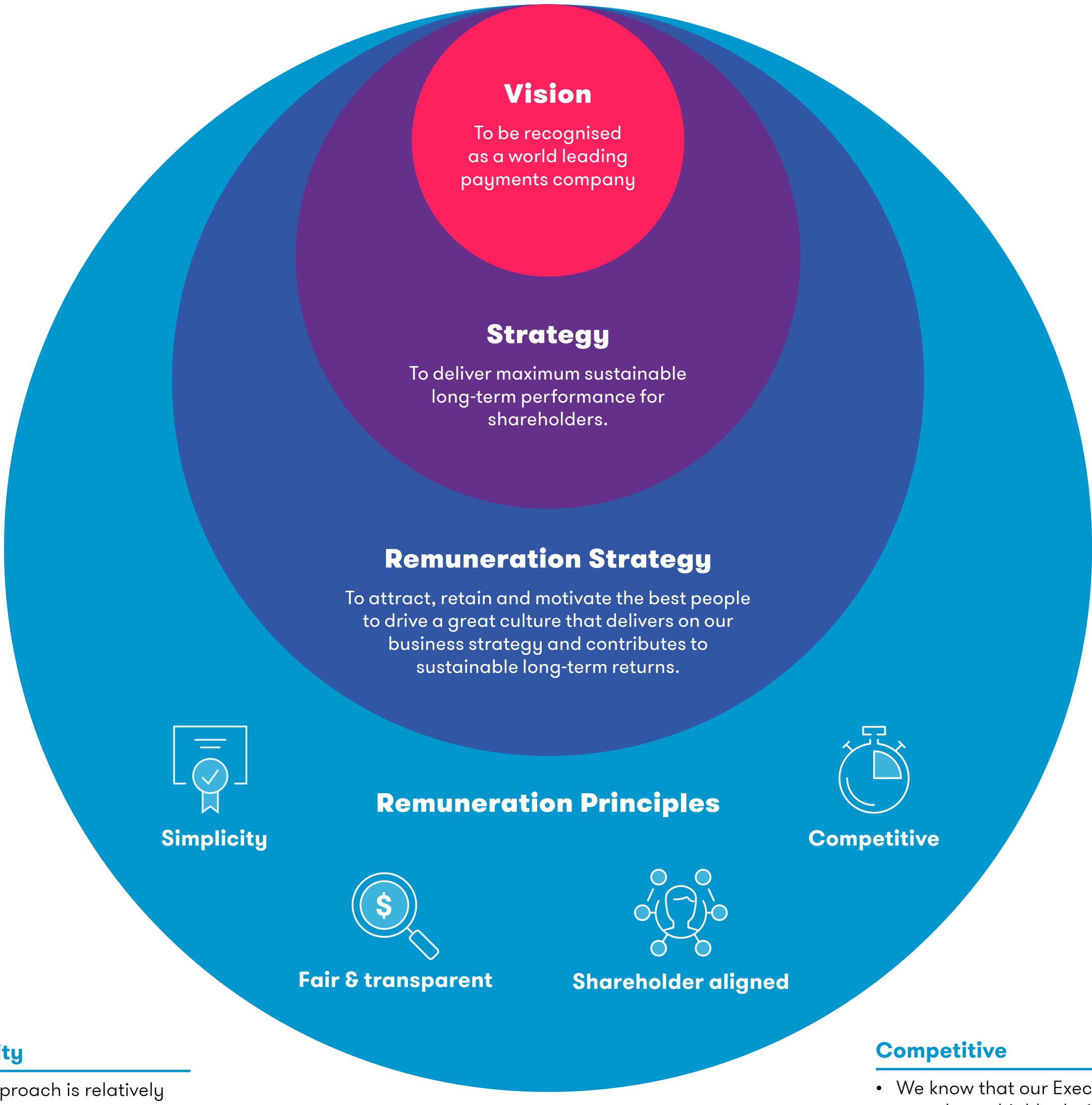
The Committee considered the mix of total fixed remuneration (TFR), short term incentives (STI) and our long term Employee Options Plan (LTI) as well as the governing plan under which Executive STI and LTI Share Option Plan grants are made.

The focus of this review was to ensure the plan is globally consistent, aligned to shareholder interests, rewards decision making that is in the interests of all stakeholders, drives performance and encourages accountability, meets community expectations and is scalable to support EML's growth strategy. Reflecting these aims and external feedback received, the Board approved some adjustments to the existing framework which are set out in this report.

Remuneration Report.

3. Remuneration Strategy (continued)

3.1 Our Remuneration Strategy and Principles



Simplicity

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

Fair & transparent

- EML's remuneration should be measurable, achievable, consistent, fair and transparent.
- EML's remuneration should drive the 'right' behaviours (eg. 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 STIs.

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. Remuneration Strategy (continued)

3.2 Executive KMP Remuneration Components

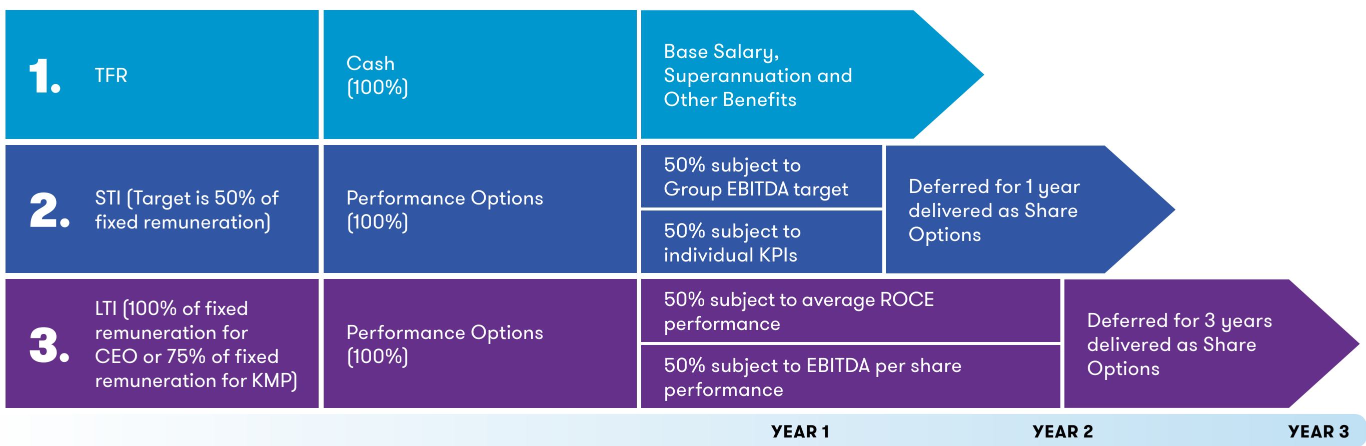
OBJECTIVE	ATTRACT & RETAIN THE BEST TALENT	REWARD CURRENT YEAR PERFORMANCE	REWARD LONG TERM SUSTAINABLE PERFORMANCE
REM component	Total Fixed Remuneration (TFR)[1]	Short Term Incentive (STI)	Long Term Incentive (LTI)
Purpose	TFR is set in relation to the external market and takes into account: • Size and complexity of the role • Individual responsibilities • Experience and skills.	STI provides appropriate differentiation of pay for performance and is based on business and individual performance outcomes.	LTI supports alignment to long-term overall company performance and is consistent with: • Strategic business drivers • Long-term shareholder return.
Delivery	Base salary and superannuation.	Performance Options 100% (deferred for one year).	Performance Options 100% (vesting after three years, subject to performance).
FY19 Approach	Target TFR positioning is competitive against Comparator Group.[2]	Business Performance Measures • EBITDA (50%) • Plus individual performance outcomes.	LTI Performance Measures subject to financial performance hurdles • EBITDA per share • Return on Capital Employed (ROCE).

(1) Delivery of Total Fixed Remuneration is inclusive of superannuation, allowances, benefits and any applicable fringe benefits tax.

(2) Comparator group drew on information from companies in the financial services, consumer sectors, and ICT sectors, with two or more comparable financial metrics – companies 50% smaller & 50% larger.

3.3 Remuneration delivery

The Executive KMP remuneration mix is structured so that a substantial portion of remuneration is delivered as EML ESOP through either deferred STI or LTI. The total remuneration opportunity is positioned at the top quartile for outperformance. The following diagram (which is not to scale) sets out the remuneration structure and delivery timing for Executive KMP.



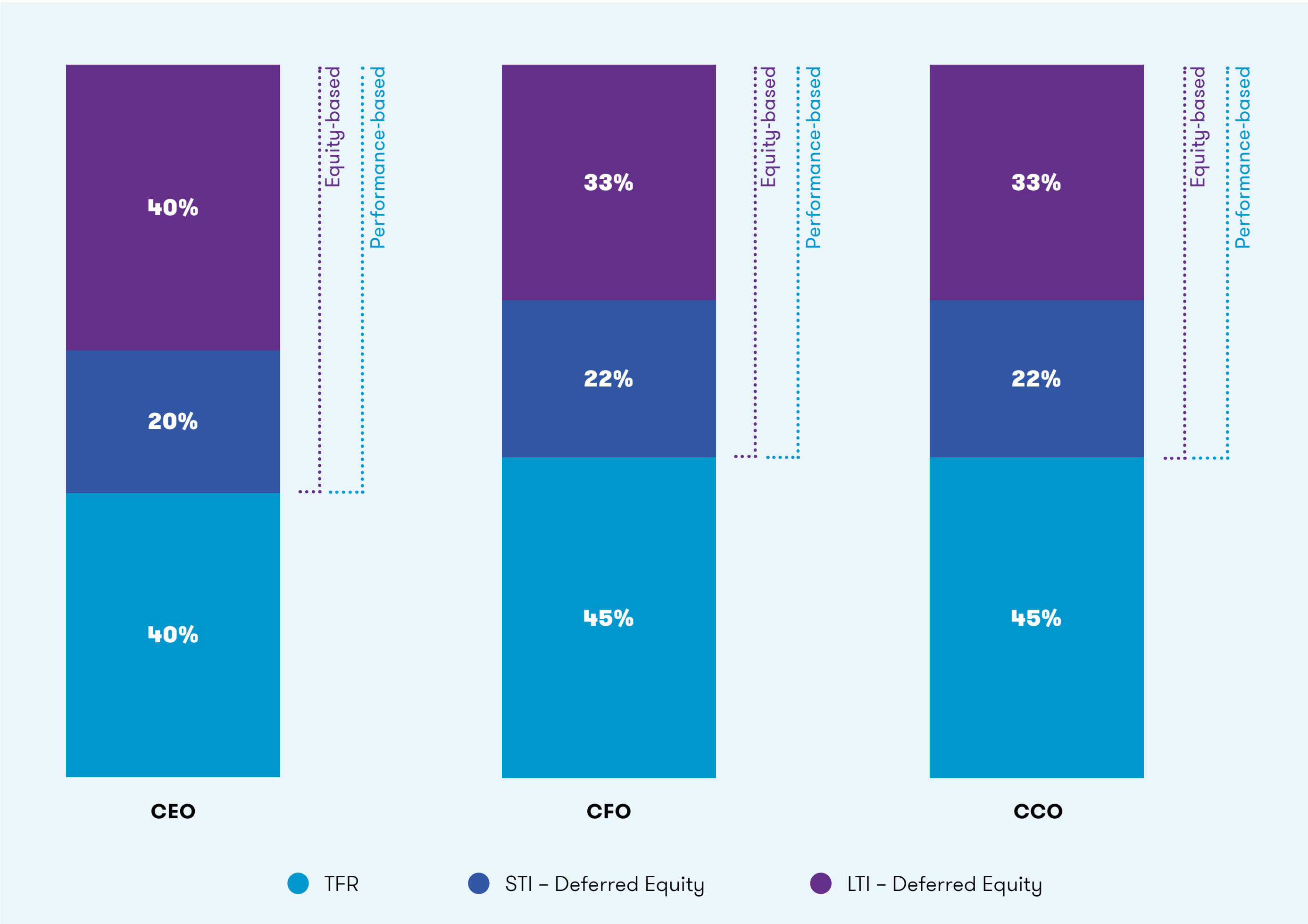
Remuneration Report.

3. Remuneration Strategy (continued)

3.4 Remuneration Mix & Maximum Opportunity

Executive remuneration is structured as a mix of fixed and variable 'at-risk' STI and LTI components. While fixed remuneration is designed to provide a base level of remuneration, the 'at risk' STI and LTI components reward executives when challenging performance measures are met or exceeded.

Below the remuneration components for each Executive KMP are expressed as a percentage of total remuneration, with the STI value varied to reflect maximum performance. The maximum STI opportunity is set at 50% of fixed remuneration for all Executive KMP. The maximum LTI opportunity is set at 100% of total fixed remuneration for the CEO, 75% for other Executive KMP.



4. Remuneration Structure FY19

In FY19 the Committee undertook a comprehensive review of the Group's remuneration framework. As a result, the following table outlines the Executive KMP remuneration framework and changes for FY19

4.1 Changes FY19

COMPONENT	FY18	FY19	RATIONALE
TOTAL FIXED REMUNERATION (TFR) POSITIONING			
External Benchmarking	Aim to position Executives at or near the median to 75 percentile.	TFR is aimed to position Executive KMP competitive with market benchmarks.	EML is a complex, global business and the Board must ensure that Executive remuneration is set at a level that is competitive on a global scale.
Comparators	Target TFR positioning is market competitive against external benchmarks.	No change.	This is still considered to be the appropriate reference point for our business.
+ SHORT TERM INCENTIVE			
Opportunity	Weightings applied to each were determined by the Board.	Threshold – 0% of Target. Target – 50% of Target. Maximum – 100% of Target. Threshold occurs for a minimum level of performance deemed appropriate; target STI would be paid for the achievement of budget with stretch; and maximum STI would be awarded for outperformance. No change to performance measures.	Ensure we reward for strong performance where it is aligned with shareholder interests and the strategic direction of the Group.
Performance Measures	Company KPI – Group EBITDA + Executive performance KPIs – specific to individuals.	All participant's eligibility to receive an STI at the end of the financial year is now conditional upon the achievement of a 'conduct gate.' (1)	We consider the mix of KPIs to still relevant and fit for purpose. The introduction of the conduct gate is to ensure that EML's remuneration drives the 'right ' behaviours.
Delivery	100% of the STI award is paid in cash following the end of the financial year.	STI delivered wholly in Options with a 1 year deferral.	STI delivered wholly in Options (no cash component) to align with shareholders.
+ LONG TERM INCENTIVE			
Opportunity (grant value)	Opportunity was aligned at between 66% and 100% of TFR for KMP.	Opportunity is aligned at between 75% and 100% of TFR for KMP.	The increase in LTI opportunity is considered appropriate and aligns with our focus on generating sustainable, long term rewards for shareholders.
Performance measures and targets	LTI as corporate (the Company) performance against Revenue and EBITDA targets split as follows: > 33% ROCE; > 33% EBITDA per share; > 33% KPIs.	LTI as corporate (the Company) performance against Revenue and EBITDA targets split as follows: > 50% ROCE; and > 50% EBITDA per share. (4)	LTI is based on Company performance only with individual performance KPIs considered in STI.
Vesting schedule	3 years.	No change.	The Board considered the 3 year vesting period to still be relevant.

(1) The 'conduct gate' will involve the participant exhibiting behaviour which is consistent with EML's values and Code of Conduct.

(2) In addition to retaining an overarching discretion in respect of vesting outcomes, the Board will have the power to: forfeit deferred (but not yet paid) awards (i.e. malus) e.g. deferred STI; and recoup vested and paid awards (i.e. clawback).

(3) There is no re-testing and the LTI is subject to forfeiture if: (1) performance conditions are not met, (2) the Executive terminates within 12 months of the grant date or (3) the Executive voluntarily resigns or is terminated for cause prior to vesting.

(4) Subject to shareholder approval in the case of the MD and Group CEO position.

Remuneration Report.

5. Remuneration Policy and link to Performance

The Board reviews the performance conditions for the STI plan on an annual basis. The two performance conditions under the STI plan are Group EBITDA and Individual KPIs (including threshold, target and stretch levels of performance).

The Board is responsible for assessing performance against KPIs and determining the STI and LTI to be paid. To assist in this assessment, the Board receives detailed reports on performance which are based on independently verifiable data such as financial measures.

5.1 How performance translates into STI outcomes

The STI plan is aligned to shareholder holder interests by:

- Encouraging executives to achieve year-on-year performance in a balanced and sustainable manner (i.e. through a mix of financial and non-financial performance measures)
- Mandatory deferral of 100% of each STI award into Options acting as a retention mechanism

50% Financial

The Company must have achieved a Group EBITDA target for the year

50% Non-financial

- Growth
- Operations strategy
- Customer
- People & Culture

Each Executive KMP is awarded an individual STI outcome between zero and 100% of their target. Scores are based on Group performance and individual contribution.

5.2 How performance translates into LTI outcome

The Committee sets the performance conditions for the LTI plan on an annual basis. The two performance conditions under the LTI plan are EBITDA per share and Return on Capital Employed (ROCE) target for the future 3 year period.

The ROCE calculation excludes the impact of asset revaluations. These performance conditions were selected to align the plan outcomes with commercial long-term performance that is within the executive's ability to influence. EBITDA per share and average ROCE performance hurdles are set by the Board and are in line with EML's target range through the cycle. Both the EBITDA per share growth and average ROCE performance targets will be disclosed retrospectively at the end of the performance period. The Group does not publish details of the hurdles prior to the end of the first performance period (year 3), as this would result in the disclosure of commercially sensitive information in connection with the Group's forecasts.

The LTI plan is aligned to shareholders' interests in the following ways:

- Encourages executives to make sustainable business decisions within the Board-approved strategy of the Group
- Aligns the financial interests of executives participating in the LTI Plan with shareholders through exposure to EML Options

50% EBITDA per Share

50% of the award is subject to performance against the group's EBITDA per share hurdle

50% Return On Capital Employed

50% of the award is subject to performance against the group's average ROCE performance hurdle

Vesting under both the EBITDA per share and average ROCE target are on a sliding scale per Option against performance conditions set by the Board.

5. Remuneration Policy and link to Performance (continued)

PERFORMANCE	VESTING OUTCOME
Below Threshold performance	Nil vesting
Target performance	50% vesting
Between Threshold and Outperformance	Straight line vesting
Outperformance	100% vesting

5.3 STI & LTI plan structure

STI

How much of the STI award is deferred?
100% of any award under the STI plan is deferred for one year in the form of Options to EML shares. Options deferred under the STI plan are subject to clawback and continued employment during the vesting period.

Are distributions paid on unvested Options awarded under the STI plan?
The STI is issued wholly in Options and deferred for a further 12 months, participants are entitled to the benefit of distributions paid on the underlying EML securities prior to vesting, through the issue of additional Options at the time of vesting.

When are STI awards forfeited?
Forfeiture will occur should the participant's employment terminate for any reason, or if the participant voluntarily resigns or is terminated for cause prior to the vesting date.

Notwithstanding the above, if a participant's employment is terminated for reasons such as retirement, redundancy, reorganisation, change in control or other unforeseen circumstances, the Remuneration Committee may recommend to the Board that the executive should remain in the plan as a 'good leaver'.

LTI

Do participants receive distributions on unvested LTI awards?
Participants are not entitled to distributions paid on underlying EML shares during the performance period prior to Performance Options being tested for vesting.

When are LTI awards forfeited?
If the performance conditions are not met, Performance Options relating to that tranche will be forfeited. There is no retesting of forfeited Options. Performance options are subject to clawback at the discretion of the Board.

Additionally, forfeiture will occur should the participant's employment terminate within 12 months of the grant date for any reason, or if the participant voluntarily resigns or is terminated for cause prior to the vesting date. Notwithstanding the above, if a participant's employment is terminated for reasons such as retirement, redundancy, reorganisation, change in control or other unforeseen circumstances, the Remuneration Committee may recommend for approval by the Board that the participant remain in the plan as a 'good leaver'.

Where deemed a 'good leaver' by the Board, the participant is entitled to keep a proportion of Options equivalent to the duration of the Measurement Period they were an employee.

OTHER REMUNERATION MATTERS

How is the number of options determined?
The number of Options awarded is based on a percentage of the awarded STI or LTI value divided by the volume weighted average price (VWAP) of EML securities 10 trading days up to and including the date the plan is approved by the Board.

Clawback / Malus
In addition to retaining an overarching discretion in respect of vesting outcomes, the Board will have the power to: forfeit deferred (but not yet paid) awards (i.e. malus) e.g. deferred STI; and recoup vested and paid awards (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 wilful indifference; a material misstatement in, or omission from EML's financial statements, or a misstatement of a performance condition applicable to the STI or LTI. 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 STI or LTI (e.g. poor customer outcomes).

To maximise legal enforceability, the above clawback / malus provisions is reflected in participant's service agreements (as well as the Plan Rules and offer documentation). It is intended that the Board's powers under the proposed provisions would only be exercised in exceptional circumstances.

Commencement Grants
In order to implement forward looking growth strategy, and to compete for talent globally, the Board will only consider commencement grants for Executive KMP and other executives in exceptional circumstances. Where commencement grants are made, they will be delivered in equity and subject to vesting restrictions aligned with those of forgone incentives for the individual who is joining EML. All commencement grants require approval by the Board after recommendation by the Committee.

Exceptional Equity Grant
In certain exceptional circumstances, the Board will consider an equity grant for an individual who has outperformed their role above and beyond the boundaries of the remuneration frameworks. Any such awards are limited to the KMP and Executive team and the size of the bonus is limited to a maximum of 50% of fixed pay to be paid in equity (not cash). Any exceptional equity grants require approval by the Board after recommendation by the Committee.

Remuneration Report.

5. Remuneration Policy and link to Performance (continued)

5.3 STI & LTI plan structure (continued)

How is the plan administered?
The administration of the STI & LTI plan is supported by the LTI plan rules. EML shares may be purchased on market or newly issued equity at the boards discretion (for all participants including the Group CEO) to satisfy the performance Options for the LTI plan. The Board retains the right to amend, suspend or cancel the LTI plan at any time.

Cost and administration
The Company will pay all costs of acquiring and issuing EML Shares, including brokerage and all costs of administering the ESOP. The Company prohibits the hedging of Options by participants.

Share-based payments are granted as compensation for the current year.

Board discretion
The Board has discretion to adjust remuneration outcomes to prevent any inappropriate reward outcomes including reducing (down to zero, if appropriate) any deferred LTI award. The Board will only adjust remuneration outcomes where it believes to not do so would result in a material or perverse remuneration outcome to the detriment of shareholders or also to Executive KMP.

The Board has broad discretion to vary the Plan Rules but not reduce the entitlements of participants in relation to previously offered Options without the consent of the participants.

Change of control
A change in control event is defined to occur when the Board recommends a takeover offer to be accepted by shareholders. In the event of a change of control, unvested Options may be exercised prior to their expiry date, regardless of whether the Vesting Conditions have been met. The Board however retains discretion over the treatment of any unvested Options.

6. FY19 EML Performance Highlights

The Company uses the non-statutory financial metric of Earnings Before Tax, Depreciation and Amortisation (EBITDA) as their key financial performance measure. The Directors believe this metric is more relevant to users or the following reasons:

- Inclusive of interest income which is considered part of the operating business structure. The Group holds and manages large cash balances of prepaid stored value (2019: $495M, 2018: $411M);
- Exclusive of depreciation and amortisation, a non-cash expense which primarily relates to amortisation of intangible assets following acquisitions made by the Group in recent years;
- Exclusive of share-based payment expense, a non-cash expense of which a significant element relates to options granted for retention and performance incentive following acquisition;
- Exclusive of income tax; and
- Exclusive of interest expense which primarily relates to the discounting of contingent consideration paid in connection with the acquisitions of EML Payments AB and the Perfectcard Group.

EBITDA
$29.1m

EBITDA GROWTH
$8.4m

6. FY19 EML Performance Highlights (continued)

($'000 UNLESS OTHERWISE STATED)	30 JUNE 2019	30 JUNE 2018	30 JUNE 2017	30 JUNE 2016	30 JUNE 2015
Net profit after tax	8,450	2,208	9	88	2,857
Add back					
Depreciation and amortisation	10,267	8,798	10,076	3,746	2,690
Share-based payments	4,214	4,986	5,317	2,073	5,104
Income tax expense/(benefit)	576	2,778	(2,310)	(1,838)	(8,668)
Research and development tax offset	1,281	1,377	1,439	990	698
Interest expense - Unwind of discount on contingent consideration	1,865	494	-	-	-
Other foreign exchange differences and interest expense	2,481	119	(10)	(19)	(51)
EBITDA	**29,134**	20,760	14,521	5,040[1]	2,630
EBITDA cents per share	**11.6**	8.3	5.9	2.1	1.1
Return on capital employed %	**5%**	3%	(2%)	(1%)	(11%)

(1) 2016 EBITDA excludes the one off impacts of costs associated with the acquisition of EML USA & Canada in FY16 which totalled $0.46M

7. Remuneration Outcomes

7.1 Awards for FY19 performance

The awards made to each Executive KMP with respect to their performance during the year ended 30 June 2019 are provided below.

DEFERRED STI AND LTI GRANTS

The number of Options granted to Executive KMP is determined by dividing the Deferred STI value and LTI grant value by the VWAP of EML shares ten trading days up to and including 24 September 2018 (the date of Board Approval). The minimum value of the grant is nil if the performance conditions are not met. The maximum value is based on the estimated face value calculated at the time of grant and amortised in accordance with the accounting standard requirements.

The below details the number of Options granted to Executive KMP for FY19 under the Deferred STI and LTI plans.

FY19 STI OUTCOMES

The following table shows the actual STI outcomes for each Executive KMP for FY19 the value of STI equity based on a volume weighted average price of $1.66.

EMPLOYEE	STI MAX OPPORTUNITY (% OF FIXED REMUNERATION)	ACTUAL STI (% MAX)	STI FORFEITED (% MAX)	ACTUAL STI (TOTAL) $
Thomas Cregan [1]	50%	95%	5%	555,756
Robert Shore	50%	96%	4%	165,625
Brandon Thompson	50%	96%	4%	245,859

(1) Series 32, relating to Thomas Cregan's STIP has been recognised for accounting purposes as the service period has commenced. However, shareholder approval will be sought at the AGM during November 2019. In accordance with accounting standards, the temporary Grant date has been taken to be balance date and this will be revised upon shareholder approval.

Remuneration Report.

7. Remuneration Outcomes (continued)

7.1 Awards for FY19 performance (continued)

FY19 CEO PERFORMANCE

The below summarises the CEO's performance relative to the FY19 CEO performance scorecard.

	STRATEGIC OBJECTIVES	CEO WEIGHTING	RESULT
STI	Financial Performance • Group EBITDA	50%	 BELOW TARGET ABOVE
STI	Non-Financial Performance • Growth • Operations strategy • Customer • People & culture	50%	 BELOW TARGET ABOVE

FY19 LTI OUTCOMES

The table below presents the LTI grants to Executive KMP made during FY19 that are due to vest on 1 September 2021, subject to performance conditions. The maximum total value of the LTI grants is based on the estimated face value calculated at the time of the grant and amortised in accordance with the accounting standard requirements.

	LTI GRANTS IN FY19				
	LTI MAX AS % OF FIXED REMUNERATION	PERFORMANCE MEASURES	NUMBER OF OPTIONS GRANTED	FAIR VALUE PER OPTION $	MAXIMUM TOTAL VALUE OF GRANT $
Thomas Cregan	100%	EBITDA per share ROCE	391,566	1.36	530,963
Robert Shore	75%	EBITDA per share ROCE	155,896	1.36	211,395
Brandon Thompson	75%	EBITDA per share ROCE	231,418	1.36	313,803

8. Terms of Executive KMP service agreements

EML has executive service agreements with each Executive KMP. These agreements may be terminated by written notice from either party or by the Company making a payment in lieu of notice.

The executive service agreements outline the components of remuneration paid to Executives and require the remuneration of Executives to be reviewed annually. The executive service agreements do not require the Company to increase base salary, pay a STI or offer a LTI in any given year.

The table below contains the key terms of the Executive team's service agreements for the year ended 30 June 2019.

NAME	TITLE	BASE SALARY INCLUDING SUPERANNUATION	TERMINATION NOTICE PERIOD	TERMINATION PAYMENTS
Thomas Cregan	Chief Executive Officer	AUD 650,000	3 months either party	Change of control agreement
Robert Shore	Group Chief Financial Officer	AUD 325,000	3 months either party	Change of control agreement
Brandon Thompson	Group Chief Commercial Officer	USD 375,000	3 months either party	None
Bruce Stewart [1]	Group Chief Financial Officer and European Chief Operations Officer	AUD 350,000	3 months either party	Change of control agreement

(1) On the end date of his employment on 28 February 2019, Mr. Stewart received pro-rata benefits in accordance with his service agreement and the terms of EML's relevant incentive plans.

Remuneration Report.

9. Non-Executive Directors' Remuneration

EML aims to attract and retain a high calibre of Non-Executive Directors (NEDs) who are equipped with diverse skills to govern the organisation and oversee the decision making of EML Group Executives so as to return value for EML shareholders. EML aims to fairly remunerate Directors for their responsibilities relative to organisations of similar size and complexity.

The ASX Listing Rules specify that the aggregate remuneration of NEDs shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 15 November 2017 when shareholders approved the maximum aggregate fee pool of $750,000 per year.

Each NED receives a board base fee for being a Director of the Company as well as Committee fees. An additional fee is also paid to the following Non-executives in their capacity as:

- Chairman and members of the Audit and Risk Committee,
- Chairman and members of the Investment Committee
- Chairman and members of the Remuneration and Nomination Committee

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the fees paid to NEDs of comparable companies when undertaking the annual review process and in the current year engaged Egan Associates to perform the review the EML Group Board fees to ensure they were market competitive.

A review of NED remuneration was undertaken by the Committee in December 2018. In recognising the varying commitments of each NED and in line with current market practice, the base and Committee fees paid to NEDs were increased. This increase took effect from 1 January 2019. The operation and responsibilities of the Board Committees at EML have evolved considerably in recent years and the adjustment to fees for Committee Chairs and Members reflects this increased workload.

Total NED remuneration payable in FY19 was $591,396 up from the $538,740 (excluding Investment Committee fees) in FY18.

9.1 Summary of Fee Framework (Exclusive of statutory superannuation contribution)

	2019	2018
BOARD		
Chair	$150,000	$150,000
Member	$82,191	$75,000
AUDIT & RISK COMMITTEE		
Chair	$22,831	$12,000
Member	$10,958	$6,000
REMUNERATION & NOMINATION COMMITTEE		
Chair	$22,831	$12,000
Member	$10,958	$6,000
INVESTMENT COMMITTEE		
Chair	$12,000	NA[1]
Member	$6,000	NA[1]

(1) The Investment Committee was formed on 20 August 2018.

9. Non-Executive Directors' Remuneration (continued)

The payment of additional fees for serving as Chairman, whether on the Board or a committee recognises the additional time commitment required by the Chairman. Non-executive Directors are also entitled to be reimbursed for all business related expenses, including travel on EML business, incurred in the discharge of their duties in accordance with EML's Constitution.

Non-executive Directors do not receive any benefits upon retirement under any retirement benefits schemes (other than statutory superannuation).

During the year ended 30 June 2019, there were no issued capital transactions with NEDs.

BENCHMARKING

Fees are set by reference to the following considerations:

- Industry practice and best principles of corporate governance;
- Responsibilities and risks attaching to the role of Non- executive Directors;
- The time commitment expected of Non-executive Directors on Group matters; and
- Reference to fees paid to Non-executive Directors of comparable companies.

Non-executive Director fees are periodically reviewed to ensure they remain in line with general industry practice and reflect proper compensation for duties undertaken. External independent advice is sought in these circumstances.

10. Other

EMPLOYEE SHARE OPTION PLAN

The Company operates an ownership-based scheme for Executives and senior employees of the consolidated entity. In accordance with the provisions of the plan, as approved by shareholders at the Annual General Meeting held on 13 November 2018.

Each employee share option converts into one ordinary share of EML Payments Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights.

The number of options granted is determined by the Group CEO and is subject to Board approval. The awarding of options to Executives and senior employees, rewards employees against the extent of the consolidated entity's and individual achievements against both qualitative and quantitative requirements.

The options granted generally expire within three years of their issue, or upon the resignation of the Executive.

SECURITIES TRADING POLICY

The Securities Trading Policy provides guidance to Directors, Employees (including Key Management Personnel), Contractors and Associates for ongoing compliance with legal obligations relating to trading or investing in financial products managed by EML.

The Policy prohibits employees from trading in financial products while they are in possession of Inside Information (non-public price sensitive information) and hedging their exposure to unvested EML securities. Trading in EML securities or related products is only permitted with the permission of the EML Board Chairman.

The Group also has Conflict of Interest and Insider Trading policies in place which extend to family members and associates of employees.

Remuneration Report.

11. Additional Disclosures

11.1 Executive shareholdings Shares under Options

The following grants of share-based payment compensation to Executive KMP relate to the current financial year. No share based payment compensation was granted to NEDs.

			DURING THE FINANCIAL YEAR				
EMPLOYEE	OPTIONS SERIES	DATE GRANTED	NO. GRANTED DURING THE YEAR	NO. VESTED DURING THE YEAR	% OF GRANT VESTED	% OF GRANT FORFEITED	SHARE OPTION PLAN
OTHER EXECUTIVES							
Thomas Cregan	Series 27 & 32(2)	24/09/2018	577,560	-	-	-	ESOP 2
Robert Shore	Series 28 & 29(1)	24/09/2018	259,827	-	-	1.6%	ESOP 2
Brandon Thompson	Series 28 & 29(1)	24/09/2018	385,697	-	-	1.6%	ESOP 2

(1) A total of 2,337,360 options were issued under Series 28 and 29. The remaining options not disclosed above were issued to non-KMP.

(2) Series 32, relating to Thomas Cregan's STIP has been recognised for accounting purposes as the service period has commenced. However, shareholder approval will be sought at the AGM during November 2019. In accordance with accounting standards, the temporary Grant date has been taken to be balance date and will be revised upon shareholder approval.

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 G3 to the Financial Statements.

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

EMPLOYEE	OPTIONS SERIES	VALUE OF THE OPTIONS GRANTED AT THE GRANT DATE (1) $	VALUE OF THE OPTIONS EXERCISED AT THE EXERCISED DATE(2) $	VALUE OF THE OPTIONS LAPSED AT THE LAPSED DATE $	SHARE OPTION PLAN
OTHER EXECUTIVES					
Thomas Cregan	Series 27 & 32(3)	1,176,656	-	-	ESOP 2
Robert Shore	Series 17, 28 & 29	403,959	86,250	-	ESOP 2
Brandon Thompson	Series 28 & 29	599,651	-	-	ESOP 2

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

(2) The value of options 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. Robert Shore exercised 57,500 share options on 21 November 2018 when the Company's share price was $1.50.

(3) Series 32, relating to Thomas Cregan's STIP has been recognised for accounting purposes as the service period has commenced. However, shareholder approval will be sought at the AGM during November 2019. In accordance with accounting standards, the temporary Grant date has been taken to be balance date and will be revised upon shareholder approval.

11. Additional Disclosures (continued)

11.2 Shares under option

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

OPTIONS – SERIES	SHARE OPTION PLAN	GRANT DATE	VEST DATE	EXPIRY DATE	NUMBER OUTSTANDING AT DATE OF REPORT	FAIR VALUE AT GRANT DATE	EXERCISE PRICE
Series 20	ESOP 2	19/04/2017	30/08/2020	30/09/2020	421,917	$1.27	$0.00
Series 27	ESOP 2	24/09/2018	01/09/2021	30/10/2021	391,566	$1.36	$0.00
Series 28	ESOP 2	24/09/2018	01/09/2021	30/10/2021	376,986	$1.36	$0.00
Series 29	ESOP 2	24/09/2018	01/09/2021	30/10/2021	258,210	$1.36	$0.00
Series 32 [1]	ESOP 2	30/06/2019	01/09/2021	30/10/2021	185,994	$2.40	$0.00

(1) Series 32, relating to Thomas Cregan's STIP has been recognised for accounting purposes as the service period has commenced. However, shareholder approval will be sought at the AGM during November 2019. In accordance with accounting standards, the temporary Grant date has been taken to be balance date and will be revised upon shareholder approval.

OPTION SERIES SUBJECT TO PERFORMANCE HURDLES VESTING CONDITIONS:

	SERIES 16	SERIES 20	SERIES 27	SERIES 28	SERIES 29	SERIES 32
FINANCIAL YEAR IN WHICH PERFORMANCE HURDLES WILL BE MEASURED	FY17 - FY19	FY20	FY19	FY19	FY19 - FY21	FY19 - FY21
Hurdles referenced to	North American results only	Group results	Group results	Group results	Group results	Group results
THRESHOLD FINANCIAL PERFORMANCE HURDLES						
(a) EBITDA	= or > $5M USD	n/a	n/a	n/a	>25.5M	>25.5M
(b) EBITDA per share	n/a	>$0.141	>0.127	>0.127	n/a	n/a
(c) Return on Equity	n/a	>11.8%	>11%	>11%	n/a	n/a
OTHER PERFORMANCE HURDLES						
(d) Performance evaluation	n/a	Individual KPIs	n/a	n/a	Individual KPIs	Individual KPIs

Remuneration Report.

11. Additional Disclosures (continued)

11.2 Shares under option (continued)

NUMBER OF PERFORMANCE HURDLES REQUIRED FOR OPTIONS TO VEST

Series 16

Series 16 consists of 6,200,000 options. 1/6th of the options will vest and be exercisable on the achievement of USD5m in EML North America consolidated EBITDA for any fiscal year ended by 30 June 2019. Further options will vest in increments of 1/6th for each additional USD1m in EML North America consolidated EBITDA achieved in any fiscal year ending by 30 June 2019 with 100% of the options being exercisable upon achievement of USD10m in EML North America consolidated EBITDA as at 30 June 2019. EBITDA is measured on a historical basis of North American performance, excluding the post acquisition impact of aligning the USA business to Group accounting policies, including the allocation of corporate overheads and accrual of expected breakage.

Series 20

Series 20 is weighted between performance evaluation (33%) and Group financial metrics (67%).

Performance evaluation is subject to achieving a minimum of 70% of his or her KPI targets set for the year, if less than 70% is achieved in the final year prior to the vesting date then the options granted will be fully forfeited. This condition is not subject to a percentage pro-rata.

Financial metrics are split evenly between EBITDA per share and Return on Equity targets. Both performance metrics are based on a percentage pro-rata achievement of the targets, with no maximum upside or downside.

For every 1% out-performance of the Financial Metrics Vesting Conditions when added together, an extra 2% of the original grant will apply as a bonus. The bonus will only be available once a minimum of 10% out performance has been achieved and is capped at 120% of the original grant.

Series 27

Series 27 Financial metrics are split evenly between 50% EBITDA per share and 50% Return on Capital Employed targets. The Company must have achieved a threshold EBITDA per share and a Return on Capital Employed (ROCE) target in FY21. Both performance metrics are based on a straight line vesting between threshold and outperformance of targets. A Vesting Period of 3 years applies to all Options the subject of this offer. Calculation of the number of options is based on outperformance.

Series 28

Series 28 Financial metrics are split evenly between 50% EBITDA per share and 50% Return on Capital Employed targets. The Company must have achieved a compulsory EBITDA per share and a Return on Capital Employed (ROCE) target in FY21. Both performance metrics are based on a straight line vesting between threshold and outperformance of targets. A Vesting Period of 3 years applies to all Options the subject of this offer. Calculation of the number of options is based on outperformance.

Series 29

Series 29 is weighted between 50% Group EBITDA target for FY19 and 50% the individual's achievement of specific key performance indicators ("KPIs") for FY19. Award is delivered wholly in Options. A Vesting Period of 1 year applies to all Options the subject of this offer. The 1 year commences on 1 July 2019. Even assuming all other Vesting Conditions that apply to these Options are met, they cannot exercise the Options until the expiry of that 1 year period. The number of options is a based on a straight-line calculation between threshold and outperformance.

Series 32

Series 32 is weighted between 50% Group EBITDA target for FY19 and 50% the individual's achievement of specific key performance indicators ("KPIs") for FY19. Award is delivered wholly in Options. A Vesting Period of 1 year applies to all Options the subject of this offer. The 1 year commences on 1 July 2019. Even assuming all other Vesting Conditions that apply to these Options are met, they cannot exercise the Options until the expiry of that 1 year period. The number of options is a based on a straight-line calculation between threshold and outperformance.

This series has been recognised for accounting purposes as the service period has commenced. However, shareholder approval will be sought at the AGM during November 2019. In accordance with accounting standards, the temporary Grant date has been taken to be balance date and this will be revised upon shareholder approval.

11. Additional Disclosures (continued)

11.3 Executive Compensation

		SHORT-TERM EMPLOYEE BENEFITS				POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS	SHARE-BASED PAYMENTS				
		SALARY & FEES $	BONUSES $	NON-MONETARY BENEFITS $	OTHER $	SUPERANNUATION $	LONG-SERVICE LEAVE $	OPTIONS $	SHARES $	TOTAL $	PERFORMANCE RELATED %	VALUE OF SHARE-BASED PAYMENTS AS A % OF REMUNERATION %
NON-EXECUTIVE DIRECTORS												
Peter Martin	2019	150,000	-	-	-	14,250	-	-	-	164,250	-	-
	2018	150,000	-	-	-	14,250	-	-	-	164,250	-	-
Tony Adcock	2019	102,061	-	-	-	9,696	-	-	-	111,757	-	-
	2018	84,605	-	-	-	8,037	-	-	-	92,642	-	-
David Liddy AM	2019	101,605	-	-	-	9,652	-	-	-	111,257	-	-
	2018	85,452	-	-	-	8,118	-	-	-	93,570	-	-
Dr Kirstin Ferguson	2019	96,011	-	-	-	9,121	-	-	-	105,132	-	-
	2018	32,988	-	-	-	3,134	-	-	-	36,122	-	-
Melanie Wilson	2019	99,000	-	-	-	-	-	-	-	99,000	-	-
	2018	33,260	-	-	-	-	-	-	-	33,260	-	-
Robert Browning (1)	2019	-	-	-	-	-	-	-	-	-	-	-
	2018	53,730	-	-	-	5,104	-	-	-	58,834	-	-
John Toms (2)	2019	-	-	-	-	-	-	-	-	-	-	-
	2018	7,837	-	-	-	745	-	-	-	8,582	-	-
EXECUTIVE DIRECTOR												
Thomas Cregan	2019	629,469	-	-	-	20,531	-	2,000,796	-	2,650,796	75%	75%
	2018	579,951	20,000	-	-	20,049	-	156,038	-	776,038	3%	20%
OTHER EXECUTIVES												
Robert Shore (3)	2019	193,549	-	-	-	12,795	-	249,543	-	455,887	55%	55%
	2018	-	-	-	-	-	-	-	-	-	-	-
Brandon Thompson	2019	536,711	-	37,155	-	12,533	-	785,909	-	1,372,308	57%	57%
	2018	40,771	-	-	-	-	-	911	-	41,682	-	2%
Bruce Stewart (4)	2019	138,873	-	514	-	-	-	19,963	-	159,350	13%	13%
	2018	367,596	62,863	925	-	-	-	65,536	182,136	679,057	9%	36%
Andrew Betts (5)	2019	-	-	-	-	-	-	-	-	-	-	-
	2018	254,951	55,159	-	-	20,049	1,539	131,559	39,818	503,075	11%	34%
Stuart Green (5)	2019	-	-	-	-	-	-	-	-	-	-	-
	2018	267,475	39,764	1,655	-	13,374	-	169,390	-	491,658	8%	34%
Rachelle St Ledger (5)	2019	-	-	-	-	-	-	-	-	-	-	-
	2018	254,951	53,695	7,000	-	20,049	-	131,559	21,067	488,321	11%	31%
Eric Mettemeyer (5)	2019	-	-	-	-	-	-	-	-	-	-	-
	2018	339,735	-	20,838	1,429	14,655	-	1,371,963	-	1,748,620	-	78%
Total KMP compensation	2019	2,047,279	-	37,669	-	88,578	-	3,056,211	-	5,229,737	58%	58%
	2018	2,553,302	231,481	30,418	1,429	127,564	1,539	2,026,956	243,021	5,215,710	4%	44%

(1) Robert Browning resigned from the Company effective 20 February 2018.

(2) John Toms died unexpectedly on 4 August 2017.

(3) Robert Shore was appointed to Group Chief Financial Officer on 14 November 2018.

(4) Bruce Stewart resigned as Group Chief Financial Officer on 14 November 2018.

(5) As of 1 July 2018, these roles are no longer considered Executive KMP for reporting purposes.

Remuneration Report.

11. Additional Disclosures (continued)

11.4 Actual Cash Remuneration for Executive KMP Earned in FY19

The table below represents:

- Total Fixed Remuneration, including Base salary including superannuation and non-monetary benefits such as travel and mobile phone allowances;
- Cash STI paid during the year;
- STI Vested – the value of STI that vested during the financial year using the share price on the date of vesting less any employee contribution; and
- LTI Vested – the value of LTI that vested during the financial year using the share price on the date of vesting less any employee contribution.

EXECUTIVE KMP	TOTAL FIXED REMUNERATION S	CASH STI S	STI VESTED $	LTI VESTED S	TOTAL REMUNERATION $
Thomas Cregan	650,000	-	-	-	650,000
Robert Shore (1)	206,344	-	-	86,250	292,594
Brandon Thompson	586,399	-	-	-	586,399
Bruce Stewart (1)	139,387	-	-	-	139,387
Total	**1,582,130**	**-**	**-**	**86,250**	**1,668,380**

(1) Bruce Stewart resigned effective 14 November 2018 and Robert Shore promoted to Group CFO effective 14 November 2018.

10.5 Total Cash Remuneration for Non-Executive Directors

	BASE SALARY $	SUPERANNUATION $	TOTAL FIXED REMUNERATION(1) $
NON-EXECUTIVE DIRECTORS			
Peter Martin	150,000	14,250	164,250
Tony Adcock	102,061	9,696	111,757
David Liddy AM	101,605	9,652	111,257
Dr Kirstin Ferguson	96,011	9,121	105,132
Melanie Wilson (2)	99,000	-	99,000
Total	**548,677**	**42,719**	**591,396**

(1) Total Fixed Remuneration, includes Base salary, superannuation, non-monetary and other remuneration.

(2) Melanie Wilson's remuneration is paid through a serivce company and is inclusive of superannuation.

11. Additional Disclosures (continued)

11.6 Ordinary shares held in EML Payments Limited

		BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION	ON EXERCISE OF OPTIONS	NET CHANGE	BALANCE AT END OF YEAR
NON-EXECUTIVE DIRECTORS						
Peter Martin	2019	8,505,213	-	-	(850,000)	7,655,213
	2018	8,505,213	-	-	-	8,505,213
Tony Adcock	2019	234,593	-	-	(184,593)	50,000
	2018	234,593	-	-	-	234,593
David Liddy AM	2019	800,000	-	-	-	800,000
	2018	1,600,310	-	-	(800,310)	800,000
Dr Kirstin Ferguson [1]	2019	-	-	-	-	-
	2018	-	-	-	-	-
Melanie Wilson [1]	2019	-	-	-	40,000	40,000
	2018	-	-	-	-	-
Robert Browning [2]	2019	-	-	-	-	-
	2018	1,975,905	-	-	(1,975,905)	-
John Toms [3]	2019	-	-	-	-	-
	2018	506,823	-	-	(506,823)	-
EXECUTIVE DIRECTOR						
Thomas Cregan	2019	16,474,723	-	-	-	16,474,723
	2018	20,299,723	-	-	(3,825,000)	16,474,723
OTHER EXECUTIVES						
Robert Shore [6]	2019	-	-	57,500	30,000 [7]	87,500
	2018	-	-	-	-	-
Brandon Thompson [4]	2019	350,000	-	-	-	350,000
	2018	-	-	-	350,000	350,000
Bruce Stewart [6]	2019	2,967,349	-	-	(2,967,349)	-
	2018	2,837,351	-	-	129,998	2,967,349
Andrew Betts [5]	2019	731,553	-	-	(731,553)	-
	2018	731,553	-	-	-	731,553
Stuart Green [5]	2019	1,829,968	-	-	(1,829,968)	-
	2018	1,959,968	-	138,169	(268,169)	1,829,968
Rachelle St Ledger [5]	2019	113,636	-	-	(113,636)	-
	2018	113,636	-	-	-	113,636
Eric Mettemeyer [5]	2019	1,043,147	-	-	(1,043,147)	-
	2018	1,259,814	-	333,333	(550,000)	1,043,147
Total KMP ordinary shares held in EML Payments Limited	**2019**	**33,050,182**	**-**	**57,500**	**(7,650,246)**	**25,457,436**
	2018	40,024,889	-	471,502	(7,446,209)	33,050,182

(1) Dr Kirstin Ferguson and Melanie Wilson were appointed 20 February 2018.

(2) Robert Browning resigned from the Company effective 20 February 2018.

(3) John Toms died unexpectedly on 4 August 2017.

(4) Brandon Thompson was appointed 1 June 2018.

(5) As of 1 July 2018, these roles are no longer considered Executive KMP for reporting purposes.

(6) Bruce Stewart resigned effective 14 November 2018 and Robert Shore was promoted to Group CFO effective 14 November 2018.

(7) Net change is a combination of 22,829 held on the date of appointment and purchases during the year of 7,171 (November 2018).

Remuneration Report.

11. Additional Disclosures (continued)

11.7 Option holdings of Executive KMP (number)

		OPENING BALANCE	GRANTED AS REMUNERATION	OPTIONS EXERCISED	OPTIONS CANCELLED	NET CHANGE OTHER	CLOSING BALANCE	BALANCE VESTED AT 30 JUNE 2018	VESTED BUT NOT EXERCISABLE	VESTED AND EXERCISABLE	OPTIONS VESTED DURING YEAR
EXECUTIVE DIRECTOR											
Thomas Cregan	2019	376,712	577,560	-	-	-	954,272	-	-	-	-
	2018	376,712	-	-	-	-	376,712	-	-	-	-
OTHER EXECUTIVES											
Robert Shore (3)	2019	-	255,670	(57,500)	-	102,705	300,875	-	-	-	-
	2018	-	-	-	-	-	-	-	-	-	-
Brandon Thompson (1)	2019	250,168	296,216	-	-	-	546,384	-	-	-	-
	2018	-	250,168		-	-	250,168	-	-	-	-
Bruce Stewart (3)	2019	158,219	-	-	-	(158,219)	-	-	-	-	-
	2018	158,219	-	-	-	-	158,219	-	-	-	-
Andrew Betts (2)	2019	424,315	-	-	-	(424,315)	-	-	-	-	-
	2018	424,315	-	-	-	-	424,315	-	-	-	-
Stuart Green (2)	2019	516,719	-	-	-	(516,719)	-	-	-	-	-
	2018	646,719	8,169	(138,169)	-	-	516,719	-	-	-	-
Rachelle St Ledger (2)	2019	424,315	-	-	-	(424,315)	-	-	-	-	-
	2018	424,315	-	-	-	-	424,315	-	-	-	-
Eric Mettemeyer (2)	2019	3,693,397	-	-	-	(3,693,397)	-	-	-	-	-
	2018	4,026,730	-	(333,333)	-	-	3,693,397	-	-	-	-
David Shewmaker	2019	-	-	-	-	-	-	-	-	-	-
	2018	220,000	-	(220,000)	-	-	-	-	-	-	-
Total options held by Executives	**2019**	**5,843,845**	**1,129,446**	**(57,500)**	**-**	**(5,114,260)**	**1,801,531**				
	2018	6,277,010	258,337	(691,502)	-	-	5,843,845	-	-	-	-

(1) Brandon Thompson was appointed 1 June 2018.
(2) As of 1 July 2018, these roles are no longer considered Executive KMP for reporting purposes.
(3) Bruce Stewart resigned effective 14 November 2018 and Robert Shore was promoted to Group CFO of EML effective 14 November 2018.

No options were held by the Non-executive Directors during the financial year ended 30 June 2019 (2018: Nil).

Directors' Declaration.

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

The directors declare that:

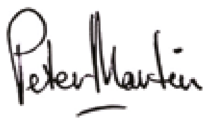
(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note G4 to the financial statements

(c) 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

(d) 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(5) of the *Corporations Act 2001*.



Peter Martin
Non-executive Chairman

20 August 2019

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 2019, 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 a summary of significant accounting policies 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:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of their financial performance for the year then ended; and

(ii) 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte Network.

Deloitte.

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.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Accounting for breakage revenue In the financial year ended 30 June 2019, the Group recognised $15.4 million of expiry breakage revenue as disclosed in Note A1. For breakage revenue, management is required to exercise significant judgment in estimating the expected residual non-refundable, unredeemed and unspent funds value left on cards and accruing for breakage revenue in proportion to the historical pattern of rights exercised by the customer. As set out in Note A1, management has disclosed a key judgement made in the process of applying the Group's accounting policies in respect of breakage revenue. In accounting for breakage revenue management has determined that it is appropriate to apply AASB 15 to residual unspent funds on cards.	Our audit procedures included, but were not limited to: • Assessing the group's accounting policy for breakage income as noted below • Evaluating and challenging management's assumptions of expected residual percentage and pattern of rights of exercise with regards to estimated historical data, market specific trends, and existing economic conditions for each program • Determining an independent estimate using historical breakage rates and investigating any significant differences from management's estimate • Assessing the independence, competence and objectivity of the external experts utilised by the group to determine estimates on certain types of cards; and • Evaluating the Group's accounting for customers' unexercised rights as breakage revenue across the Group's card programs and assessing whether the impact of applying alternative accounting judgements is significant. We also assessed the appropriateness of the disclosures in Note A1 to the financial statements.
Acquisition of PerfectCard and Flex-e-Card On 4 July 2018, the Group acquired an equity stake in PerfectCard. This resulted in the acquisition of two Irish registered and domiciled entities, PerfectCard DAC (74.86% owned) and PerfectCard IT Limited (100% owned). On 17 June 2019, the Group acquired the remaining 25.14% of PerfectCard DAC, increasing its ownership interest to 100%. The Group made a further acquisition on 28 June 2019, where a 100% equity stake was obtained in Flex-e-Card Limited (UK registered entity) and Flex-e-Card International DMCC (UAE registered entity). Accounting for acquisitions is complex and involves a number of significant judgements and estimates as disclosed in Note F6: • the identification of and fair value attributed to the separately identifiable assets and liabilities acquired, including intangible assets • the fair value attributed to contingent consideration; and • accounting for the acquisition of the minority interest.	Our audit procedures included, but were not limited to: • Assessing the independent valuations obtained for the business acquired • Assessing management's estimation and valuation of contingent consideration included in the acquisition accounting • Evaluating the independence, competence and objectivity of the valuer engaged by management to value the assets acquired • Evaluating the purchase price allocation performed by management including the assessment of the fair values applied to the assets and liabilities acquired • Performing sensitivity analysis on the key assumptions driving asset valuation in the purchase price allocation • Assessing the accounting treatment applied by management; and • Assessing the accounting treatment of the subsequent minority interest acquisition. We also assessed the appropriateness of the disclosures in Note F6 to the financial statements.

Independent Auditor's Report.

Deloitte.

Recoverability of deferred tax assets As at 30 June 2019 the Group has recognised deferred tax assets of $22.6 million as disclosed in Note A3. The deferred tax assets include timing differences and previously recorded tax losses. The recoverability of deferred tax assets is dependent on the generation of sufficient future taxable profit to utilise the assets. Taxable profits must be generated in the same jurisdiction the losses or timing differences were generated in. Significant judgement is required in forecasting future taxable profit.	Our audit procedures included, but were not limited to: • Challenging the appropriateness of management's estimation of future taxable profit and assessing whether these estimates were consistent with the forecasts used as part of the impairment testing of goodwill and intangible assets • Assessing the appropriateness of the deferred tax calculation prepared by management in terms of relevant accounting standards and applicable tax regulation; and • Recalculating the accuracy of the deferred tax calculation. We also assessed the appropriateness of the disclosures in Note A3 to the financial statements.
Impairment of goodwill and intangible assets As at 30 June 2019 the Group has goodwill and intangible assets totalling $104.5 million arising from the acquisitions of businesses as disclosed in Note E2. Management conducts annual impairment tests to assess the recoverability of the carrying value of non-current assets. This assessment requires significant judgement due to the high level of assumptions and estimates involved in preparing a discounted cash flow model ('value in use'), including: - Future cash flows for the Cash Generating Unit ('CGU') - Discount rates; and - Terminal value growth rates. Given acquisitions and continuing development of the Group the CGUs have been reassessed by management during the current year.	In conjunction with our valuation specialists, our procedures included, but were not limited to: • Evaluating the appropriateness of management's identification of the Group's CGUs and testing key controls over the Group's impairment assessment process • Evaluating the appropriateness of the methodology applied by the directors in calculating the recoverable amounts of the CGUs • Testing the mathematical accuracy of the recoverable amount models • Assessing the reasonableness of the projected cash flows against external economic and financial data, the Group's own historical performance and historical forecasting reasonableness • Assessing the key assumptions used by management in the impairment model, in particular challenging the assumptions used to calculate the discount rates; and • Assessing the recoverable amount against the carrying value of each CGU. We also assessed the appropriateness of the disclosures in Note E2 to the financial statements.
Adoption of AASB 15 – Revenue from Contracts with Customers The Australian Accounting Standards Board (AASB) issued *AASB 15 – Revenue from Contracts with Customers* which replaces *AASB 118 – Revenue.* The Group has adopted this standard with effect from 1 July 2018 under the modified retrospective approach. The key impact on the Group's revenue recognition policies arising from the adoption of AASB 15 are disclosed in Note A1 and G4 to the financial statements.	Our audit procedures included, but were not limited to: ▪ Assessing the Group's accounting policies against the requirements of AASB 15 through evaluating management's analysis on the application of AASB 15 to the Group's revenue from contracts with customers across the Group's card programs; and ▪ Assessing the appropriateness of the opening retained earnings adjustments recognised as a result of the adoption of the standard under the modified retrospective approach. We also assessed the appropriateness of the disclosures arising from the adoption of AASB 15 in Note A1 and G4 to the financial statements.

Deloitte.

Adoption of AASB 9 – Financial Instruments	Our audit procedures included, but were not limited to:
The Australian Accounting Standards Board (AASB) issued AASB 9 – *Financial Instruments* which replaces AASB 139 – *Financial Instrument: Recognition and measurement.* The Group has adopted the new standard with effect from 1 July 2018. As allowed under AASB 9, the requirements have been applied retrospectively without restating the comparatives. The key changes on the Group's financial statements arising from classification and measurement of the financial instruments are disclosed in Note G4 to the financial statements.	▪ Assessing the Group's AASB 9 accounting policies in respect of classification and measurement and comparing to the requirements of the standard across the Group's card programs; and ▪ Assessing the appropriateness of the opening balance adjustments recognised as a result of the adoption of the standard. We also assessed the appropriateness of the disclosures arising from the adoption of AASB 9 in Note G4 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the following information which will be included in the Group's Annual Report for the year ended 30 June 2019: the Chairman's Report, Managing Director's Report, Gift and Incentive Operations, General Purpose Reloadable Operations, Virtual Account Numbers Operations, Performance Overview, Directors and Company Secretary, Directors' Report, Corporate Information and ASX Additional Information, which we obtained prior to the date of this auditors report, 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.

Independent Auditor's Report.

Deloitte.

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.

- 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, related safeguards.

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.

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 46 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of EML Payments Limited for the year ended 30 June 2019, 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

David Rodgers
Partner
Chartered Accountants
Brisbane, 20 August 2019

Auditor's Independence Declaration.

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

The Board of Directors
EML Payments Limited
Level 13, 333 Ann Street
Brisbane City QLD 40060

20 August 2019

Dear Directors

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 statements of EML Payments Limited for the financial year ended 30 June 2019, 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 sincerely

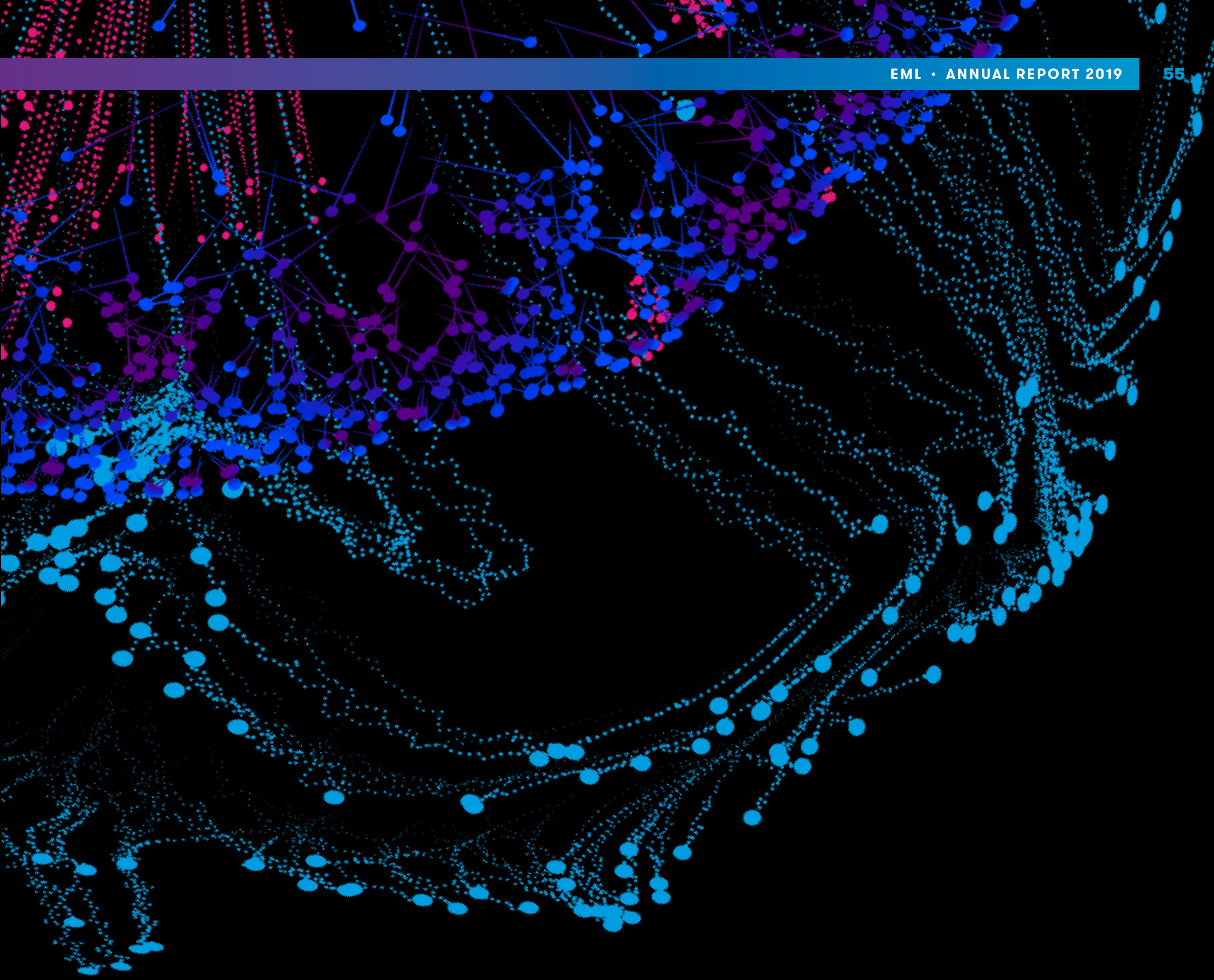
Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

David Rodgers
Partner
Chartered Accountants

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte Network.



Financial Statements.

Statement of Profit or Loss and Other Comprehensive Income.

For the year ended 30 June 2019

	NOTES	CONSOLIDATED 30 JUNE 2019 $'000	CONSOLIDATED 30 JUNE 2018 $'000
Revenue from contracts with customers	A1	94,392	68,312
Interest income	A1	2,803	2,708
TOTAL REVENUE	A2	97,195	71,020
Cost of sales		(24,180)	(17,719)
Gross Profit	A2	**73,015**	**53,301**
EXPENSES			
Employee benefits expense		(29,079)	(21,945)
Professional fees		(2,857)	(2,726)
Share-based payments	F3	(4,214)	(4,986)
Depreciation and amortisation expense	E1, E2	(10,267)	(8,798)
Finance costs	A1	(1,865)	(597)
Other expenses	A1	(15,707)	(9,263)
Total expenses		**(63,989)**	**(48,315)**
PROFIT BEFORE INCOME TAX		9,026	4,986
Income tax (expense)	A3	(576)	(2,778)
Net profit for the year		**8,450**	**2,208**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		4,613	2,617
Items that will not be reclassified subsequently to profit or loss:			
Fair value revaluation of financial assets at FVOCI		(1,181)	-
Other comprehensive income for the year, net of income tax		**3,432**	**2,617**
Total comprehensive profit for the year		**11,882**	**4,825**
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the parent		**11,715**	**4,825**
Non-controlling interests		**167**	-
PROFIT PER SHARE (CENTS PER SHARE)	A5		
Basic (cents per share)		3.32	0.90
Diluted (cents per share)		3.18	0.87

The accompanying notes form part of these financial statements.

Statement of Financial Position.

As at 30 June 2019

	NOTES	CONSOLIDATED 30 JUNE 2019 $'000	CONSOLIDATED 30 JUNE 2018 $'000
CURRENT ASSETS			
Cash and cash equivalents	B1	33,085	39,006
Contract assets	B2	18,217	12,550
Trade and other receivables	B3	14,369	8,889
Receivable from financial institution	D1	244,824	67,714
Current tax asset		-	470
Other current assets	B4	3,343	2,941
Total Current Assets		**313,838**	**131,570**
NON-CURRENT ASSETS			
Contract assets	B2	13,611	7,276
Trade and other receivables	B3	12,386	7,452
Financial assets	D5	4,310	5,211
Plant and equipment	E1	5,355	3,481
Intangibles	E2	104,554	65,767
Deferred tax asset	A3	22,653	18,783
Total Non-Current Assets		**162,869**	**107,970**
Total Assets		**476,707**	**239,540**
CURRENT LIABILITIES			
Trade and other payables	B5	33,853	21,150
Employee benefits	C1	851	727
Current tax payable		759	-
Interest-bearing borrowings	D3	15,000	-
Other liabilities		3,705	884
Liabilities to stored value account holders	D2	244,824	67,714
Total Current Liabilities		**298,992**	**90,475**
NON-CURRENT LIABILITIES			
Other liabilities	B6	14,257	6,900
Contingent consideration	D4, F6	11,831	6,879
Deferred tax liabilities	A3	7,315	5,410
Employee benefits	C1	81	103
Total Non-Current Liabilities		**33,484**	**19,292**
Total Liabilities		**332,476**	**109,767**
Net Assets		**144,231**	**129,773**
EQUITY			
Issued capital	F1	138,097	137,744
Reserves	F2	27,802	19,091
Accumulated losses		(21,668)	(27,062)
Total Equity		**144,231**	**129,773**

The accompanying notes form part of these financial statements.

Statement of Cash Flows.

For the year ended 30 June 2019

	NOTES	CONSOLIDATED 30 JUNE 2019 $'000	CONSOLIDATED 30 JUNE 2018 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		95,533	60,211
Payments to suppliers and employees		(66,680)	(55,284)
Tax paid		(1,855)	(946)
Acquisition – related expenses		(567)	(280)
Interest paid		(18)	(103)
Interest received		2,749	2,774
Net cash generated by operating activities	B7	**29,162**	**6,372**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment	E1	(1,298)	(1,393)
Payments for software intangibles	E2	(4,469)	(3,868)
Payment of security deposit		(100)	-
Loan provided to PayWith Worldwide, Inc.	B3	-	(649)
Payment for business combinations, net of cash acquired	F6	(43,951)	(727)
Net cash used in investing activities		**(49,818)**	**(6,637)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	F1	353	26
Acquisition of non-controlling interests	F6	(339)	-
Proceeds from interest-bearing borrowings	D3	15,000	-
Net cash provided from financing activities		**15,014**	**26**
Net increase / (decrease) in cash held		(5,642)	(239)
Cash at beginning of year		39,006	39,872
Impacts of foreign exchange		(279)	(627)
Cash at end of year	B1	**33,085**	39,006

The accompanying notes form part of these financial statements.

Statement of Changes in Equity.

For the year ended 30 June 2019

	NOTES	ISSUED CAPITAL $'000	ACCUMU-LATED LOSSES $'000	OTHER RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	TOTAL AT-TRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CON-TROLLING INTEREST	TOTAL $'000
BALANCE AT 1 JULY 2017		137,981	(29,270)	19,035	(7,165)	120,581	-	120,581
TOTAL COMPREHENSIVE INCOME								
– Profit for the period		-	2,208	-	-	2,208	-	2,208
OTHER COMPREHENSIVE INCOME								
Unrealised foreign currency gain, net of tax		-	-	-	2,617	2,617	-	2,617
TRANSACTIONS RECORDED DIRECTLY IN EQUITY								
– Share-based payments		-	-	4,604	-	4,604	-	4,604
– Issue of share capital	F1	26	-	-	-	26	-	26
– Issue costs	F1	(263)	-	-	-	(263)	-	(263)
Balance at 30 June 2018		**137,744**	**(27,062)**	**23,639**	**(4,548)**	**129,773**	**-**	**129,773**
TOTAL COMPREHENSIVE INCOME								
– Profit for the period		-	8,268	-	-	8,268	182	8,450
OTHER COMPREHENSIVE INCOME								
Unrealised foreign currency gain/(loss), net of tax		-	-	-	4,628	4,628	(15)	4,613
Fair value revaluation of financial assets at FVOCI	D4	-	-	(1,181)	-	(1,181)	-	(1,181)
TRANSACTIONS RECORDED DIRECTLY IN EQUITY								
– Non-controlling interests on acquisition of subsidiary	F6	-	-	-	-	-	1,558	1,558
– Acquisition of non-controlling interests	F6	-	(2,874)	-	-	(2,874)	(1,725)	(4,599)
– Share-based payments		-	-	5,264	-	5,264	-	5,264
– Issue of share capital	F1	353	-	-	-	353	-	353
Balance at 30 June 2019		**138,097**	**(21,668)**	**27,722**	**80**	**144,231**	**-**	**144,231**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements.

A1 Revenue, Other Expenses and Finance Costs

The following revenue and expense items are relevant in explaining the financial performance for the year

	CONSOLIDATED	
	30 JUNE 2019 $'000	30 JUNE 2018 $'000
(A) REVENUE FROM CONTRACTS WITH CUSTOMERS		
Recurring revenue - Transaction based revenue	52,750	35,992
Recurring revenue - Service-based revenue	31,887	26,434
Non-recurring revenue - Establishment revenue	9,755	5,886
	94,392	**68,312**
(B) INTEREST INCOME		
Interest income – stored value	2,324	2,343
Interest income – group funds	479	365
	2,803	**2,708**
(C) OTHER EXPENSES INCLUDE		
Acquisition related costs	567	280
Fixed sponsor bank and other related costs	1,436	885
Foreign exchange loss/(gain)	2,160	21
Information technology related costs	3,723	2,910
Marketing and advertising	870	475
Risk and compliance	1,707	856
Rent, buildings and office management	2,104	2,096
Travel and accommodation	2,732	1,737
Other	408	3
	15,707	**9,263**
(D) FINANCE COSTS		
Interest expense - general	27	103
Interest expense - unwind of discount on contingent consideration (iv)	1,838	494
	1,865	**597**

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

The Group adopted AASB 15 Revenue from Contracts with Customers on 1 July 2018. Refer to Note G4 for further details on the effect of the implementation.

(i) Recurring Revenue

The Group's Recurring revenue, including Breakage revenue and Transaction fees are categorised together due to their recurring nature.

TRANSACTION BASED REVENUE (FIXED CONSIDERATION)

The Group generates fixed consideration from cardholder transactions. This revenue includes transaction fees and fees generated from interchange.

Transaction and Interchange fees

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

A1 Revenue, Other Expenses and Finance Costs (continued)

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 inactive cardholder accounts. 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 an AMF 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.

Significant accounting judgements and estimates relating to AMF are described further below.

Breakage revenue

The Group generates revenue from prepaid products on the unused amount (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, 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. 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.

Significant accounting judgements and estimates relating to Breakage revenue are described further below.

(ii) Non-recurring Revenue

ESTABLISHMENT REVENUE

The Group's Establishment revenue, including minimum spend, set up and card sales, is recognised when the performance obligation has been met and it is highly probable that a significant revenue reversal will not occur.

Card sales revenue is recognised when the order confirmed by the client as this represents the point in time at which the right to consideration becomes unconditional. Card orders are highly branded to the client's specific requirements and are unable to be repurposed. Following shipment, the client has full discretion over the manner of distribution and bears the risks of obsolescence and loss in relation to the card.

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.

Notes to the Financial Statements.

A1 Revenue, Other Expenses and Finance Costs (continued)

KEY JUDGEMENTS AND ESTIMATIONS

ACCOUNT MANAGEMENT FEE (AMF) REVENUE

AMF is an amount which is generated from monthly charges on cardholder accounts.

Management have exercised judgement in assessing the features of the Group's AMF products and have concluded that AMF falls within the scope of AASB 15. This is because the 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 an AMF 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 AMF. The Group will then recognise AMF as variable consideration in proportion to the pattern of rights exercised by the cardholder.

The calculated AMF and pattern of rights of exercised are reviewed regularly in line with new commercial agreements and changes in cardholder behaviour.

The aggregate amount of the transaction price allocated to performance obligations that are partially unsatisfied as at the reporting date is $13,611,000. This value represents the timing difference between recognition of revenue over the cardholder spend profile and finalisation of performance obligations. AASB 15 allows for a practical expedient if performance obligations have an expected duration of one year or less. These have been excluded from the value above.

As permitted under the transitional provisions in AASB 15, the transaction price allocated to partially unsatisfied performance obligations as at 30 June 2018 is not disclosed.

(iii) Interest Income

Interest income is recognised using the effective interest method in accordance with AASB 9. 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.

(iv) Interest Expense - unwind of discount on contingent consideration

Interest expense - unwind of discount on contingent consideration relates to the recent acquisitions - refer note F6. The contingent consideration relating to the earnout has been fair valued at acquisition date in line with AASB 3 Business Combination requirements. The difference between the fair value at acquisition date and the expected earn-out to be achieved will we unwound through interest expense until the end of the earnout period.

A2 Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of EML Payments Limited.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is focused on the geographic location of the business operations.

As the Group's operations continue to increase in scale and reach, product segments provide a clearer view of the Group's results.

As a result, the Group will now report its primary segments under AASB 8 as follows:

- Gift & Incentive (G&I)
- General Purpose Reloadable (GPR)
- Virtual Account Numbers (VANS)

Segment EBITDA represents the gross profit earned by each segment, after cash overheads, inclusive of R&D tax incentive and allocation of central administration costs and Directors' salaries, before share based payments, depreciation & amortisation and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

A2 Segment Information (continued)

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 2019				YEAR ENDED 30 JUNE 2018			
	G&I $'000	GPR $'000	VANS $'000	GROUP $'000	G&I $'000	GPR $'000	VANS $'000	GROUP $'000
GDV	1,059,983	2,739,337	5,231,591	9,030,911	737,381	3,348,447	2,666,382	6,752,210
Revenue conversion (bps)	626	87	12	108	632	65	9	105
Recurring revenue	58,568	19,662	6,407	84,637	41,254	18,747	2,425	62,426
Non-recurring revenue	6,029	3,726	-	9,755	3,914	1,972	-	5,886
Interest income - stored value	1,768	548	8	2,324	1,464	879	-	2,343
Interest income – group funds	-	-	-	479	-	-	-	365
Total Revenue	66,365	23,936	6,415	97,195	46,632	21,598	2,425	71,020
Gross Profit	**52,373**	**15,797**	**4,366**	**73,015**	**36,629**	**14,161**	**2,069**	**53,301**
Gross profit %	79%	66%	68%	75%	79%	66%	85%	75%
Overheads				(45,162)				(33,918)
R&D tax incentive offset				1,281				1,377
EBITDA				**29,134**				**20,760**
Depreciation and amortisation				(10,267)				(8,798)
Share-based payments				(4,214)				(4,986)
R&D tax incentive offset				(1,281)				(1,377)
Other non-cash charges				(4,346)				(613)
Profit/(loss) before tax				**9,026**				**4,986**

Assets are not monitored at the product segment view, the following is an analysis of the consolidated entity's net assets by geography:

	YEAR ENDED 30 JUNE 2019				YEAR ENDED 30 JUNE 2018			
	AUSTRALIA $'000	EUROPE $'000	NORTH AMERICA $'000	GROUP [1] $'000	AUSTRALIA $'000	EUROPE $'000	NORTH AMERICA $'000	GROUP[1] $'000
Current assets	39,083	257,185	16,801	313,838	66,643	82,315	14,448	131,570
Non-current assets	155,568	6,221	33,383	162,869	68,845	12,732	26,413	107,970
Total liabilities	(56,826)	(265,095)	(41,980)	(332,476)	(3,160)	(98,787)	(39,670)	(109,767)
Net assets	**137,825**	**(1,689)**	**8,204**	**144,231**	132,328	(3,740)	1,191	129,773

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

Notes to the Financial Statements.

A2 Segment Information (continued)

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

	YEAR ENDED 30 JUNE 2019				YEAR ENDED 30 JUNE 2018			
	AUSTRALIA $'000	EUROPE $'000	NORTH AMERICA $'000	GROUP) $'000	AUSTRALIA $'000	EUROPE $'000	NORTH AMERICA $'000	GROUP $'000
Revenue from contracts with customers	**18,417**	**29,170**	**46,805**	**94,392**	15,877	13,986	38,449	68,312

A3 Taxation

	CONSOLIDATED	
	2019 $'000	2018 $'000
(A) RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Current income tax expense	(2,825)	(1,054)
Deferred tax (expense)/benefit relating to the origination and reversal of temporary differences	18	(3,252)
Refundable R & D tax offset	1,281	1,377
Over provision of income tax in prior year	950	151
Total income tax (expense)/benefit	**(576)**	(2,778)
(B) RECONCILIATION BETWEEN INCOME TAX (EXPENSE)/BENEFIT AND PROFIT BEFORE INCOME TAX		
Profit before income tax	9,026	4,986
Income tax expense using the domestic corporation tax rate of 30% (2018: 30%)	(2,708)	(1,496)
TAX EFFECT OF:		
Non-deductible expenses	(2,600)	(2,790)
Tax deduction in respect of contributions to employee share trust	3,405	520
Refundable R & D tax offset	1,281	1,377
Effect of differences in tax rates [(1)]	677	(269)
Effect of change in US tax rate	-	(534)
Amortisation of blackhole expenditure	-	263
Over provision of income tax in prior year	950	151
Other	(1,581)	-
Income tax (expense)/benefit	**(576)**	**(2,778)**

(1) United Kingdom corporate tax rate is 19%, Irish tax rate is 12.5%, Australian corporate tax rate is 30%, USA tax rate is 21%, Canadian tax rate is 26.50% and United Arab Emirates is nil. The USA tax rate reduction was substantially enacted on 22 December 2017 and resulted in a writedown in the Group's deferred tax asset and liability balances.

A3 Taxation (continued)

	2019 $'000	2018 $'000
(C) DEFERRED TAX ASSET		
Intangible assets	3,251	3,373
Employee benefits	3,440	1,202
Recognition of tax losses [1]	15,607	12,426
Share capital costs	194	431
Other	161	1,351
Deferred tax asset	**22,653**	**18,783**

(1) The Group is recognising a deferred tax asset arising from unused carried forward losses for the UK and Australian Groups. The Group has assessed that sufficient future taxable profit will be available against which the unused tax losses will be able to applied.

	2019 $'000	2018 $'000
(D) DEFERRED TAX LIABILITY		
Contract asset	(5,572)	(4,913)
Intangible assets	(1,089)	-
Plant and equipment	(654)	(497)
Deferred tax liability	**(7,315)**	**(5,410)**

Tax assets and liabilities are not offset due to arising in different tax jurisdictions.

Current income tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Notes to the Financial Statements.

A3 Taxation (continued)

Deferred income tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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 entity as if each entity 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.

KEY ASSUMPTION - RECOVERY OF DEFERRED TAX ASSETS

Deferred tax is recognised on tax losses and temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

A4 Auditor's Remuneration

	CONSOLIDATED 2019 $	CONSOLIDATED 2018 $
(A) AUDIT SERVICES		
Statutory audit and review of financial reports	359,000	297,896
(B) OTHER NON-AUDIT SERVICES IN RELATION TO THE ENTITY AND ANY OTHER ENTITY IN THE CONSOLIDATED GROUP		
Other assurance services	25,000	15,000
Other consulting services	10,483	-
Total remuneration for non-audit services	**35,483**	**15,000**
Total	**394,483**	312,896

The auditor of EML Payments Limited is Deloitte Touche Tohmatsu.

A5 Earnings per Share

	CONSOLIDATED 2019 CENTS PER SHARE	CONSOLIDATED 2018 CENTS PER SHARE
(A) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS		
Basic earnings per share	3.32	0.90
Diluted earnings per share	3.18	0.87
(B) PROFIT USED IN CALCULATING BASIC AND DILUTED EARNINGS PER SHARE	**8,268,000**	**2,208,000**
(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	249,102,463	246,371,129
Adjustment for shares deemed to be issued at nil consideration in respect of option rights entitlements (1)	5,188,681	4,773,567
Adjustment for shares deemed to be issued in respect of contingent consideration (2)	5,382,403	1,913,255
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (2)	259,673,547	253,057,951

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

(2) The adjustment included for shares deemed to be issued in respect of contingent consideration relates to the contingent considerations of the EML Payments AB and Perfectcard Group business combinations (see Note F6).

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

Notes to the Financial Statements.

B1 Cash and Cash Equivalents

	CONSOLIDATED	
	2019 $'000	2018 $'000
Cash on hand and at bank	22,504	17,829
Short-term deposits	10,581	21,177
	33,085	39,006

Cash at bank earns interest at floating rates on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

B2 Contract Asset

	CONSOLIDATED	
	2019 $'000	2018 $'000
CURRENT		
Contract asset	18,217	12,550
NON-CURRENT		
Contract asset	13,611	7,276

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.

Where the Group expect to be entitled to a contract asset and can demonstrate the ability to reliably measure cardholder redemption patterns, we will recognise the expected breakage and AMF revenue as variable consideration in proportion to the pattern of rights exercised by the cardholder.

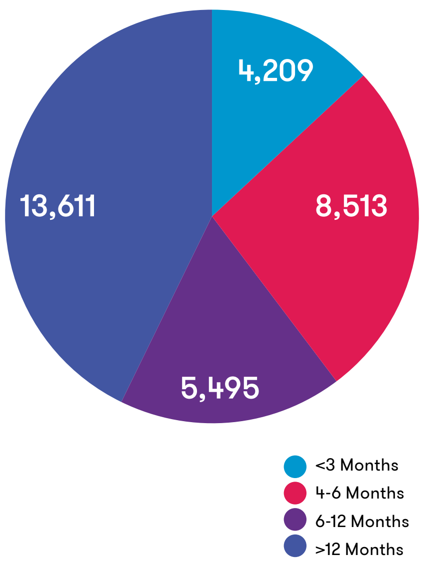
Variable consideration can only be recognised where it is highly probable that a significant reversal will not occur.

The contract asset is predicted to convert to cash over the following periods:

Contract assets are subject to the expected credit loss assessment under AASB 9. However, 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 and consequently breakage accrual.

Due to the nature of this recognition no expected credit loss was recognised.

PHASING OF FY19 BREAKAGE ACCRUAL EXPECTED CONVERSION TO CASH $'000



B3 Trade and Other Receivables

	CONSOLIDATED 2019 $'000	CONSOLIDATED 2018 $'000
CURRENT		
Trade receivables	13,106	8,494
Convertible note receivable - PayWith Worldwide Inc (1)	712	-
Interest receivable	244	189
Security deposit	307	206
	14,369	**8,889**
NON-CURRENT		
Security deposit	18	15
Customer deposits (2)	12,109	6,761
Convertible note receivable - PayWith Worldwide Inc (1)	-	676
Long-term accounts receivable	259	-
	12,386	**7,452**

(1) The loan receivable from PayWith Worldwide, Inc is interest-bearing and has an option at maturity to convert the principal value to an additional investment. Refer to Note D5 for further information and subsequent events.

(2) Customer deposits represent long-term cash guarantees on deposit with a financial institution. The liability for Customer deposits is disclosed in Note B6.

Trade and other receivables are held at amortised cost. The Group has $5,742,000 (2018: $5,775,000) of Trade receivables that are overdue and not impaired. Historically, the Group have had insignificant bad debts, resulting in an insignificant expected credit loss amount. Refer to Note D3 for further details on the Group's credit risks.

IMPAIRMENT

The Group recognises an allowance for expected credit losses (ECLs) for contract assets and all debt instruments not held at fair value through profit or loss. 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 an approximation of 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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. 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 and adjusted for forward-looking factors specific to the debtors and the economic environment when applying the ECL criteria.

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes to the Financial Statements.

B4 Other Current Assets

	CONSOLIDATED	
	2019 $'000	2018 $'000
Prepayments	3,057	1,899
Other	286	1,042
	3,343	**2,941**

Other current assets are held at amortised cost.

B5 Trade and Other Payables

	CONSOLIDATED	
	2019 $'000	2018 $'000
Trade creditors	15,073	15,507
Accrued expenses	15,799	4,365
Sales tax payable, net	174	321
Other payables	2,807	957
	33,853	**21,150**

All 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.

B6 Other Liabilities

	CONSOLIDATED	
	2019 $'000	2018 $'000
NON-CURRENT		
Customer deposits [1]	12,109	6,761
Deferred income	264	13
Lease incentive	984	126
Other payable	900	-
	14,257	**6,900**

(1) Customer deposits represent long-term cash guarantees on deposit with a financial institution. The receivable for Customer deposits is disclosed in Note B3.

Other liabilities are held at amortised cost.

B7 Reconciliation of Operating Cashflows

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

	CONSOLIDATED	
	2019 $'000	2018 $'000
OPERATING PROFIT AFTER INCOME TAX	8,268	2,208
ADD: NON-CASH ITEMS		
Depreciation and amortisation	10,267	8,798
Share-based payments	4,214	4,986
Contract asset	(1,644)	(6,500)
Net foreign exchange differences	2,243	(873)
Unwind of discount on contingent consideration	1,838	494
Other	310	-
CHANGE IN OPERATING ASSETS AND LIABILITIES		
(Increase) / decrease in trade and other receivables	(4,635)	(1,678)
(Increase) / decrease in other current assets	(405)	(783)
(Increase) / decrease in current tax	1,904	207
(Increase) / decrease in other long term receivables	(4,933)	492
(Increase) / decrease in deferred tax asset	(3,777)	177
Increase / (decrease) in trade and other payables	5,860	(2,806)
Increase / (decrease) in employee benefits	102	145
Increase / (decrease) in other liabilities	9,003	(430)
Increase / (decrease) in deferred tax liabilities	547	1,935
Net cash generated by operating activities	**29,162**	**6,372**

Notes to the Financial Statements.

C1 Employee Benefits

	CONSOLIDATED	
	2019 $'000	2018 $'000
CURRENT		
Employee benefits	851	727
NON-CURRENT		
Employee benefits	81	103

Employee benefits comprise:

(I) WAGES, SALARIES, ANNUAL LEAVE AND SICK LEAVE

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date, they are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(II) 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 expect 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.

C2 Share-Based Payments

The fair value of equity-settled share options is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

	SERIES 13	SERIES 14	SERIES 15	SERIES 16	SERIES 17	SERIES 17	SERIES 18
Share option plan	ESOP 2	ESOP 2	ESOP 2	ESOP 2	ESOP 2	ESOP 2	ESOP 2
Number at the end of financial year	-	-	-	5,915,789	-	-	-
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Expected volatility	163%	164%	168%	168%	47%	47%	47%
Risk-free interest rate	2.28%	2.24%	1.82%	1.82%	2.14%	2.14%	2.14%
Expected life of option (years)	2.83	2.75	3.04	3.33	1.94 years	1.94 years	1.94 years
Vesting date	30/08/2018	30/08/2018	01/06/2019	30/08/2019	15/11/2018	15/11/2018	15/11/2018
Expiry date	30/09/2018	30/09/2018	15/06/2019	30/09/2019	30/11/2018	30/11/2018	30/11/2018
Exercise price	$0.87	$0.87	$0.00	$1.45	$0.00	$1.85	$0.00
Grant date share price	$0.87	$1.05	$1.45	$1.45	$1.79	$1.79	$1.79
Fair value of option	$0.58	$0.71	$1.16	$1.01	$1.43	$0.38	$1.43
Performance measures	(2)	(3)	n/a	(4)	n/a	n/a	n/a

	SERIES 19	SERIES 20	SERIES 21	SERIES 22	SERIES 23	SERIES 24	SERIES 25
Share option plan	ESOP 2	ESOP 2	ESOP 2	ESOP 2	ESOP 2	ESOP 2	ESOP 2
Number at the end of financial year	-	1,452,281	125,085	125,084	125,083	61,275	61,275
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Expected volatility	47%	46%	44%	44%	44%	44%	44%
Risk-free interest rate	2.30%	1.99%	2.28%	2.28%	2.28%	2.28%	2.28%
Expected life of option (years)	2.02 years	3.37 years	1 year	2 years	3 years	1	2
Vesting date	28/02/2019	30/08/2020	28/06/2019	28/06/2020	28/06/2021	16/07/2019	16/07/2020
Expiry date	14/03/2019	30/09/2020	28/09/2021	28/09/2021	28/09/2021	28/09/2021	28/09/2021
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Grant date share price	$1.57	$1.46	$1.36	$1.36	$1.36	$1.50	$1.50
Fair value of option	$1.26	$1.27	$1.09	$1.09	$1.09	$1.20	$1.20
Performance measures	(5)	(6)	n/a	n/a	n/a	n/a	n/a

	SERIES 26	SERIES 27	SERIES 28	SERIES 29	SERIES 30	SERIES 31	SERIES 32
Share option plan	ESOP 2	ESOP 2	ESOP 2	ESOP 2	ESOP 2	ESOP 2	ESOP 2
Number at the end of financial year	61,274	391,566	1,700,131	650,664	43,268	43,268	185,994
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Expected volatility	44%	44%	44%	44%	44%	44%	41%
Risk-free interest rate	2.28%	2.28%	2.28%	2.28%	2.32%	2.32%	1.01%
Expected life of option (years)	3	3	3	3	1	2	1.2
Vesting date	16/07/2021	01/09/2021	01/09/2021	01/09/2021	12/11/2019	12/11/2020	01/09/2021
Expiry date	28/09/2021	30/10/2021	30/10/2021	30/10/2021	12/11/2019	12/11/2020	30/10/2021
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Grant date share price	$1.50	$1.58	$1.58	$1.58	$1.55	$1.55	$3.00
Fair value of option	$1.20	$1.36	$1.36	$1.36	$1.24	$1.24	$2.40
Performance measures	n/a	(7)	(8)	(9)	n/a	n/a	(10)

Notes to the Financial Statements.

C2 Share-Based Payments (continued)

The expected life of the options is based on historical data 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 also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

(2) Series 13

In accordance with the terms of the share-based arrangements, the options were exercisable subject to the achievement of two specific financial performance criteria being achieved in the financial year ended 30 June 2018. The specific details of the financial performance criteria have been disclosed in the Remuneration Report.

(3) Series 14

In accordance with the terms of the share-based arrangements, the options vested on the achievement of an EBITDA per share of at least AUD 0.091 and at least three of five specific financial performance criteria being achieved in the financial year ended 30 June 2018. The specific details of the financial performance criteria have been disclosed in the Remuneration Report.

(4) Series 16

1/6th of the options will vest on the achievement of USD5m in EML USA EBITDA for any fiscal year ended by 30 June 2019. Further options will vest in increments of 1/6th for each additional USD1m in EML USA EBITDA achieved for any fiscal year ending 30 June 2019 with 100% of the options being exercisable upon achievement of USD10m in EBITDA as at 30 June 2019. EBITDA is measured on a historical basis of North American performance, excluding the post acquisition impact of aligning the business to Group accounting policies, including the allocation of corporate overheads and accrual of expected breakage.

(5) Series 19

In accordance with the terms of the share-based arrangements, the options are exercisable subject to the achievement of specific objectives relevant to the roles of the individuals involved. These options have not been granted to Key Management Personal.

(6) Series 20

In accordance with the terms of the share-based arrangements, the options will vest on the achievement of an EBITDA per share of at least AUD 0.141, return on equity of at least 11.8% and achievement of personal performance achievements relevant to the role of the individuals. The specific details of the financial performance criteria have been disclosed in the Remuneration Report.

(7) Series 27

Series 27 Financial metrics are split evenly between 50% EBITDA per share and 50 Return on Capital Employed targets. The Company must have achieved a compulsory EBITDA per share and a Return on Capital Employed (ROCE) target in FY21. Both performance metrics are based on a straight line vesting between threshold and outperformance of targets. A Vesting Period of 3 years applies to all Options the subject of this offer. Calculation of the number of options is based on outperformance.

(8) Series 28

Series 28 is weighted between 50% Group EBITDA target for FY19 and 50% the individual's achievement of specific key performance indicators ("KPIs") for FY19. Award is delivered wholly in Options. A Vesting Period of 1 year applies to all Options the subject of this offer. The 1 year commences on 1 July 2019. Even assuming all other Vesting Conditions that apply to these Options are met, you cannot exercise the Options until the expiry of that 1 year period. Calculation of the number of options is based on outperformance.

(9) Series 29

Series 29 Financial metrics are split evenly between 50% EBITDA per share and 50% Return on Capital Employed targets. The Company must have achieved a compulsory EBITDA per share and a Return on Capital Employed (ROCE) target in FY21. Both performance metrics are based on a straight line vesting between threshold and outperformance of targets. A Vesting Period of 3 years applies to all Options the subject of this offer. The number of options is based on a straight-line calculation between threshold and outperformance.

(10) Series 32

Series 32 is weighted between 50% Group EBITDA target for FY19 and 50% the individual's achievement of specific key performance indicators ("KPIs") for FY19. Award is delivered wholly in Options. A Vesting Period of 1 year applies to all Options the subject of this offer. The 1 year commences on 1 July 2019. Even assuming all other Vesting Conditions that apply to these Options are met, you cannot exercise the Options until the expiry of that 1 year period. The number of options is based on a straight-line calculation between threshold and outperformance.

This series has been recognised for accounting purposes as the service period has commenced. However, shareholder approval will be sought at the AGM during November 2019. In accordance with accounting standards, the temporary Grant date has been taken to be balance date and will be revised upon shareholder approval.

C2 Share-Based Payments (continued)

Equity settled transactions:

The Group provides benefits to Executive Directors and employees of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There are currently two plans in place to provide these benefits:

- the Employee Share Option Plan (ESOP 1)
- the Employee Share Option Plan (ESOP 2)

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of EML Payments Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant director or employee becomes fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit and loss and other comprehensive income charge or credit for a year represents the movement in cumulative expense recognised as at the beginning and end of that year.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified.

In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the director or employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

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 model which references the Company share price on the day and may include a discount for lack of marketability.

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 (Note F3).

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, if all other performance and/or service conditions are satisfied.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

Notes to the Financial Statements.

D1 Receivables from Financial Institutions

	CONSOLIDATED	
	2019 $'000	2018 $'000
Receivable from financial institution	244,824	67,714

Receivable from financial institution is held at amortised cost and represents funds on deposit with a financial institution in respect of stored value accounts issued by the Group that have in turn been funded by external account holders. The liability to the external account holders is disclosed in Note D2.

D2 Liabilities to Stored Value Account Holders

	CONSOLIDATED	
	2019 $'000	2018 $'000
Liabilities to stored value account holders	244,824	67,714

Liabilities to stored value account holders is held at amortised cost and represents funds received for stored value accounts issued by the Company that have in turn been deposited by the Group with a financial institution. The receivable from the financial institution is disclosed in Note D1.

D3 Financial Instruments

(i) Overview

This note presents information about the Group's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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 adopted AASB 9 Financial Instruments on 1 July 2018. Refer to Note G4 for further details on the effect of the implementation.

(ii) 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 ADI's with an acceptable credit rating up to a maximum 3 month term.

D3 Financial Instruments (continued)

TRADE AND OTHER RECEIVABLES AND CUSTOMER DEPOSITS

Outstanding customer receivables and contract assets 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 Note B3). For self-issued products, the Group controls cash stored value and have the right to offset client share of breakage payable after providing sufficient notice.

The Group has $5,742,000 (2018: $5,775,000) of Trade receivables that are overdue and not impaired. Historically, the Group has had insignificant bad debts, resulting in an insignificant expected credit loss amount.

RECEIVABLES FROM FINANCIAL INSTITUTION

The Group recognises a Receivable from financial institution and an 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 th funds on deposit.

FINANCIAL ASSETS

The Group holds an equity investment in PayWith Worldwide, Inc. a company offering mobile reward program technology.

On 22 July 2019, EML entered into an agreement to purchase software from PayWith Worldwide, Inc. that supports EML's Salary Packaging vertical. EML will pay total cash consideration of USD 1 million, converted a loan receivable of USD 500k (plus interest) to equity, and transfer its total investment in PayWith Worldwide Inc. (approximately 19% of issued capital) as part of the purchase consideration. At 30 June 2019, a fair value adjustment of $1,181,000 has been recognised directly in reserves in accordance with AASB 9.

EXPOSURE TO CREDIT RISK

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		CONSOLIDATED	
	CLASSIFICATION	2019 $'000	2018 $'000
Cash and cash equivalents	Amortised cost	33,085	39,006
Trade and other receivables - Current	Amortised cost	13,350	8,700
Security deposit	Amortised cost	325	221
Receivables from financial institution	Amortised cost	244,824	67,714
Customer deposits - Non-current (1)	Amortised cost	12,109	6,761
Financial assets	Fair Value through Other Comprehensive Income	4,310	5,211

(1) Customer deposits is included in Trade and other receivables, non-current.

(iii) 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.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the reporting date.

Notes to the Financial Statements.

D3 Financial Instruments (continued)

	CLASSIFICATION	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	6 MTHS OR LESS $'000	6-12 MTHS $'000	1-2 YEARS $'000
30 JUNE 2019						
Trade and other payables	Amortised cost	33,853	33,853	33,853	-	-
Interest-bearing borrowings	Amortised cost	15,000	15,238	15,238	-	-
Liabilities to stored value account holders (1)	Amortised cost	244,824	-	-	-	-
Customer deposits - Non-current (2)	Amortised cost	12,109	-	-	-	-
Contingent consideration - cash settled portion (3)	Fair value through profit or loss	2,951	4,073	-	-	4,073
Total		**308,737**	**53,164**	**49,091**	**-**	**4,073**
30 JUNE 2018						
Trade and other payables	Amortised cost	21,150	21,150	21,150	-	-
Interest-bearing borrowings	Amortised cost	-	-	-	-	-
Liabilities to stored value account holders (1)	Amortised cost	67,714	-	-	-	-
Customer deposits - Non-current (2)	Amortised cost	6,761	-	-	-	-
Contingent consideration - cash settled portion (3)	Fair value through profit or loss	-	-	-	-	-
Total		95,625	21,150	21,150	-	-

(1) Liabilities to stored value account holders is utilised in the same proportion as the Receivable from financial institution. Therefore the contractual cashflow would net off.

(2) Customer deposits is included in Other liabilities, non-current. Other balances included in Other liabilities are not classified under AASB 9. 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 B3.

(3) The contingent consideration included is the cash only portion as this is classified as a financial liability under AASB 9. The remaining balance of Contingent consideration is equity settled.

FINANCING FACILITIES

The Group has access to financing facilities as described below, which were fully drawn down at reporting date (2018: No facility). The Group expects to meet its other obligations from operating cash flows. This financing facility is a floating rate facility with no collateral on a 3 month rolling option.

	CONSOLIDATED	
	2019 $'000	2018 $'000
Interest-bearing borrowings	15,000	-

Changes in liabilities arising from financing activities

	CONSOLIDATED		
30 JUNE 2019	AT 1 JULY $'000	CASHFLOWS	AT 30 JUNE $'000
Interest-bearing borrowings	-	15,000	15,000

D3 Financial Instruments (continued)

(iv) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(v) Currency Risk

Foreign currency risk is the risk that the fair value or 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.

When the Group has excess foreign currency which is not deriving any interest revenue due to the low interest rate environment in other geographical locations, to enhance the return, the Group reserves the right to convert the foreign currency into AUD and invested in a term deposit. To hedge the exchange rate risk at maturity of converting the proceeds of the AUD term deposit back into the foreign currency, the Group will fix the AUD payable by entering into forward exchange contracts. When the Group engages in this investment policy these hedges will be designated as cash flow hedges.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

OUTSTANDING CONTRACTS	AVERAGE EXCHANGE RATE		FOREIGN CURRENCY		NOTATIONAL VALUE		FAIR VALUE ADJUSTMENT	
CASH FLOW HEDGES	**2019**	**2018**	**2019 FC'000**	**2018 FC'000**	**2019 \$'000**	**2018 \$'000**	**2019 \$'000**	**2018 \$'000**
Buy USD	-	-	-	-	-	-	-	-
Buy GBP	-	0.5464	-	5,000	-	9,150	-	(235)

At 30 June 2019, the aggregate amount of gains under forward exchange contracts recognised in other comprehensive income was $nil (2018: $80,000).

There was a $nil impact (2018: negative impact of $235,000) in relation to the forward exchange contracts at the end of the reporting period to hedge the conversion of AUD back into the foreign currency, to invest in AUD term deposits.

At 30 June 2019, no ineffectiveness has been recognised in profit or loss for outstanding forward exchange contracts (2018: none).

FOREIGN CURRENCY SENSITIVITY

The sensitivity to the Group's Profit and Loss to a reasonably possible change in GBP, Euro, CAD and USD exchange rates, with all other variables held constant, is immaterial.

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

	GBP		USD		CAD		EURO		TOTAL	
SENSITIVITY	**2019 \$'000**	**2018 \$'000**	**2019 \$'000**	**2018 \$'000**	**2019 \$'000**	**2018 \$'000**	**2019 \$'000**	**2018 \$'000**	**2019 \$'000**	**2018 \$'000**
10% increase of AUD	6,329	4,472	3,430	1,654	1,312	1,290	1,263	-	12,334	7,416
10% decrease of AUD	(6,329)	(4,472)	(3,430)	(1,654)	(1,312)	(1,290)	(1,263)	-	(12,334)	(7,416)

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

In addition, translation of the net investment hedges would result in a decrease in equity of $4,762,000 (2018: $3,114,000), for a 10% increase in AUD or an increase in equity of $4,762,000 (2018: $3,114,000) 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.

Notes to the Financial Statements.

D3 Financial Instruments (continued)

(vi) Interest Rate Risk

The Group is exposed to interest rate risk (primarily on its Cash and cash equivalents and Receivables from financial institution), 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.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short term deposit at interest rates maturing over 90 day rolling periods.

PROFILE

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	CONSOLIDATED	
	2019 $'000	2018 $'000
VARIABLE RATE INSTRUMENTS		
Cash and cash equivalents	33,085	39,006
Security deposits	325	221
Receivables from financial institution	244,824	67,714
Interest-bearing borrowings	(15,000)	-
	263,234	106,941

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.

	PROFIT OR LOSS		EQUITY	
	100BP INCREASE $'000	100BP DECREASE $'000	100BP INCREASE $'000	100BP DECREASE $'000
30 JUNE 2019				
Variable rate instruments	2,779	(2,779)	2,779	(2,779)
Security deposits	3	(3)	3	(3)
Interest-bearing borrowings	(150)	150	(150)	150
30 JUNE 2018				
Variable rate instruments	644	(527)	644	(527)
Security deposits	4	(3)	4	(3)
Interest-bearing borrowings	-	-	-	-

D3 Financial Instruments (continued)

(vii) 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's focus has been to raise sufficient funds through equity to continue its operations. The Group monitors capital based on the gearing ratios.

The Group encourages employees to be shareholders through Share Option 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 is not subject to externally imposed capital requirements.

LOAN COVENANTS

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

- Gearing ratio must not exceed 0.25:1 and not to be less than zero;
- Debt to EBITDA ratio must not exceed 2:1 for any 12 month period, and not to be less than zero; and
- EBITDA interest cover ratio must not be less than 5:1 for any 12 month period.

The Group has complied with these covenants.

(viii) Financial Assets Accounting Policy

(I) FINANCIAL ASSETS

Financial assets are initially measured at fair value and subsequently measured as either amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Amortised cost (debt instruments);
- Fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Fair value through profit or loss.

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 following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

Notes to the Financial Statements.

D3 Financial Instruments (continued)

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group does not currently hold any debt instrument financial assets designated as fair value through OCI.

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 IAS 32 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.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

The Group does not currently hold any financial assets designated as fair value through profit or loss

(viiii) Financial Liabilities Accounting Policy

INITIAL RECOGNITION AND MEASUREMENT
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and contingent considerations.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

The Group has designated its Contingent consideration generated from acquisitions as a financial liability as fair value through profit or loss.

Loans
After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts and cross currency swaps. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

D3 Financial Instruments (continued)

(x) Hedge Accounting Policy

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

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.

D4 Fair Value

The Group's financial instruments are included in the balance sheet at amounts that approximate fair values. The basis for determining fair values is disclosed below.

The Group does not have any financial assets that are categorised as Level 1 or Level 2 in the fair value hierarchy. There were no transfers between Level 1 and 2 in the period.

FOREIGN CURRENCY HEDGE ASSETS

On occasion, the Group enters into derivative assets held for risk management purposes. During the financial year ended 30 June 2019, no derivatives were entered into. In financial year ended 30 June 2018 a loss of $235,000 was recognised in other comprehensive income. These financial instruments were measured using Level 2 valuation techniques.

INVESTMENT IN PAYWITH WORLDWIDE INC.

The Group's investment in PayWith Worldwide, Inc. is held at fair value through OCI. 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. During the financial year ended 30 June 2019, a fair value revaluation of $1,181,000 has been recognised.

	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES AND KEY INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS	RELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
	2019 $'000	2018 $'000				
Investment in PayWith Worldwide, Inc. (Refer Note D5)	4,232	5,138	Level 3	Valuation has been assessed using a value-in-use discounted cashflow based on the software.	The growth rate has been determined based on historical and forecast revenue relating to the software	An increase in the growth rate used would result in a increase in the fair value.
					The weighted average cost of capital (WACC) is a reasonable estimate for the industry.	An increase in WACC would result in an decrease in the fair value.

Notes to the Financial Statements.

D4 Fair Value (continued)

CONTINGENT CONSIDERATION

The Group's contingent consideration is recognised in relation to the equity earn-out of the recent business combinations (Refer Note F6). 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.

Movements in contingent consideration between the financial years are the unwind of discount interest expense (Refer Note A1).

	FAIR VALUE AS AT 2019 $'000	FAIR VALUE AS AT 2018 $'000	FAIR VALUE HIERARCHY	VALUATION TECHNIQUES AND KEY INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS	RELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
EML Payments AB Contingent consideration in a business combination (see note F6)	8,233	6,879	Level 3	Valuation has been assessed in line with call options of a similar nature using the Black-Scholes option pricing model	Present value of average annual EBITDA.	An increase in the interest rate used would result in a decrease in the fair value.
					Standard deviation in the value of the underlying asset.	An increase in standard deviation would result in an increase in the fair value.
					Contingent consideration multiple.	A slight decrease in the multiple used would decrease the fair value.
Perfectcard Group Contingent consideration in a business combination (see note F6)	3,598	-	Level 3	Valuation has been assessed in line with call options of a similar nature using the Black-Scholes option pricing model	Present value of average annual EBITDA.	An increase in the interest rate used would result in a decrease in the fair value.
					Standard deviation in the value of the underlying asset.	An increase in standard deviation would result in an increase in the fair value.
					Contingent consideration multiple.	A slight decrease in the multiple used would decrease the fair value.
Total contingent consideration	**11,831**	6,879				

D4 Fair Value (continued)

MOVEMENT IN THE FAIR VALUE OF CONTINGENT CONSIDERATION

	EML PAYMENTS AB	PERFECTCARD GROUP	TOTAL	EML PAYMENTS AB	PERFECTCARD GROUP	TOTAL
	2019 $'000	2019 $'000	2019 $'000	2018 $'000	2018 $'000	2018 $'000
Opening balance	6,879	-	6,879	-	-	-
Acquisitions (Refer Note F6)	-	2,922	2,922	6,699	-	6,699
Interest expense - Unwind of discount	1,220	618	1,838	494	-	494
Effect of unrealised foreign currency exchange difference	134	58	192	(314)	-	(314)
Closing balance	8,233	3,598	**11,831**	**6,879**	-	**6,879**

D5 Financial Assets

Financial assets include the following:

	CONSOLIDATED 2019 $'000	CONSOLIDATED 2018 $'000
Investment in Contrarian Holdings, LLC	78	73
Investment in PayWith Worldwide, Inc.	4,232	5,138
	4,310	5,211

The Group holds 19% of the diluted ordinary share capital of PayWith Worldwide, Inc, a company offering mobile reward program technology. This investment is held at fair value with gains and losses included in other comprehensive income.

On 22 July 2019, EML entered into an agreement to purchase software from PayWith Worldwide, Inc. that supports EML's Salary Packaging vertical. EML will pay total cash consideration of USD 1 million, convert the loan receivable of USD500,000 (plus interest) to equity, and transfer its total investment in PayWith Worldwide Inc. (approximately 19%) as part of the purchase consideration. At 30 June 2019, a fair value adjustment of $1,181,000 has been recognised directly in reserves in accordance with AASB 9.

The Group holds less than 1% of the ordinary share capital of Contrarian Holdings, LLC, a company that manages employee benefit activities, only in the USA. The directors of the Company do not consider that the Group is able to exercise significant influence over either entity. This investment is held at fair value with gains and losses included in other comprehensive income.

Information about the Group's exposure to credit and market risks, is included in Note D3. Further information on fair value measurement is included in Note D4.

The Group has elected to make an irrevocable election to designate investments in equity instruments as at FVTOCI. This election has been made principally due to the assets not being held for trading.

Notes to the Financial Statements.

E1 Plant and Equipment

	CONSOLIDATED			
	COMPUTER EQUIPMENT $'000	OFFICE EQUIPMENT $'000	LEASEHOLD IMPROVEMENTS $'000	TOTAL $'000
YEAR ENDED 30 JUNE 2019				
At 1 July 2018, net of accumulated depreciation and impairment	1,852	1,310	319	3,481
Additions	1,118	1,317	207	2,642
Acquired as part of a business combination (Note F6)	276	-	-	276
Disposals	-	(29)	(1)	(30)
Depreciation charge for the year	(653)	(386)	(93)	(1,132)
Effect of unrealised foreign currency exchange differences	37	65	16	118
At 30 June 2019, net of accumulated depreciation and impairment	2,630	2,277	448	5,355
AT 30 JUNE 2019				
Cost	5,226	3,272	725	9,223
Accumulated depreciation and impairment	(2,596)	(995)	(277)	(3,868)
Net carrying amount	**2,630**	**2,277**	**448**	**5,355**
YEAR ENDED 30 JUNE 2018				
AT 1 JULY 2017				
Cost	2,306	1,770	879	4,955
Accumulated depreciation and impairment	(1,300)	(328)	(484)	(2,112)
Net carrying amount	1,006	1,442	395	2,844
At 1 July 2017, net of accumulated depreciation and impairment	1,006	1,442	395	2,844
Additions	1,266	112	15	1,393
Acquired as part of a business combination (Note F6)	7	-	-	7
Disposals	-	-	-	-
Depreciation charge for the year	(441)	(283)	(101)	(825)
Effect of unrealised foreign currency exchange differences	14	39	10	62
At 30 June 2018, net of accumulated depreciation and impairment	1,852	1,310	319	3,481
AT 30 JUNE 2018				
Cost	3,616	1,946	911	6,473
Accumulated depreciation and impairment	(1,764)	(636)	(592)	(2,992)
Net carrying amount	1,852	1,310	319	3,481

E1 Plant and Equipment (continued)

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

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

Computer Equipment	4 years
Office Equipment	10 years
Leasehold Improvements	6 – 7 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of profit and loss and other comprehensive income in the cost of sales line item.

(ii) Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Notes to the Financial Statements.

E2 Intangibles

	CONSOLIDATED					
	SOFTWARE $'000	CUSTOMER RELATIONSHIPS $'000	CUSTOMER CONTRACTS $'000	GOODWILL $'000	OTHER $'000	TOTAL $'000
AT 1 JULY 2018						
At 1 July 2018 net of accumulated amortisation and impairment	16,603	4,881	1,947	42,336	-	65,767
Additions	4,469	-	-	-	-	4,469
Disposals	(8)	-	-	-	-	(8)
Acquired as part of a business combination (Note F6)	252	4,292	2,456	33,649	2,101	42,750
Amortisation charge for the year	(5,855)	(1,870)	(1,410)	-	-	(9,135)
Effect of unrealised foreign currency exchange differences	307	186	(33)	196	55	711
At 30 June 2019, net of accumulated amortisation and impairment	**15,768**	**7,489**	**2,960**	**76,181**	**2,156**	**104,554**
AT 30 JUNE 2019						
Cost or fair value	33,945	15,074	11,575	76,181	2,156	138,931
Accumulated amortisation and impairment	(18,177)	(7,585)	(8,615)	-	-	(34,377)
Net carrying amount	**15,768**	**7,489**	**2,960**	**76,181**	**2,156**	**104,554**

No impairment loss was recognised for continuing operations for the year ended 30 June 2019 (2018: Nil).

	SOFTWARE $'000	CUSTOMER RELATIONSHIPS $'000	CUSTOMER CONTRACTS $'000	GOODWILL $'000	OTHER $'000	TOTAL $'000
YEAR ENDED 30 JUNE 2018						
AT 1 JULY 2017						
Cost or fair value	23,784	9,931	8,385	33,820	-	75,919
Accumulated amortisation and impairment	(6,882)	(3,627)	(5,278)	-	-	(15,787)
Net carrying amount	**16,902**	**6,304**	**3,107**	**33,820**	**-**	**60,132**
At 1 July 2017 net of accumulated amortisation and impairment	16,902	6,304	3,107	33,820	-	60,132
Additions	3,868	-	-	-	-	3,868
Disposals	-	-	-	-	-	-
Acquired as part of a business combination (Note F6)	-	51	159	7,754	-	7,964
Amortisation charge for the year	(4,906)	(1,622)	(1,445)	-	-	(7,973)
Effect of unrealised foreign currency exchange differences	739	149	126	762	-	1,776
At 30 June 2018, net of accumulated amortisation and impairment	**16,603**	**4,881**	**1,947**	**42,336**	**-**	**65,767**
AT 30 JUNE 2018						
Cost or fair value	28,708	10,324	8,947	42,336	-	90,315
Accumulated amortisation and impairment	(12,105)	(5,443)	(7,000)	-	-	(24,548)
Net carrying amount	**16,603**	**4,881**	**1,947**	**42,336**	**-**	**65,767**

E2 Intangibles (continued)

Carrying amount of goodwill, allocated to the cash generating units

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The recoverable amount of each cash generating unit is compared against the allocated goodwill to determine if any indicators of impairment exist at each reporting period end.

	CARRYING AMOUNT OF GOODWILL ALLOCATED TO CGU	
	2019 $'000	2018 $'000
Australia	10,777	10,777
Europe	24,978	24,590
Flex-e-Card Group	30,114	-
North America	7,345	6,969
PerfectCard Group	2,967	-
Consolidated Group	**76,181**	**42.336**

The recoverable amount of the Group's cash generating units have been determined based on a value-in-use calculation using cash flow projections based on financial forecasts approved by senior management and the Directors covering a 5 year period and a terminal rate of 4.5% into perpetuity.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate of 13.7% that reflects current market assessments of the time value of money and the risks specific to the cash generating units.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

INTANGIBLE ASSETS ACQUIRED SEPARATELY

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged 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 any changes in these accounting estimates being accounted for on a prospective basis.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Notes to the Financial Statements.

E2 Intangibles (continued)

INTERNALLY GENERATED INTANGIBLE ASSETS – RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The following useful lives are used in the calculation of amortisation:

Software and IP	4 years
Customer Contracts	1 - 6 year
Customer Relationships	3 - 6 years
Capitalised Development	4 years

Sensitivity to changes in key assumptions

The Group has conducted sensitivity analysis on the assumptions above to assess the effect on recoverable amount of changes in the key assumptions.

The Group is satisfied that all the assumptions on which the recoverable amounts are based are fair and reasonable, and that currently, there are no reasonably known changes to these assumptions that would cause the aggregate carrying amount to exceed the aggregate recoverable amount of any of the Group's CGUs as at 30 June 2019. The recoverable amount is most sensitive to revenue growth assumptions and the Directors believe that the likelihood of a reduction in anticipated growth to a level where carrying value would exceed recoverable amount, is remote.

KEY ASSUMPTION - IMPAIRMENT OF GOODWILL AND INTANGIBLES WITH INDEFINITE USEFUL LIVES

The Group determines whether goodwill and other intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and other intangibles with indefinite useful lives are allocated.

E2 Intangibles (continued)

Key assumptions used in value-in-use calculations for the cash generating units at 30 June 2019.

Feature	Description
Forecast revenues	The basis used to determine the value assigned to the forecast revenues is the volume growth in the key metrics and the forecasted pricing terms for each client. A probability factor was applied to GDV (the major driver of revenues) following consideration of recent contracts and the sales pipeline and ultimately the following transaction volume growth rates, which represent the lower end of the growth rate scenarios, was the resulting output for the purpose of the value in use assessment:

	ACTUAL FY 19	FORECAST FY20-FY23 CAGR
Australia GDV growth	11.3%	20%
Europe GDV growth	71.0%	20%
Flex-e-Card Group GDV growth	n/a	10%
North America GDV growth	35.7%	20%
Perfectcard Group GDV growth	n/a	20%

Feature	Description
Forecast growth	Actual in FY19 is driven primarily by customer programs which were launched during the year. Forecast growth represents management's best estimate of GDV.
Forecast gross margin	The basis used to determine the value assigned to the forecasted gross margins is the average gross margins achieved in FY19, conservatively decreased for margin erosion thereafter. Thus, values assigned to gross margins reflect past experience, with provision for margin erosion based on increased sales volumes.
Interest income	Interest income on stored value is based on the relevant Central Bank overnight lending rate at the beginning of the budgeted year, less the specific yield charged by each ADI.
Exchange rates	Exchange rates are based on the relevant market rates at the beginning of the FY20 year
Weighted Average Cost of Capital (WACC)	The above 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 discount rate applied to the cash flows of each of the Group's CGU's is based on the risk free rate for ten year Commonwealth Government bonds as at 30 June 2019, adjusted for a risk premium to reflect both the increased risk of investing in equities. In making this adjustment, inputs required are the equity markets risk premium (that is the required increased return required over and above a risk free rate by an investor who is investing in the market as a whole) and the risk adjustment, beta, applied to reflect the risk of the Group relative to the market as a whole, giving rise to the Group's Cost of Equity Capital. The Group's WACC is calculated with reference to its Cost of Equity Capital, based on a theoretical long-term capital structure for the Group (comprising 80% equity and 20% debt).
Terminal growth rate	This is the average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with historical growth and forecasts.

Notes to the Financial Statements.

F1 Issued Capital

	CONSOLIDATED 2019 $'000	CONSOLIDATED 2018 $'000
250,953,603 fully paid ordinary shares (30 June 2018: 248,374,468)	138,097	137,744

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

	2019 NO.	2019 $'000	2018 NO.	2018 $'000
Balance at start of the year	248,374,468	137,744	246,761,847	137,981
Issued for cash	-	-	-	-
Issued for consideration [1]	-	-	198,955	-
Share-based payments to directors & executives	-	-	-	-
Options exercised [2]	2,579,135	353	1,413,666	26
Costs associated with the issue of shares	-	-	-	(263)
Balance at end of the year	**250,953,603**	**138,097**	**248,374,468**	**137,744**

(1) Share-based payments issued for consideration in FY18
 (i) 100,927 fully paid ordinary shares were issued in consideration of services rendered. The fair value of the award was $166,530 and was fully amortised in the period.

(2) Refer to Note F3 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 tax, 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 cost of acquisition as part of the purchase consideration.

F2 Reserves

RESERVES	CONSOLIDATED 30 JUNE 2019 $'000	CONSOLIDATED 30 JUNE 2018 $'000
Share and options reserve	28,903	23,639
Fair value reserve for financial assets at FVOCI	(1,181)	-
Foreign currency translation reserve (net of tax)	80	(4,548)
	27,802	**19,091**

F2 Reserves (continued)

SHARE AND OPTIONS RESERVE	2019 $'000	2018 $'000
Balance at beginning of the financial year	23,639	19,035
Issue of shares to employee share trust	4,200	4,638
Share-based payments	14	349
Deferred tax movement recorded directly in equity	1,050	(383)
Balance at end of the year	**28,903**	**23,639**

NATURE AND PURPOSE OF RESERVES

Share and options reserve

The share and options reserve is used to recognise the grant and/or issue of shares and share options. Amounts are transferred out of the reserve to accumulated losses when the shares or share options lapse or expire. When shares and share options are exercised, amounts carried in the reserve related to those particular shares and share options are dealt with based on their origination. If cash-related those amounts may be transferred out of the reserve to issued capital. If not cash-related the amounts are transferred out of the reserve to accumulated losses.

Fair value reserve for financial assets at FVOCI

The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Foreign currency translation reserve (net of tax)

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

F3 Share Option Plan

(a) Employee Share Option Plan (1) ("ESOP 1")

The Group has an equity-based compensation plan for employees which has been in existence since December 2006. In accordance with the provisions of ESOP 1, as approved by shareholders at an Annual General Meeting, Directors may issue options to purchase shares in the Company to employees at an issue price determined by the market price of ordinary shares at the time the option is granted. No Directors participate in ESOP 1.

In accordance with the terms of ESOP 1, options vest at grant date and may be exercised at any time from the date of their issue to the date of their expiry.

The options are not listed, carry no rights to dividends and no voting rights.

The expense recognised in the statement of profit and loss and other comprehensive income in relation to share-based payments made under ESOP 1 is $0 (2018: $0).

Notes to the Financial Statements.

F3 Share Option Plan (continued)

(b) Employee Share Option Plan (2) ("ESOP 2")

The Group established an equity-based compensation plan for employees which was approved by shareholders at an Extraordinary General Meeting held on 29 June 2011. ESOP 2 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. Options 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).

The expense recognised in the statement of profit and loss and other comprehensive income in relation to share-based payments made under ESOP 2 is $4,214,000 (2018: $4,986,000).

(I) MOVEMENTS IN ESOP 2 SHARE OPTIONS

The following reconciles outstanding issued employee share options at the beginning and end of the financial year under ESOP 2:

	CONSOLIDATED			
	2019		2018	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $
Balance at beginning of financial year	12,006,568	0.9529	13,865,665	$0.8623
Issued during the financial year	3,236,440	-	393,586	$1.0893
Exercised during the financial year	(2,579,135)	(0.5526)	(1,413,666)	($0.0186)
Cancelled during the financial year	(1,721,836)	(0.8347)	(839,017)	($0.2096)
Balance at end of the financial year (1)	**10,942,037**	**0.7839**	12,006,568	$0.9529

(1) Options outstanding at end of the financial year
Issued share options outstanding at the end of the financial year had a weighted average exercise price of $0.839 (2018: $0.9341) and a weighted average remaining contractual life of 105 days (2018: 351 days).

F3 Share Option Plan (continued)

(II) ESOP 2 SHARE OPTION SERIES IN EXISTENCE

The following share-based payment arrangements were in existence during the current and prior years under ESOP 2:

Option series	GRANT DATE	2019 NUMBER OF OPTIONS OUTSTANDING	2018 NUMBER OF OPTIONS OUTSTANDING	VEST DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE
ESOP 2 (1)							
Series 13	02/12/15	-	125,000	30/08/18	30/9/18	$0.87	$0.58
Series 14	31/12/15	-	2,972,195	30/08/18	30/9/18	$0.87	$0.71
Series 15	01/06/16	-	700,002	01/06/19	15/6/19	$0.00	$1.16
Series 16	01/06/16	5,915,789	5,915,789	30/8/19	30/9/19	$1.45	$1.01
Series 17	08/12/16	-	190,833	15/11/18	30/11/18	$0.00	$1.43
Series 17	08/12/16	-	90,833	15/11/18	30/11/18	$1.85	$0.38
Series 18	08/12/16	-	50,000	15/11/18	30/11/18	$0.00	$1.43
Series 19	22/02/17	-	50,000	28/02/19	19/3/19	$0.00	$1.26
Series 20	19/04/17	1,452,281	1,536,664	30/08/20	30/9/20	$0.00	$1.27
Series 21	28/06/18	125,085	125,085	26/06/19	28/9/21	$0.00	$1.09
Series 22	28/06/18	125,084	125,084	26/06/20	28/9/21	$0.00	$1.09
Series 23	28/06/18	125,083	125,083	26/06/21	28/9/21	$0.00	$1.09
Series 24	16/07/18	61,275	-	16/07/19	28/09/21	$0.00	$1.20
Series 25	16/07/18	61,275	-	16/07/20	28/09/21	$0.00	$1.20
Series 26	16/07/18	61,274	-	16/07/21	28/09/2	$0.00	$1.20
Series 27	24/09/18	391,566	-	1/09/21	30/10/21	$0.00	$1.36
Series 28	24/09/18	1,700,131	-	1/09/21	30/10/21	$0.00	$1.36
Series 29	24/09/18	650,664	-	1/09/21	30/10/21	$0.00	$1.36
Series 30	13/11/18	43,268	-	12/11/19	12/11/19	$0.00	$1.24
Series 31	13/11/18	43,268	-	12/11/20	12/11/19	$0.00	$1.24
Series 32	30/06/19	185,994	-	01/09/21	30/10/21	$0.00	$2.40
Total		**10,942,037**	12,006,568				

(1) The weighted average of fair value of options granted during the year under ESOP 2 is $1.31 per option (2018: $1.0893).

Notes to the Financial Statements.

F4 Parent Entity Disclosures

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

FINANCIAL POSITION	30 JUNE 2019 $'000	30 JUNE 2018 $'000
ASSETS		
Current assets	13,504	1,600
Non-current assets	151,599	136,559
Total Assets	**165,103**	**138,159**
LIABILITIES		
Current liabilities	21,297	1,091
Non-current liabilities	11,875	6,896
Total Liabilities	**33,172**	**7,987**
Net Assets	**131,931**	**130,172**
EQUITY		
Issued capital	138,094	137,744
Reserves	25,943	21,816
Accumulated losses	(32,106)	(29,388)
Total Equity	**131,931**	**130,172**
FINANCIAL PERFORMANCE		
Loss after income tax for the year	(2,717)	(4,728)
Other comprehensive income	4,127	-
Total comprehensive profit/(loss) for the year	**1,410**	**(4,728)**

(I) COMMITMENTS AND CONTINGENCIES

The parent entity did not have any commitments as at 30 June 2019 or 30 June 2018.

The parent entity has provided a bank guarantees for obligations to card schemes to the value of $3,368,000 at 30 June 2019 (2018: $nil). No liability is expected to arise. Refer to Note G2 for further details.

(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, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost 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.

F5 Controlled Entities

	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST (%) 30 JUNE 2019	30 JUNE 2018
PARENT ENTITY			
EML Payments Limited	Australia		
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
Store Financial 2 LLC	United States	100	100
EML Payments Canada, Ltd	Canada	100	100
EML Payments AB (1)	Sweden	100	100
PerfectCard DAC (2)	Ireland	100	-
PerfectCard IT Limited (2)	Ireland	100	-
Flex-e-Card Limited (3)	United Kingdom	100	-
Flex-e-Card International DMCC (3)	United Arab Emirates	100	-

(1) EML Payments AB (previously, PreSend Nordic AB) was acquired on 1 February 2018. The Swedish Companies Registration Office gave approval to rename to EML Payments AB on 15 May 2018.

(2) 74.86% of PerfectCard DAC and 100% of PerfectCard IT Limited were acquired on 4 July 2018. The additional 25.14% of PerfectCard DAC was acquired on 17 June 2019 (Refer Note F6).

(3) Flex-e-Card Limited was acquired on 28 June 2019 (Refer Note F6).

F6 Business Combination

ACQUISITION OF FLEX-E-CARD GROUP

On 28 June 2019, the Group acquired 100% of the shares of Flex-e-Card Limited and Flex-e-Card International DMCC, unlisted companies based in Europe and the United Arab Emirates (collectively the Flex-e-Card Group).

Flex-e-Card Group are FinTech companies providing gift card solutions to the shopping mall sector, with 226 shopping centres under contract in Europe (principally the United Kingdom, Ireland, Poland, Italy, and Finland), and the United Arab Emirates.

It is expected that synergies relating to issuing and processing functions will benefit the Group from the financial year ended 2020.

(a) Consideration transferred

	$,000
Cash consideration	35,936
Escrow consideration held with third party	3,993
Total purchase consideration	**39,929**

(b) Analysis of cashflows from acquisition

	$,000
Transaction costs of the acquisition (included in cash flows from operating activities)	(281)
Net cash acquired with the business combination (included in cash flows from investing activities)	-
Net cash flow from acquisition	**(281)**

Acquisition related costs of $281,000 have been excluded from the consideration transferred and have been recognised as an expense in the profit or loss for the year, within the 'Acquisition related expense – cash payments' line item.

Notes to the Financial Statements.

F6 Business Combination (continued)

(c) Assets acquired and liabilities assumed

The provisionally determined fair values of the assets and liabilities of recognised as a result of the acquisition are as follows:

	NOTES	FAIR VALUE $,000
Contract asset		4,998
Receivable from financial institution		35,479
Plant and equipment	E1	224
Intangibles	E2	5,857
Total Assets		**46,558**
Current tax payable		(795)
Liabilities to stored value account holders		(35,479)
Deferred tax liability		(1,113)
Total Liabilities		**(37,387)**
Total identifiable net assets at fair value		9,171
Goodwill arising on acquisition	E2	30,758
Purchase consideration transferred		**39,929**

Goodwill represents the expected synergies from combining operations of the target

The goodwill above does not comprise the value of the customer relationships and customer contracts as these are separately recognised as they meet the criteria for recognition as an intangible asset under AASB 138.

(d) Impact of acquisition on the results of the Group

The Flex-e-Card Group contributed revenue from continuing operations of $nil and net profit before tax of $nil to the Group for the period from 28 June 2019 to 30 June 2019.

Had the acquisition occurred on 1 July 2018, consolidated pro forma revenue from continuing operations and net profit before tax for the year ended 30 June 2019 would have been $10,028,000 and $4,359,000 respectively.

The Directors of the Company consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on a yearly basis and to provide a reference point for comparison in future years.

The net assets recognised in these financial statements are based on a provisional assessment of their fair value while the Group complete the valuation.

(e) Information disclosed as provisional

The net assets recognised in these financial statements are based on a provisional assessment of their fair value while the Group complete the valuation.

F6 Business Combination (continued)

ACQUISITION OF PERFECTCARD GROUP

On 4 July 2018, the Group acquired 74.86% of the shares of PerfectCard DAC and 100% of the shares of PerfectCard IT Limited (collectively PerfectCard), unlisted companies based in Ireland.

PerfectCard is Ireland's first authorised eMoney institution and a FinTech company providing incentive and corporate expense solutions. As PerfectCard is regulated by the Central Bank of Ireland, the regulator needs to approve EML as majority shareholder. That approval has been received post acquisition.

It is expected that synergies relating to issuing and processing functions will benefit the Group from the financial year ended 2019.

(a) Consideration transferred

	$,000
Cash consideration [1]	4,300
Deferred consideration	387
Contingent consideration liability (refer to (d) below)	2,922
Total purchase consideration	**7,609**

(1) Included in value for cash consideration was a payment of $729,000 to PerfectCard's KMP for loans payable by the PerfectCard Group.

(b) Analysis of cashflows from acquisition

	$,000
Transaction costs of the acquisition (included in cash flows from operating activities)	(76)
Net cash acquired with the business combination (included in cash flows from investing activities)	278
Net cash flow from acquisition	**202**

Acquisition related costs of $76,000 have been excluded from the consideration transferred and have been recognised as an expense in the profit or loss for the year, within the 'Acquisition related expense – cash payments' line item.

(c) Assets acquired and liabilities assumed

The fair value of the assets and liabilities recognised as a result of the acquisition are as follows:

	NOTES	FAIR VALUE $,000
Cash and cash equivalents		278
Contract asset		4,323
Other receivables		634
Receivable from financial institution		16,677
Plant and equipment	E1	52
Intangibles	E2	3,244
Total Assets		**25,208**
Trade and other payables		(2,255)
Liabilities to stored value account holders		(16,677)
Total Liabilities		**(18,932)**
Total identifiable net assets at fair value		6,276
Goodwill arising on acquisition	E2	2,891
Non-controlling interest - equity		(1,558)
Purchase consideration transferred		**7,609**

Notes to the Financial Statements.

F6 Business Combination (continued)

Goodwill represents the expected synergies from combining operations of the target.

The goodwill above does not comprise the value of the customer relationships and customer contracts as these are separately recognised as they meet the criteria for recognition as an intangible asset under AASB 138.

(d) Contingent consideration

Under the contingent consideration arrangement, earn-out will be payable in 82% cash and 18% ordinary share capital of EML Payments Limited on 20 April 2020. The earn-out relates to the average annual EBITDA generated by the PerfectCard Group for the calendar years 2019 and 2020. The contingent consideration is capped at €3,051,000, with €2,502,000 cash and €549,000 at an agreed volume weighted average price A$1.36. The number of shares will fluctuate based on the exchange difference between Australian dollars and Euro (€) to be determined the day before issuance. As required by accounting standards, a financial liability of $2,922,000 (refer Note D5) representing the fair value of the earn-out has been recognised.

The share issue effect of the earn-out has been included as an adjustment to the diluted earnings per share.

(e) Impact of acquisition on the results of the Group

The PerfectCard Group contributed revenue from continuing operations of $5,599,000 and net profit after tax of $169,000 to the Group for the period from 4 July 2018 to 30 June 2019.

Had the acquisition occurred on 1 July 2018, consolidated pro forma revenue from continuing operations and net profit after tax for the year ended 30 June 2019 would have been $5,599,000 and net profit after tax of $169,000 respectively.

The Directors of the Company consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on a yearly basis and to provide a reference point for comparison in future years.

The net assets recognised in these financial statements are based on a provisional assessment of their fair value while the Group complete the valuation.

ACQUISITION OF PERFECTCARD MINORITY INTEREST

On 17 June 2019, the Group acquired the remaining 25.14% of the shares of PerfectCard DAC increasing its ownership interest to 100%, for a consideration of $4,679,000.

The carrying value of the net assets of PerfectCard DAC (excluding goodwill on the original acquisition) was $4,217,000. The following is a schedule of additional interest acquired in PerfectCard DAC.

(a) Consideration transferred

	$,000
Consideration for non-controlling interest (1)	4,679
Carrying value of the additional interest in Perfectcard DAC	(1,806)
Difference recognised in accumulated losses	**2,873**

(1) $339,000 has been paid in cash during the financial year ended 30 June 2019. The remaining $4,340,000 will be released upon approval by the Central Bank of Ireland. This approval was received on 10 July 2019.

F6 Business Combination (continued)

ACQUISITION OF EML PAYMENTS AB IN 2018

On 1 February 2018, the Group acquired 100% of the shares of EML Payments AB, an unlisted company based in Stockholm, Sweden.

EML Payments AB manages prepaid card programs for third parties in the Nordic-Baltic region in Europe. The Group acquired EML Payments AB to geographically expand its programs into 8 countries, 6 of which EML had no presence and expansion into the number of shopping mall and town mall programs. Synergies relating to issuing and processing functions benefited the Group from the financial year ended 2019.

(a) Consideration transferred

	$,000
Cash consideration	1,582
Contingent consideration liability (refer to (d) below)	6,699
Total purchase consideration	**8,281**

(b) Analysis of cashflows from acquisition

	$,000
Transaction costs of the acquisition (included in cash flows from operating activities)	(30)
Net cash acquired with the business combination (included in cash flows from investing activities)	855
Net cash flow from acquisition	**825**

Acquisition related costs of $30,000 have been excluded from the consideration transferred and have been recognised as an expense in the profit or loss for the year, within the 'Acquisition related expense – cash payments' line item.

(c) Assets acquired and liabilities assumed

The fair value of the assets and liabilities recognised as a result of the acquisition are as follows:

	NOTES	FAIR VALUE $,000
Cash and cash equivalents		855
Other receivables		408
Plant and equipment	E1	7
Intangibles	E2	210
Total Assets		**1,480**
Trade and other payables		(914)
Employee benefits		(39)
Total Liabilities		**(953)**
Total identifiable net assets at fair value		527
Goodwill arising on acquisition	E2	7,754
Purchase consideration transferred		**8,281**

Goodwill represents the expected synergies from combining operations of the target.

The goodwill above does not comprise the value of the customer relationships and customer contracts as these are separately recognised as they meet the criteria for recognition as an intangible asset under AASB 138.

Notes to the Financial Statements.

F6 Business Combination (continued)

(d) Contingent consideration

Under the contingent consideration arrangement, earn-out will be payable in the form of ordinary share capital of EML Payments Limited on 20 April 2020. The earn-out relates to the average annual EBITDA generated by EML Payments AB. The contingent consideration is capped at SEK60m at an agreed volume weighted average price A$1.944. The number of shares will fluctuate based on the exchange difference between Australian dollars and Swedish Krona (SEK) to be determined the day before issuance. The Directors believe it probable that the earn-out will be achieved and therefore a financial liability has been recognised. This has been fair valued at acquisition date at $6,699,000 (refer Note D5 Fair Value).

The share issue effect of the earn-out has been included as an adjustment to the diluted earnings per share (refer to Note A5).

(e) Impact of acquisition on the results of the Group

PreSend contributed revenue from continuing operations of $492,000 and net loss after tax of $37,000 to the Group for the period from 1 February 2018 to 30 June 2018.

Had the acquisition occurred on 1 July 2017, consolidated pro-forma revenue from continuing operations and net loss after tax for the year ended 30 June 2018 would have been $1,181,000 and $89,000 respectively.

The Directors of the Company consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on a yearly basis and to provide a reference point for comparison in future years.

G1 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 F5 to the financial statements.

(b) Associate entities

Details of Associate entities are disclosed in Note D5 to the financial statements.

(c) Transactions with related parties

(I) WHOLLY-OWNED

The wholly-owned group includes:

- (a) The ultimate parent entity in the wholly-owned group (the Company); and
- (b) The wholly-owned controlled entities (subsidiaries).

The ultimate parent entity in the wholly-owned group is EML Payments Limited.

During the financial year EML Payments Limited provided central administration and Director services to controlled entities. No management fees were charged (2018: $nil).

(II) OTHER RELATED PARTIES

During the financial year ended 30 June 2018, EML Payments USA, LLC entered into a convertible loan arrangement with PayWith Worldwide, Inc. The loan is at arm's length terms. Further details, including subsequent events, are included in Notes B3 and D5.

(d) Remuneration transactions with key management personnel

Refer to the Remuneration Report for remuneration transactions with key management personnel.

(e) Other transactions with key management personnel

There were no transactions with key management personnel during the 2019 financial year (2018: none).

G2 Commitments for Expenditure and Contingent Liabilities

(a) Other expenditure commitments

The Group no longer has service agreements with Cuscal Limited and Heritage Bank Limited. As at the reporting date, commitments contracted but not recognised as liability are as follows:

	CONSOLIDATED	
	2019 $'000	2018 $'000
Not later than one year	-	398
Later than one year but not later than five years	-	132
	-	530

(b) Operating lease commitments

The Group has entered into non-cancellable operating leases for office properties. As at the reporting date, commitments for minimum lease payments and outgoings (excluding GST) are:

	CONSOLIDATED	
	2019 $'000	2018 $'000
Not later than one year	1,302	1,395
Later than one year but not later than five years	4,237	4,171
More than five years	706	1,282
	6,245	6,848

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) 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.

Notes to the Financial Statements.

G2 Commitments for Expenditure and Contingent Liabilities (continued)

GUARANTEES

The Group has provided the following bank guarantees at 30 June 2019:

- Bank guarantees with the lessors of the office properies to the value of $569,000 (2018: 206,00). No liability is expected to arise;

- Bank guarantees for obligations to card schemes to the value of $3,368,000 (2018: $1,352,000) No liability is expected to arise.

G3 Subsequent Events

On 22 July 2019, EML entered into an agreement to purchase software from PayWith Worldwide, Inc. that supports EML's Salary Packaging vertical. EML will pay total cash consideration of USD $1 million and transfer its investment in PayWith Worldwide Inc. (approximately 19%) as part of the purchase consideration. At 30 June 2019, a fair value adjustment of $1,181,000 has been recognised directly in reserves in accordance with AASB 9.

On 10 July 2019, EML received approval from the Central Bank of Ireland to acquire the remaining 25.14% Minority Interest holding in PerfectCard DAC.

In July 2019, EML agreed to buy back a contractual agreement with a Salary Packaging consultant who assisted EML in signing key contracts and navigating the regulatory and taxation requirements. EML was paying a trailing commission stream, which will now cease, in consideration EML has issued 704,878 Ordinary Shares at a cost of approximately AUD $2.0 million, recognised within Share Based Payments expense in FY20.

No other 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.

G4 Statement of Significant Accounting Policies

(a) Reporting entity

EML Payments Limited (Company) is a company incorporated and domiciled in Australia whose shares are publically traded on the Australian Stock Exchange. The consolidated financial report of the Company for the year ended 30 June 2019 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 20 August 2019.

(b) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of 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.

(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 2019, except for the adoption of new standards effective as of 1 July 2018.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* that require restatement of previous financial statements.

Several other amendments and interpretations apply for the first time in the financial year ending 30 June 2019.

AASB 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group has determined that there is no impact, material or otherwise, of the application of AASB 15 as at 1 July 2018.

The Group adopted AASB 15 using the modified retrospective method of adoption. The Group elected to apply the method to all contracts at the date of initial application. In applying the modified retrospective method, the Group has determined that there is no impact, material or otherwise, of the application of AASB 15 as at 1 July 2018.

The key considerations are below:

Recurring revenue - Transaction based revenue (Fixed consideration)

The Group's transaction based revenue, including activation, interchange and other transaction fees, will continue to be accounted for using the gross presentation method. The application of AASB 15 does not alter the principal relationship as these fees are received from our client or the cardholder.

AASB 15 does not result in any change to the amount or date at which the revenue is recognised because there is no requirement to treat transaction-based revenue difference according to the new standard.

Notes to the Financial Statements.

G4 Statement of Significant Accounting Policies (continued)

Recurring revenue - Service-based revenue (Variable consideration)

There has been an impact to the timing of recognition of the Group's service-based revenue, including breakage and AMF revenue.

Breakage revenue

There is a material impact to the timing of recognition of breakage revenue on Gift & Incentive products. We refer to the portion of the dollar value of prepaid-stored value accounts that account holders do not ultimately redeem as breakage. We include in breakage revenue all revenue generated from expected residual revenue.

The Group's accounting policy will continue to recognise breakage revenue where we expect to be entitled to a breakage amount and can demonstrate the ability to reliably measure future revenue, using an estimated residual percentage applied to the funds initially loaded. The residual percentage is calculated using the historical data, market-specific trends and existing economic conditions for each program. The calculated residual percentage is reviewed regularly in line with new commercial agreements and changes in cardholder behaviour.

The Group's previous accounting policy recognised breakage revenue during the month in which the Non-Reloadable Gift & Incentive card is initially loaded. Under AASB 15 where the Group expects to be entitled to a breakage amount, it will recognise the expected breakage as revenue in proportion to the pattern of rights exercised by the customer. The Group will not recognise any estimated breakage amounts until it is highly probable that a significant revenue reversal will not occur. 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.

The change to timing of breakage revenue recognition will delay recognition of some breakage revenue for cards loaded during the seasonal peak over the Christmas period. However, at 30 June 2019, there is no material impact to the recongition or measurement of breakage revenue.

AMF revenue

There is a material impact to the timing of recognition of AMF revenue on Gift & Incentive products. We refer to an amount which is generated from monthly charges on cardholder accounts as AMF.

The Group's accounting policy will continue to recognise AMF revenue where we expect to be entitled to an amount and can demonstrate the ability to reliably measure future revenue.

The Group will recognise AMF as variable consideration in proportion to the pattern of rights exercised by the cardholder.

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

The change to timing of AMF revenue recognition will delay recognition of some AMF revenue for cards loaded during the seasonal peak over the Christmas period. However, at 30 June 2019, there is no material impact to the recongition or measurement of AMF revenue.

Non-recurring revenue - Establishment revenue

AASB 15 does not result in any change to the amount or date at which establishment revenue is recognised. There is no material impact for the Group.

There are no material impacts to the other streams of revenue. There would be no change if the previous accounting standard (AASB 118) was applied in 2019.

Impact of AASB 9 Expected Credit Loss on Contract Asset generated through AASB 15

The Group recognises Contract Assets in relation to performing services before consideration is received. Contract assets specifically relate to breakage and AMF revenue.

On transition to AASB 9, these assets are required to be assessed for expected credit loss. However, 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 and consequently breakage accrual.

Due to the nature of this recognition no expected credit loss was recognised.

G4 Statement of Significant Accounting Policies (continued)

AASB 9 FINANCIAL INSTRUMENTS

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and was adopted by the Group on 1 July 2018. The adoption of this standard has had an immaterial impact on the Groups financial performance or position.

Other changes arising from AASB 9 include classification changes and the application of expected credit losses. The below is a tabulation of the change in classification and impact of Expected credit losses of the Group's financial assets and liabilities upon application of AASB 9.

FINANCIAL STATEMENT CATEGORY	CLASSIFICATION AND MEASUREMENT UNDER AASB 139 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT	CLASSIFICATION UNDER AASB 9 FINANCIAL INSTRUMENTS	EXPECTED CREDIT LOSS
Cash and cash equivalents	Held at amortised cost	Financial assets at amortised cost	Management believes that cash and due from bank balances are sub-ject to a very low credit risk at initial recognition with negligible default probability. As a result, the corresponding ECL on these financial as-sets is deemed to be immaterial.
Trade and other receivables	Held at amortised cost	Financial assets at amortised cost	Management has made an accounting policy choice to apply the simplified approach and measure the ECLs on these as life time expected credit losses. There was no material impairment recognised on adoption.
Receivable from financial institution	Held at amortised cost	Financial assets at amortised cost	Management has made an accounting policy choice to apply the simplified approach and measure the ECLs on these as life time expected credit losses. There was no material impairment recognised on adoption.
Financial assets	Classified as Available-for-sale Assets	Irrevocable classification as Financial assets at FVTOCI	Not applicable.
Trade and other payables	Held at amortised cost	Non-derivative financial liability, classified as Other financial liability and held at amortised cost	Not applicable.
Liabilities to stored value account holders	Held at amortised cost	Non-derivative financial liability, classified as Other financial liability and held at amortised cost	Not applicable.
Customer deposits - Non-current (1)	Held at amortised cost	Non-derivative financial liability, classified as Other financial liability and held at amortised cost	Not applicable.
Contingent consideration – cash settled portion (2)	Held at fair value	Held at fair value	Not applicable.

(1) Customer deposits is included in Other liabilities, non-current.

(2) The contingent consideration included is the cash only portion as this is classified as a financial liability under AASB 9.

Notes to the Financial Statements.

G4 Statement of Significant Accounting Policies (continued)

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

The Group has not applied the following new and revised AASB's 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 THEFINANCIAL YEAR ENDING
AASB 16 Leases	1 January 2019	30 June 2020
AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures	1 January 2018	30 June 2019
AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle	1 January 2019	30 June 2020
AASB Interpretation 23 Uncertainty over Income Tax Treatments, and relevant amending standards	1 January 2019	30 June 2020

AASB 16 LEASES

AASB 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. AASB 16 will supersede the current lease guidance including AASB 117 Leases and the related interpretations when it becomes effective. AASB 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

Furthermore, the classification of cash flows will also be affected as operating lease payments under AASB 117 are presented as operating cash flows; whereas under the AASB 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively. In contrast to lessee accounting, AASB 16 substantially carries forward the lessor accounting requirements in AASB 117, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by AASB 16.

As at 30 June 2019, the Group has non-cancellable operating lease commitments of $6.2 million for office properties.

A preliminary assessment indicates that these arrangements will meet the definition of a lease under AASB 16, and hence the Group will recognise a right-of-use asset and a corresponding liability. The Group have considered other lease arrangements which may be in operation at 30 June 2019, but our preliminary assessment suggests that these will qualify for the expediant allowable upon application of AASB 16 for low value or short-term leases.

The new requirement to recognise a right-of-use asset and a related lease liability may have a significant impact on the amounts recognised in the Group's consolidated financial statements

The application will have a material affect the following Financial Position categories:

- Plant and Equipment;
- Other liabilities - current; and
- Other liabilities - non-current.

The application will have an affect the following Profit or Loss categories:

- Depreciation and amortisation;
- Other expenses; and
- Finance costs.

The application is expected to have a postive impact on the Group's definition of EBITDA. However, as at the date of this report, it is not practicable to provide a reasonable estimate of the financial effect.

(e) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2019 and the results of all subsidiaries for the year then ended.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

G4 Statement of Significant Accounting Policies (continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its return. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations are accounted for using the acquisition method of accounting.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(f) 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.

(g) Going concern

The Directors believe the Group will continue to operate as a going concern for the foreseeable future.

(h) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST and Value Added Tax (VAT) except:

- when the GST or VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST or VAT included.

The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

(i) Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Notes to the Financial Statements.

G4 Statement of Significant Accounting Policies (continued)

(I) FINANCIAL INSTRUMENTS

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

- Trade and other receivables – Note B3;
- Financial instruments – Note D3.

(II) FINANCIAL LIABILITIES

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(III) OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(j) Provisions

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 a 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 and 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.

(k) 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.

G4 Statement of Significant Accounting Policies (continued)

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).

DISPOSAL OF FOREIGN OPERATIONS

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(l) Determination of fair values

A number of the Group's accounting policies and disclosures requires the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes to the specific to the asset or liability.

Assets and liabilities for which are determination of fair value is required are as follows:

- Financial asset - Note D5
- Plant and equipment – Note E1
- Intangibles – Note E2
- Liability to stored value account holders – Note D2
- Contingent liability - Note D3

FINANCIAL INSTRUMENTS

The following summarises the major methods and assumptions used in estimating fair values for measurement and disclosure purposes:

Fair value measurements hierarchy

In valuing financial instruments, the Group uses the following fair value measurement hierarchy that reflects the significance of the inputs used in making the measurements:

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.

(m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Financial Statements.

G4 Statement of Significant Accounting Policies (continued)

(n) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Corporate Information.

Directors

Peter Martin
(Non-executive Chairman)

Thomas Cregan
(Managing Director and Group Chief Executive Officer)

Tony Adcock
(Non-executive Director)

David Liddy AM
(Non-executive Director)

Dr Kirstin Ferguson
(Non-executive Director)

Melanie Wilson
(Non-executive Director)

Company Secretary

Paul Wentk
(Appointed 14 November 2018)

ABN

93 104 757 904

Registered Office and Principal Place of Business

Level 12 / 333 Ann Street
Brisbane QLD 4000

Telephone: (07) 3557 1100
Facsimile: (07) 3607 0111
Website: www.emlpayments.com

Auditors

Deloitte Touche Tohmatsu
Level 25, Riverside Centre,
123 Eagle Street
Brisbane 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

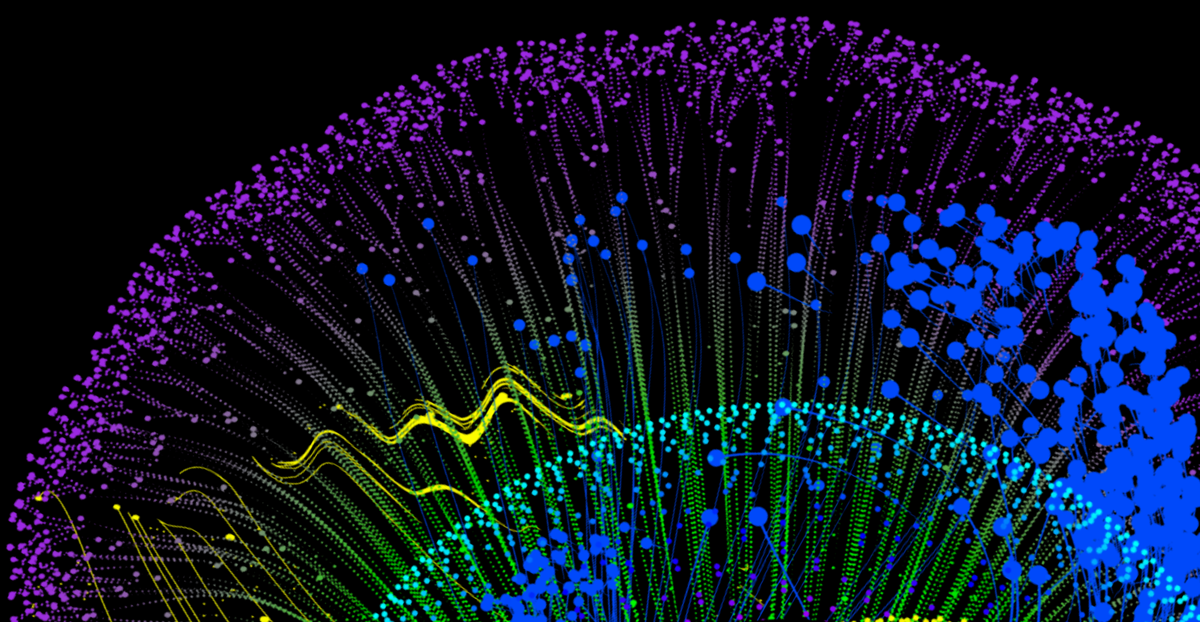
Link Market Services Limited
Level 15, 324 Queen Street
Brisbane, QLD 4000

Telephone: (within Australia): 1300 554 474
Facsimile: (02) 9287 0303

Securities Exchange Listing

EML Payments Limited is listed on the Australian Securities Exchange

(ASX: EML)



ASX Additional Information.

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

1.1 Share Information

As at 31 July 2019 the Company only has one class of shares, fully paid ordinary share. Therefore 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:

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

(c) 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

(d) 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 2019)

NO.	NO OF SHAREHOLDERS	FULLY PAID SHARES
1 to 1,000	1,429	814,927
1,001 to 5,000	1,529	3,987,893
5,001 to 10,000	584	4,582,091
10,001 to 50,000	599	13,655,698
50,001 to 100,000	94	7,040,875
100,001 and Over	94	221,763,355
Total	**4,329**	**251,844,839**

Unmarketable Parcels	196	1,923

1.3 Substantial Shareholders (as at 31 July 2019)

The following shareholders are recorded as substantial shareholders:

NAME	FULLY PAID SHARES NUMBER
HSBC Custody Nominees (Australia) Limited	43,633,906
J P Morgan Nominees Australia Limited	30,441,471
National Nominees Limited	28,900,366
CitiCorp Nominees Pty Limited	19,095,456
Total	**122,071,199**

ASX Additional Information.

1.4 Holders of Unquoted Equity Securities (as at 31 July 2019)

A total of 10,942,037 unlisted options are on issue at 30 June 2019. All unlisted options are held by employees under the Company's Employee Share Options Plan.

1.5 Twenty Largest Shareholders (as at 31 July 2019)

ORDINARY SHAREHOLDERS	FULLY PAID ORDINARY NUMBER	PERCENTAGE
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	43,633,906	17.33
J P MORGAN NOMINEES AUSTRALIA LIMITED	30,441,471	12.09
NATIONAL NOMINEES LIMITED	28,900,366	11.48
CITICORP NOMINEES PTY LIMITED	19,095,456	7.58
PACIFIC CUSTODIANS PTY LIMITED	8,129,119	3.23
TACDBM PTY LTD	7,373,104	2.93
BT PORTFOLIO SERVICES LIMITED	7,336,320	2.91
BNP PARIBAS NOMS PTY LTD	7,041,235	2.80
DAVID SHEWMAKER	5,256,990	2.09
UBS NOMINEES PTY LTD	4,553,638	1.81
BRISPOT NOMINEES PTY LTD	4,456,929	1.77
WILDWOOD CAPITAL PTY LTD	4,378,490	1.74
THOMAS ANTHONY CREGAN	3,888,888	1.54
GWYNVILL TRADING PTY LTD	3,124,954	1.24
WULURA INVESTMENTS PTY LTD	3,087,314	1.23
BNP PARIBAS NOMINEES PTY LTD	3,030,736	1.20
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,782,689	1.11
SHAMGAR INVESTMENTS PTY LTD	2,200,000	0.87
MS DIANA BARTON CREGAN	1,555,555	0.62
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	1,444,792	0.57
Total	**191,711,952**	**76.15%**

1.6 Share Buy-Backs

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.

Level 12 / 333 Ann Street
Brisbane QLD 4000

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

Connect with us

ANNUAL REPORT
emlpayments.com

twitter.com/emlpayments

facebook.com/emlpayments

linkedin.com/company/emlpayments

emlpayments.com