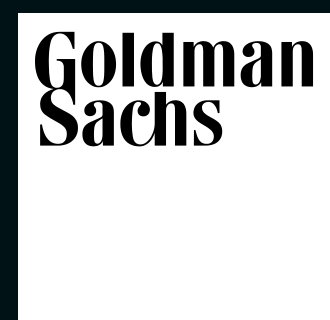


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GOLDMAN SACHS NINTH ANNUAL SMALL AND MID-CAP CONFERENCE



17 April 2018

Agenda & Disclaimer >



01 ABOUT US

02 BUSINESS MODEL

03 OUTLOOK

04 APPENDIX

PRESENTERS:

Rachelle St. Ledger
CEO Australia

Rob Shore
Group Finance Director
& Investor Relations
Manager

Important Notice

This investor presentation has been prepared by EML Payments Limited ABN 93 104 757 904 (EML) and is general background information about EML's activities current as at the date of this presentation. This information is given in summary form and does not purport to be complete. Information in this presentation 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.

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

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



ABOUT US

Who is EML >

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

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



GOING GLOBAL >

We are currently managing:



APPROXIMATELY

1,100

CARD PROGRAMS



IN

19

COUNTRIES

GROUP GDV (FY17)

\$4.42bn



348%

GROUP GDV (HY18)

\$3.58bn



86%

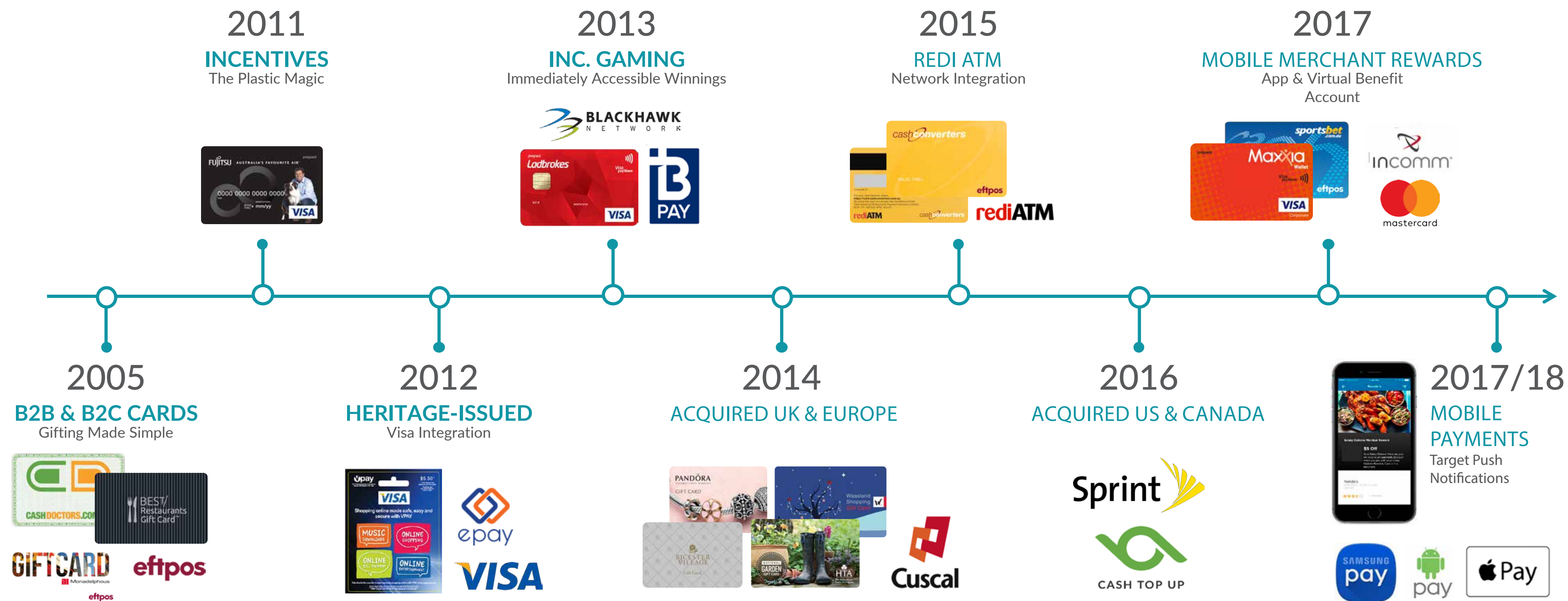
> 12 years experience

> 2 PCI DSS Tier 1 Platforms



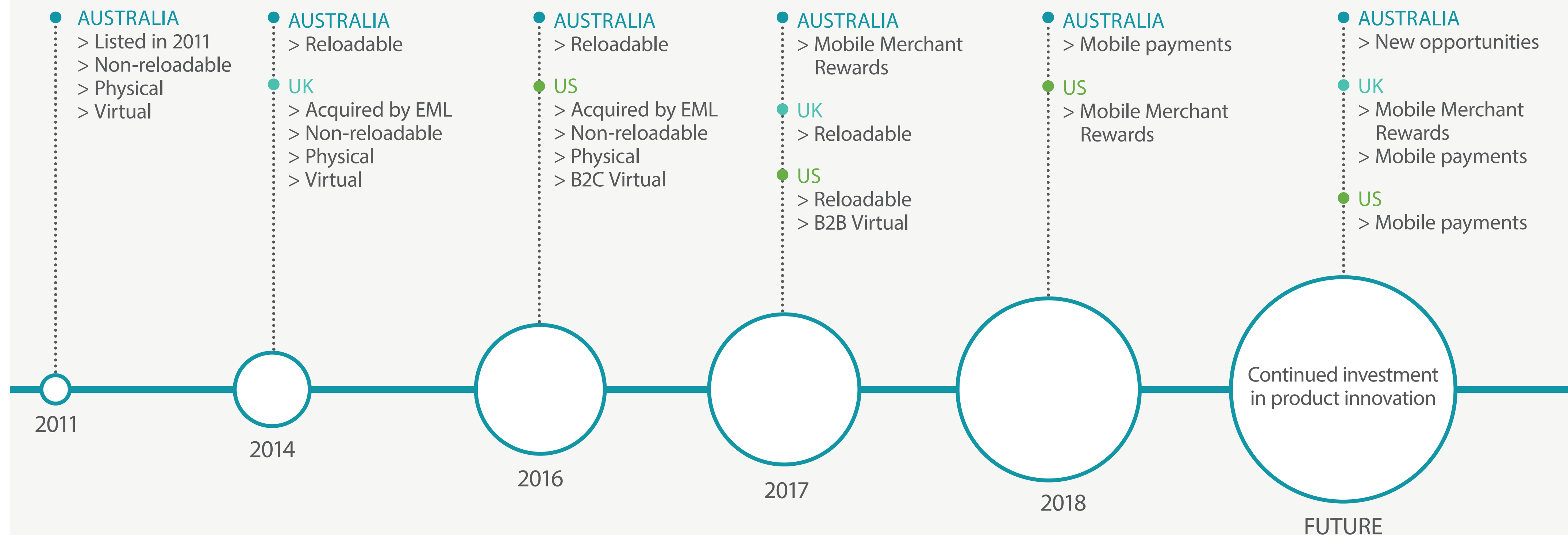
We have an international presence with offices strategically located to service Australia, UK, Europe, US and Canada.

EML TIMELINE >



TIMELINE › PRODUCT & TECHNOLOGY

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



Our customers' success is our success

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



Innovative salary packaging solutions

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

Immediate access to winnings

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

Driving loyalty and footfall

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



A pioneering program using points as currency>

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



Rewarding merchants & consumers with our mall solution >

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



GUILDFORD REWARDS

**Earn Mall Reward
Dollars with
every Swipe!**

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



Visit guildfordrewards.com for details.



Meeting consumer demand for digital payments >

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





BUSINESS MODEL

KEY DRIVERS >

Non-Reloadable:

Non-Reloadable cards issued through specific segments such as shopping malls, incentive programs and general third party retail programs in physical, virtual, and soon mobile formats. Revenue streams include breakage, interchange and interest income on the stored value float.

GDV
NON-RELOADABLE*

\$467.1m



- > Lifespan generally 1–3 years
- > 1 or 2 transactions per account
- > Average load <\$100
- > GDV to revenue conversion of c. 550bps
- > Interest
- > Breakage & Transaction Fees
- > Interchange
- > Global market

Reloadable:

Reloadable, EMV-enabled prepaid debit cards, provide instant access to funds 24x7x365 with funds accessed through any card accepting merchant and ATM worldwide. Revenue streams include transaction fees and interest income on the stored value float.

GDV
RELOADABLE*

\$1,994.2m



- > Lifespan generally 3–5 years
- > 5-10 tx per month per account
- > Average load >\$100
- > GDV to revenue conversion c. 100 bps
- > Transaction Fees
- > Interest
- > Interchange
- > Global Market

B2B Virtual Payments:

A flexible and efficient way to manage the accounts payable function from monthly recurring invoices to major corporate purchases. Corporates benefit from creating a revenue stream by creating interchange income that is shared between the Corporate payer and EML. The sole revenue stream is interchange.

B2B
VIRTUAL PAYMENTS*

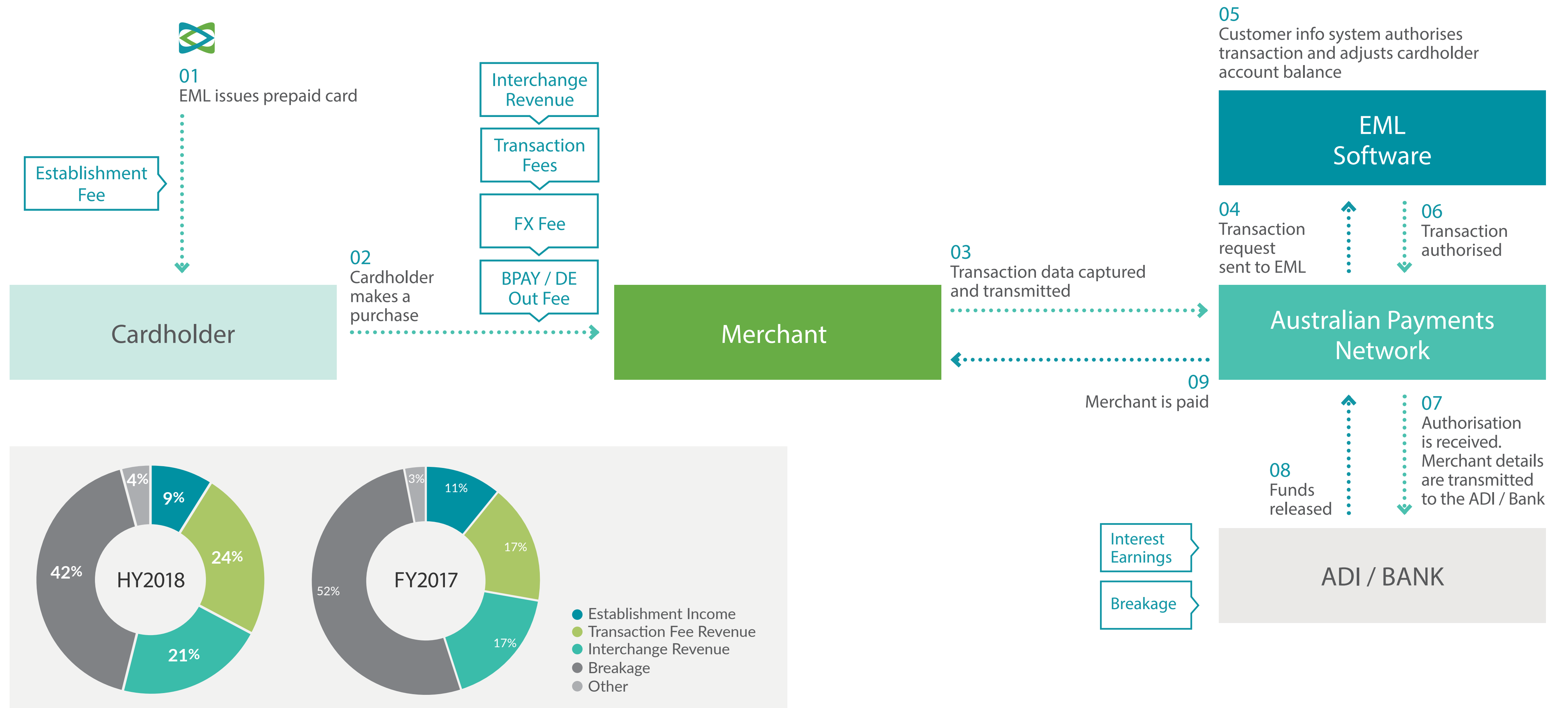
\$1,276.0m



- > Lifespan is ongoing
- > Cheque replacement product
- > Interchange
- > GDV to revenue conversion of c. 5 bps for processing
- > GDV to revenue conversion of c. 70-110 bps for managed serviced product
- > US market focus

* For the six months ended 31 December 2017

SOURCES OF REVENUE >



Significant barriers to entry >

Public facing products & solutions:



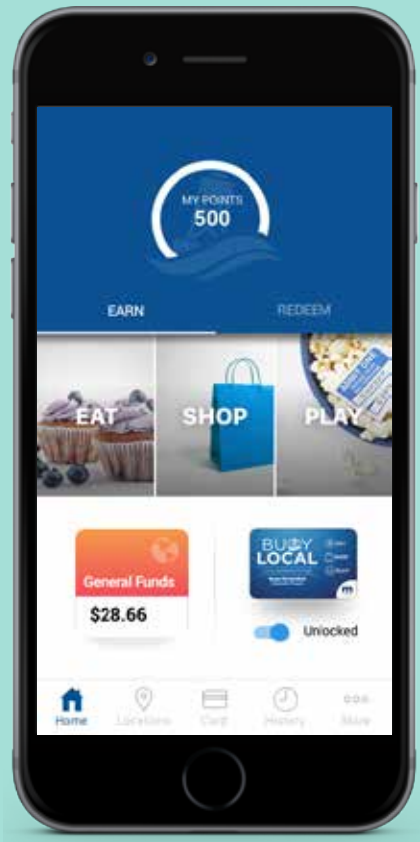
Non-reloadable



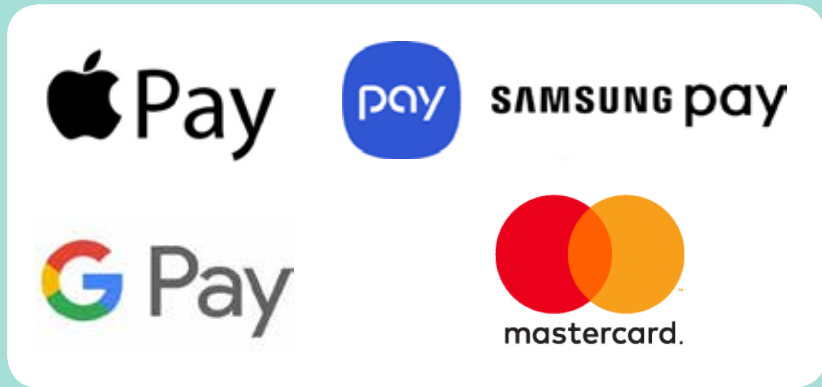
Virtual



Reloadable



Mobile Merchant Rewards



Mobile payments

Non-public facing operations:

END TO END

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

INFORMATION TECHNOLOGY

2 in-house, prepaid, processing platforms

4 Data Centres

30% Staff are IT based

MULTI Multi-currency & Multi-lingual

LEVEL 1
PCI-DSS Level 1 compliant

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

5 Connectivity to 5 major card schemes

REGULATORY AND COMPLIANCE ACROSS THE GLOBE

9 issuing bank agreements

19 Compliance with 19 regulatory authorities

PEOPLE

170 Over 170 employees servicing 19 countries

52 Abiding by over 52 regulations / laws

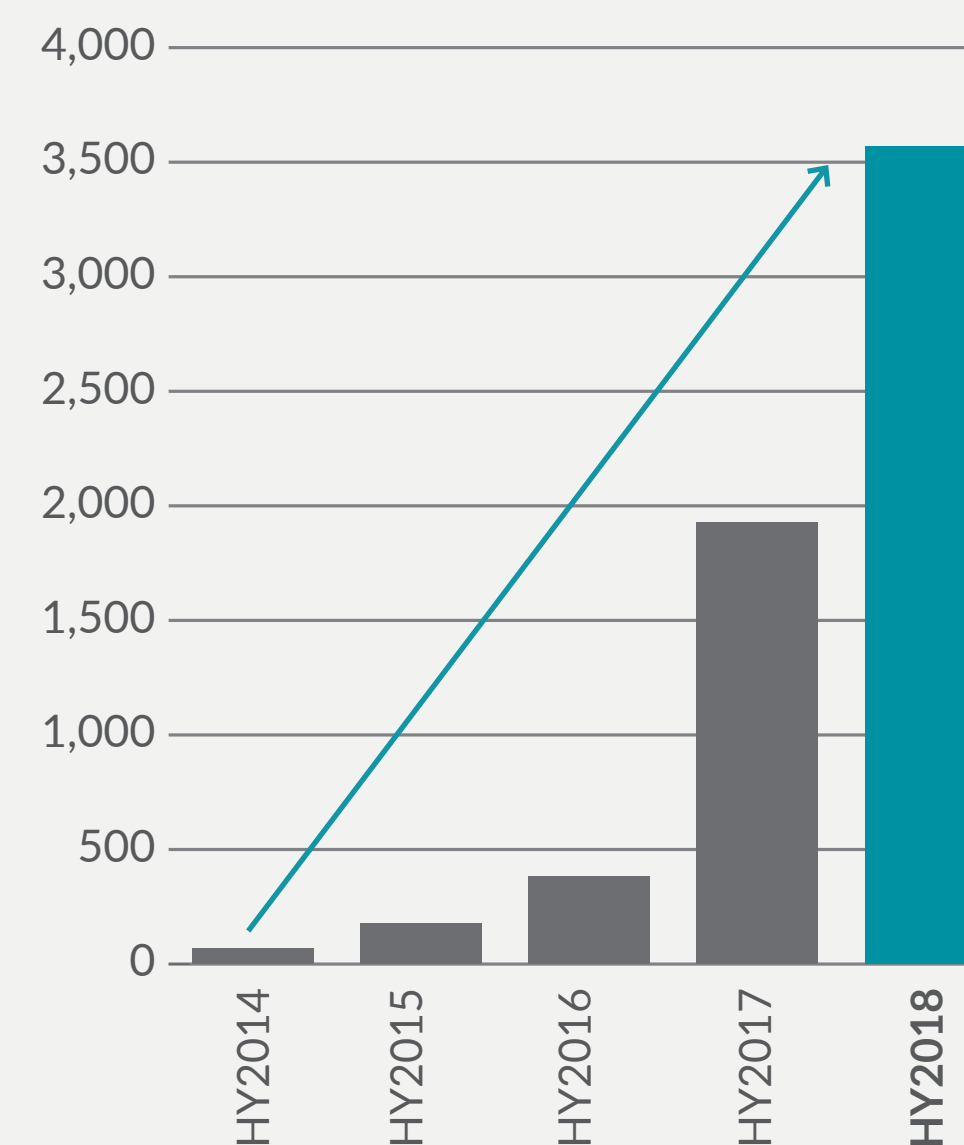
4 Major licences
> AFSL (Australia)
> MasterCard membership (Australia)
> BPay (Australia)
> Mastercard private label issuance (UK and Europe)

100 Over 100+ years prepaid experience in group leadership team

KEY EARNINGS › HY2018 RESULTS — 5 YEAR CAGR

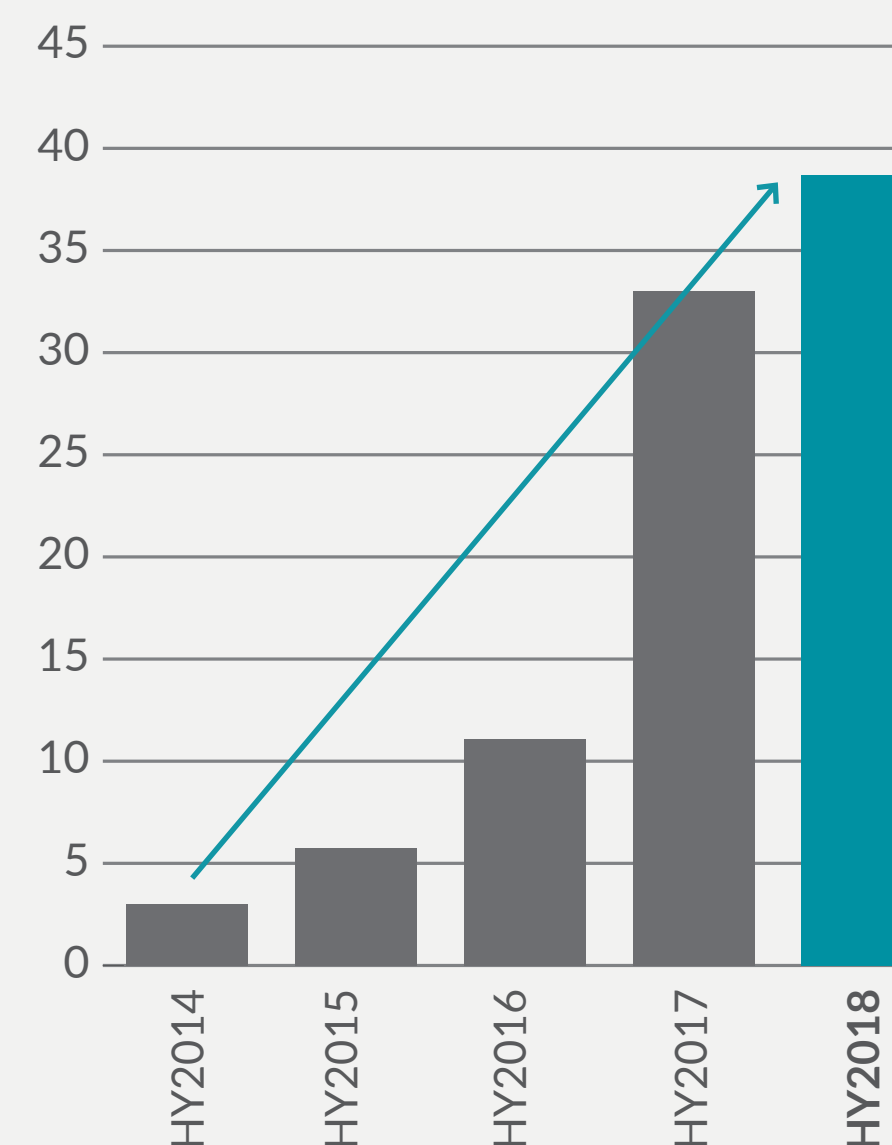
Gross Debit Volume HY2018
\$3.58bn ⬆️ 114%

(AUD' millions)



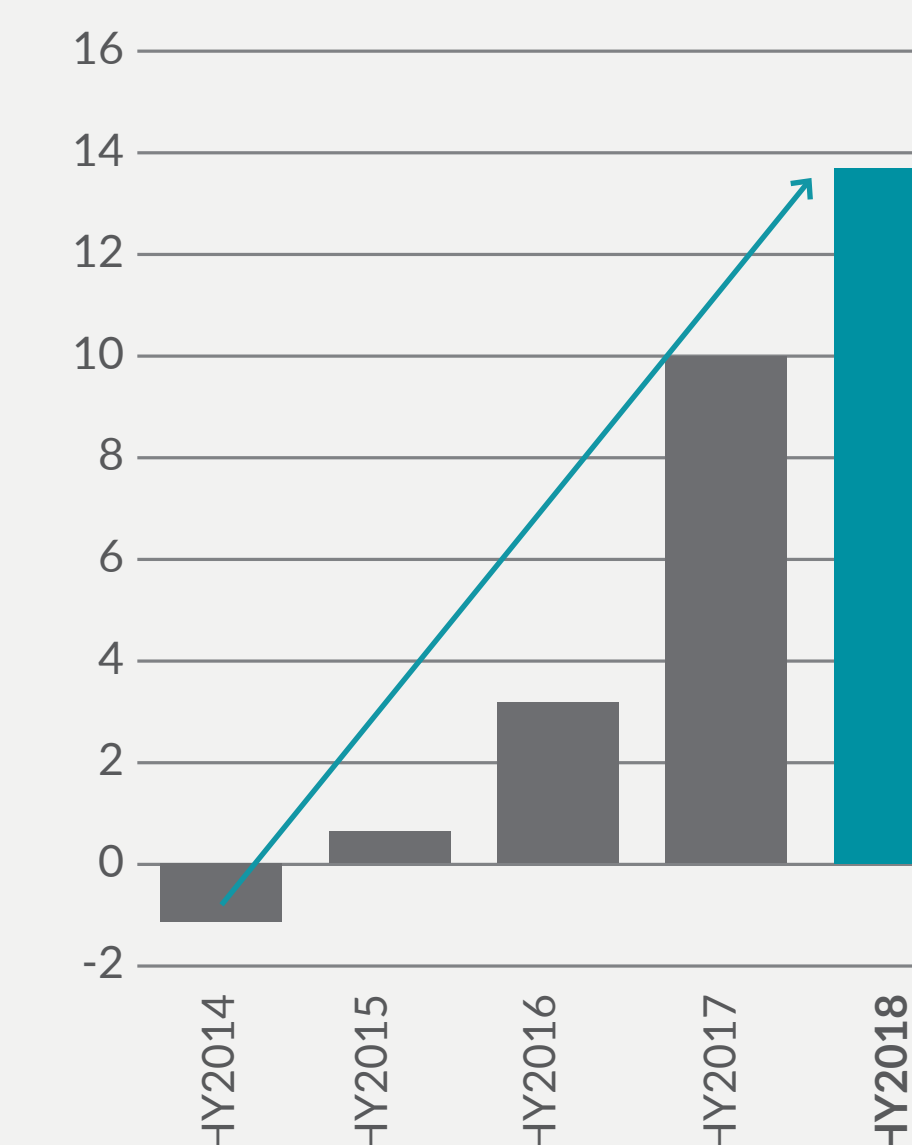
Revenue HY2018
\$38.2m ⬆️ 74%

(AUD' millions)



EBTDA HY2018
\$13.5m ⬆️ 259%

(AUD' millions)

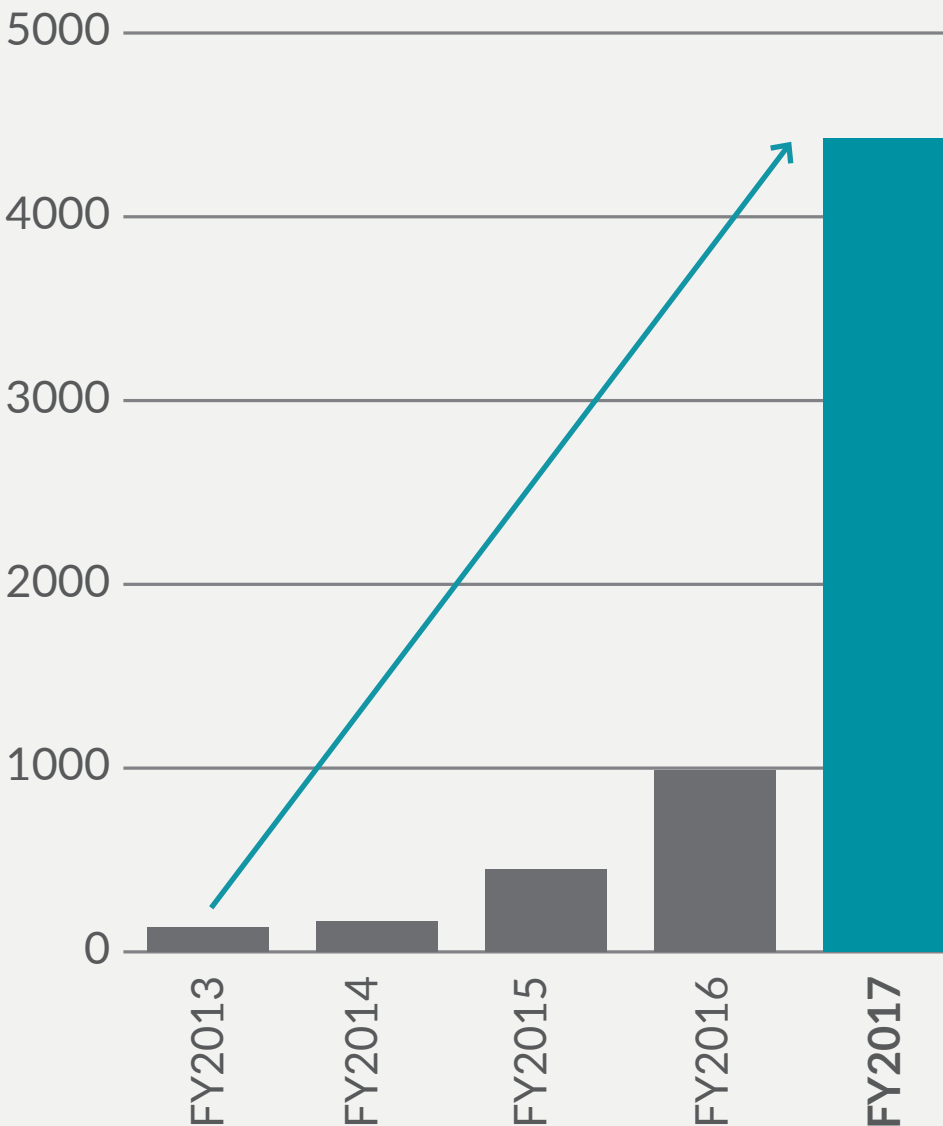


KEY EARNINGS › FY2017 RESULTS — 5 YEAR CAGR

Gross Debit Volume 2017

\$4.4bn ⬆️ 101%

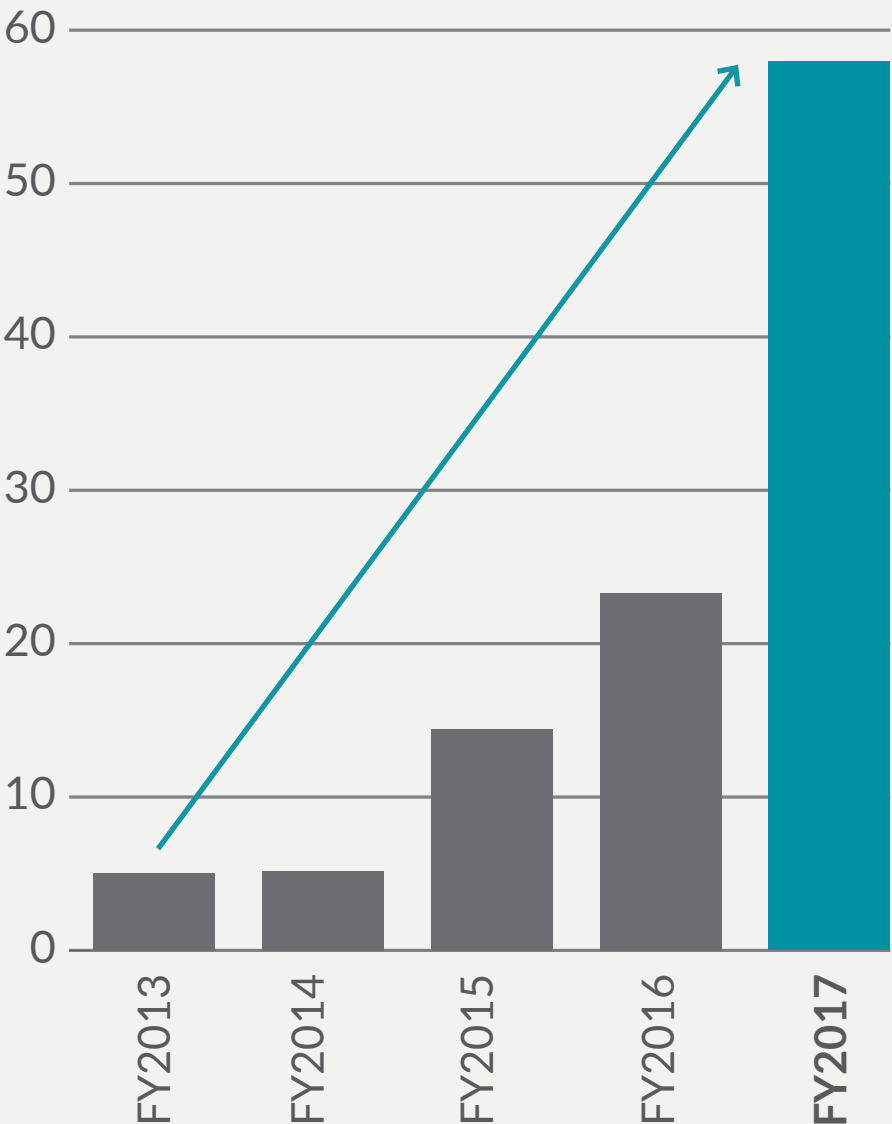
(AUD' millions)



Revenue 2017

\$58.0m ⬆️ 63%

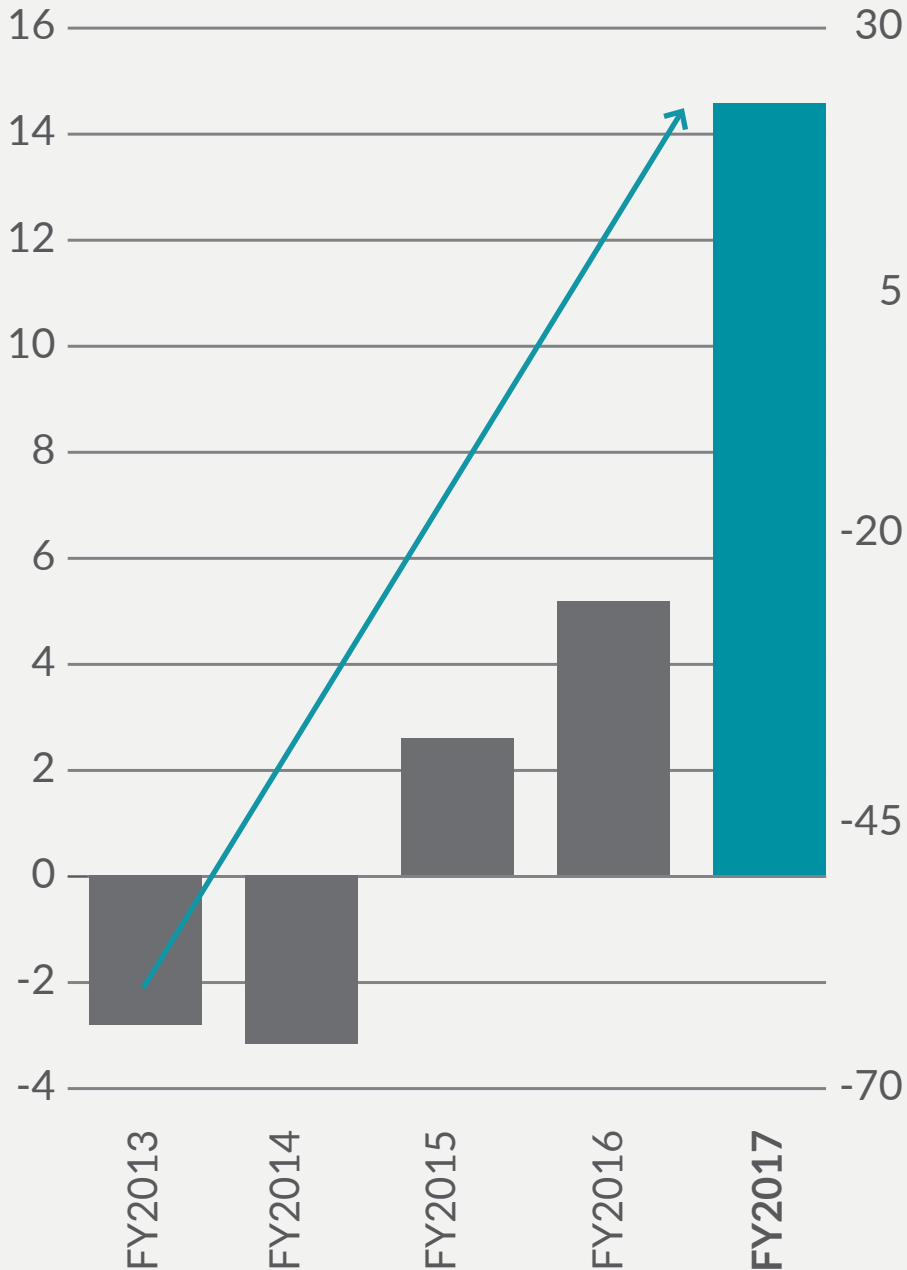
(AUD' millions)



EBTDA 2017

\$14.5m ⬆️ 237%

(AUD' millions)

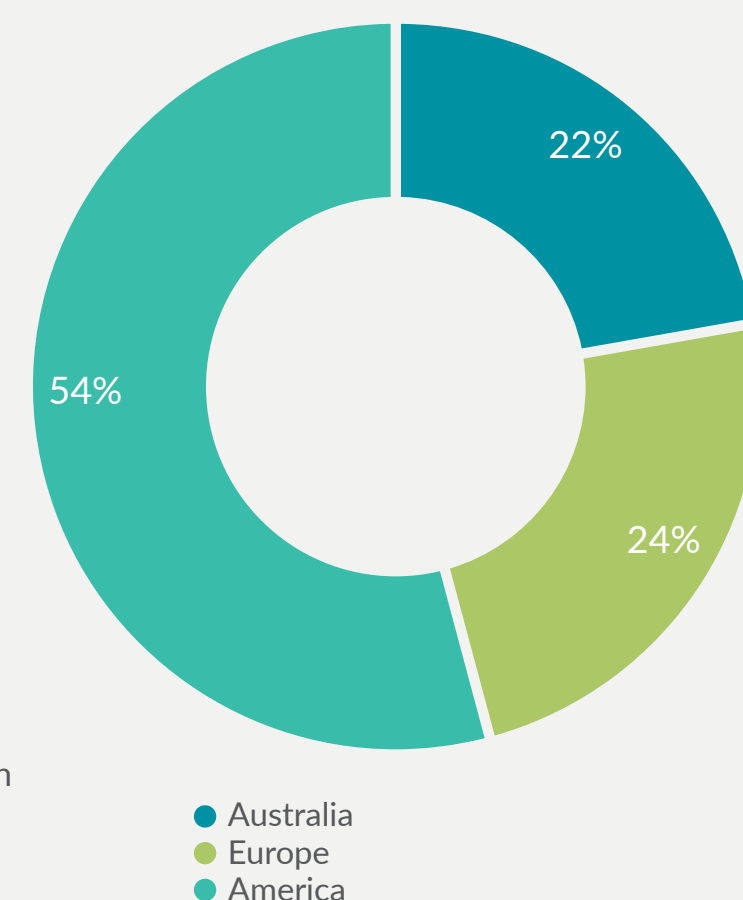
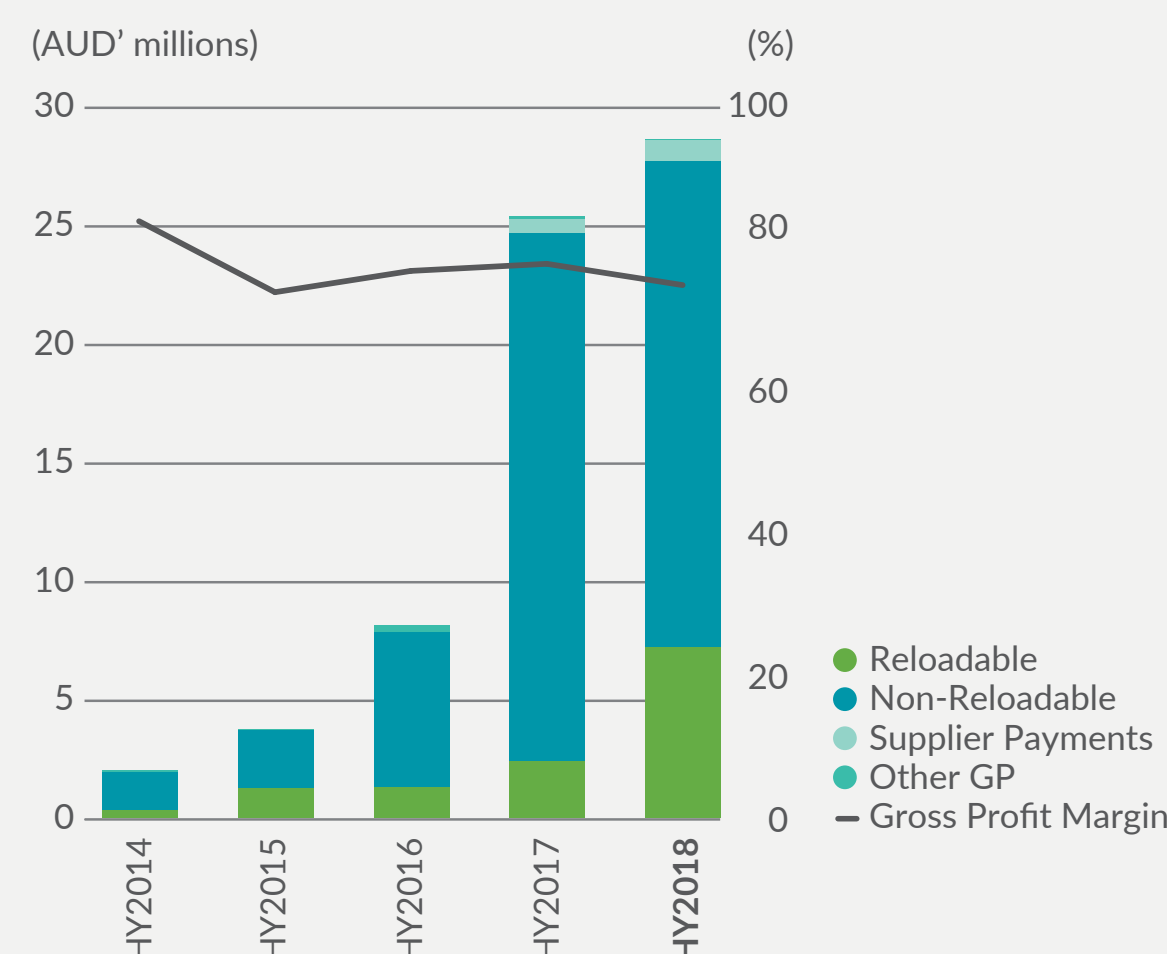


KEY EARNINGS > PROFIT & LOSS

Gross Profit Margin

75.1%  on PCP

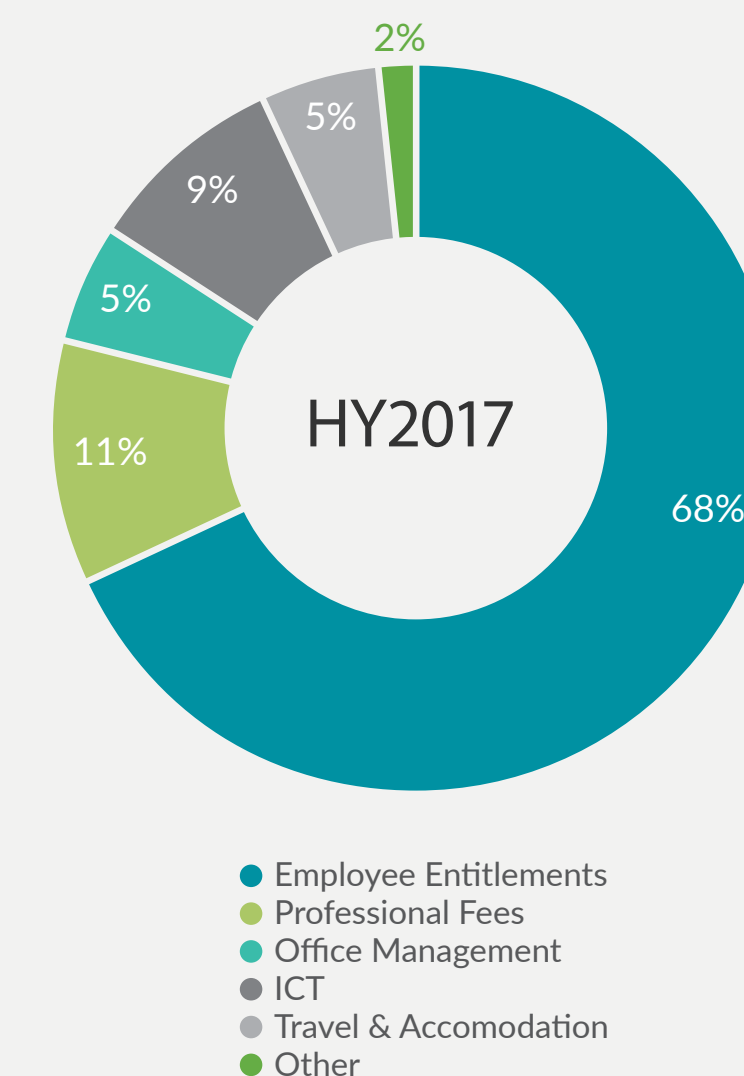
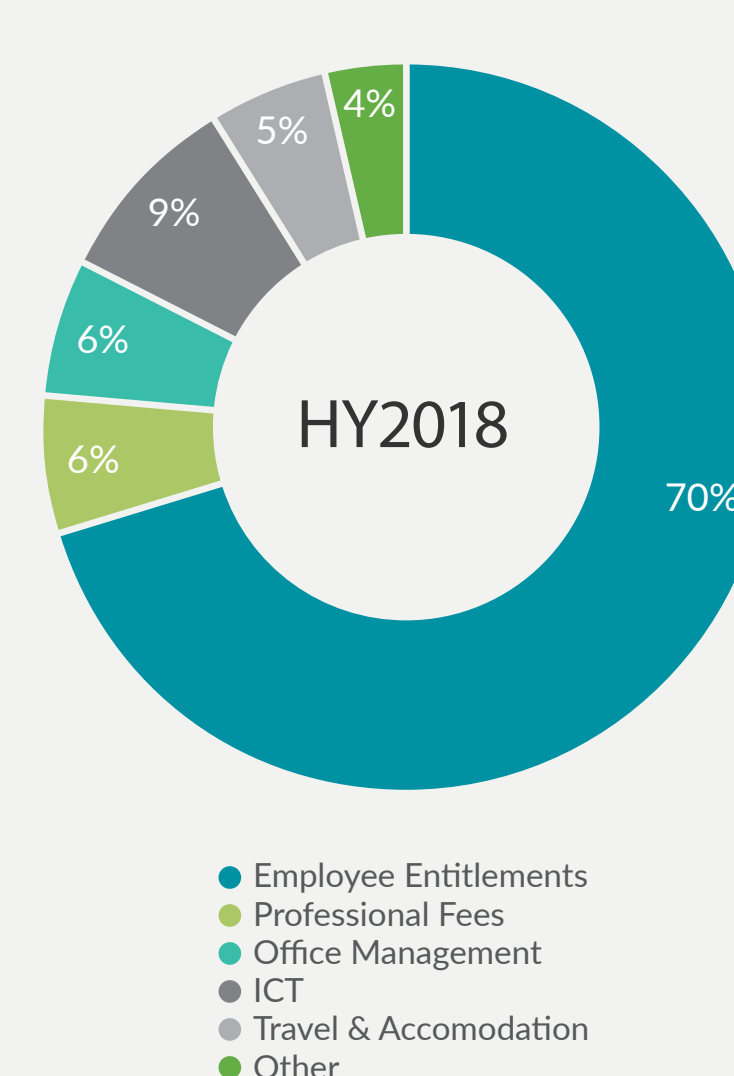
Down on HY2017 but in line with our AGM guidance as the product mix shifts towards Reloadable and B2B Virtual Payments. Our long term strategy to improve GP includes self issuing which has commenced in Australia & will be pursued in Europe and new programs. We are targeting a margin of 80% in the long term.



Overheads as a % of revenue

40%  8%

Improved 8% to 40% in FY17 as the group continues to see leverage on its growing scale as we grow both organically with new & existing customers and via acquisition including Presend.





OUTLOOK

OUTLOOK > LONG TERM

EML operates in large, fast growing markets and holds a relatively small market share, offering significant market potential in future years.

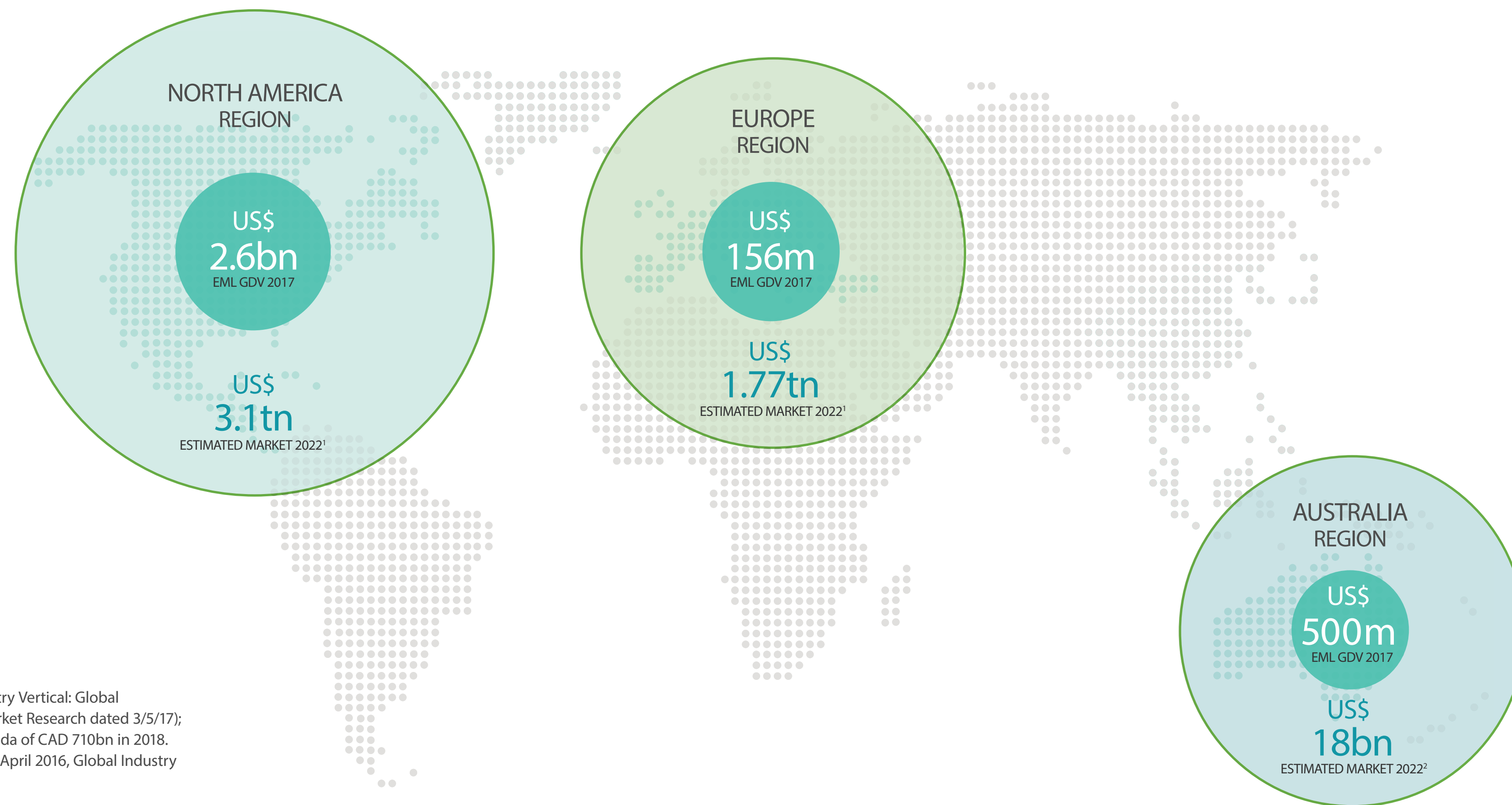
Global Trends²:

Growing shift towards non-cash payments

Rising demand for Open Loop Prepaid Cards

Growing popularity of Virtual Prepaid Payment Cards

Growing retailer acceptance of card based payments



1. Source from 'Prepaid Card Market By Card Type, Usage and Industry Vertical: Global Opportunity Analysis and Industry Forecast 2014-2022' Allied Market Research dated 3/5/17); correlated to Mercator Advisory Group research forecast for Canada of CAD 710bn in 2018.
 2. Sourced from 'Prepaid Cards: A Global Strategic Business Report', April 2016, Global Industry Analysts, Inc. Forecast to 2020, extrapolated to 2022 by EML.

OUTLOOK >

The growth model for EML has been consistent since inception as a public company in 2011

EML identify and monetise difference applications for our prepaid technology across multiple geographic markets via both organic & inorganic growth

EML will diversify our revenue streams minimising concentration risk in any one region, segment or customer

Organic Growth

GDV growth is driven by both organic growth from our existing customer base of 1100+ programs

Underlying growth in the program or industry (e.g. Gaming Industry grew by 59% in FY17)

New programs recently launched, including salary packaging have significant growth potential

New technology, including mobile payments, will drive new business opportunities

Inorganic Growth

Expansion into new geographic markets

Access to unique technologies that can be leveraged across the group

The key financial metrics for EML have been consistent since inception as a public company in 2011

GDV to Revenue conversion correlates with business mix between Non-Reloadable, Reloadable & B2B Virtual segments

Breakage rates have remained consistent with no significant adverse impacts from regulatory or market changes

GDV and Revenue have grown faster than expenses resulting in EBTDA margin expansion (1H2015 - 11% increasing to 35% in 1H2018)

OUTLOOK >

EML reaffirms our February guidance, as follows:

\$6.7bn – 7.0bn FY18
Gross Debit Volume

~ 100bps GDV to Revenue
conversion metric

~ 75% Gross Profit Margin

~ \$31-\$32m Cash Overheads

General Outlook

The company has historically used GDV as a proxy for market guidance, however with significant variances between segments this is no longer optimal.

EML guidance from February 2018 on GDV, conversion metrics and Gross Profit Margins correlated to EBTDA within range of \$19.5m - \$21.5m for FY18. We reaffirm that guidance for FY18.

EML will issue formal EBTDA guidance for FY19 around the time of our Annual General Meeting



Q&A



APPENDIX

KEY EARNINGS > 3 YEARS



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

KEY EARNINGS > 3 YEARS

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

APPENDIX › REGULATIONS / LAWS

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

AUSTRALIA:

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

UK & EUROPE:

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

US

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

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

CANADA:

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

Thank you.



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