



Money in Motion

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EML Payments Limited

30 October 2020

ASX Market Announcements

20 Bridge Street
SYDNEY NSW 2000

ANNUAL GENERAL MEETING PRESENTATIONS

EML PAYMENTS LIMITED (ASX: EML) (“EML”) provides the attached presentations of the Chairman and Group Chief Executive Officer, which will be delivered today at the EML Payments Limited 2020 Annual General Meeting.

About EML Payments Limited

At EML we develop tailored payment solutions for brands to make their customers lives simpler. Through next-generation technology, our portfolio of payment solutions offers innovative options for disbursement payout’s, gifts, incentives and rewards. We’re proud to power many of the world’s top brands and process over \$19 billion in GDV each year across 28 countries in Australia, EMEA and North America. Our payment solutions in 27 currencies are safe and secure, easy and flexible, providing customers with their money in real-time. We know payments are complex, that’s why we’ve made the process simple, smart and straightforward, for everyone.

We encourage you to learn more about EML Payments Limited, by visiting: EMLpayments.com

This announcement has been authorised for release by the Joint Company Secretaries.

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EML ANNUAL GENERAL MEETING - 30 OCTOBER 2020
CHAIRMAN'S ADDRESS

SLIDE: WELCOME

Welcome and Introduction

Good morning ladies and gentlemen. My name is Peter Martin and it's my pleasure as Chairman to welcome you to the 2020 virtual Annual General meeting of EML Payments Limited.

Before we begin, I would like to acknowledge the traditional owners and custodians of the many lands on which we are all joining today. For my location here in Sydney it is the Gadigal and Wangal People of the Eora Nation, to whom I pay my respects to their elders, past, present and emerging.

Thank you for joining today's meeting, it is a new experience for us all as we will be completely online due to the current COVID-19 pandemic and the related health concerns.

I do hope that you and those you care about are keeping safe and well in these challenging and uncertain times. We hope that holding a virtual meeting will assist to further curb the spread of the COVID-19 virus and encourage greater participation and engagement amongst our shareholders.

I want to assure you that you will have the same opportunity to participate today as you would at a physical meeting. This includes being able to ask questions through the online platform, and vote using an electronic voting card.

I will discuss these processes a little later, but I encourage you to download the virtual meeting online guide from EML's website if you haven't already done so.

If we do experience any technical issues today, a short recess or an adjournment may be required depending on the issue. If this occurs, I shall advise you accordingly.

I now move to the formal business of the meeting.

SLIDE: IMPORTANT NOTICE

This Meeting has been convened in accordance with the provisions of the Corporations Act. It is now after 10:00 am, the nominated time for the meeting and I have been advised a quorum of shareholders is present, the meeting has been validly constituted and I am pleased to declare this meeting open.

SLIDE: BOARD OF DIRECTORS

I would now like to take the opportunity to introduce my fellow directors joining us via audio link. The directors are available to answer any questions that apply to them:

- David Liddy AM, Independent Non-executive Director and Chair of the People and Remuneration Committee.
- Tony Adcock, Independent Non-Executive Director and Chair of the Audit and Risk Committee.
- Melanie Wilson, Independent Non-Executive director and Chair of the Investment Committee.
- Dr Kirstin Ferguson, Independent Non-Executive Director.
- George Gresham, recently appointed Independent Non-Executive Director; and
- Tom Cregan, the Managing Director and Group CEO.

Mr Cregan will be joining us via video link from Melbourne and we also have various EML Executives online. In particular we have Rob Shore, Group Chief Financial Officer, Joint Company Secretaries, Paul Wenk & Sonya Tissera-Isaacs, Andrea Roy, Audit Partner of the company's auditor Deloitte Touche Tohmatsu, and representatives of the Companies Share Register Link Market Services Limited who are providing the virtual meeting platform today.

Mr Wenk is in Melbourne and will be reading out questions submitted by shareholders later in the meeting.

SLIDE: AGENDA

Today's meeting will occur in the following order:

Firstly, I will provide you with a brief update on the business over the past year.

We will then hear from our Group CEO Tom Cregan, who will discuss the 2020 Fiscal year and the year ahead in more detail.

Thirdly, we have 9 resolutions for the meeting today.

After the resolutions have been read and votes are being tallied, there will be an opportunity for shareholders to ask questions of the Board or management.

Voting on the resolutions will be conducted by way of a poll using the electronic voting card you should receive after clicking the "get a voting card button".

Shareholders who wish to ask a question, please click on the "ask question button" type your question and press submit.

SLIDE: USING THE ONLINE PLATFORM

I encourage shareholders who have questions, to submit your questions as soon as possible during the meeting. We have received a number of questions prior to the meeting most of which have been addressed during the presentations.

If you have any trouble using the online platform please check the virtual meeting online guide on EML's website or please feel free to contact the help lines shown on the screen.

SLIDE: CHAIRMAN'S ADDRESS

I turn now to my Chairman's address in which I'd like to say a few short words about:

- The year that we have had.
- The company's longer term strategy and business focus; and
- How our people have adapted to changed circumstances.

The Covid-19 pandemic has affected the world deeply – both at an economic and business level, but also at a human level.

The immediate effects of the virus and the response of various governments and communities hit parts of EML's business hard and continues to be a headwind in some segments of our business. However, it is a testament to the diversification of our business and the talent of our people that we maintained strong growth in the 2020 Fiscal year.

It is also inspiring to see how our people have adapted to changed circumstances and, more generally, the level of innovation that has been spurred on by some fundamental shifts that Covid-19 appears to have accelerated. Particularly in the payments industry.

At EML we have responded to the crisis proactively. Covid-19 has provided us with the opportunity to review our longer term strategy and set our vision statement "to offer customers a feature rich, fully embedded payment solution, via a simple, single touchpoint".

Some of 2020 achievements that we are particularly proud of include:

- Entering the ASX 200 in December 2019.
- Acquisition of Prepaid Financial Services [Ireland] Limited (PFS) in March 2020 under favorably renegotiated terms. We now generate the majority of Revenues from the General Purpose Reloadable ('GPR') segment, which has been a long-term strategic priority.
- Refining our Group Strategy and launch of "Project Accelerator" to drive the Group's growth over the next three years.
- Strong financial performance during the first 8 months of the year before Covid-19 impacted trading conditions, and resilience since then.
- Maintaining a strong balance sheet with significant cash reserves and no senior secured debt thus ensuring that the Group can successfully execute on our Strategy and be positioned to take advantage of opportunistic acquisitions.
- Signing and launching major new customers in all verticals with significant sales momentum in all of our markets.

We've released our Investor Presentation to the ASX, and I'd recommend it to you for more information about our longer term strategy.

Thank you

On behalf of the Board, I'd like to say thank you to the whole EML team. EML has a very strong "People" Culture and that has been shown in the outstanding commitment of all existing and new staff, the majority of whom are now working remotely.

Finally, I'd like to thank the Board who've once again provided me with strong support and put in a considerable amount of time and effort in a very busy and challenging year.

I will now hand over to our Group CEO Tom Cregan to take you through results for 2020 Fiscal Year and talk more about the year ahead.

EML ANNUAL GENERAL MEETING - 30 OCTOBER 2020
MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER'S ADDRESS

SLIDE: CEO PRESENTATION

Good morning and thanks for attending our 2020 Annual General Meeting.

My name is Tom Cregan, Group CEO and Managing Director, and I look forward to providing this update to you, which will focus on our business model and strategy, which ultimately is the most relevant factor for investors in relation to an investment.

It's our first virtual meeting and my thanks to the EML team, Paul Wenk, our General Counsel and Sonya

Tissera-Isaacs, our Company Secretary, who have made this event possible and dealt with the logistical challenges involved.

I also think it's a step forward in the democratisation of these meetings. Historically we would hold a meeting in Sydney and have an attendance in the 100-150 range, yet as we have grown as a company, our shareholder base has grown to almost 30,000 shareholders, from 7,000 shareholders a year ago.

Holding this meeting today in a virtual format provides maximum access for our shareholders and I think that's a very positive thing.

SLIDE: MISSION, VISION & PURPOSE

We outline our Mission, Vision and Purpose statements and for those who attended our 3rd EMLCON investor event yesterday, you would have heard presentations from customers, payment schemes, venture capitalists, and technology companies, and how that ties back to our Mission, Vision and Purpose.

SLIDE: ABOUT US – EML SNAPSHOT

EML is a leading payment technology company providing end-to-end payment solutions for corporations and governments in 28 countries.

We manage over 3,000 programs globally and service customers across a range of industries, including NGO's, FinTech's, Neo-banking, Neo-lending, Multi-currency, Salary-as-a-Service, Incentives, Retail malls, Government disbursements and Gaming, to name a few.

We will continue to work with our customers to help them use our payments technology to grow their own businesses, and we will continue to identify new customers in emerging verticals that will drive our growth in the years to come.

In FY20 we generated EBITDA of \$32.5m, from revenues of \$121.6m, driven by gross debit

volumes of almost \$14 billion.

This is the first point I'd like to make today.

In 2012 we had a business in Australia, with a handful of customers and with gross debit volume of \$60m a year and revenue of \$3m a year, and a constant question from investors was "where is your growth going to come from", and 8 years later, with gross debit volume run-rate of \$17-20 billion a year, that is the same question we get.

The reality is that our business evolves as global commerce evolves. We have customers in the digital banking space that you've only seen take shape in Australia in the last 2 years or so, following on from trends in the United Kingdom and Europe. And there are a number of industries that are evolving, such as open-banking, and we will be a player in this space as well.

SLIDE: OUR JOURNEY

This slide tells a similar story of product evolution, geographic expansion, acquisitions and more recently, the launch of Project Accelerator.

Put simply, Investors don't need to understand every customer we have, or every industry they operate in. The investment thesis is simple – can the executive team continue to expand programs we have in market, and can we continue to do as we have done the last 8 years – find new use cases and customers.

If we can, our debit volumes will grow into the future, and so too will our revenues. That's a company you would invest in, and conversely if you don't believe in that thesis, it's not one you should invest in.

SLIDE: EML OPERATES IN A TRILLION DOLLAR INDUSTRY

We sit at the epicentre of a Trillion-dollar payments market that will undergo a significant transformation to digital payments in the coming decade, and we intend to capture our share of that long-term market opportunity.

Market data for the prepaid payments industry is both bespoke and regional in nature, so you can imagine it includes all products including gift and GPR products, and it includes every imaginable industry vertical, including many verticals EML does not compete in, but putting that to one side for a moment:

- The US prepaid market was estimated to be a USD\$395B GDV market in 2019
- The UK prepaid market was estimated to be a GBP\$23B GDV market in 2019
- The European prepaid market was estimated to be a EUR\$350B GDV market by 2023
- And the Australian market was estimated to be an almost AU\$12B GDV market in 2019

This is another important point. Competition in the prepaid industry can also be regional and bespoke, with some global players, but if we have a Company with consensus revenues

of \$180m, and market shares in the US, UK and Europe of sub 5%, we have an incredible runway of growth ahead of us, as do our competitors.

It's a rising tide lifts all boats analogy versus a binary analogy where there is one winner and multiple losers. As a result, we don't focus on competitors, but we do focus on our own competencies and execute our strategy to take advantage of this growth runway in the years ahead.

SLIDE: SOLUTION SUITE

You'll see the solutions we provide and our various revenue streams. We offer new age payments issuing and processing through real-time API connectivity and as the transaction processor, we provide our customers with access to analytics and insights that inform the ways in which they market and grow their programs.

Our solution suite encompasses Know Your Customer, fraud management, treasury management, regulatory and compliance oversight and program management. The ability to get an end-to-end solution is one of our competitive advantages and explains the varying yields depending on the program.

A GPR program for a neo-bank that uses all of this solution suite will have a correspondingly higher yield than a program where we are just acting as a transaction processor.

As we launch new programs with customers, we generate a range of revenue streams including interchange fees, transaction fees, and breakage on gift cards, with 85% of our revenues being recurring in nature.

Whilst we retain all interest on cardholder deposits, obviously we are at an historic low in terms of interest rates, but it's worth remembering that for every 25bps lift in interest rates, on a float balance of \$1.5 billion, we'd be making \$3.75m in gross margin, so our revenue model is resilient and agile and with future optionality built into it.

Now you've seen what we do and how we generate revenue.

SLIDE: BUSINESS MODEL – COHORT ANALYSIS

The next slide now takes you to the way in which our business has been able to grow.

This is a cohort analysis which shows three customers we have launched programs with, in different industries, and the GDV growth in those programs since launch.

When we launch a new program, irrespective of what that is, that program often starts with zero cardholders, unless it is an existing program from a competitor that we are winning across to EML.

As our customers launch their programs, market the programs and consumers adopt the program, the cardholder base grows, debit volume increases, and our revenues increase

with it.

These programs grow over many years, and whilst programs scale and grow at varying levels, the point is that as they scale, our revenues scale.

It's unlikely we would launch a program in a given year that becomes a "needle mover" in terms of volume, unless it's an existing program with existing volumes that we win across from a competitor.

Whilst it's natural for some investors to want to seek a catalyst to time their purchases or sales of shares, such as new contract signings, the reality is that new contracts we announce will be more material to our financials in 3 years versus 3 months and our unrelenting focus remains on building the business for the long term benefit of stakeholders.

The graph to the right shows this same thematic in a different way, and over several years how our revenues grow from working with our customers to maximise the success of their programs in market and launching programs with new customers.

SLIDE: BUSINESS MODEL – COHORT ANALYSIS – GDV & SALES PIPELINE

On this slide you'll see this demonstrated again.

The first chart shows GDV analysis for EML over several years and the same analysis for PFS as a stand-alone business, then you'll see the combined pro-forma GDV of the business if it had been the one company since inception.

As I said earlier, programs take some years to scale, and this is evident in each graph. Programs that are launched will typically be material to our financials in 3-4 years, and we have virtually no churn, which is another fundamental point.

We measure churn in terms of GDV versus the number of customers, because not all customers are created equally in terms of their financial contribution. When we look at programs launched in 2017 and where those programs are at today, our GDV retention rate was 99.9%.

As you'll see with our sales pipeline, we have signed 46 contracts in the last two quarters, and we have over 300 prospects in our sales pipeline, with a focus on digital incentive gift cards and GPR programs.

In addition, we have 100 programs awaiting implementation that will be launched in the next 6-9 months, which includes some of the recent 46 wins, and earlier wins that have been won and are working their way through implementation.

We believe that if we close our win-rate of deals, the Year 3-4 maturity level of gross debit volume would be circa \$5B.

Therefore, the programs that we launch in any given year are more accretive in Years 3-4

post-launch as those programs expand – we’ve seen that before with Gaming and Salary Packaging – and it will continue to be the case going forward.

We have mentioned on a number of occasions that whilst we have signed a number of BNPL providers, this is a segment quickly becoming disaggregated and moving to a transaction processing model, which will be a lower yield than our current VANS business.

As a pure transaction processor, it’s a vertical that represents the opportunity for incremental revenues but it’s not a vertical that we’d want to build our business on. So, in much the same way that we view the VANS segment, it’s opportunistic revenue but not where our focus is relative to GPR.

SLIDE: TRACK RECORD OF GROWTH

We show our track record of growth going back six years, and this is made possible by the business we have established in the past 8 years which is on the next slide.

SLIDE: BUSINESS MODEL – BARRIERS TO ENTRY

We operate in a heavily regulated industry and are responsible for moving and reconciling billions of dollars a month, so systems, infrastructure and regulatory and compliance are the bits of the iceberg under the surface that investors don’t necessarily see, but without it you’ve got no business being in this business.

SLIDE: SEGMENT ANALYSIS

You’ll see a four-year history of our reporting segments, including the use cases and growth thematic for each one.

Across each segment we find the financial elements to be very stable, because we enter into long term, predominantly exclusive contracts, that do not have any re-pricing within them, so you’d expect to see yield and margin stability within each segment over time.

In FY20 you will see declining yields in the Gift and Incentive segment and the GPR segment, but if we look to the trading statement, we can see how a less Covid impacted quarter has trended.

Moving along to our Q1 trading update, I think the short summary is that we are off to a reasonable start.

We suspended guidance in May and will re-commence in February with the release of the half year results, but most of you will know that the consensus range is in the mid \$40m to mid \$60m range and the assumption driving that variance is largely the performance of mall gift cards over the peak season.

SLIDE: Q1 TRADING UPDATE

We've got our trading update for the first quarter of FY21. This information was released to the market on 21 October.

GDV was 51% up on the prior period and we're showing the data relative to Q4 of FY20, which was up 20% on that Covid-impacted quarter.

That drove a revenue outcome of \$40.6 million, up 75% on the prior comparative period and 20% up on last quarter.

GDV and Revenue both grew 20% over the last quarter of FY20 so that would tell you that yields in each segment have been stable over that period.

As you can see, EBITDA was \$10.05 million, up 213% on the prior comparative period. Q1 is historically our weakest quarter so it's a positive start to the year.

SLIDE: Q1 TRADING UPDATE – SEGMENT LEVEL

As you move to this next slide and looking at this on a segment level, there are some good takeaways:

- The Gift and Incentive segment grew 41% quarter-on-quarter and was only 11% below the prior comparative period a year ago, and yield increased to almost 600 basis points as cards were used and we benefitted from interchange income that we would not have received in Q4 with lockdowns and mall closures;
- The GPR segment has seen massive growth as you'd expect post the acquisition of PFS and pleasingly PFS grew GDS and Gross profit by 24% on Q4 FY20, with 2 record GDV months in July and September, and the old EML GPR segment seeing a 16% growth due to higher volumes in gaming and Salary packaging, and;
- The VANS segment recovered its GDV over the previous quarter and is consistent with previous quarters and at a consistent yield.

We suspended our guidance in May given the importance of the G&I segment to our full year results, and as you can see the approximate seasonal mall volumes equates to circa \$400m of GDV that would correspond to approximately \$19m in gross profit, most of which will translate to EBITDA.

Whilst not commenting on consensus broker estimates, estimates range from mid-\$40m to mid-\$60m and I daresay that their assumptions on the G&I segment in this seasonal period is the biggest swing factor, so we're happy with \$10m as an EBITDA for Q1 of FY21 and I think that gives you some idea of how the business could perform if we keep this performance going and get a seasonal benefit in the G&I segment.

Of course, we don't know what Covid has planned for Europe in the months to come and

hence our resumption of guidance in February 2021.

SLIDE: PROJECT ACCELERATOR

Finishing up here we have communicated to the market that our strategic focus is Project Accelerator. This is a multi-year program focused on 3 things:

- Implementing changes to our technology platforms that allow us to launch multi-regional customer programs as seamlessly as possible and to work across both major payment schemes and non-payment schemes. Examples are the pending launch of Laybuy in the UK and Australia, and plans to launch payment programs on the Visa network by the end of FY21;
- Enhancing our product range to maximise revenue generating opportunities;
- Accelerating our growth through direct investment – in which we will spend \$10-15m over 2 years, and indirect investment or what we refer to as Finlabs. We have concluded two Finlabs investment to date, with more in the pipeline.

SLIDE: PROJECT ACCELERATOR – INTERCHECKS & HYDROGEN

On this slide you'll see details on our first two Finlabs investments. I'd take this opportunity to remind investors that we are not entering into these investments as a traditional VC investor would, where we are focused on the exit price or capital gain we can create.

We are investing in companies where their technology can be integrated into our own and it expands our go-to-market offering, which in turn should increase our sales opportunities.

We are also gaining distribution opportunities by being the provider of prepaid solutions to their customers, and from this we expect to generate a cash on cash return for each investment we make.

Some of those investments might lead to outright acquisitions down the road, or they might not, so we have no pre-defined position on that, but you could consider it a form of R&D because these would otherwise be pieces of our technology solution that we would need to build, which would take time and involve an investment in headcount.

Interchecks was the first Finlabs investment we have made for a total of USD\$2m for a 10% stake in the company, based in the USA, and we recently closed a USD\$5m Series A investment in a company called Hydrogen, also in the USA.

Rather than go through these in detail now I would encourage investors to look at their presentations at EMLCON and you'll understand more about their business and what the strategic fit it with Project Accelerator.

SLIDE: EMLCON

EMLCON which I've referred to already. It was a great event with over 750 people logging in and it just gets better every year. My thanks to Richard Anderson who heads up our global marketing function, along with Wade, Matt and everyone at Prodigy+ who have made this event possible.

SLIDE: BUILDING THE EML GLOBAL BRAND

We would like to show investors the level of media coverage that we are obtaining.

We recognise that some investors look only to the ASX platform for updates but that isn't intended to be a marketing platform, and unless investors are following EML on our social media channels they might miss the level of coverage we do obtain internationally, which is far more than we obtain domestically.

That makes sense given we are an international business and media and PR is one of our marketing strategies to build awareness of the company and to use that to build out our sales footprint.

And finally, it's important that we talk to you today about our People initiatives in the company.

SLIDE: OUR PEOPLE AND CULTURE SETS US APART

We are a people driven business. We can have the best technology, the best systems or the best customers, but it's our people that make us successful.

I'm unapologetic about having what I think is the best team in the industry and as executive teams go, the best I have worked with. Their commitment this year, the hours they have worked, the sense of co-operation and teamwork, and the results they have achieved is fantastic.

Integrating a major acquisition and communicating across the regions sees people on calls at 5am or 11pm, and they do it because they're committed to the company, to their team-mates and they want to win.

This year, to name a few initiatives:

- We have implemented paid parental leave and flexible working hours
- In terms of diversity, we have a 50:50 gender balance within the executive team and 3 of our 4 P&L owners are female, which I doubt many other companies could claim to have. We are focused on diversity because it's the right thing to do and we have many more projects to focus on this year, including ensuring that we have no implicit gender pay inequalities for the same roles within the company

SLIDE: EML CHANGE FOR GOOD

- Under our Change for Good strategy, we have committed to replacing tens of millions of plastic gift cards over the coming few years through a move to digital cards and transitioning to more environmentally friendly card types, and,

SLIDE: ETHICAL BUSINESS PRACTISES, ENVIRONMENT & SUSTAINABILITY, VOLUNTEERING CULTURE & PHILANTHROPIC PARTNERSHIPS

- In line with our Purpose statement we are focusing on what we can do for our communities, which includes volunteering and philanthropic efforts, where we will be focusing on the scourge that is domestic violence

Kristen Shaw heads up our People and Culture team and she's a one-person force of nature for positive change across the business, and I'd like to thank her for her tireless efforts as well.

SLIDE: THANK YOU

Thanks for your attendance today and I look forward to answering any questions following the formal business, a little later in the meeting.

The background features a complex network of glowing blue and yellow lines and dots, resembling a neural network or data visualization. The lines are thin and intricate, with some forming larger, more defined shapes. The dots are small and scattered throughout the scene, adding to the overall sense of connectivity and data flow.

2020 EMI.

ANNUAL GENERAL MEETING

November 2020

Welcome.



Important Notice

The presentations made at today's AGM contain information of a general nature, including general background information about EML's activities current as at the date of the AGM. This information is given in summary form and does not purport to be complete. Any information forming part of the presentations or in response to questions asked at the AGM should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters and seek independent financial advice. An investment in EML securities is subject to known and unknown risks, some of which are beyond the control of EML. EML does not guarantee any particular rate of return or the performance of EML. Information conveyed at the AGM may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to EML's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Those receiving the information are cautioned not to place undue reliance on any forward looking statements. Unless otherwise specified all information is for the twelve months ended 30 June 2020 ('FY20'), and is presented in Australian Dollars. Unless otherwise stated, the prior comparative period refers to the twelve months ended 30 June 2019 ('FY19').

Disclaimer

The information provided during the AGM is provided for general information purposes and is a summary only. Unless otherwise indicated, the information is provided as at 30 June 2020. Given the uncertain, unpredictable and volatile nature of business and economic conditions across the world as a consequence of the COVID-19 pandemic, reliance should not be placed on the content of the presentations, opinions or responses during the AGM. Further, subject to any legal obligation to do so, EML does not have any obligation to correct or update the information conveyed at the AGM. The information provided at the AGM does not and does not purport to contain all information necessary to make an investment decision, is not intended as investment or financial advice (nor tax, accounting or legal advice), and must not be relied upon as such. The information is of a general nature and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Any investment decision should be made solely on the basis of your own inquiries, including inquiries beyond the scope and content of the information provided at the AGM. Before making any investment in EML, you should consider whether such an investment is appropriate to your particular investment objectives, financial situation, risk appetite and needs. EML is not licensed to provide financial product advice in respect of its shares.

About Us

At EML we develop tailored payment solutions for brands to make their customers lives simpler. Through next-generation technology, our portfolio of payment solutions offers innovative options for disbursement payout's, gifts, incentives and rewards. We're proud to power many of the world's top brands and process over \$17 billion in GDV each year across 28 countries in Australia, EMEA and North America. Our payment solutions in 27 currencies are safe and secure, easy and flexible, providing customers with their money in real-time. We know payments are complex, that's why we've made the process simple, smart and straightforward, for everyone.

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

Board of Directors



Peter Martin.
Non-Executive Chairman



Dr Kirstin Ferguson.
Independent Non-Executive Director



David Liddy AM.
Independent Non-executive Director and Chair of the People and Remuneration Committee



Tony Adcock.
Independent Non-Executive Director and Chair of the Audit and Risk Committee



George Gresham.
Independent Non-Executive Director



Melanie Wilson.
Independent Non-Executive Director and Chair of the Investment Committee



Tom Cregan.
Managing Director and Group CEO

Agenda.

01 — Chairmans Address

02 — CEO Presentation

03 — Resolutions

04 — Q&A



Using the online platform

Download the Virtual Meeting online guide at

emlpayments.com/investors/annual-general-meeting/

Help number/s

1300 554 474

If you are calling from Australia

+61 1300 554 474

If you are calling from outside Australia



Chairman's Address

Peter Martin.

Chairman, Non-Executive Director



CEO Presentation

Tom Cregan.

Managing Director and Group CEO



Mission.

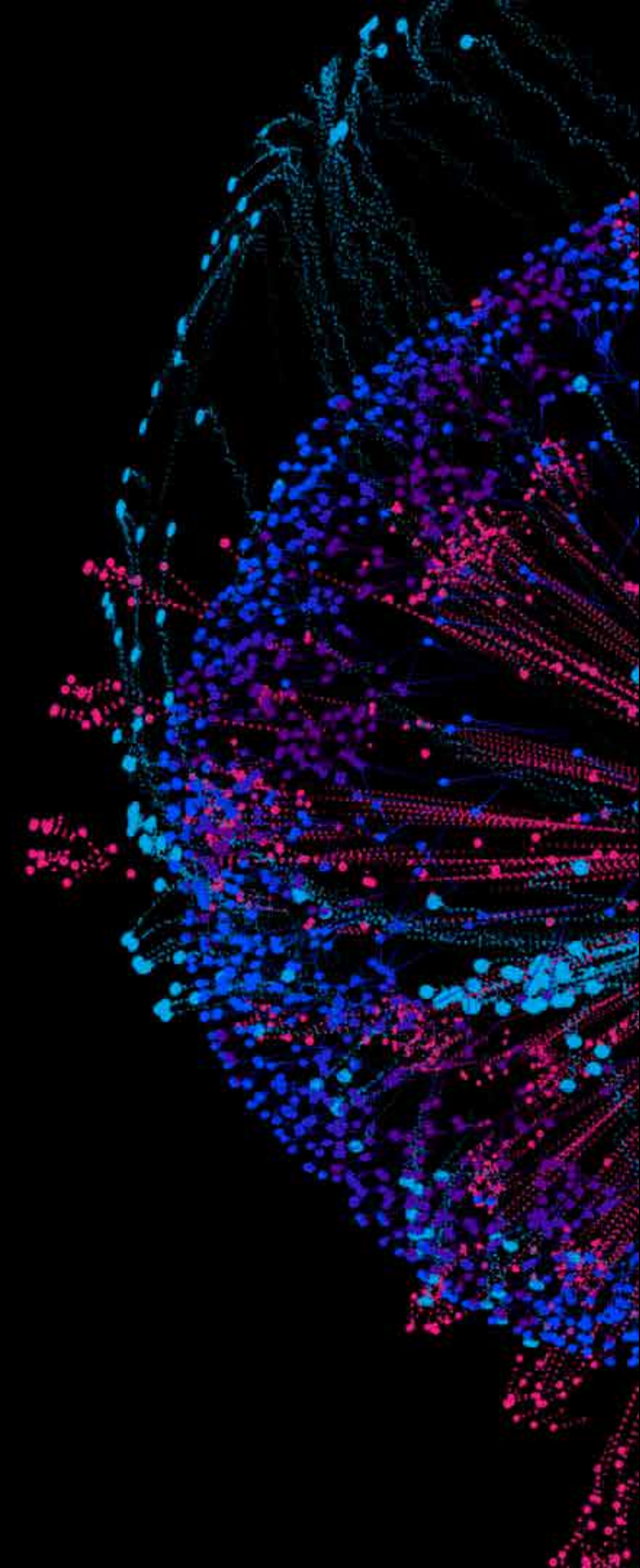
We create awesome, instant and secure payment solutions that connect our customers to their customers, anytime, anywhere, wherever money is in motion.

Vision.

To offer customers a feature rich, fully embedded payment solution, via a simple, single touchpoint.

Purpose.

Inspiring transformative digital change for our customers and communities.



About Us – EML Snapshot

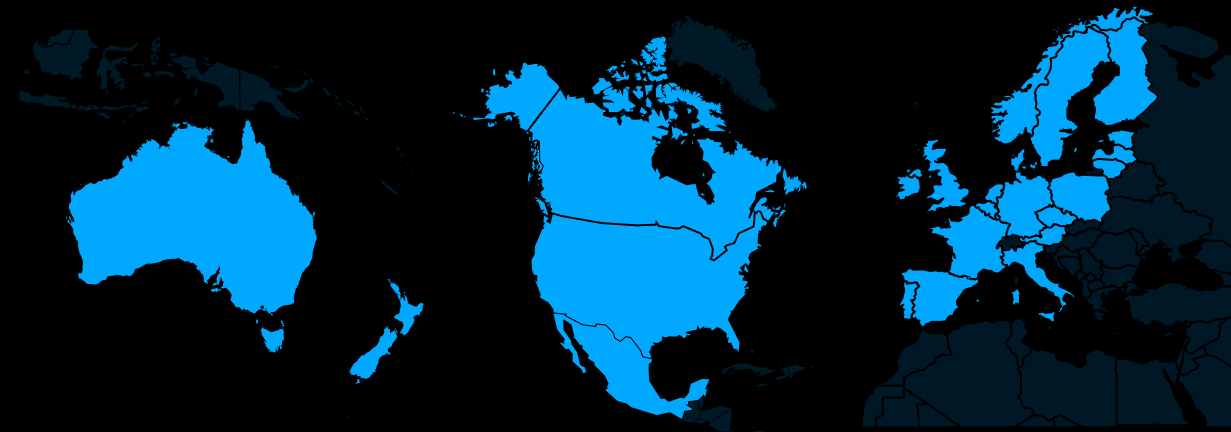
OPERATE IN

28

COUNTRIES

450

EMPLOYEES



GROUP GDV¹

\$19bn

ANNUALISED GDV
RUN RATE

GPR

55%

COMBINED GROUP
FORWARD REVENUES¹

ANNUAL ISSUE IN EXCESS OF

11M

GIFT & INCENTIVE
CARDS

2M

GENERAL PURPOSE
RELOADABLE CARDS

TECHNOLOGY PLATFORMS

SUPPORTING THOUSANDS OF PROGRAMS
ACROSS MULTIPLE INDUSTRIES

¹ GDV forward estimate based on FY21 Q1 run rate

² Revenue, EBITDA & NPATA are stated excluding the impacts of AASB3 Business Combinations, a full reconciliation is provided in the FY20 Investor Presentation

EML is an ASX listed (ASX:EML) Payments Technology company operating proprietary processing platforms that enable Fintech disruption, with offices in Australia, United Kingdom, Europe, and the United States of America.

GROUP GDV (FY20)

\$13.88bn

↑ 54%

GROUP EBITDA² (FY20)

\$32.5M

↑ 10%

GROUP REVENUE² (FY20)

\$121.6M

↑ 25%

GROUP NPATA² (FY20)

\$24.0M

↑ 17%

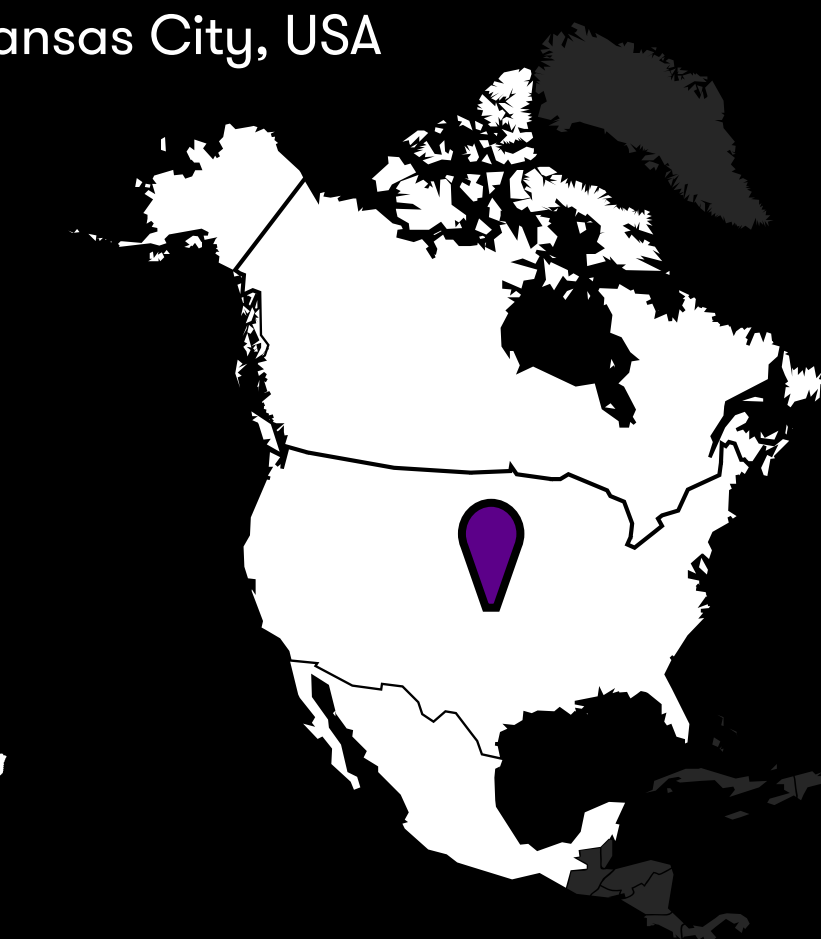
Australia

Head Office
Brisbane, Australia
Melbourne, Australia



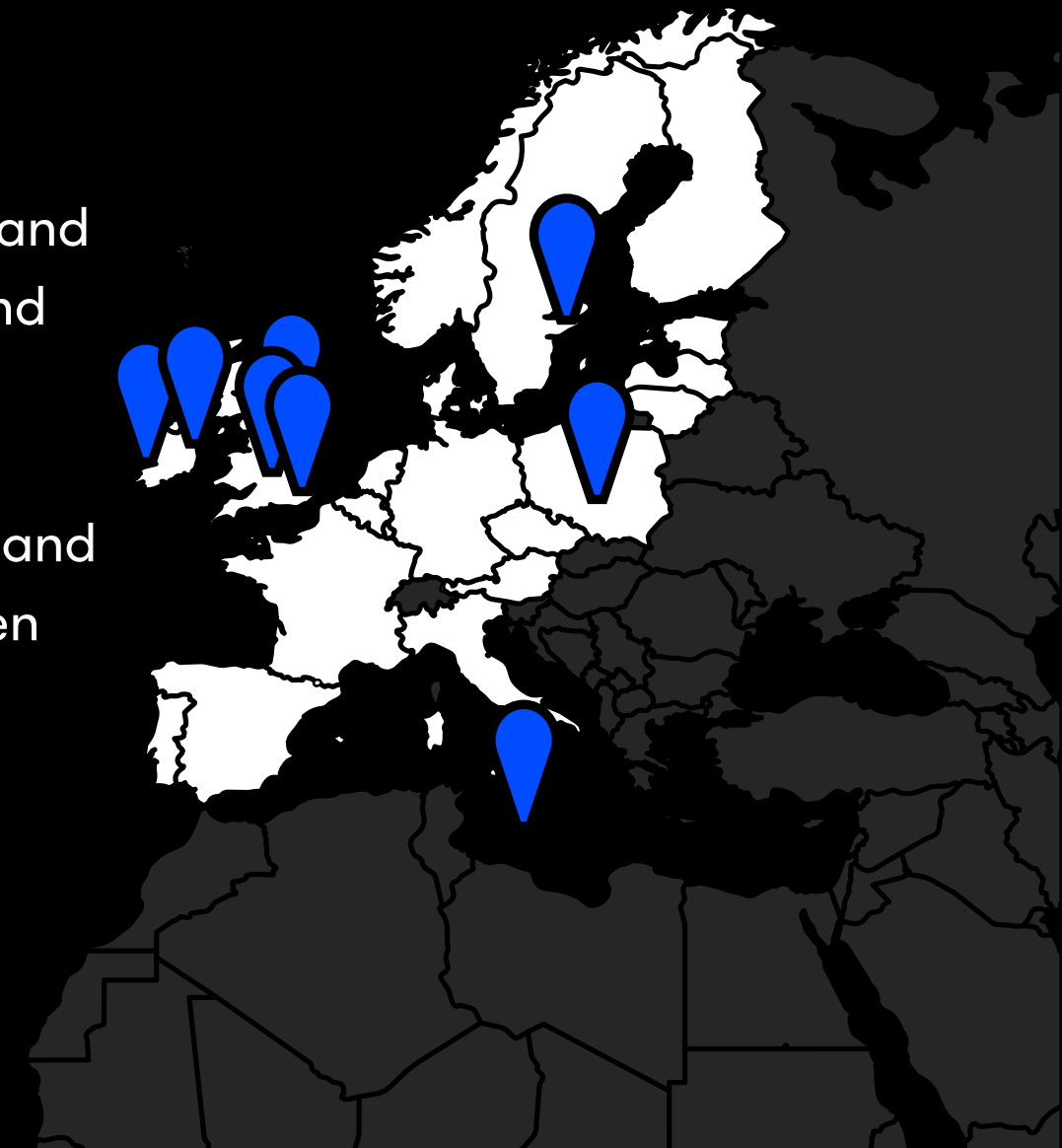
Americas

Kansas City, USA



Europe

London, England
Birmingham, England
Newcastle, England
Dublin, Ireland
Galway, Ireland
Czestochowa, Poland
Stockholm, Sweden
Malta



Our Journey

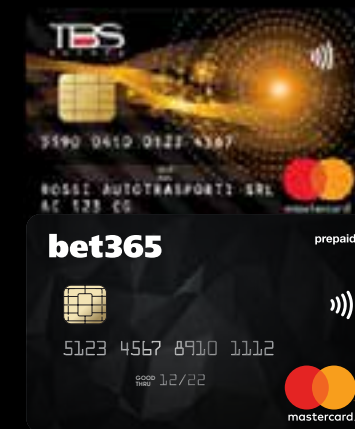
Incentives
+ B2B & B2C Cards



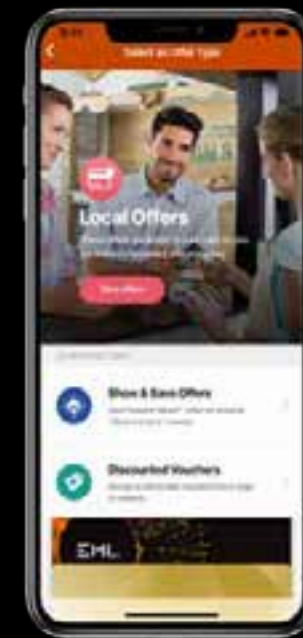
Launch of GPR
in Australia



Launch of GPR in
UK and Europe
+ Mastercard licence



Launch of GPR in North America
+ Launch of Mobile Rewards
+ Expansion into Scandinavia



Launch of largest
European mall
program
+ Expand into Poland
+ Expanded technology
use cases
+ Delegated authority
+ Instant mobile gift

EML launches
EML Finlabs and
proudly announces
the first partner:



2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 Project Accelerator



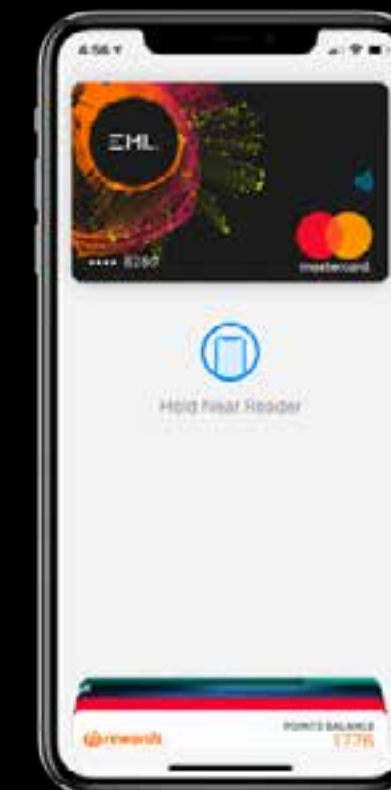
Heritage-Issued
Visa Integration



Expansion into the
UK and Europe



Expansion
into the USA
and Canada
+ Obtain MC
licence in
Australia

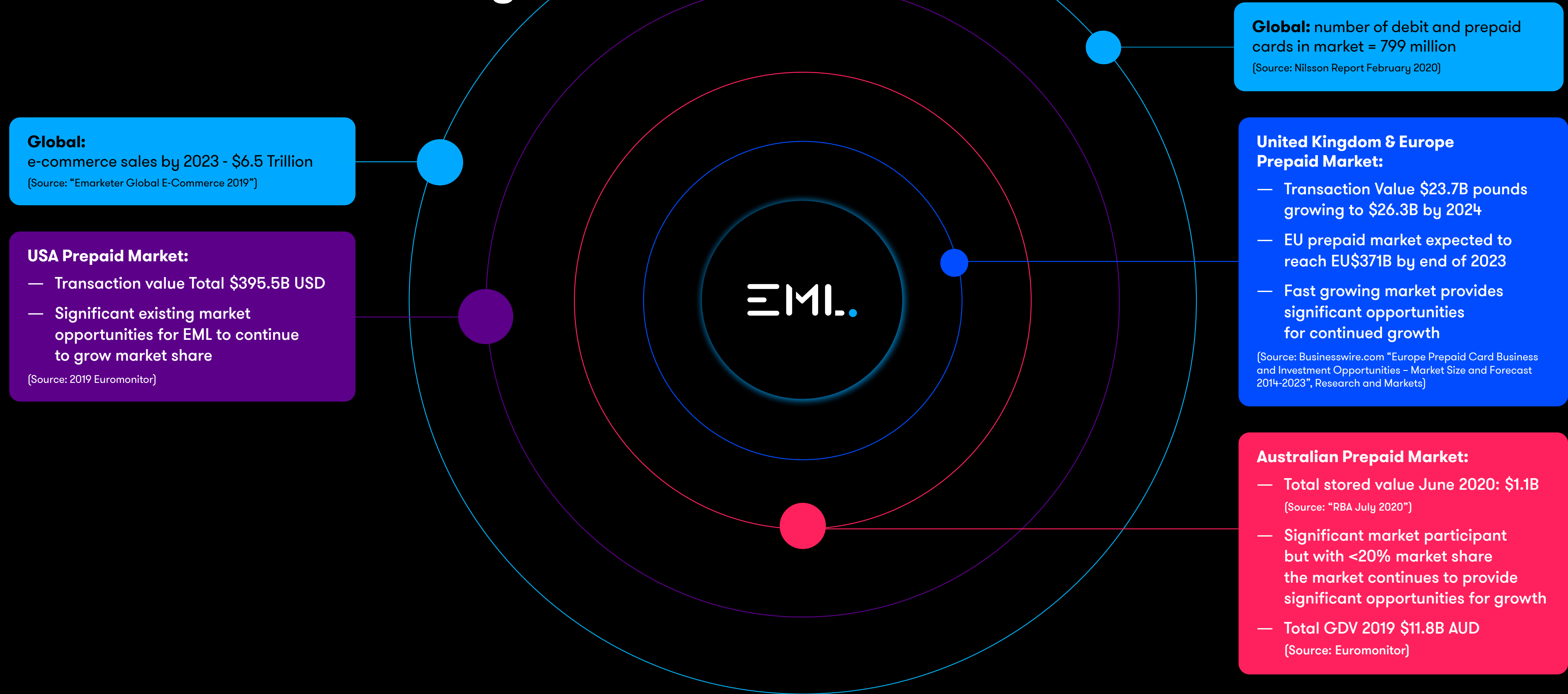


Launch of
mobile payments
+ Obtain E-money
licence in Europe

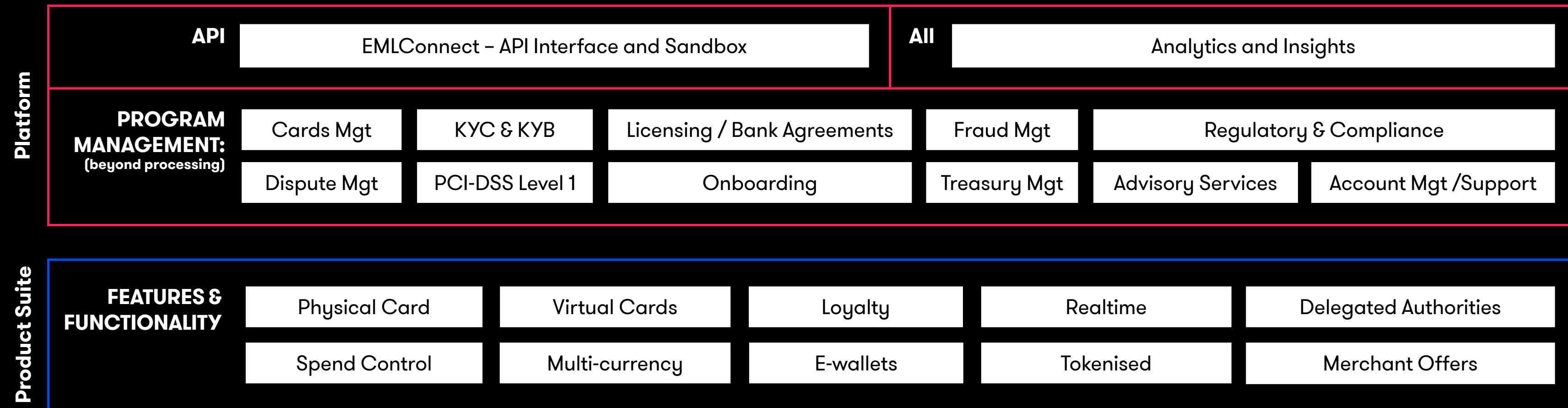


Acquisition of Prepaid
Financial Services (PFS):
+ Multi Currency
+ Payments as a Service
+ Banking as a Service

EML operates in a Trillion dollar industry



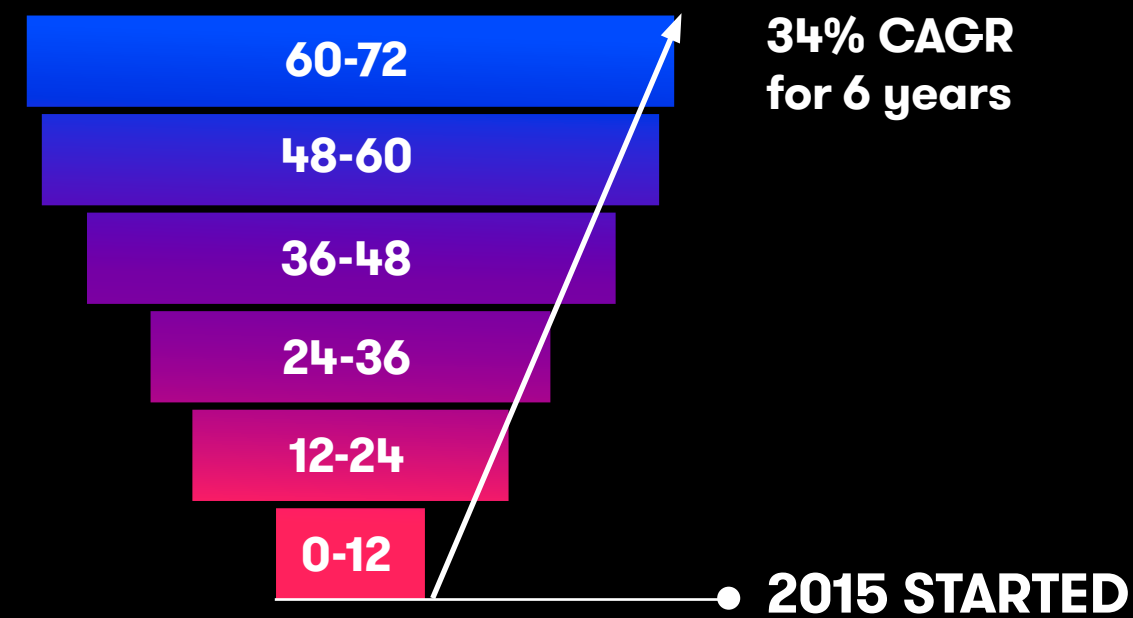
Solution Suite



Business Model – Cohort Analysis

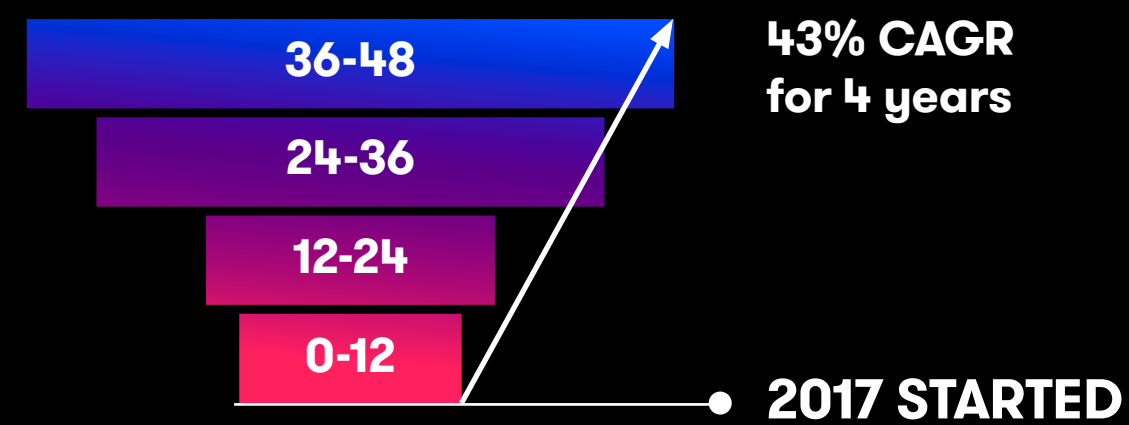
Distribution as a Service Customer

This gaming industry customer uses our cards to distribute funds to their customers. The programs loads have grown 34% over the last 6 years in GDV.



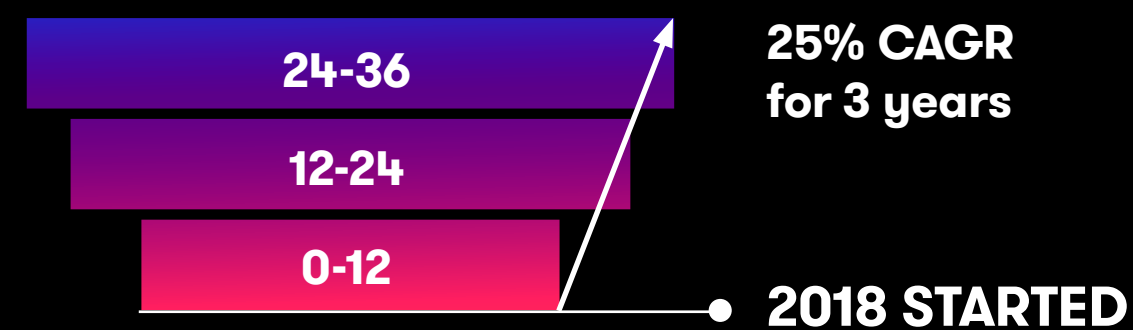
Banking as a Service Customer

This BaaS customer uses our full technology suite so that their customers can access the funds that they have in various accounts with us. The programs load have grown 43% over the last 4 years in GDV.

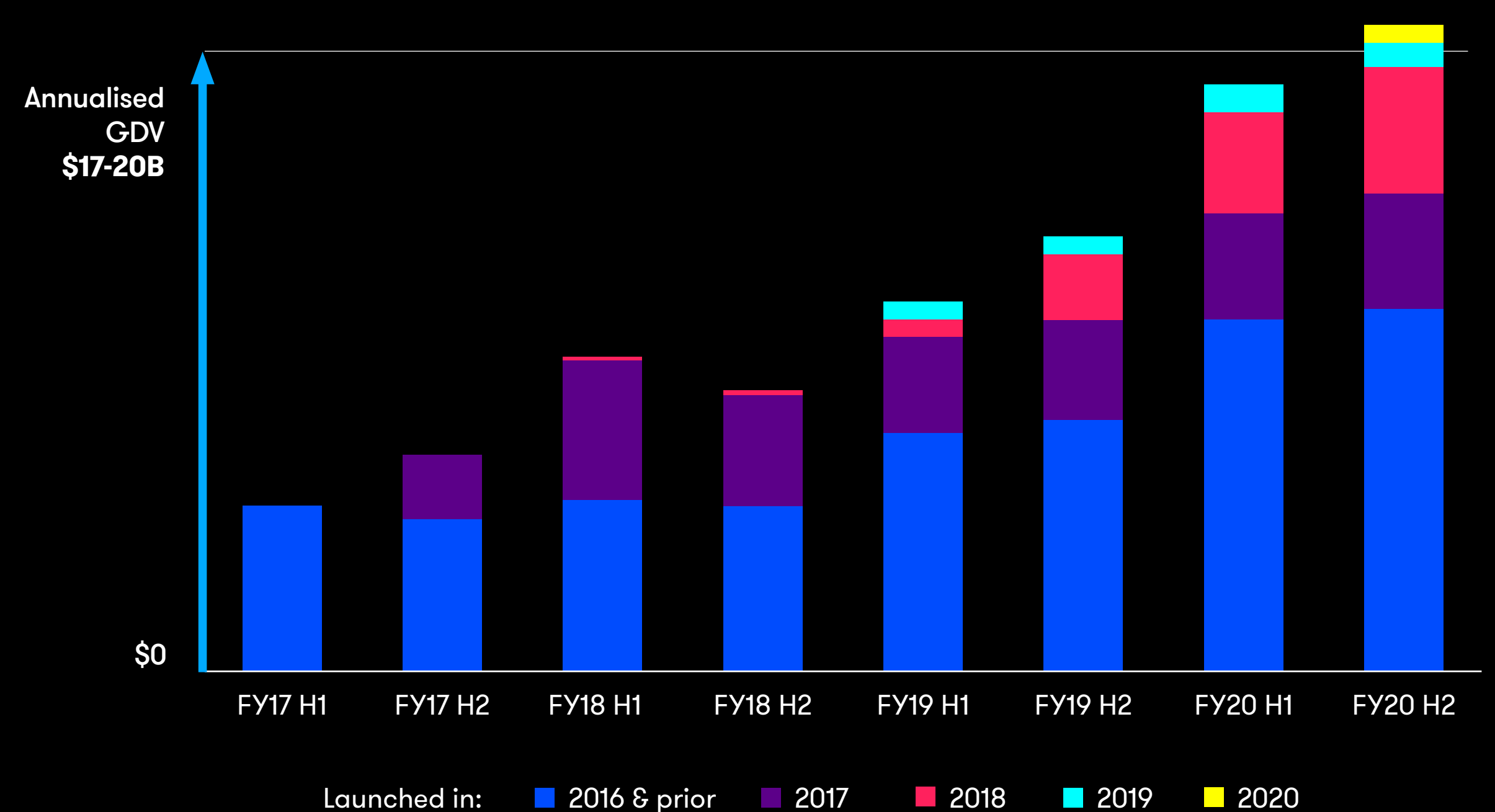


Salary as a Service Customer

This salary packaging program has cards to distribute pre-tax funds to their customers in accordance with government regulations for spend on various merchant categories. The programs load have grown 25% over the last 3 years in GDV.

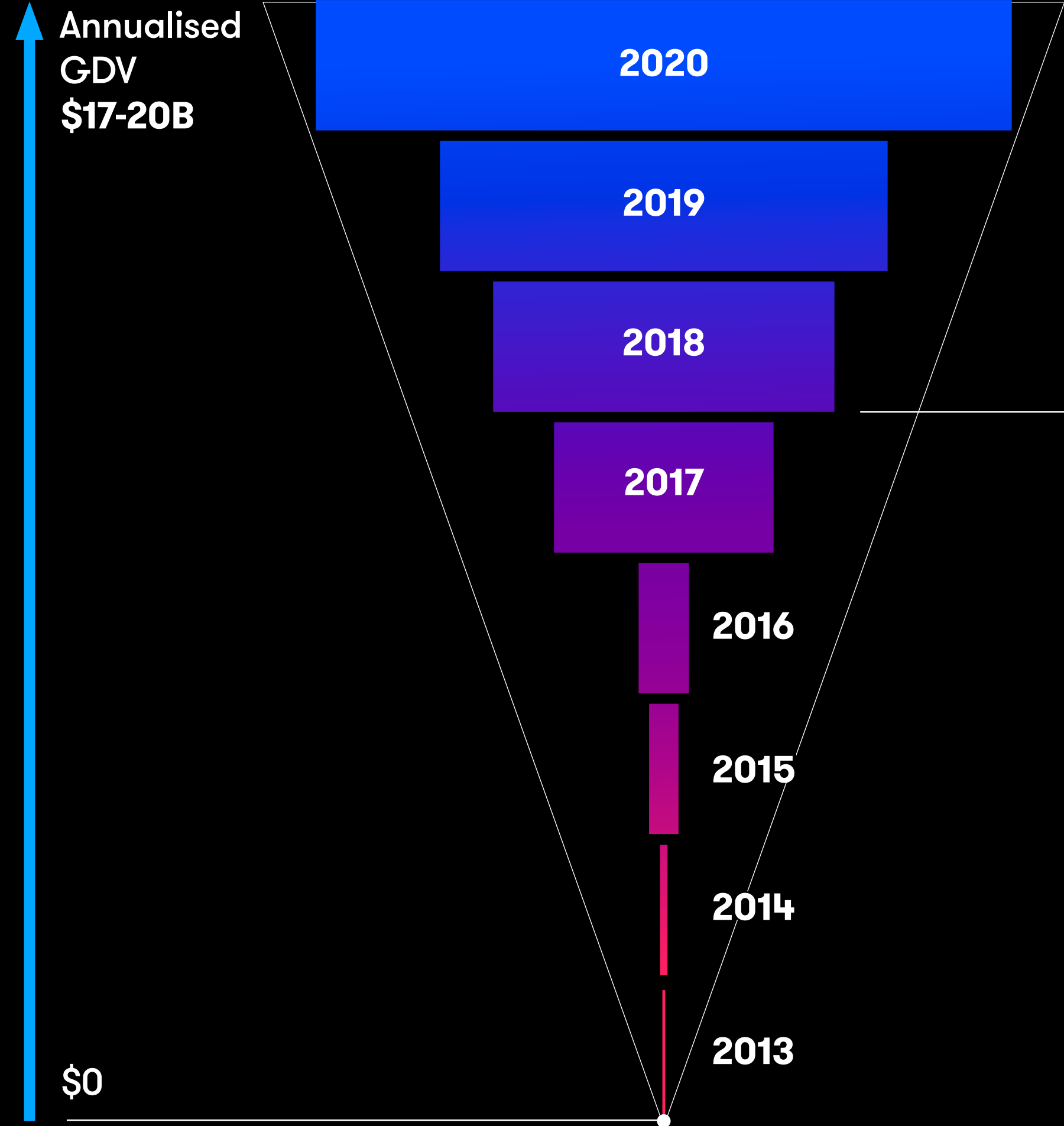
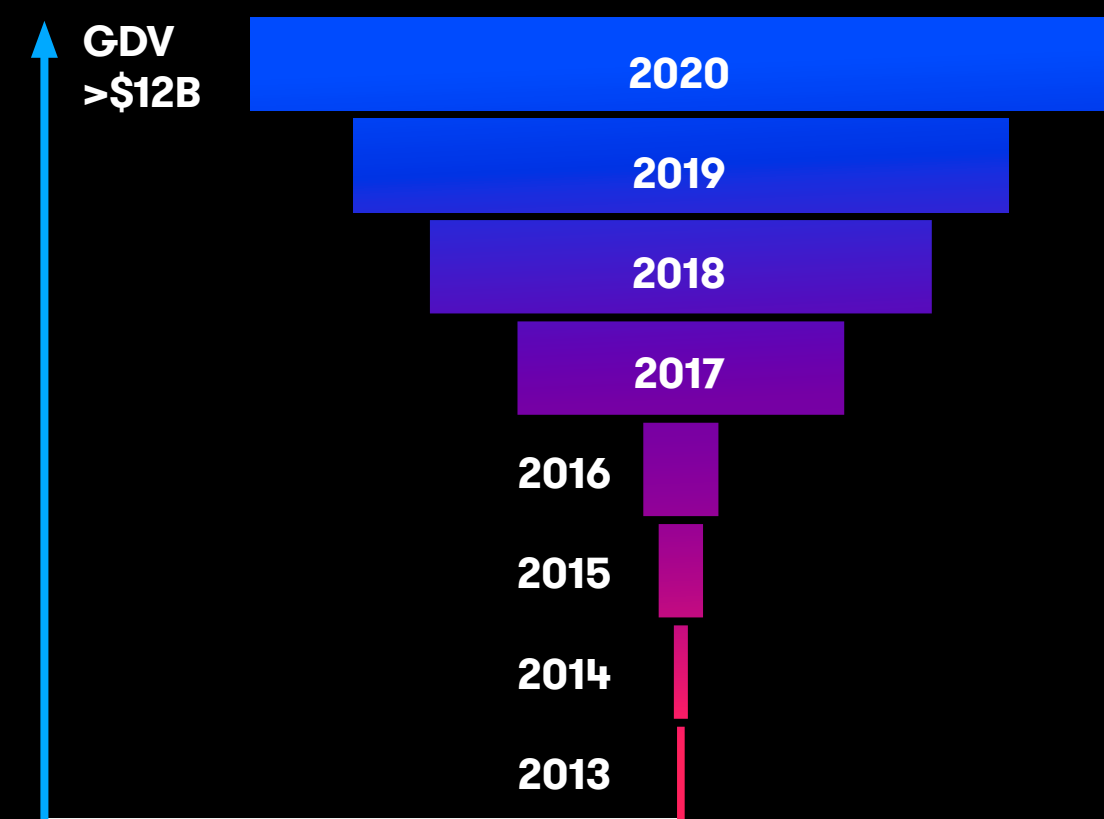


Cohort – Half Year

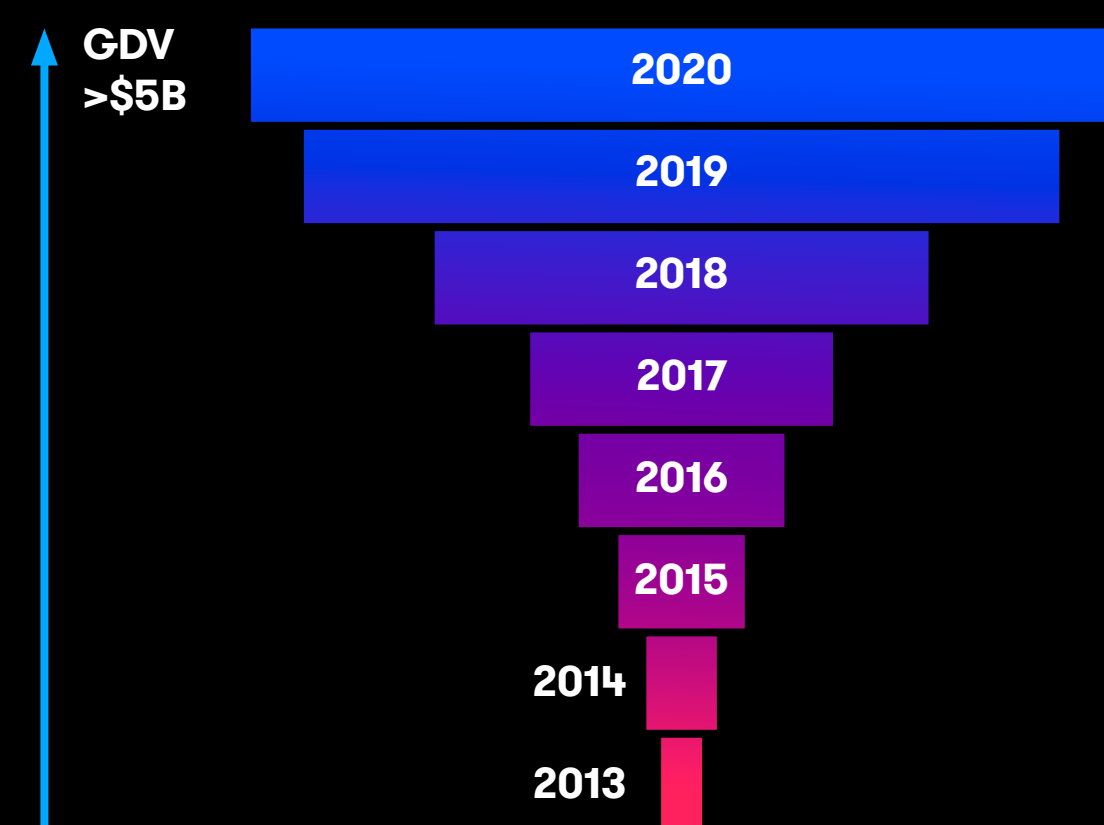


Business Model – Cohort Analysis

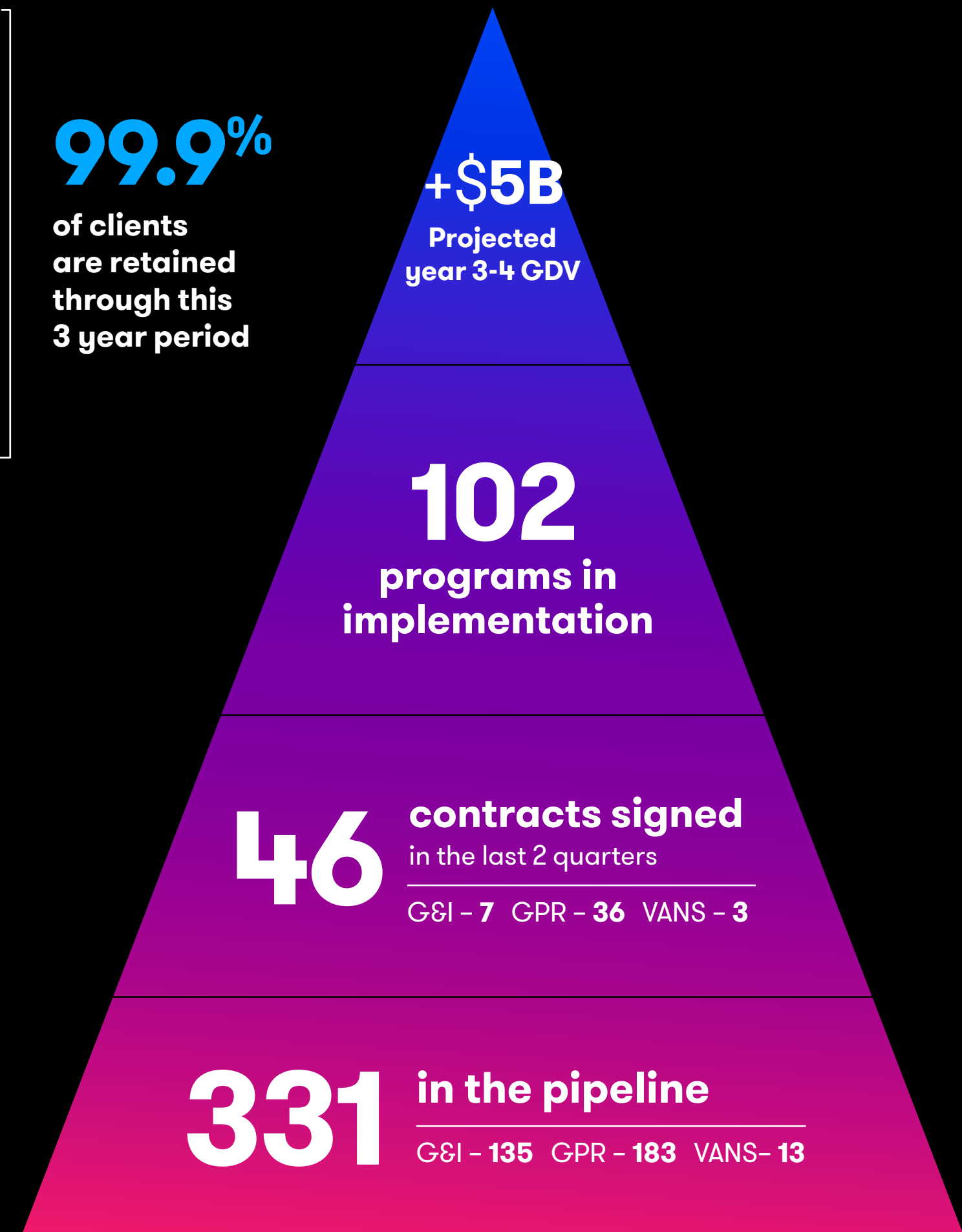
GDV – EML



GDV – PFS



SALES PIPELINE

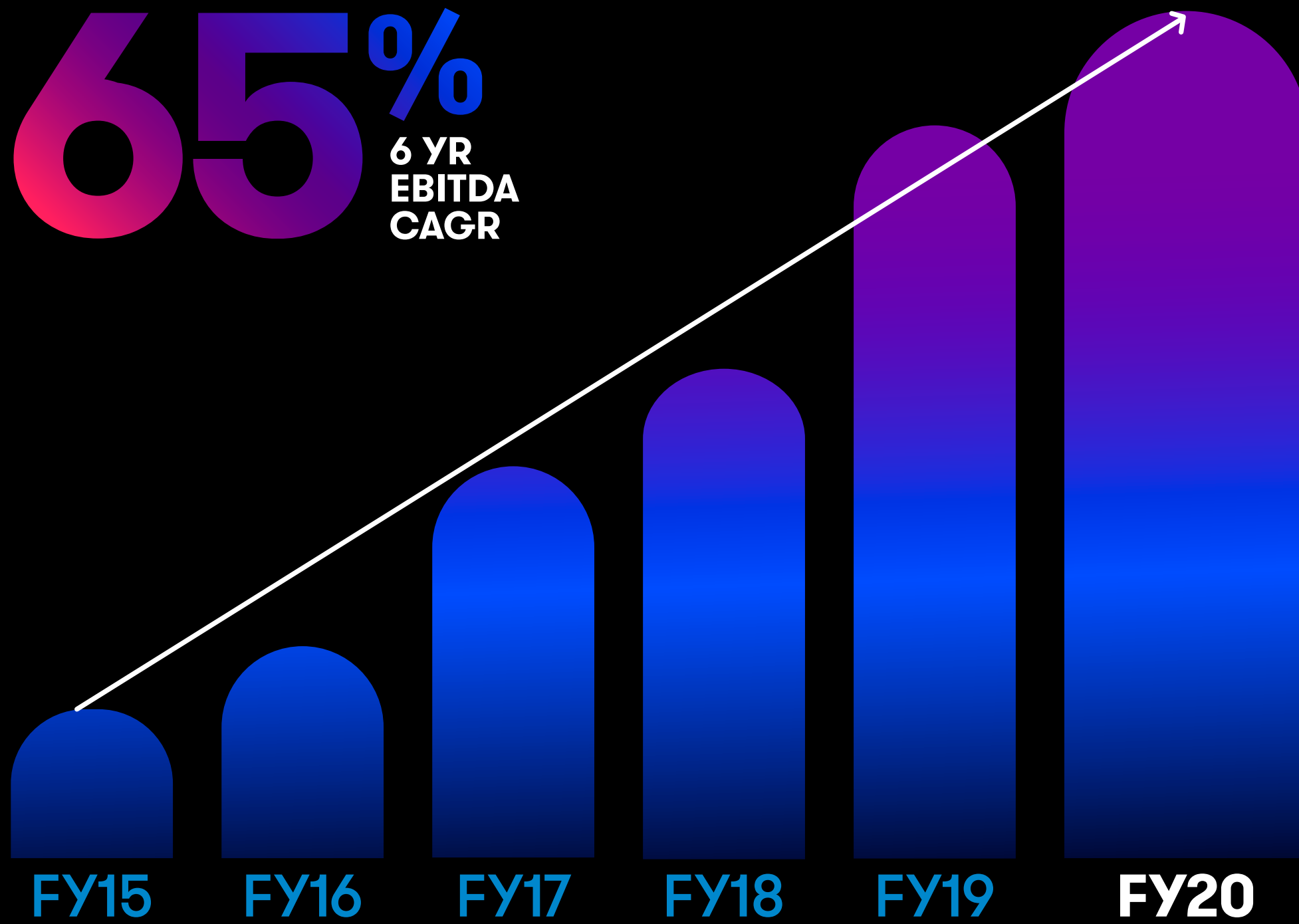


Customer attrition has been calculated based on GDV from active customers in 2017, and the cumulative GDV loss for FY2018, FY2019 and FY2020 over cumulative volume for the same period.

EML data is presented for the Financial Years ending 30 June. PFS data is presented for the calendar years ending 31 December, 2020 is extrapolated for illustration. Combined pro forma group ignores immaterial seasonality in the PFS data and timing of EML gaining control over PFS being illustrative only.

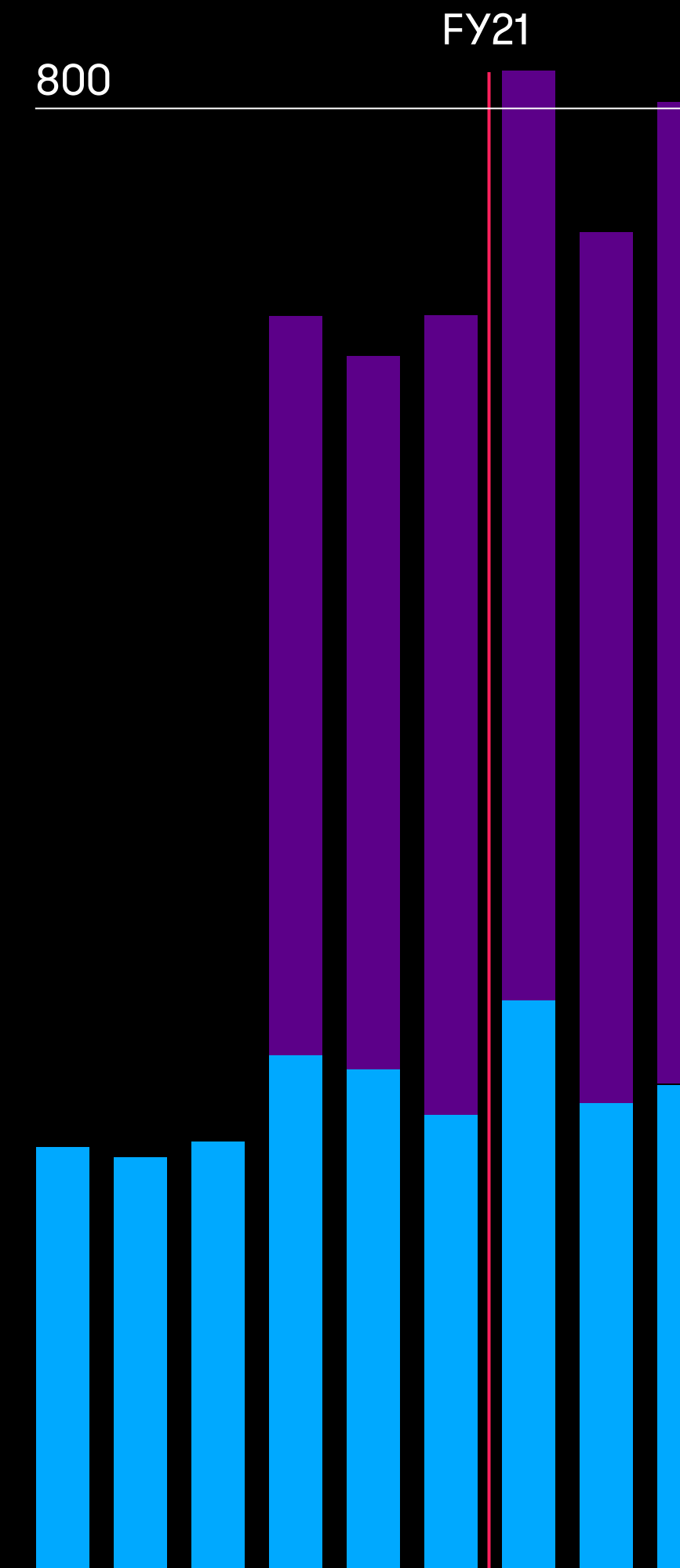
Track Record of Growth

65%
6 YR
EBITDA
CAGR

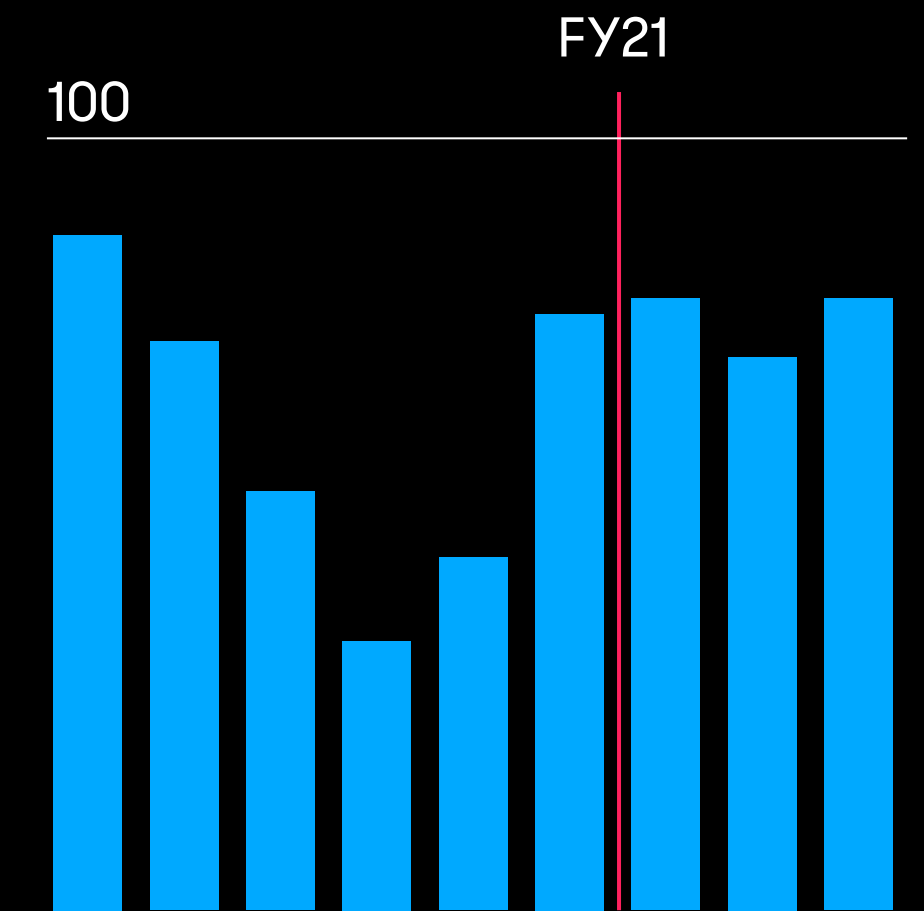


GDV	\$0.5B	\$1.0bn	\$4.4bn	\$6.8bn	\$9.0bn	\$13.9bn
REVENUE	\$14.4m	\$23.3M	\$58.0M	\$71.0M	\$97.2M	\$121.6M
EBITDA	\$2.6M	\$5.0M	\$14.5M	\$21.0M	\$29.7M	\$32.5M
HEADCOUNT	55	150	170	182	275	450
COUNTRIES	10	13	13	21	23	28

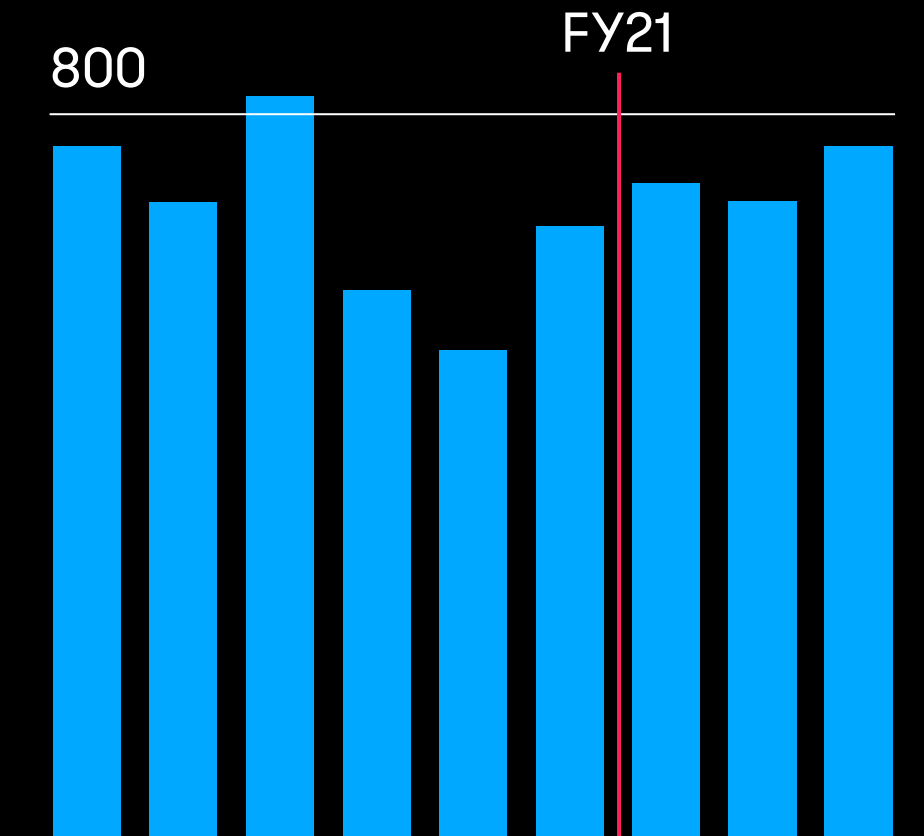
GPR GDV
January - September 2020



G&I GDV
January - September 2020



VANS GDV
January - September 2020



Business Model - Barriers to Entry

End to end

End to End payment processing platform

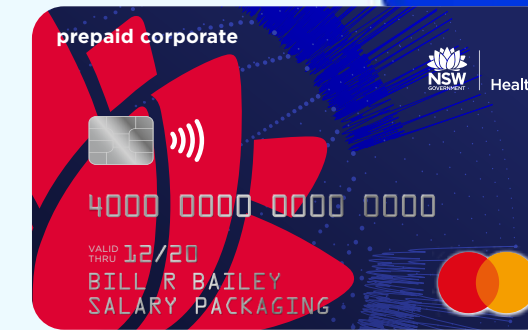
(card issuing, transaction processing, fraud control, settlement and reconciliation)



Non-reloadable



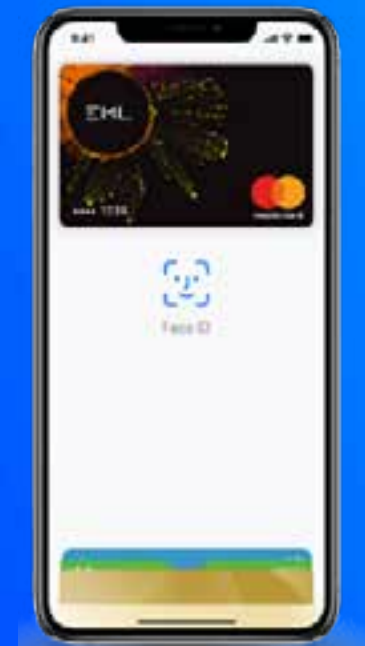
Virtual



Reloadable



Mobile Merchant Rewards



Mobile Payments

Regulatory and compliance across the globe

9 Issuing bank agreements

>50 Regulations / laws

21 Compliance with regulatory authorities

5 Major licences

- AFS Licence (Australia)
- Mastercard membership (Australia, UK & Europe)
- BPay (Australia)
- E-Money Licence FCA (United Kingdom)
- E-Money Licence CBol (Ireland)

People

450 Employees servicing 28 countries

200 Over 200+ years prepaid experience in group leadership team



Information Technology

3 In-house, prepaid, processing platforms

LEVEL 1
PCI-DSS Level 1 compliant

6 Data Centres

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

30% Staff are IT based

5 Connectivity to 5 major card schemes

MULTI Multi-currency, Multi-factor (Plastic, Virtual, Mobile) & Multi-lingual

Fraud Monitoring

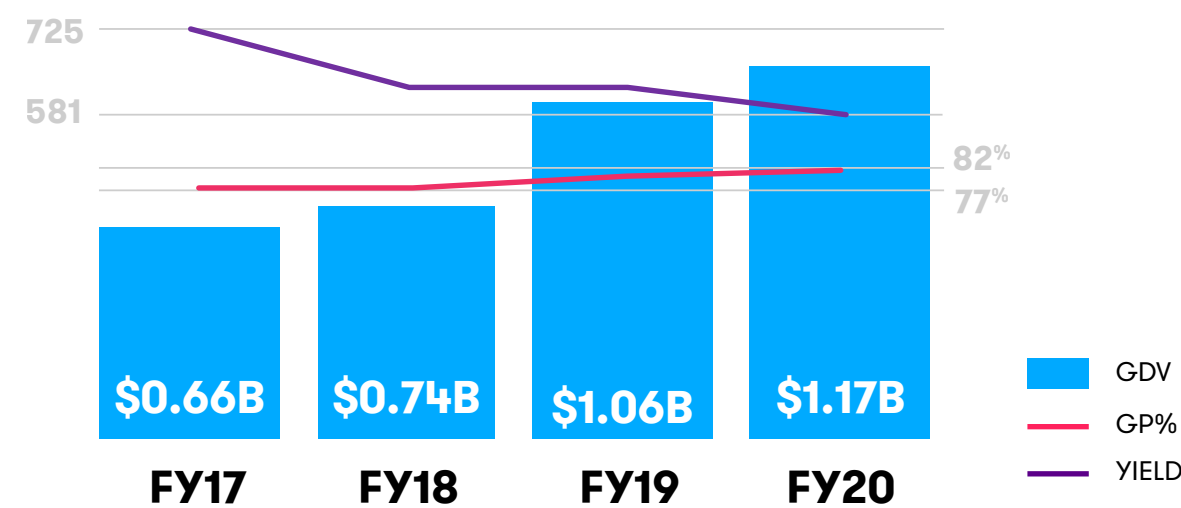
24-7
Fraud Monitoring & Detection across 14 different currencies

REALTIME ID
decision & action on suspect card transactions

3D Secure Capability

Segment Analysis

Gift & Incentive (G&I)



REVENUE

\$68.2M

PCP \$66.4M

GP%

82.1%

PCP 78.9%

YIELD

581bps

PCP 627bps

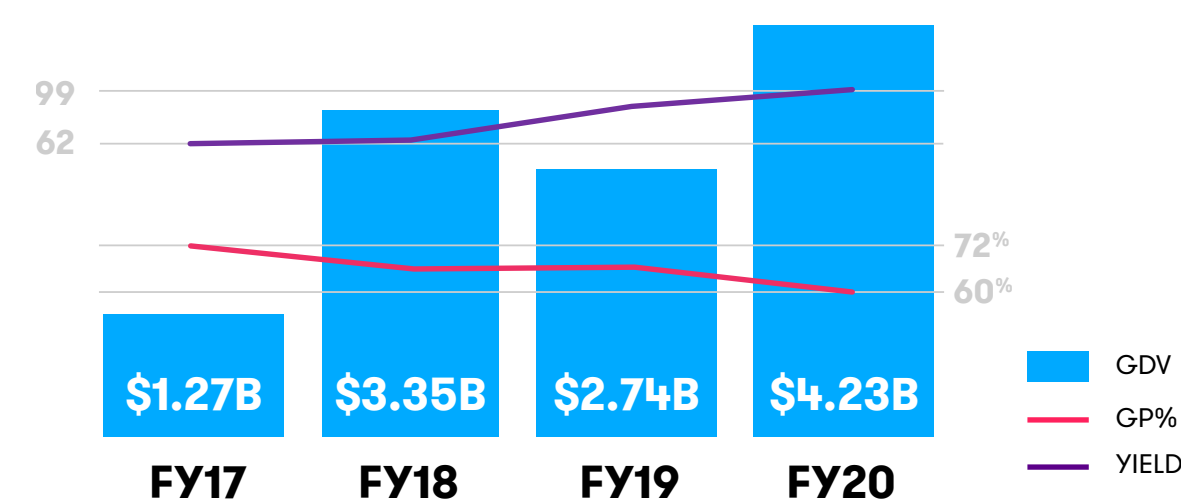
Use Cases

- Mall Gift Cards
- Employer incentives
- Cross-Sell
- Consumer incentives

Growth Thematics

- Physical incentive gift card business transitioning to digital
- Adoption of digital gifting
- Recovery of Mall volumes post COVID

General Purpose Reloadable (GPR) (Including PFS for 1 April to 30 June 2020)



REVENUE

\$41.9M

PCP \$23.9m

GP%

59.7%

PCP 66.0%

YIELD

99bps

PCP 86bps

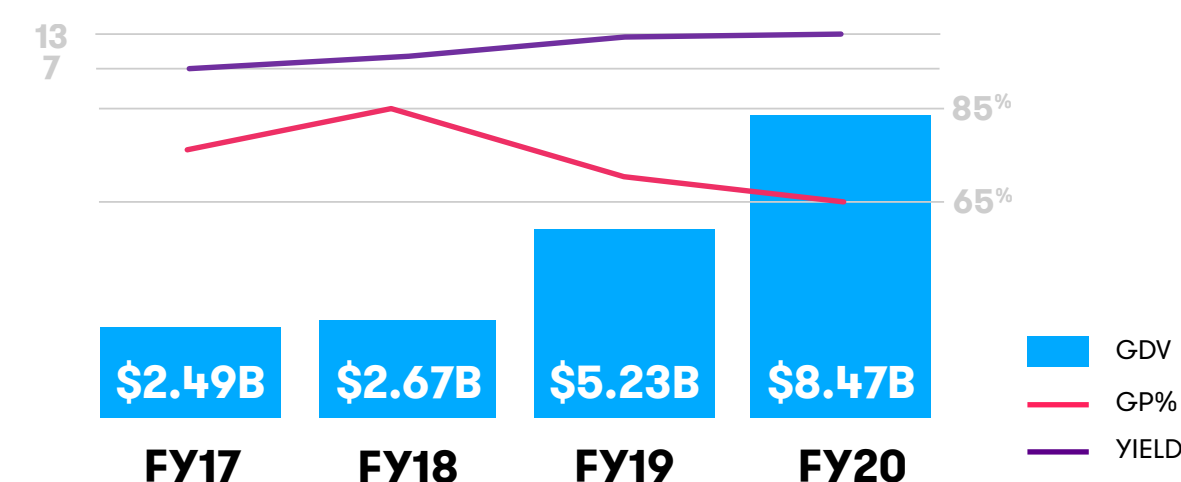
Use Cases

- Banking as a Service
- Software as a Service
- Neo-lending
- Multi-currency
- Government
- Non Governmental Organizations

Growth Thematics

- Digital payments transformation
- Disruptive Fintech
- Expanding PFS offerings - Banking as a Service
- Expansion of Disbursements as a Service in Europe and North America
- Rollout of ControlPay solution to existing markets

Virtual Account Numbers (VANS)



REVENUE

\$10.7M

PCP \$6.4M

GP%

64.8%

PCP 68.1%

YIELD

13bps

PCP 12bps

Use Cases

- Commercial Payments
- Buy Now Pay Later

Growth Thematics

- Volume growth through servicing payment aggregators

Q1 Trading Update

Strong GPR growth and improved trading conditions in G&I drove a record first quarter

GDV:	\$4.85bn
PCP Q1FY20	\$3.21bn ↑51%
Prior Quarter Q4FY20	\$4.05bn ↑20%

REVENUE:	\$40.6m
PCP Q1FY20	\$23.2m ↑75%
Prior Quarter Q4FY20	\$33.9m ↑20%

EBITDA:	\$10.0m
PCP Q1FY20	\$3.2m ↑215%
Prior Quarter Q4FY20	\$6.0m ↑69%

Record Q1 EBITDA up 215% on PCP

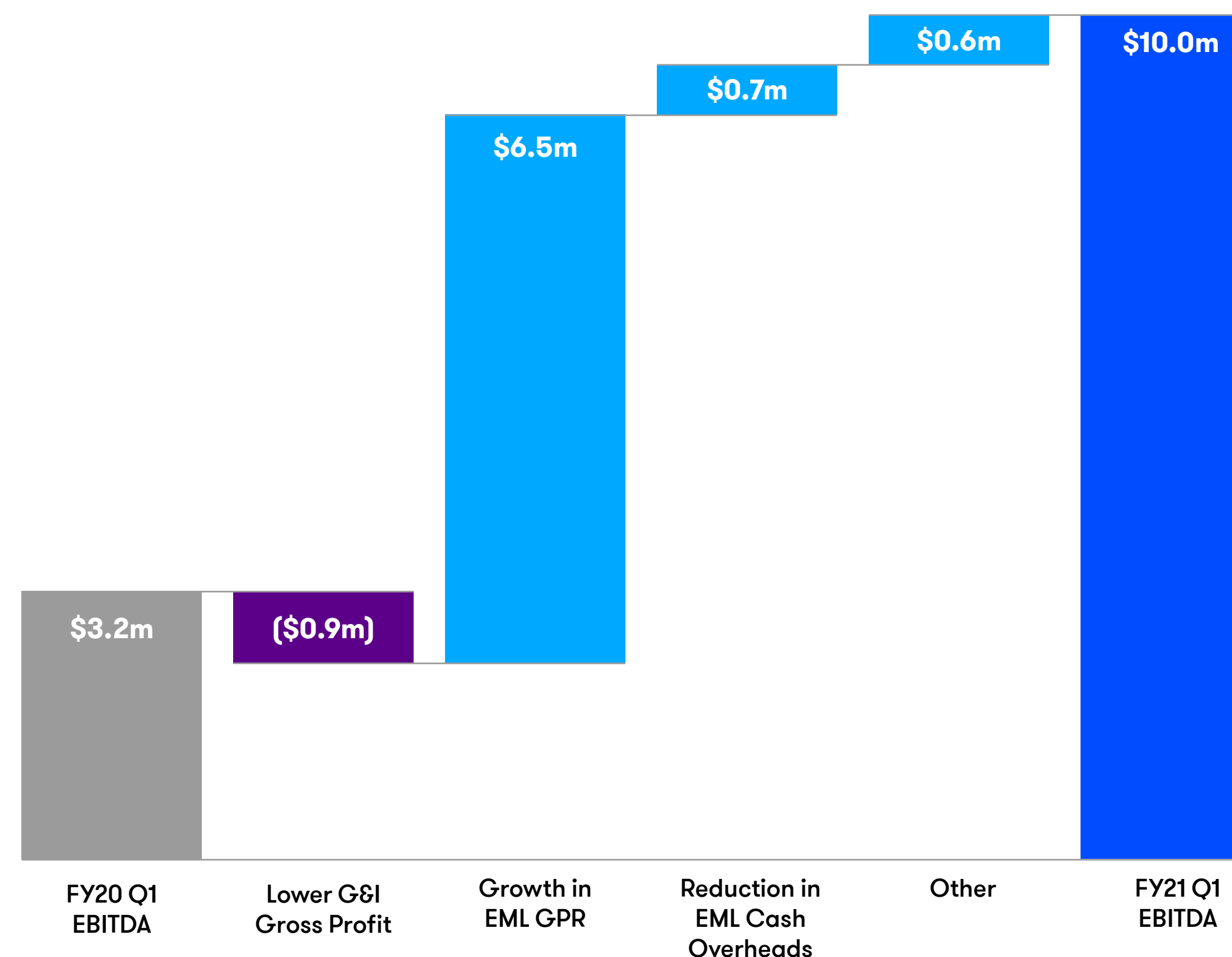
Historically, Q1 is the weakest quarter of the year

Cost control initiatives reduced cash overheads \$0.7m over the PCP (excludes PFS).

Group Cash Overheads are in line with top end of guidance previously given (\$64-72m) inclusive of accrued FY21 STIP, and costs associated with Brexit and integration of PFS

H1 / H2 split is expected to be between 48 - 52% of full year profits

Q1 FY21 Bridge of EBITDA



Q1 Trading Update

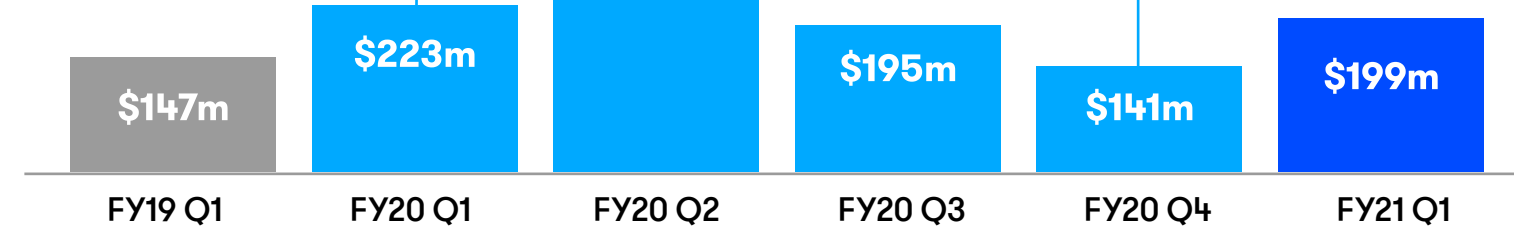
Gift & Incentive (G&I)

GDV: 11% reduction in GDV relative to FY20 Q1 due to Covid impact on malls.
Yield: minor 16bps reduction from Q1FY20 to Q1FY21

GDV: 41% growth from FY20 Q4.
Yield: slight improvement on FY20 yield at 598bps (+17bps) and ahead of expectations

Gift & Incentive volumes recovered significantly in the first quarter following the initial impacts of Covid-19

- GDV recovered in Q1 (up 41% on Q4 of FY20) and finished 11% below PCP
- Yield ahead of expectations at 598 bps due to improved trading in mall programs
- Trading through the three months to December is crucial to the results of this segment
- FY20 Q2 seasonal gift card volumes were approximately \$0.4bn generating c. \$24m of Revenue and \$19m Gross Profit



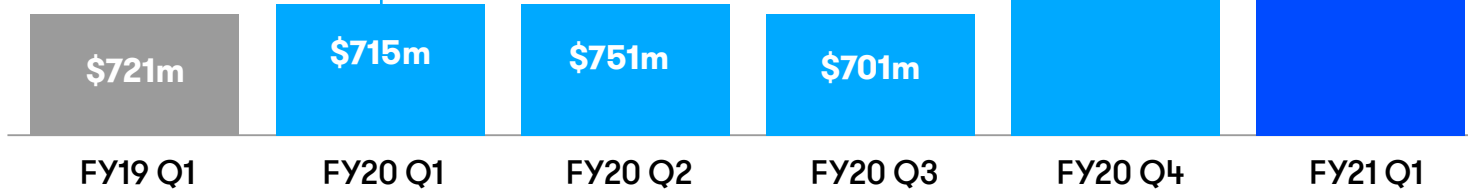
General Purpose Reloadable (GPR)

GDV: 234% growth from FY20 Q1.
Yield: yield increased 21 bps reflecting new customer mix post PFS acquisition

GDV: 16% growth from FY20 Q4.
Yield: yield unchanged at 110bps reflecting consistent customer mix

General Purpose Reloadable volumes grew significantly in the first quarter driven by BaaS and Government

- GDV grew strongly in Q1 (up 16% on Q4 of FY20) and finished 234% above PCP
- Yield in line with expectations at 110 bps (no change from Q4FY20) with stable program mix
- Excluding PFS, EML grew GDV & GP by 16% over the PCP (Q1FY20) driven by Australian payroll and gaming payout volumes
- PFS grew GDV & GP by 24% in Q1FY21 over Q4FY20
- PFS recorded two new record GDV months in July & September to drive growth in GPR.



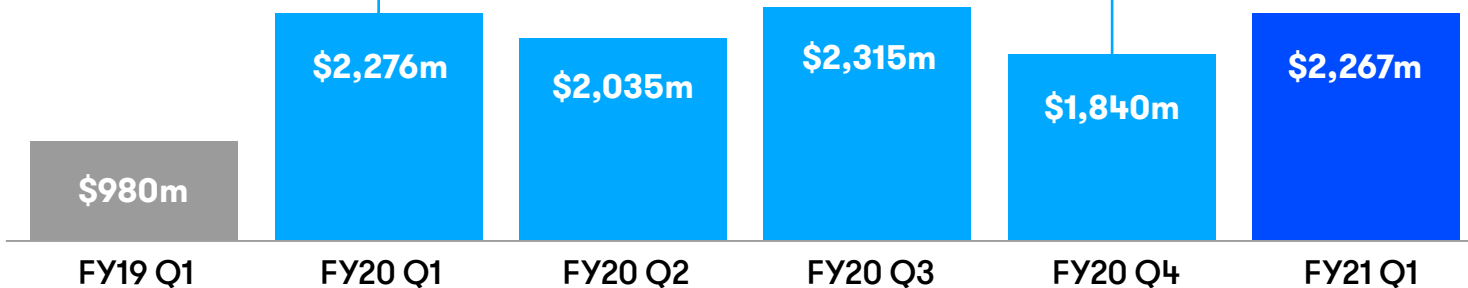
Virtual Account Numbers (VANS)

GDV: In line with FY20 Q1
Yield: yield in line with FY20 Q1

GDV: 23% growth from FY20 Q4.
Yield: yield flat at 12.4bps

Virtual Account Numbers volumes recovered to pre-Covid levels in the first quarter

- GDV recovered in Q1 (up 23% on Q4 of FY20) and finished in line with PCP
- Yield in line with expectations at 12.4 bps



Project Accelerator

Technology

Single global integration touchpoint

Cloud native

Low/no-code

API integration

Support payments on mastercard and visa networks

Products

Leverage expanded product suite to drive incremental revenue for EML and partners

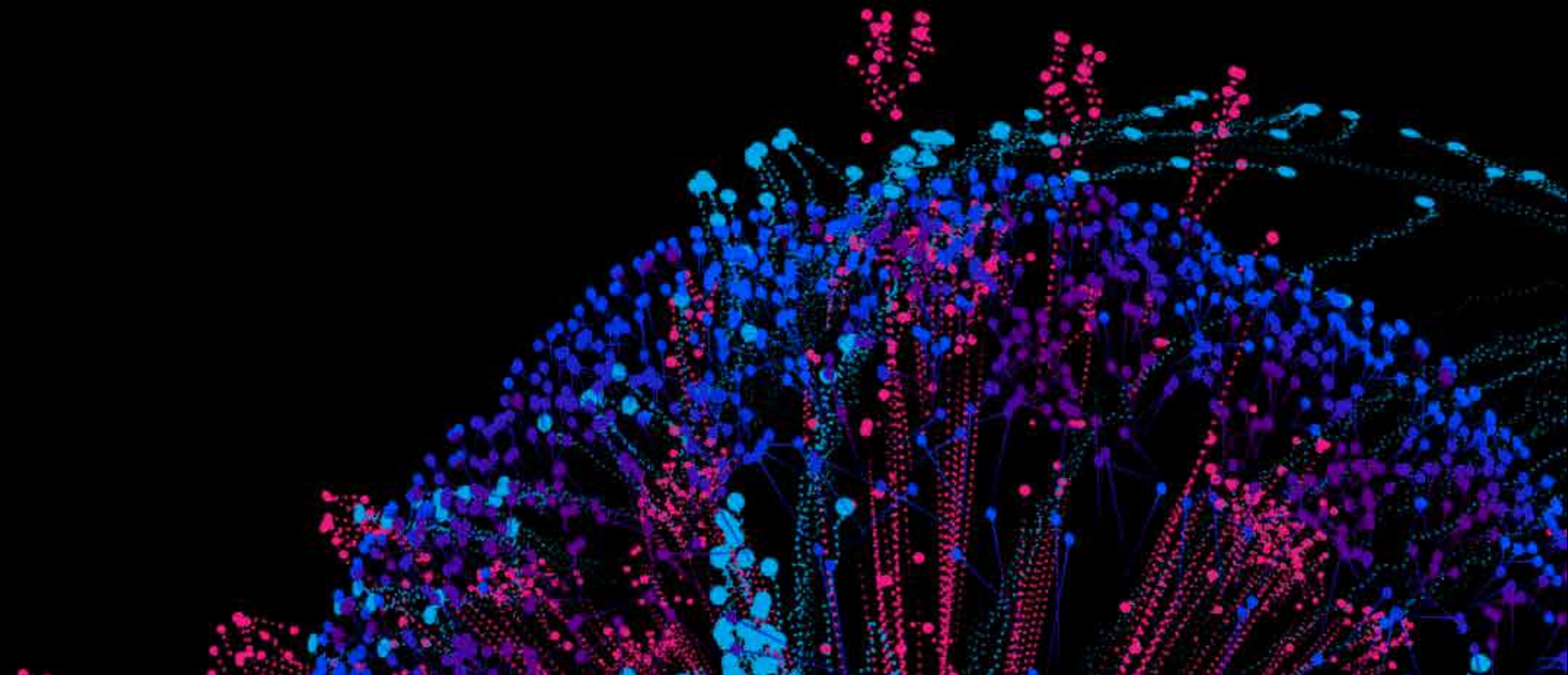
Expand to include non-card payments

Expand to include open-banking payments

Investment

Internal investment in technology and platform \$10-15m over 2021/2022

External investments in Fintech innovators



Project Accelerator



Key driver:

- Simplifying payments; empowering people

What:

- White label front end for corporate payouts that allows corporates to pay employees, contractors, customers how they want to be paid

Product enrichment:

- Completely aligned to our Acceleration strategy
- Embeds EML offering into Interchecks and vice versa
- Quick expansion of disbursement offering; push to debit, Paypal, cheque, ACH, e-cheque,
- Potential global expansion

Commercial model:

- Mutual distribution agreement of technology
- EML embed Interchecks technology into our market offering

Investment

- Series A, USD\$2m investment
- 10% ownership in company



Key driver:

- One connected no code API platform enabling low touch financial integrations

What:

- Self service fintech design software provider
- Traditional as well as no code app creation (SAAS)
- Marketplace of interconnect providers in adjacent services

Product enrichment:

- Completely aligned to our Acceleration strategy
- Embeds EML offering into Hydrogen
- Partner in BAAS fintech space
- Potential global expansion

Commercial model:

- Mutual distribution agreement of technology
- EML acts as Prepaid provider to companies using the Hydrogen platform

Investment

- USD \$5m investment
- 11% ownership in company

Achieving
Technical Parity
and Beyond

Product
Strategy
and Digital
Enablement



Purpose
Driven
Alignment



Gus Balbontin.

Founder and Director at Roshambo



Watch EML's own Eric Mettemeyer, Chief Corporate Development Officer open the conversation on

FinLab.



Get to see EML's very own Andrew Betts, Group Chief Risk & Regulatory Officer, introduce the conversation on EML's latest achievement

NSW Transit.



Look out for EML's Sarah Bowles, Chief Product Officer talk

Open Banking.



At EMLCON 2020, Rachelle St Ledger, EML's CEO of Australia speaks to industry leaders on

Buy Now Pay Later (BNPL).



Watch EML's Deirdre Ives, Chief Digital Transformation Officer lead the discussion on the

Digital Revolution.

Premiere EML Virtual Event

Date: **29th October 2020**

[Click here to register for EML.CON](#)

Speakers will include:

Partners, Customers, Capital Markets, Schemes, FinLabs, Industry Experts, Global Perspective

Building the EML Global Brand

Press releases have generated 2,814 stories, featured in Forbes, Wall Street Journal, Financial Time, Bloomberg, Sky news, and the Times

Estimated global news impressions reached 10,804,177,808.

4775 uses of the Social Media images.

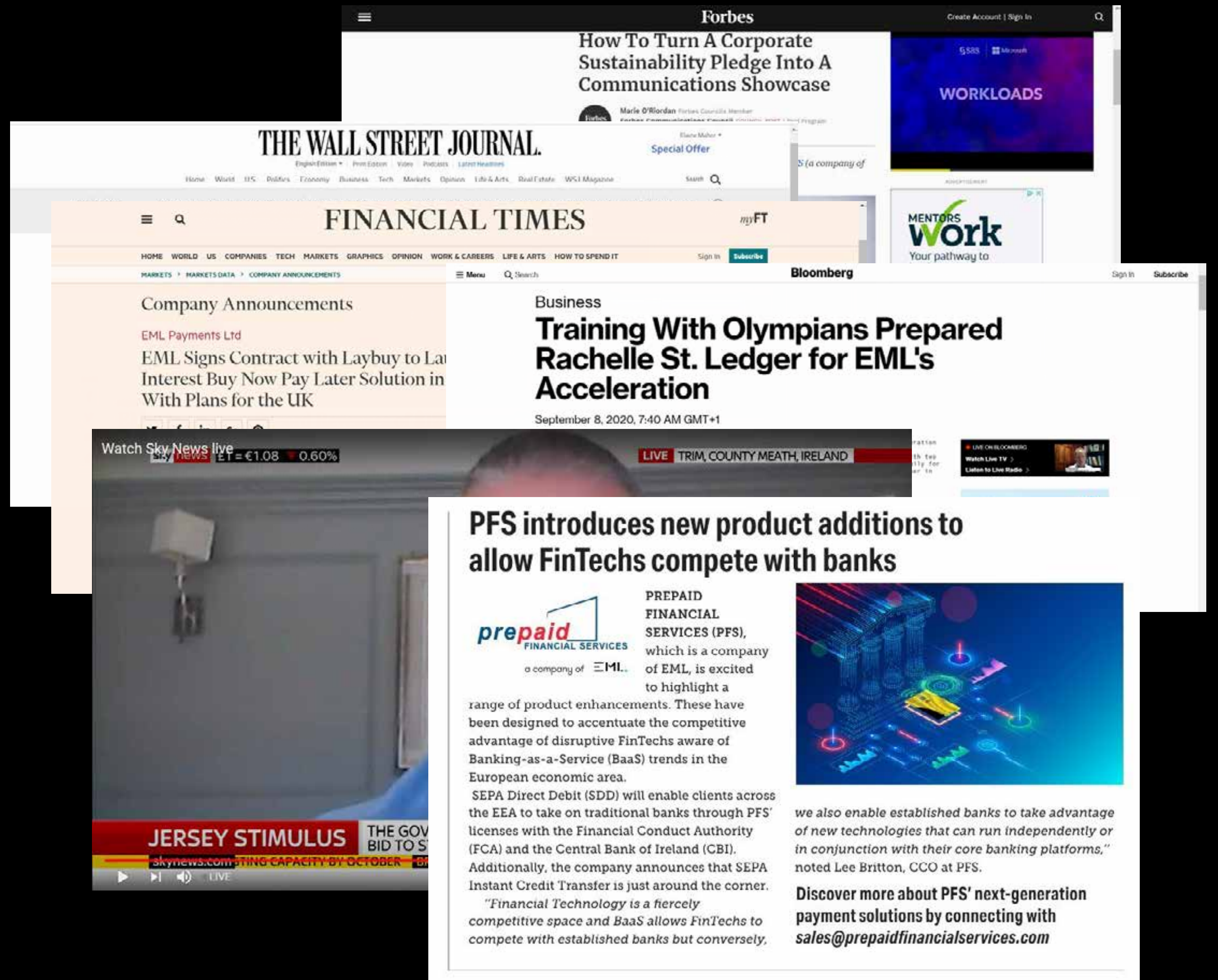
News in an average of 203 cities in 66 countries, per press release.

Stories found 1596 times via Google searches in: Australia, New Zealand, US, UK, Ireland, Spain, Italy, Germany, Canada, Switzerland, France, Singapore, Taiwan, Hungary, Hong Kong, Norway and Romania.

82,325 Newswire Subscriber emails read.

15,824 Newswire RSS feed reads.

548 clicks on the EML website just from the Business Wire link.



Our people and culture sets us apart

People are at the heart of EML

450 talented people across Australia, Europe and North America

Global Employee Value Proposition helping to attract and retain the best talent (introduction of flexible working for all, paid parental leave & volunteer leave)

In 2020, our global engagement survey score increased from 68% to 70% with participation rates continually above 90%.

Diversity, Inclusion & Talent

50:50 Executive Leadership Team gender representation

One third of promotions have been filled by internal candidates in the last 12 months including 2 Executive level roles

19% technology roles held by women, an increase of 72% in 2020

Paid parental leave

Flexible work hours

Gender pay equality project

Moving PFS to the EML Rem structure

3 out of 4 CEO “P&L owners” are female

Sustainability program launched

Commitment to responsible and sustainable business practices to underpin everything we do

Sustainability Report outlines performance and targets across Environment, Social and Governance – EML Change for Good program

Our long-term commitment to sustainability is integral to ongoing success



EML.
CHANGE FOR GOOD

x10

EML will eliminate 25 million plastic cards by 2023.
That's 250 ton or the weight of 10 Humpback Whales.

1 Humpback Whale	10 Humpback Whales
25 ton	250 ton

EML.
change
for good.



EML.
CHANGE FOR GOOD

x56

EML will eliminate 25 million plastic cards by 2023.
That's 250,000kg or the weight of 56 elephants.

1 elephant	56 elephants
4,400kg	250,000kg

EML.
change
for good.



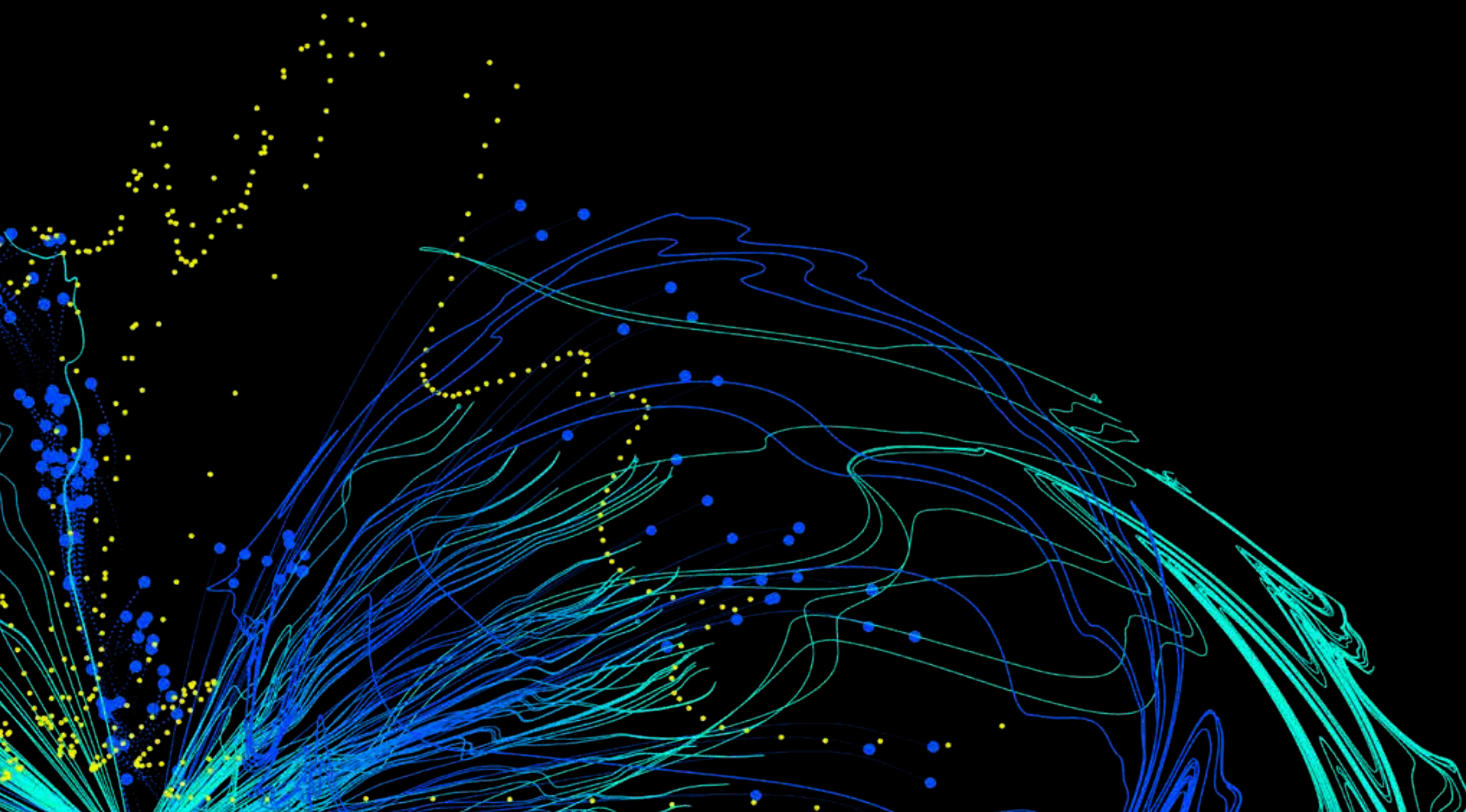
Stay up to date with the latest news from EML

[Go to LinkedIn](#)



Thank you.

EMI.



Money in Motion