



Money in Motion

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EML Payments Limited
ACN 104 757 904

18 November 2019

ASX Market Announcements

20 Bridge Street
SYDNEY NSW 2000

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

NOTIFICATION TO INELIGIBLE SHAREHOLDERS

Attached is a sample of the letter that will be provided to shareholders who are ineligible to participate in the 1 for 5 pro-rata accelerated non-renounceable entitlement offer of new EML shares, which was announced on Monday, 11 November 2019.

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 1,500 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:

Robert Shore

Group Chief Financial Officer

EML Payments Limited (ASX: EML)

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Important notices

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the new EML shares have been, or will be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be exercised or taken up by, and the new EML shares may not be offered or sold, directly or indirectly, to, persons in the United States unless they have been registered under the U.S. Securities Act (which EML has no intention or obligation to do or procure) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire EML shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. EML is not licensed to provide investment or financial product advice in respect of EML shares.



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PRIVATE AND CONFIDENTIAL

18 November 2019

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Dear Shareholder,

Pro rata accelerated non-renounceable entitlement offer – Notification to Ineligible Retail Shareholders

On 11 November 2019, EML Payments Limited (ABN 93 104 757 904) (**EML Payments** or the **Company**) announced that it was conducting a capital raising by way of a pro rata accelerated non-renounceable entitlement offer to eligible shareholders to subscribe for 1 new EML Payments share (**New Shares**) for every 5 existing EML Payments shares (**Existing Shares**) held at 7:00pm (Sydney time) on 13 November 2019 (**Record Date**) to raise approximately A\$183 million (**Entitlement Offer**).

The proceeds of the Entitlement Offer will be used by EML Payments to partially fund the proposed acquisition of Prepaid Financial Services (Ireland) Limited, a company incorporated in Ireland, and its subsidiaries.

Royal Bank of Canada (trading as RBC Capital Markets) and UBS AG, Australia Branch are acting as joint lead managers and underwriters to the Entitlement Offer (the **Joint Lead Managers**).

This notice is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

What is the Entitlement Offer?

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Entitlement Offer is being made by the Company in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Act**) as modified by Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issue) Instrument 2016/84, meaning that no prospectus or other disclosure document under the Act needs to be prepared.

The Institutional Entitlement Offer has already closed and the results announced to the Australian Securities Exchange (**ASX**) on 13 November 2019. EML Payments has today lodged a retail offer booklet with the ASX, which sets out further details in respect of the Retail Entitlement Offer (**Retail Offer Booklet**).

What is the Retail Entitlement Offer?

The Retail Entitlement Offer involves an offer to Eligible Retail Shareholders (as defined below) to subscribe for 1 New Share for every 5 Existing Shares held at 7:00pm (Sydney time) on the Record Date, at a price of A\$3.55 (**Offer Price**) for each New Share (**Entitlement**).

As with the Institutional Entitlement Offer, the Retail Entitlement Offer is non-renounceable.

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A number of New Shares equal to the number that you would otherwise be entitled to subscribe for under the Retail Entitlement Offer will be subscribed for by the Joint Lead Managers and sub-underwriters at the Offer Price (as defined above). As a result, no amount will be payable by you and you will not otherwise receive any value for entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Retail Shareholder (as defined below).

Who is eligible?

Eligible Retail Shareholders are those persons who:

- a) are registered as a holder of Existing Shares as at 7:00pm (Sydney time) on the Record Date;
- b) have a registered address on the EML Payments Limited share register in Australia or New Zealand;
- c) were not invited to participate (other than as a nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer;
- d) are not in the United States and are not acting for the account or benefit of a person in the United States; and
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Ineligible Institutional Shareholders are those persons who were identified as an institutional shareholder by EML Payments and are not Eligible Institutional Shareholders (as defined in the Retail Offer Booklet).

Ineligible Retail Shareholders are those persons who were not identified as an institutional shareholder by EML Payments and are not Eligible Retail Shareholders.

Why am I not eligible to participate in the Retail Entitlement Offer?

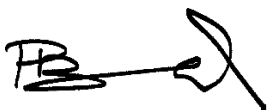
Unfortunately, according to our records you do not satisfy the criteria for an Eligible Retail Shareholder. In compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, this notice is to inform you that under the terms of the Entitlement Offer, you are not entitled to participate in the Retail Entitlement Offer and as such, you will not be offered any New Shares or entitlements under the Retail Entitlement Offer. You will not be sent a copy of the Retail Offer Booklet.

The restrictions upon eligibility are due to several factors, including the legal limitations in some countries, the relatively small number of shareholders there, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements in those countries. Having considered these factors, EML Payments has determined that, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act, it would be unreasonable to make the Retail Entitlement Offer to shareholders resident in any country outside of Australia and New Zealand. The Joint Lead Managers and each of their affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

As the Retail Entitlement Offer is non-renounceable, entitlements in respect of the New Shares you would have been offered if you were an Eligible Retail Shareholder will lapse and you will not receive any payment or value for those entitlements. Further details in respect of the Entitlement Offer (including details of eligibility) can be found on the announcements platform of the ASX (www.asx.com.au).

On behalf of the Company, we thank you for your continued support of EML Payments.

Yours sincerely,



Paul Wenk
Group Company Secretary
EML Payments Limited

Further information

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser or the EML Payments Offer Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia) at any time between 8:30am to 5:00pm (Sydney time) on Monday to Friday, up to the closing date of the Retail Entitlement Offer at 5:00pm (Sydney time) on 29 November 2019.

DISCLAIMER

This letter is to inform you about the Retail Entitlement Offer. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to apply for, retain or purchase any entitlements or securities in EML Payments in any jurisdiction. You are not required to do anything in response to this letter.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not consider your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

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This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the entitlements and the New Shares under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to, persons in the United States unless they have been registered under the U.S. Securities Act (which EML Payments has no obligation to do so or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.