



Money in Motion

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Level 12

333 Ann Street

Brisbane QLD 4000

EML Payments Limited

31 October 2022

ASX Market Announcements

20 Bridge Street
SYDNEY NSW 2000

Update on regulatory matters

EML Payments Limited (ASX:EML) ("EML"), a global payments company, will agree to temporarily cease onboarding new customers, agents and distributors in relation to its UK subsidiary, Prepaid Financial Services Limited ("PFS UK"), following concerns raised by the UK Regulator, the Financial Conduct Authority ("FCA").

The financial impact of this temporary measure on the EML Group is expected to reduce group revenue by less than \$5 million in FY23.

These measures will allow PFS UK to address concerns highlighted by the FCA which are similar in nature to those raised by the Central Bank of Ireland ("CBI") and disclosed to the ASX relating to our Irish subsidiary, PFS Card Services (Ireland) Limited ("PCSIL"), for which we are currently undertaking a remediation program.

The PFS UK business is part of EML's acquisition in 2020 of the Prepaid Financial Services group, which includes PCSIL and its businesses in France and Spain.

PCSIL is operating under a material growth cap which will expire in December 2022, as outlined to the ASX previously. Further regulatory direction or limitations are unknown, but the lifting of such would be subject to completing the remediation program and satisfactory third-party assessment. Similarly, PFS UK's agreement to cease onboarding will remain in place until the FCA is satisfied that PFS UK has successfully executed a remediation plan based on satisfactory third-party assessment.

Emma Shand, appointed EML Managing Director and Group Chief Executive Officer in July this year, said: "It has been my priority to work constructively with the Regulators. EML accepts that it has not moved quick enough in the past to address regulatory concerns in the PFS business. We need to do better, and we will.

We have made some key senior management appointments and are putting more resources into building capability in key areas including governance, risk management and regulatory compliance.

We understand we have an important role to play in tackling financial crime and to keep our customers safe, at a time that threats are ever increasing across the banking and payments sectors".



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The payments and e-money sector has grown substantially in recent years and EML like many payments companies is subject to increased regulatory scrutiny across Europe. Whilst the supervisory process is typically confidential, EML is disclosing this as part of our continuous disclosure obligations.

“We are also well underway with our strategic review to simplify our business, better integrate previous acquisitions into EML and to grow sustainably, which shareholders will be updated on at the AGM in late November,” Ms Shand said.

Key Management Appointments

- Recently appointed a new CEO of PCSIL, Fiona Flannery, who has extensive C-suite leadership, risk management and regulatory experience, with more than 30 years in the banking sector in the UK and Europe, and has been approved by the CBI.
- Appointed a Group Chief Compliance and Regulatory Officer, Jennie Power, who has a wealth of experience in banking and asset management, reporting to the Group CEO and the Audit and Risk Committee.
- Recently appointed a Chief of Staff and Group Head of Corporate Affairs, Joanna Ball, who brings more than 20 years’ experience in financial services leadership roles across corporate affairs and strategic communications, most recently with major Australian bank, NAB.
- Appointed a Senior Program Director based in Ireland to lead and execute our remediation programs, bringing 25 years’ experience in payments, banking and working with financial regulators in Europe.
- A global search is underway for a new Group Chief Risk Officer reporting to the Group CEO and the Audit and Risk Committee.

Investor briefing

EML’s Managing Director & Group CEO, Emma Shand will provide a briefing for shareholders and the investment community commencing at 10:30 am to 10:45 am AEDT on Monday 31 October 2022 by teleconference.

Those interested in listening to the briefing can do so by registering for the teleconference using the link below:

<https://s1.c-conf.com/diamondpass/10026593-dhyf65.html>

To ask a question, participants will need to dial “*1” (star, 1) on their telephone keypad.

A transcript of the teleconference will be announced to the ASX following the call.



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About EML Payments Limited

EML Payments is a global payments company that operates in Australia, the UK, Europe, and the US. Our customers are diverse and include major banks in Europe, government, retail brands and financial services companies. For more information: emlpayments.com

This announcement has been authorised for release by the Board of Directors.

For further information, please contact:

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