



Money in Motion

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Level 12  
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Brisbane QLD 4000

**EML Payments Limited**  
ACN 104 757 904

18 November 2019

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**ASX Market Announcements**

20 Bridge Street  
SYDNEY NSW 2000

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**NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES**

## RETAIL OFFER BOOKLET

### Retail Offer Booklet

Attached is a copy of the retail entitlement offer booklet (**Retail Offer Booklet**) in relation to the retail component of the 1 for 5 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new EML shares, which was announced on Monday, 11 November 2019.

The Retail Offer Booklet, including personalised entitlement and acceptance forms, will be dispatched to eligible retail shareholders today.

### Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) opens today Monday, 18 November 2019 and closes at 5.00pm (AEDT) on Friday, 29 November 2019 (**Retail Offer Period**).

Eligible retail shareholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer.

### Further information

Further information on the acquisition of PFS and the Equity Raising is set out in the Investor Presentation separately lodged with the ASX on Monday, 11 November 2019. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

You should seek appropriate professional advice before making any investment decision. If you have any questions in relation to the Entitlement Offer, please contact the EML Offer Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 outside of Australia between 8.30am to 5.00pm (AEDT) Monday to Friday during the Retail Offer Period.

## 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](http://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. Cooling off rights do not apply to the acquisition of EML shares pursuant to the Entitlement Offer.

# **EML Payments Limited**

**ABN 93 104 757 904**

## **Retail Entitlement Offer**

1 for 5 accelerated non-renounceable pro rata entitlement offer of EML Payments Limited ordinary shares at an offer price of \$3.55 per New Share

The Entitlement Offer is fully underwritten

Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 29 November 2019

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form for you to subscribe for new ordinary shares in EML Payments Limited. You should read this document carefully in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. You should call your professional adviser or the EML Payments Offer Information Line if you have any queries.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

## IMPORTANT NOTICES

This Information Booklet is dated Monday, 18 November 2019.

Defined terms used in these important notices have the meaning given in this Information Booklet.

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows entitlement issues to be offered without a prospectus. As a result, this offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on EML Payments Limited ABN 93 104 757 904 (**EML Payments**) and the Retail Entitlement Offer made publicly available, before taking up all or part of their Entitlement. **This information is important and requires your immediate attention.**

You should read this Information Booklet carefully in its entirety before deciding whether to participate in the Retail Entitlement Offer. By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY<sup>®1</sup> in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer in this Information Booklet.

### Future performance and forward-looking statements

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of EML Payments and certain plans and objectives of EML Payments. Forward-looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'will', 'predict', 'plan', 'believe', 'forecast', 'estimate', 'target', 'continue', 'objectives', 'outlook', 'guidance' and other similar expressions.

The forward-looking statements, opinions and estimates contained in this Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are any statements about market and industry trends, which are based on interpretations of current market conditions. They involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of EML Payments and its officers, employees, agents and associates, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Any forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Readers are cautioned not to place undue reliance on forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Information Booklet in light of those disclosures.

The forward-looking statements are based on information available to EML Payments as at the date of this Information Booklet. Except as required by law or regulation (including the Listing Rules), EML Payments is under no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Neither the Underwriters, nor any of their respective affiliates, related bodies corporate (as that term is defined in the Corporations Act), nor their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (together the **Underwriter Parties**), have authorised, approved or verified any forward-looking statements or any other statements.

### Underwriter and Adviser Parties disclaimer

Neither the Underwriters, nor any of their or EML Payments respective affiliates, related bodies corporate, nor their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (together the **Underwriter and Adviser Parties**), have permitted or caused the issue, submission, or operation of this Information Booklet, or authorised, approved or verified any forward-looking statements or any other statements. To the maximum extent permitted by law, the Underwriters and each of the Underwriter and Adviser Parties expressly disclaim all liabilities (including, without limitation, any liability arising from fault or negligence on the part of any person) and any direct, indirect, consequential or contingent loss or damage whatsoever arising from, make no representations regarding, and take no responsibility for, any part of this Information Booklet and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Information Booklet.

The Underwriter and Adviser Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by returning an Application or otherwise paying for your New Shares through BPAY<sup>®</sup> in accordance with the instructions on the Application, you represent, warrant and agree that you have not relied on any statements made by the Underwriter and Adviser Parties in relation to the New Shares or the Entitlement Offer generally.

The Retail Entitlement Offer is being undertaken by EML Payments and the Underwriters have no role, involvement or responsibility for the Retail Entitlement Offer.

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the institutional and retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of EML Payments and the Underwriters;
- each of EML Payments, the Underwriters, EML Payments' advisers and their respective affiliates, officers, employees, agents and advisers disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law; and
- the information in this Information Booklet remains subject to change without notice.

### Past performance

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future EML Payments performance including future share price performance.

### Jurisdictions

This Information Booklet is intended for use only in connection with the Retail Entitlement Offer to Eligible Retail Shareholders with a registered address in Australia or New Zealand. This Information Booklet does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

<sup>1</sup> Registered to BPAY Pty Ltd ABN 69 079 137 518.

## **Not for distribution or release in the United States of America**

This Information Booklet, or any accompanying ASX announcements or the Entitlement and Acceptance Form, does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Information Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the entitlements to purchase new ordinary shares in EML Payments (**New Shares**) pursuant to the offer described in this Information Booklet (**Entitlements**) nor the New Shares have been, nor will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. In the Retail Entitlement Offer, the Entitlements and the New Shares will only be offered and sold in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

### **Risks**

Refer to the 'Key risks' section of the Investor Presentation included in Section 3 of this Information Booklet for a summary of certain general and EML Payments specific risk factors that may affect EML Payments. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

### **Taxation**

There will be a tax implication associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 4 provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. EML Payments recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

### **References to 'you', 'your Entitlement' and 'your Retail Entitlement'**

In this Information Booklet, references to 'you' are references to Eligible Retail Shareholders and references to 'your Entitlement' or 'your Retail Entitlement' (or 'your Entitlement and Acceptance Form') are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders, unless the context provides otherwise.

### **Times and dates**

Times and dates in this Information Booklet are indicative only and subject to change. All times and dates refer to Sydney time. Refer to the 'Key dates for Retail Entitlement Offer' section of this Information Booklet for more details.

### **Currency**

Unless otherwise stated, all dollar values in this Information Booklet are in Australian dollars (A\$).

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## LETTER FROM THE CHAIRMAN

Monday, 18 November 2019

Dear Shareholder

On behalf of EML Payments, I am pleased to invite you to participate in a 1 for 5 fully underwritten accelerated non-renounceable pro rata entitlement offer of New Shares at an offer price of \$3.55 per New Share (**Offer Price**) to raise gross proceeds of approximately \$181 million (**Entitlement Offer**).

On Monday, 11 November 2019, EML Payments announced its intention to raise approximately \$250 million through a placement to institutional investors (**Institutional Placement**) and the Entitlement Offer (together, the **Capital Raising**). The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) and the Institutional Placement (together, the **Institutional Offer**) were successfully completed before trading in our shares recommenced on Wednesday, 13 November 2019.

This Information Booklet relates to the retail component of the Entitlement Offer (**Retail Entitlement Offer**).

The proceeds of the Capital Raising will be used to partially fund the proposed acquisition of 100% of Prepaid Financial Services (Ireland) Limited (**Acquisition**) and associated transaction costs.

The Capital Raising is lead managed and fully underwritten by UBS AG, Australia Branch ABN 47 088 129 613 and Royal Bank of Canada (trading as RBC Capital Markets) ABN 86 076 940 880 (**Underwriters**) subject to the terms of the Underwriting Agreement (see Section 5.16 for further details).

### Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to invest at the same price as the institutional investors who participated in the Institutional Offer. The number of New Shares for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that accompanies this Information Booklet. The Offer Price of \$3.55 per New Share, which represents a 6.2% discount to theoretical ex-rights price (**TERP**)<sup>2</sup> and a 7.3% discount to the closing price of EML Payments' Shares of \$3.83 per share on Friday, 8 November 2019 (being the last trading day prior to announcement of the Capital Raising).

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or otherwise transferable. I encourage you to consider this offer carefully.

### Information Booklet

This Information Booklet contains important information, including:

- ASX announcements relating to the Capital Raising, including the Investor Presentation, which provides information on EML Payments, the Acquisition, the Capital Raising and key risks for you to consider;

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<sup>2</sup> TERP is the theoretical price at which Shares should trade after the ex-date for the Entitlement Offer based only on the last traded price and issuance of Shares at the Offer Price. TERP is a theoretical calculation only and the actual price at which Shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates;
- information regarding the personalised Entitlement and Acceptance Form that accompanies this Information Booklet, which details your Entitlement and instructions on how to complete it; and
- instructions on how to take up all or part of your Entitlement via BPAY<sup>®</sup> or by cheque, bank draft or money order.

If you decide to take this opportunity to increase your investment in EML Payments, you must:

- pay your Application Money via BPAY<sup>®</sup>; or
- return your completed personalised Entitlement and Acceptance Form, together with a cheque, bank draft or money order for your Application Money, to the Share Registry,

**before 5.00pm (Sydney time) on Friday, 29 November 2019.**

Instructions on how to apply are set out in this Information Booklet and your Entitlement and Acceptance Form. For further information regarding the Retail Entitlement Offer, call the EML Payments Offer Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (from outside Australia) between 8.30am to 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

**The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 29 November 2019**

If you do not wish to take up any of your Entitlement, you do not have to take any action.

If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the board of EML Payments, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support of EML Payments.

Yours faithfully,



**Peter Martin**  
Non-Executive Chairman  
EML Payments Limited



## SUMMARY OF CAPITAL RAISING

### **Institutional Placement**

Offer Price	\$3.55 per New Share
Size	Approximately 19 million New Shares
Gross proceeds	Approximately \$67 million

### **Entitlement Offer**

Offer ratio	1 New Share for every 5 Existing Shares
Offer Price	\$3.55 per New Share
Size	Approximately 51 million New Shares
Gross proceeds	Approximately \$181 million, being approximately \$89 under the Institutional Entitlement Offer and approximately \$92 under the Retail Entitlement Offer

<b>Total gross proceeds of Capital Raising</b>	Approximately \$248 million
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## KEY DATES FOR RETAIL ENTITLEMENT OFFER

Event	Date
Announcement of Capital Raising	Monday, 11 November 2019
Announcement of results of Institutional Offer	Wednesday, 13 November 2019
Record Date for Entitlement Offer (7.00pm (Sydney time))	Wednesday, 13 November 2019
Despatch of Information Booklet and Entitlement and Acceptance Form to Eligible Retail Shareholders	Monday, 18 November 2019
Retail Entitlement Offer opens	Monday, 18 November 2019
Settlement of Institutional Offer	Tuesday, 19 November 2019
Allotment and commencement of trading of New Shares under the Institutional Offer	Wednesday, 20 November 2019
Retail Entitlement Offer closes	Friday, 29 November 2019
Announcement of results of Retail Entitlement Offer	Wednesday, 4 December 2019
Settlement of Retail Entitlement Offer	Thursday, 5 December 2019
Allotment of New Shares under the Retail Entitlement Offer	Friday, 6 December 2019
Commencement of trading of New Shares under the Retail Entitlement Offer	Monday, 9 December 2019
Despatch of holding statements	Tuesday, 10 December 2019

The timetable above is indicative only and may be subject to change without notice. EML Payments, with the prior written consent of the Underwriters, reserves the right, subject to the Corporations Act, Listing Rules and other applicable laws, to amend or vary any or all of the dates and times without notice. In particular, EML Payments reserves the right to extend the closing date of the Retail Entitlement Offer, accept late Applications (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date of the Retail Entitlement Offer will have a consequential effect on the allotment date of New Shares under the Retail Entitlement Offer.

The quotation of New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to the Retail Entitlement Offer. You cannot withdraw your Application once it has been accepted.

Eligible Retail Shareholders are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

### Enquiries

For further information regarding the Retail Entitlement Offer, please call the EML Payments Offer Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (from outside Australia) between 8.30am to 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period. If you have any questions, please consult your stockbroker, accountant or other independent professional adviser.

## 1 Summary of options available to you

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If you are an Eligible Retail Shareholder, you may take any one of the following actions:

- take up all of your Entitlement;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are a retail shareholder that is not an Eligible Retail Shareholder, you are an **Ineligible Retail Shareholder**. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	<ul style="list-style-type: none"><li>• You may elect to purchase New Shares at the Offer Price (see Section 2 “<i>How to apply</i>” for instructions on how to take up your Entitlement).</li><li>• The New Shares will rank equally in all respects with Existing Shares (including rights to any dividends).</li><li>• The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 29 November 2019.</li></ul>
2. Take up part of your Entitlement	<ul style="list-style-type: none"><li>• If you only take up part of your Entitlement, the part not taken up will lapse.</li><li>• If you do not take up your Entitlement in full, you will not receive any payment or value for those Entitlements not taken up.</li><li>• If you do not take up your Entitlement in full, you will have your percentage holding in EML Payments reduced as a result of the Entitlement Offer.</li></ul>
3. Do nothing, in which case your Entitlement will lapse and you will receive no payment or value for those lapsed Entitlements	<ul style="list-style-type: none"><li>• If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means your Entitlements are non-transferable and cannot be sold or traded on ASX or any other exchange, nor can they be privately transferred.</li><li>• If you do not take up your Entitlement, you will have your percentage holding in EML Payments reduced as a result of the Entitlement Offer.</li></ul>

## 2 How to apply

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### 2.1 Before making a decision

This Information Booklet (including the ASX Announcements and Investor Presentation set out in Section 3 and the important information set out in Section 5) should be read carefully and in its entirety before making any decision about your Entitlement. You should be aware that an investment in EML Payments involves risks. The key risks identified by EML Payments are set out in the 'Key risks' section of the Investor Presentation included in this Information Booklet.

### 2.2 Overview of Capital Raising

EML Payments intends to raise approximately \$248 million through the Capital Raising. This includes an Institutional Placement of approximately \$67 million and the Entitlement Offer of approximately \$181 million. The proceeds of the Capital Raising will be used to partially fund the proposed acquisition of 100% of Prepaid Financial Services (Ireland) Limited and associated transaction costs.

### 2.3 Overview of Entitlement Offer

Eligible shareholders are being offered the opportunity to purchase 1 New Share for every 5 existing Shares held as at 7.00pm (Sydney time) on Wednesday, 13 November 2019 (**Record Date**), at the Offer Price of \$3.55 per New Share.

The Entitlement Offer has two components:

- (a) **Institutional Entitlement Offer of approximately \$89 million** — Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlements under the Institutional Entitlement Offer.
- (b) **Retail Entitlement Offer of approximately \$92 million** — Eligible Retail Shareholders are being given the opportunity to take up all or part of their Entitlements under the Retail Entitlement Offer.

New Shares equivalent to the number not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer, as well as Entitlements of certain Ineligible Institutional Shareholders, were offered to Eligible Institutional Shareholders who applied for New Shares in excess of their Entitlements, as well as to certain other institutional investors.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable and Entitlements are calculated under both offers based on the same ratio. The New Shares issued under the Institutional Placement, Institutional Entitlement Offer and Retail Entitlement Offer are all issued at the same Offer Price.

### 2.4 Institutional Offer

The Institutional Offer, comprising both the Institutional Entitlement Offer and the Institutional Placement, was successfully completed on Tuesday, 12 November 2019. A copy of EML Payments' announcement to the ASX in relation to the completion of the Institutional Offer is set out in Section 3.

EML Payments raised approximately \$67 million under the Institutional Placement and approximately \$89 million under the Institutional Entitlement Offer, each at \$3.55 per New Share. New Shares are expected to be allotted under the Institutional Offer on Wednesday, 20 November 2019.

### 2.5 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 5 Existing Shares held as at the Record Date at the Offer Price of

\$3.55 per New Share. New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with Existing Shares.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer. The Retail Entitlement Offer is non-renounceable. This means Entitlements do not trade on the ASX and cannot be dealt with, sold or transferred.

The Retail Entitlement Offer opens at 9.00am (Sydney time) on Monday, 18 November 2019 and is expected to close at 5.00pm (Sydney time) on Friday, 29 November 2019.

## **2.6 Your Entitlement**

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 5 Existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

## **2.7 Consider the Retail Entitlement Offer carefully in light of your particular investment objectives and circumstances**

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84)) which allows rights issues to be made without a prospectus, provided certain conditions are satisfied. This Information Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on EML Payments and the Retail Entitlement Offer made publicly available, prior to making any decision in respect of your Entitlement.

You should consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the 'Key risks' section of the Investor Presentation included in Section 3 of this Information Booklet.

## **2.8 Options available to you**

If you are an Eligible Retail Shareholder, you may:

- take up all of your Entitlement in full;
- take up part of your Entitlement and the rest of your Entitlement will lapse (see Section 2.10); or
- do nothing and allow your Entitlement to lapse (see Section 2.11).

## **2.9 If you wish to take up all of your Entitlement**

If you wish to take up all of your Entitlement, you must:

- (a) pay your Application Money via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
- (b) if you are unable to pay via BPAY® (for example, because you are a New Zealand Shareholder who does not have an Australian bank account), complete and return the personalised Entitlement and Acceptance Form with the requisite Application Money,

in each case, by no later than 5.00pm (Sydney time) on Friday, 29 November 2019.

EML Payments will pay any refund amounts in Australian dollars to you either by direct credit to your nominated bank account, or by cheque, bank draft or money order sent by ordinary post to your address as noted in the share register as at the Closing Date. No interest will be paid on any Application Money received or refunded.

## **2.10 If you wish to take up part of your Entitlement and let the balance lapse**

If you wish to take up part of your Entitlement, you must:

- (a) pay your Application Money for the relevant part via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
- (b) if you are unable to pay via BPAY® (for example, because you are a New Zealand Shareholder who does not have an Australian bank account), complete and return the personalised Entitlement and Acceptance Form with the requisite Application Money,

in each case, by no later than 5.00pm (Sydney time) on Friday, 29 November 2019.

Any of your Entitlement which you do not take up will lapse. Your percentage shareholding in EML Payments will be diluted accordingly.

If EML Payments receives an amount that is less than the Offer Price multiplied by your Entitlement, EML Payments may treat your payment as an Application for as many New Shares as your Application Money will pay in full and the balance of your Entitlement will lapse.

## **2.11 If you wish to do nothing and allow your Entitlement to lapse**

If you do not wish to take up all or any part of your Entitlement, you do not need to take any further action. Your Entitlement will lapse and your percentage shareholding in EML Payments will be diluted accordingly.

## **2.12 Consequences when an Entitlement lapses**

If you do not accept all or part of your Entitlement in accordance with the relevant instructions and all or part of your Entitlement lapses, the New Shares to which you would otherwise have been entitled under the Retail Entitlement Offer may be acquired by the Underwriters or any sub-underwriters.

By allowing all or part of your Entitlement to lapse, you will forego any exposure to increases or decreases in the value of New Shares you would have received had you taken up your Entitlement and you will not receive any value for your Entitlement. Your percentage shareholding in EML Payments will be diluted accordingly.

## **2.13 Payment**

You can pay in the following ways:

- by BPAY®; or
- if you are unable to pay by BPAY® (for example, because you are a New Zealand Shareholder who does not have an Australian bank account), by cheque, bank draft or money order.

Cash payments will not be accepted. Receipts for payment will not be issued.

EML Payments will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Money received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to Applicants on any Application Money received or refunded.

(a) *Payment by BPAY®*

To pay by BPAY®, follow the instructions on the personalised Entitlement and Acceptance Form. You can only pay via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, you must use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

If you pay by BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 2.14; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Money.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Friday, 29 November 2019. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

(b) *Payment by cheque, bank draft or money order*

To pay by cheque, bank draft or money order, complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Money, payable to 'EML Payments Limited' and crossed 'Not Negotiable'.

Your Application Money must be:

- for an amount equal to \$3.55 (being the Offer Price) multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars.

You should ensure that sufficient funds are held in the relevant account to cover the Application Money as your cheque, bank draft or money order will be processed on the day of receipt. If the amount of your cheque, bank draft or money order for Application Money (or the amount for which the cheque, bank draft or money order clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form) and to have provided the representations in Section 2.14. Alternatively, your application will not be accepted.

If you make payment via cheque, bank draft or money order, your completed personalised Entitlement and Acceptance Form together with your Application Money must be received by the Share Registry no later than the close of the

Retail Entitlement Offer, being 5.00pm (Sydney time) on Friday, 29 November 2019.

Please return your completed Entitlement and Acceptance Form and cheque, bank draft or money order to the Share Registry at the address below:

**Mailing address:**

EML Payments Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

or

**Hand delivery:**

EML Payments Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138  
(Please do not use this address for mailing purposes)

## **2.14 Representations by acceptance**

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form with the requisite Application Money constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once paid or lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid Application for New Shares. EML Payments' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money, you will be deemed to have represented to EML Payments that you are an Eligible Retail Shareholder and:

- acknowledge that you have read and understand this Information Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Information Booklet (including Section 5.6) and EML Payments' constitution;
- authorise EML Payments to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- if you are a natural person, declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once EML Payments receives your payment of Application Money via BPAY® or your personalised Entitlement and Acceptance Form you may not withdraw your Application or funds provided except as allowed by law;



- agree to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Money via BPAY® or have specified in the personalised Entitlement and Acceptance Form at the Offer Price per New Share;
- authorise EML Payments, the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- acknowledge and agree that:
  - determination of eligibility of investors for the purposes of the institutional and retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of EML and the Underwriters; and
  - each of EML and the Underwriters, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the extent permitted by law;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Information Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Information Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in EML Payments and is given in the context of EML Payments's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the 'Key risks' section of the Investor Presentation contained in Section 3 of this Information Booklet, and that investments in EML Payments are subject to risk;
- acknowledge that neither EML Payments nor the Underwriters, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the New Shares or EML Payments, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise EML Payments to correct any errors in your personalised Entitlement and Acceptance Form or any other form provided by you;
- represent and warrant (for the benefit of EML Payments, the Underwriters and their respective related bodies corporate and affiliates) that you did not receive an

invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer; and

- represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer.

By making a payment by BPAY® or completing and returning your personalised Entitlement and Acceptance Form, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- you are not in the United States and you are not acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares until the Retail Entitlement Offer;
- you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and may not be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- you are subscribing for or purchasing the Entitlements or the New Shares outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the US Securities Act) in compliance with reliance on Regulation S under the US Securities Act;
- you have not and will not send this Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the US Securities Act, including in regular way transactions on the ASX or otherwise where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Information Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person; and
- you make all other representations and warranties set out in this Information Booklet.

## **2.15 Brokerage**

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement.

## **2.16 Enquiries**

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions about completing it, please contact the EML Payments Offer Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia). The EML Payments Offer Information Line will be open from 8.30am to 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

### **3 ASX Announcements and Investor Presentation**

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Money in Motion

+61 (07) 3557 1100

Level 12  
333 Ann Street  
Brisbane QLD 4000

**EML Payments Limited**  
ACN 104 757 904

11 November 2019

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**ASX Market Announcements**  
20 Bridge Street  
SYDNEY NSW 2000

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## **EML PAYMENTS ANNOUNCES ACQUISITION OF PREPAID FINANCIAL SERVICES AND EQUITY RAISING**

- **Acquisition of Prepaid Financial Services (Ireland) Limited (PFS), a multi-award winning European provider of white label payments and banking-as-a-service technology**
- **EML to become one of the largest FinTech enablers in digital banking and prepaid globally, expecting to process ~A\$18 billion of gross debit volume (GDV) in FY20<sup>1</sup>**
- **Further diversifies EML's customer, product and geographic footprint – providing entry into eight new markets and further penetration into UK, France and Spain**
- **Upfront acquisition enterprise value of £226 million (A\$423 million)<sup>2</sup> represents 17.5x FY20 EBITDA, and 14.0x FY20 EBITDA post net run-rate synergies<sup>3</sup>**
- **Performance based earn-out of up to £55 million (A\$103 million) contingent on PFS achieving agreed annual EBITDA targets during the three year period post Acquisition close**
- **Mid-teen EPSA accretive pre synergies and 25%+ post net run-rate synergies on a FY20 pro forma basis<sup>4</sup>**
- **Earn-out structure and vendor scrip component of Acquisition consideration provides alignment with the PFS management team**
- **Attractive earnings growth profile of combined group**
- **Estimated net run-rate synergies of approximately A\$6 million per annum<sup>5</sup>**

### **Acquisition of PFS**

**EML Payments Limited (ASX:EML) (EML)** is pleased to announce it has entered into a binding agreement to acquire PFS for an upfront enterprise value of £226 million (A\$423 million) (the **Acquisition**) plus an earn-out component of up to £55 million (A\$103 million).

The Acquisition and transaction costs of the Acquisition will be funded by a combination of:

- a fully underwritten accelerated, pro-rata, non-renounceable entitlement offer to raise approximately A\$183 million (**Entitlement Offer**);
- a fully underwritten placement to new and existing institutional shareholders to raise approximately A\$67 million (**Placement** and together with the Entitlement Offer, the **Equity Raising**);

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<sup>1</sup> See pages 23 and 24 of the Investor Presentation released to the ASX today for details about the forecast assumptions.

<sup>2</sup> GBP / AUD conversion rate of 1.87 used throughout this announcement.

<sup>3</sup> See pages 23 and 24 of the Investor Presentation released to the ASX today for details about the forecast assumptions.

<sup>4</sup> EPSA accretion is calculated as the incremental FY20 pro forma EPSA over EML's FY20 standalone EPSA. EPSA excludes the impact of one-off transaction and integration costs and acquisition-related amortisation. EPSA accretion is presented on a TERP-adjusted basis—in accordance with AASB 133 EML's standalone EPSA has been adjusted to account for the bonus element of the Entitlement Offer. The theoretical ex-rights price (TERP) is the theoretical price at which an EML share should trade at immediately after the Entitlement Offer and prior to the Institutional Placement and Vendor Placement. It is a theoretical calculation only and the actual price at which EML shares trade immediately after the Entitlement Offer will depend on many factors and may not be equal to TERP. See page 7 of the Investor Presentation released to the ASX today for further details about the EPSA accretion calculation assumptions.

<sup>5</sup> Net run-rate synergies expected to be partially realised in FY21 and fully realised from FY22.

- new fully underwritten multicurrency A\$175 million debt facility of which A\$130 million will be drawn;<sup>6</sup> and
- scrip consideration (an issue of new EML shares) to PFS' continuing management shareholders (**Vendor Placement**) of approximately A\$77 million at the Offer Price.

PFS was founded in 2008 primarily as a reseller of pre-paid cards and has since evolved into a leading provider of white label payments and banking-as-a-service technology with a pan-European footprint. PFS provides payments and digital banking capabilities, e-wallets and payout / distribution programs, regulatory Electronic Money Institution status and flexible software to enable financial institutions and non-financial institutions alike to deliver feature-rich transactional banking and other payment services to their end-user base without becoming a regulated entity. PFS operates in 24 countries and supports over 26 currencies. PFS's key customer segments include blue-chip financial institutions, non-financial corporates, SMEs, FinTech companies, public sector and NGO bodies.

EML Managing Director and Group Chief Executive Officer, Tom Cregan said:

*"The acquisition of PFS continues to consolidate EML's market position as one of the largest FinTech enablers in digital banking and prepaid globally."*

*"PFS is highly complementary to EML's existing solutions suite and adds digital banking and multi-currency offerings to our existing suite, while expanding our global market footprint and ability to cross-sell PFS's solutions."*

For the 12 months to 30 June 2020, PFS is forecast to process GDV of A\$5.3 billion and generate net revenue of A\$84 million and EBITDA of A\$24 million. The upfront acquisition enterprise value of £226 million (A\$423 million) comprises £41 million (A\$77 million) in EML shares to be issued to the vendors<sup>7</sup> at A\$3.55 per EML share, and £185 million (A\$346 million) cash. The upfront acquisition enterprise value represents 17.5x PFS' FY20 EBITDA pre-synergies and 14.0x PFS' FY20 EBITDA post approximately A\$6 million of net run-rate synergies.

The Acquisition is estimated to be mid-teen EPSA accretive in FY20 on a pro forma basis, before synergies, and in excess of 25% EPSA accretive in FY20 on a pro forma basis post approximately A\$6 million of net run-rate synergies.<sup>8</sup>

Following the Acquisition, pro forma net debt / pro forma FY19A EBITDA, before synergies and completion adjustments, will be approximately 2.3x, with EML expected to reduce this ratio to less than 2.0x net debt / LTM EBITDA in the medium term.<sup>9</sup>

Provided certain conditions precedent are satisfied (as described in the Investor Presentation released to the ASX today), the Acquisition is expected to complete in early 2020. £11.5 million (A\$21.5 million) of the Acquisition cash consideration will be held in escrow for 12 months following completion of the Acquisition for claims made under the Acquisition agreement.

## Equity Raising

The fully underwritten Equity Raising is comprised of the Entitlement Offer to raise approximately A\$183 million and the Placement to raise approximately A\$67 million.

Approximately 70 million new EML shares will be issued under the Equity Raising (in addition to approximately 22 million new EML shares issued under the Vendor Placement). New EML shares will rank equally with existing EML shares and EML will, upon issue of those shares, seek quotation of the shares on ASX.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new EML share for every 5 existing EML shares (**Entitlement**) held as at 7:00pm (Sydney time) on Wednesday, 13 November 2019.

All new EML shares offered under the Equity Raising will be issued at a price of A\$3.55 per new EML share (**Offer Price**), which represents a:

- 7.3% discount to the last close price of A\$3.83 per EML share on Friday, 8 November 2019; and
- 6.2% discount to TERP of A\$3.78 per EML share.

<sup>6</sup> EML has secured a total facility of up to A\$175 million to support working capital and future growth (accompanied by a A\$100 million accordion facility).

<sup>7</sup> EML shares issued to the vendors under the Vendor Placement will be restricted from sale until EML releases its financial results for the year ending 30 June 2020 in August 2020.

<sup>8</sup> EPSA accretion is calculated as the incremental FY20 pro forma EPSA over EML's FY20 standalone EPSA. EPSA excludes the impact of one-off transaction and integration costs and acquisition-related amortisation. EPSA accretion is presented on a TERP-adjusted basis—in accordance with AASB 133 EML's standalone EPSA has been adjusted to account for the bonus element of the Entitlement Offer. See page 7 of the Investor Presentation released to the ASX today for further details about the EPSA accretion calculation assumptions.

<sup>9</sup> The FY19 pro forma EBITDA of A\$50.8m is based on EML's FY19 EBITDA of A\$29.7m adjusted for the A\$4m Flex-E-Card acquisition run rate EBITDA, and PFS's EBITDA for the 12 months ended 30 June 2019 of A\$17.1m. EML EBITDA presented in EML's FY19 results included acquisition costs of A\$0.6m, which are now excluded from EBITDA.

## Placement

Up to approximately 19 million new EML shares are expected to be issued to new and existing institutional shareholders under the Placement at the Offer Price. The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below).

New EML shares issued under the Placement will not be eligible to participate in the Entitlement Offer.

## Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is being conducted today, Monday, 11 November 2019 and tomorrow, Tuesday, 12 November 2019.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Institutional Entitlements cannot be traded on the ASX or transferred.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

EML's shares will remain in a trading halt pending completion of the Institutional Entitlement Offer.

## Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**) at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Monday, 18 November 2019 and close at 5.00pm on Friday, 29 November 2019.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which EML expects to lodge with the ASX and dispatch to eligible retail shareholders on Monday, 18 November 2019. The retail offer booklet will also enclose personalised entitlement and acceptance forms.

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their Entitlement under the Entitlement Offer in full or in part, will not receive any value in respect to those Entitlements not taken up.

## Key dates<sup>10</sup>

Trading halt and announcement of the Acquisition and Equity Raising	Monday, 11 November 2019
Institutional Entitlement Offer and Placement opens	Monday, 11 November 2019
Institutional Entitlement Offer and Placement closes	Tuesday, 12 November 2019
Trading halt lifted and announcement of results of Institutional Entitlement Offer and Placement – shares recommence trading on ASX on an "ex-entitlement" basis	Wednesday, 13 November 2019
Record Date for determining Entitlements to subscribe for new shares under the Entitlement Offer	7.00pm, Wednesday, 13 November 2019
Retail offer booklet dispatched and Retail Entitlement Offer opens	Monday, 18 November 2019
Settlement of Institutional Entitlement Offer and Placement	Tuesday, 19 November 2019
Allotment and normal trading of new EML shares issued under the Institutional Entitlement Offer and Placement	Wednesday, 20 November 2019

<sup>10</sup> All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Daylight Time (AEDT). EML reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

Retail Entitlement Offer closes	Friday, 29 November 2019
Results of the Retail Entitlement Offer announced to ASX	Wednesday, 4 December 2019
Settlement of Retail Entitlement Offer	Thursday, 5 December 2019
Allotment of new EML shares issued under the Retail Entitlement Offer	Friday, 6 December 2019
Normal trading of new EML shares issued under the Retail Entitlement Offer	Monday, 9 December 2019
Dispatch of holding statements	Tuesday, 10 December 2019

### **EML Director participation in Entitlement Offer**

EML Managing Director and Group Chief Executive Officer, Tom Cregan, intends to take up his Entitlement in the Entitlement Offer in part.

### **EML FY20 Outlook and Guidance Statement (excluding PFS)**

EML today announced standalone guidance for FY20 saying it is on track to deliver 28-43% EBITDA growth.<sup>11</sup>

- FY20 Revenue guidance range of A\$116 million – A\$132 million;
- FY20 EBITDA guidance range of A\$38.5 million – A\$42.5 million;
- FY20 NPATA guidance range of A\$26.2 million – A\$29.4 million; and
- FY20 Operating cash flow guidance range of 70% – 80% of EBITDA

EML's FY20 guidance is based on the following key assumptions:

- Underlying EBITDA now excludes acquisition costs in FY20 and prior year comparatives;
- FX rates remain in line with October 2019 rates;
- Declining global interest rates negatively impacting interest income in all regions by A\$1.0 million. No significant movement in rates for remainder of the year;
- Seasonal gift card GDV growth in line with 2018 (4-8%);
- Minimal contribution from US gaming programs;
- No impact included for any acquisitions; and
- Underlying EBITDA includes the adoption of AASB 16 leases which improves EBITDA by approximately A\$1.5 million.

### **Additional details**

Further details of the Acquisition, Entitlement Offer and Placement are set out in the Investor Presentation released to the ASX today. The presentation contains important information that shareholders and investors should consider, including information about risks factors and the foreign selling restrictions with respect to the Equity Raising.

Royal Bank of Canada (trading as RBC Capital Markets) is acting as financial adviser to EML on the Acquisition. RBC Capital Markets and UBS AG, Australia Branch are acting as joint lead managers, joint book runners and joint underwriters in relation to the Equity Raising. Petra Capital and Wilsons Corporate Finance are acting as co-managers in relation to the Equity Raising. RBC Capital Markets and ANZ are acting as joint lead arrangers on the multicurrency debt facility to support the Acquisition. EY is acting as finance and tax adviser to EML in relation to the Acquisition and Equity Raising. Herbert Smith Freehills is acting as legal adviser to EML in relation to the Acquisition and Equity Raising.

<sup>11</sup> EBITDA growth over prior corresponding period of A\$29.7m excluding acquisition costs.



# 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](https://emlpayments.com)**

For further information, please contact:

## **Robert Shore**

Group Chief Financial Officer

**EML Payments Limited (ASX: EML)**

[rshore@emlpayments.com.au](mailto:rshore@emlpayments.com.au)

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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 (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 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.

This announcement contains certain forward looking statements and comments about future events, including EML's expectations about the financial and operating performance of its businesses, the acquisition of PFS, the timetable and outcome of the Entitlement Offer and the Placement and the use of proceeds thereof. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause PFS' actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are beyond EML's control. Refer to the various risks factors in Appendix A - "Key Risks" of the Investor Presentation entitled "Acquisition of Prepaid Financial Services and Equity Raising" released to the ASX today. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of EML. As such, undue reliance should not be placed on any forward looking statement. Past performance information given in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of EML.

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. Cooling off rights do not apply to the acquisition of EML shares pursuant to the Entitlement Offer.

# Acquisition of Prepaid Financial Services and Equity Raising

Investor Presentation

11 November 2019



# Important notice and disclaimer

This investor presentation (**Presentation**) is dated 11 November 2019 and has been prepared by EML Payments Limited (ABN 93 104 757 904) (**EML** or the **Company**). By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out below.

This Presentation has been prepared in relation to:

- EML's acquisition of all of the share capital in Prepaid Financial Services (Ireland) Limited, a company incorporated in Ireland, and its subsidiaries (**PFS**) (the **Acquisition**);
- an accelerated non-renounceable entitlement offer of new fully paid ordinary shares in EML (**New Shares**) to be made to eligible institutional shareholders of EML (**Institutional Entitlement Offer**) and eligible retail shareholders of EML (**Retail Entitlement Offer**) under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Entitlement Offer**); and
- a placement of New Shares to institutional investors and certain existing institutional shareholders under section 708A of Corporations Act as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**Placement**),

the Entitlement Offer and Placement together, the **Offer**.

## Summary information

This Presentation is for information purposes only and is a summary only. It should be read in conjunction with EML's most recent financial report and EML's other periodic and continuous disclosure information lodged with the Australian Securities Exchange (**ASX**), which is available at [www.asx.com.au](http://www.asx.com.au). The content of this Presentation is provided as at the date of this Presentation (unless otherwise stated). Reliance should not be placed on information or opinions contained in this Presentation and, subject only to any legal obligation to do so, EML does not have any obligation to correct or update the content of this Presentation.

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This Presentation contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of EML, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

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# Executive Summary

<b>Transaction Details<sup>1</sup></b>	<ul style="list-style-type: none"><li>– EML Payments Limited (<b>EML</b>) has entered into a binding agreement to acquire 100% of Prepaid Financial Services (Ireland) Limited (<b>PFS</b>) for an enterprise value of <b>£226 million</b> (A\$423 million) (<b>Upfront Enterprise Value</b>), plus an earn-out component of up to <b>£55m</b> (A\$103 million) (<b>Earn-out Consideration</b>) (together the <b>Acquisition</b>)</li><li>– Implied upfront Acquisition multiple of approximately <b>17.5x</b> Upfront Enterprise Value / FY20 EBITDA based on PFS’s forecast EBITDA for the 12 months ending 30 June 2020 of <b>£12.9m</b>, and approximately <b>14.0x</b> taking into account the full year impact of synergies expected to be realised post completion of the Acquisition<sup>2,3</sup></li></ul>
<b>PFS Overview</b>	<ul style="list-style-type: none"><li>– PFS was founded in 2008 and has evolved into a leading provider of white label payments and Banking-as-a-Service (<b>BaaS</b>) technology in support of the FinTech sector and the evolution of Open Banking in Europe</li><li>– PFS provides prepaid payments and digital banking capabilities, e-wallets and payout / distribution programs, regulatory Electronic Money Institution (<b>EMI</b>) status and flexible software to enable financial institutions and non-financial institutions alike to deliver feature-rich transactional banking and other payment services to their end-user base</li><li>– PFS’s key customer segments include blue-chip financial institutions, non-financial corporates, SMEs, FinTech companies, public sector and NGO bodies</li></ul>
<b>Transaction Strategic Rationale</b>	<ul style="list-style-type: none"><li>– <b>Leading Global Player:</b> Post-completion of the Acquisition, the combined group is expected to become one of the largest FinTech enablers in open banking and prepaid globally, with the group expected to process in aggregate ~A\$18bn GDV in FY20<sup>2</sup></li><li>– <b>Broadens Solution Suite:</b> Adds digital banking and multi-currency offerings to EML’s solution suite; ability to cross-sell PFS’s digital banking and multi-currency offerings into EML’s global market footprint</li><li>– <b>Customer Diversification and Revenue Mix:</b> Further diversifies EML’s customer footprint; shifts segment mix on a net revenue basis towards GPR going from 25% → 54% of pro forma FY19 net revenue<sup>4</sup></li><li>– <b>Operating Leverage:</b> Brings scale to European operations, enabling greater operating leverage</li><li>– <b>Financially Attractive:</b> The post-Acquisition combined group is expected to have an attractive 3 year pro forma net revenue CAGR of 25%+ from FY18 – FY20 and strong 30%+ pro forma EBITDA margin for FY20<sup>6</sup>; expected to be mid-teen pro forma EPSA accretive in FY20, prior to synergies<sup>2,3,5</sup></li><li>– <b>Management Team Alignment:</b> The earn-out structure and vendor scrip component of the Acquisition incentivises the management team of PFS</li></ul>

(1) GBP / AUD conversion rate of 1.87

(2) Slides 23 and 24 outline further detail on forecast assumptions

(3) Net run-rate synergies of approximately A\$6m per annum expected to be partially realised in FY21 and fully realised from FY22

(4) Pro forma FY19 net revenue comprises EML’s net revenue for FY19, and PFS’s net revenue for the 12 months ended 30 June 2019, and assumes completion of the Acquisition on 1 July 2018

(5) See slide 7 for the calculation and assumptions underlying FY20 EPSA accretion

(6) Pro forma net revenue and EBITDA comprise EML’s and PFS’s net revenue and EBITDA for the relevant period, and assume completion of the Acquisition prior to the commencement of that period

# Executive Summary

<b>Acquisition Consideration<sup>1</sup></b>	<ul style="list-style-type: none"> <li>– Upfront Enterprise Value of <b>£226 million</b> (A\$423 million) comprising <b>£41 million</b> (A\$77 million) in EML shares to the vendors<sup>2</sup>, issued at A\$3.55 per share, and <b>£185 million</b> (A\$346 million) cash</li> <li>– Earn-out Consideration comprising up to <b>£55 million</b> (A\$103 million) contingent on PFS achieving agreed annual EBITDA targets during the 3 year period post Acquisition close</li> <li>– <b>£11.5 million</b> (A\$21.5 million) will be held in escrow for 12 months following completion of the Acquisition for claims made under the Acquisition agreement</li> </ul>
<b>Acquisition Funding</b>	<ul style="list-style-type: none"> <li>– The cash component of the Upfront Enterprise Value, transaction costs and target cash on hand at close is to be funded by a combination of: <ul style="list-style-type: none"> <li>– A fully underwritten placement to new and existing institutional shareholders to raise approximately A\$67 million</li> <li>– A fully underwritten accelerated, pro-rata, non-renounceable entitlement offer to raise approximately A\$183 million</li> <li>– New senior secured term loan and revolving credit facilities of A\$130 million. The group has secured a total facility of up to A\$175 million to support working capital and future growth (accompanied by a A\$100 million accordion facility)</li> </ul> </li> <li>– The Earn-out Consideration, to the extent paid, is expected to be funded in cash from operating cash flows and available debt capacity</li> </ul>
<b>Financial Impact</b>	<ul style="list-style-type: none"> <li>– The Acquisition is expected to deliver mid-teen EPSA accretion in FY20 pre-synergies and 25%+ post-synergies (before transaction and implementation costs)<sup>3,4,5,7</sup></li> <li>– Net run-rate synergies of ~A\$6 million per annum<sup>3</sup> <ul style="list-style-type: none"> <li>– Synergies achieved from utilisation of PFS processor; supplier and other cost savings</li> <li>– Realisation of synergies to commence in FY21</li> </ul> </li> <li>– Net debt / Pro forma FY19 EBITDA of 2.3x expected prior to completion adjustments and prior to synergies<sup>6</sup> <ul style="list-style-type: none"> <li>– EML medium-term net debt / LTM EBITDA target of &lt;2.0x</li> </ul> </li> </ul>
<b>Timing and Conditions</b>	<ul style="list-style-type: none"> <li>– Completion of the Acquisition is subject to change of control regulatory approvals from the Financial Conduct Authority (FCA) (United Kingdom) and the Central Bank of Ireland (CBOI)</li> <li>– The Acquisition is expected to complete in early 2020</li> </ul>

(1) GBP / AUD conversion rate of 1.87

(2) EML shares issued to the vendors will be restricted from sale until EML releases its financial results for the year ending 30 June 2020 in August 2020

(3) Net run-rate synergies of approximately A\$6m per annum expected to be partially realised in FY21 and fully realised from FY22

(4) EPSA accretion is calculated as the incremental FY20 pro forma EPSA over EML's FY20 standalone EPSA; Based on EML NPATA, adjusted for entitlement offer TERP adjustment; TERP = theoretical ex-rights price; Assumes completion of the Acquisition on 1 July 2019

(5) Accretion calculation is based on the following assumptions: 1) Standalone EML FY20 NPATA estimate of A\$27.4 million, standalone FY20 EPSA estimate of A\$0.11, 2) PFS EBITDA estimate for the 12 months ending 30 June 2020 of £12.9 million / A\$24 million, 3) Equity component of the Upfront Enterprise Value issued at A\$3.55 per share, reflecting a 6.2% discount to TERP. TERP includes shares issued under the entitlement offer and excludes the placement and shares issued to the vendors of PFS, 4) New debt interest rate comprised of a margin of 245bps (depending on a leverage grid) over the applicable EUR, AUD or GBP base rate, 5) Tax rate of 19% on incremental pre-tax income and expenses, and 6) Depreciation & Amortization expense of \$3.2 million for EML and \$1.7 million for PFS

(6) The FY19 pro forma EBITDA of A\$50.8m is based on EML's FY19 EBITDA of A\$29.7m adjusted for the A\$4m Flex-E-Card acquisition run rate EBITDA, and PFS's EBITDA for the 12 months ended 30 June 2019 of A\$17.1m. EML EBITDA presented in EML's FY19 results included acquisition costs of A\$0.6m, which are now excluded from EBITDA.

(7) Slides 23 and 24 outline further detail on forecast assumptions



# Overview of PFS

The EMI logo is centered within a large, thin white circle. The logo itself consists of the letters 'EMI' in a bold, white, sans-serif font, followed by a small blue dot.

# PFS at a Glance

PFS’s prepaid payments and digital banking capabilities, regulatory Electronic Money Institution status in the UK and Europe alongside flexible software enables financial institutions and non-financial institutions alike to deliver feature-rich transactional banking and other prepaid payment services to their end-user base

**£2.5 Billion**

CY19E Gross Debit Volume

**£12 Million**

CY19E Adj. EBITDA<sup>1</sup>

**£40 Million**

CY19E Adj. Net Revenue<sup>1</sup>

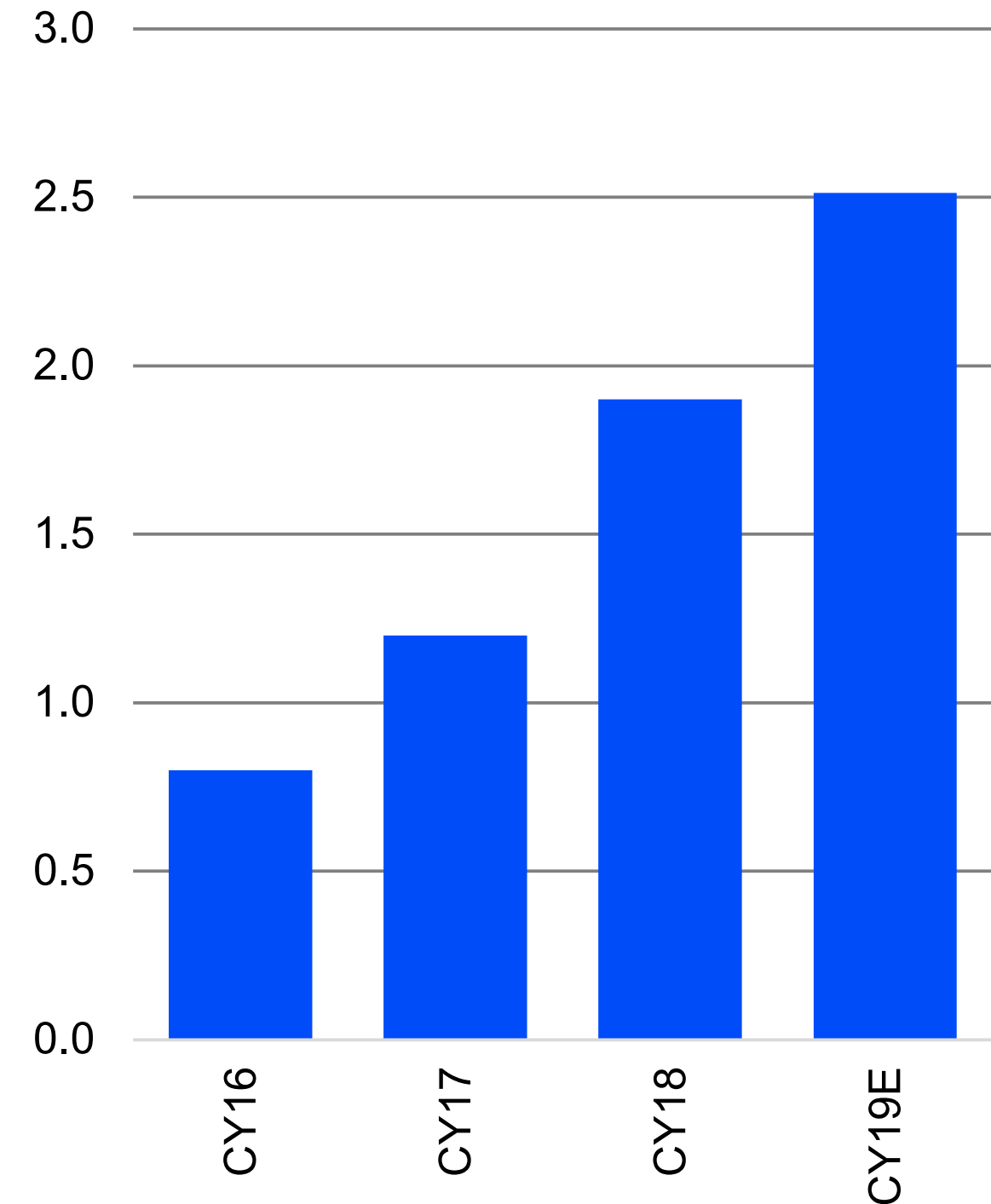
**↑ 33%**

CY16 – CY19E Revenue CAGR

GDV (£bn)

**↑ 46%**

CY16 – CY19E GDV CAGR<sup>2</sup>



FCA regulated as an e-money institution and approved credit issuer



Licensed by the CBOI as an e-money institution



Principal Member Programme Manager Certified Acquirer



Principal Member Certified Acquirer



Indirect Participant Ability to offer Partial Current Account Switching Service in the UK



Indirect Participant of EPC to provide SEPA Credit Transfers and Indirect Debits in 16 European Countries

Source: Vendor Due-Diligence Report, Financial Due-Diligence Report, Management Estimates

(1) PFS financials are restated on the basis of EML accounting policies. Slides 23 and 24 outline further detail on forecast assumptions

(2) PFS’s financial year ends on 31 December, and is labelled as CY. PFS’s results, where presented as FY, have been calendarised to a 30 June year end

# Key Investment Highlights



## Leading e-Money company and Banking-as-a-Service provider

Pan-European footprint with strong underlying growth of existing business partner accounts and continued growth of core sector verticals



## Attractive client base

Deep-rooted client relationships including blue-chip financial institutions, non-financial corporates, SMEs, FinTech companies, public sector and NGO bodies



## BaaS technology embeds sticky, long term relationships

End-to-end service from digital / mobile banking, program management, analytics, reporting and issuing



## Regulated entity

FCA and CBOI regulated status as issuer of e-money for UK and SEPA region<sup>1</sup>



## Highly attractive financial profile

Fast growing non-bank issuer of Mastercard physical and virtual accounts



## Platform for growth

Proven track record of new business pipeline delivery  
Live in 24 countries across Europe

<sup>(1)</sup> SEPA = Single Euro Payments Area



# Solution Suite

## Digital Banking & Current Accounts

**43%** of GDV

Online / mobile banking and real-time payments

Issuance of IBANs

Partial current account switching services



## Government, Local Authority & NGO

**42%** of GDV

Issuance to unbanked and underbanked individuals

Online banking and real-time payments

Real-time, secure funds distribution and bulk payments



## Corporate Solutions & Incentive Schemes

**7%** of GDV

Customised e-money and digital banking solutions

End to end payment services

Full programme design and management

Reward and loyalty programmes



## Multi-Currency Travel Cards

**6%** of GDV

Multi-currency cards or e-wallets

Direct integration with numerous FX suppliers

Single / multi-use virtual cards

P2P / youth centric products



## Instant Issue & GPR

**1%** of GDV

Full programme design and management

White labelled end-user interfacing

Card issuing

GPR both B2B and B2C programmes



# Awards / Customers

PFS has received numerous industry awards, which recognise product leadership and growth, and has an attractive and international client base

## Awards



## Key Customers



## Recent Client Wins





## Highly Experienced Management Team



**Noel Moran**

*Founder and Chief Executive Officer*

Noel has spent his career in Financial Services. He worked with two of the main traditional Irish banks, Permanent TSB and AIB, before moving to the United Kingdom working at Lloyds Bank, Royal Bank of Scotland, Co-Operative Bank and MBNA.

Noel founded PFS in 2008 and has been instrumental in the company's development and evolution of the broader FinTech industry. PFS has returned profits for 11 consecutive years and has been awarded a list of major accolades for its innovative electronic money solutions. Noel's expertise is focused in FinTech, innovation, e-money, banking solutions, e-wallets, physical and virtual prepaid cards, and current accounts.

In 2018, PFS beat 112,000 entrants to be named Europe's No.1 Digital Technology company by winning the overall prize at the RSM European Business Awards Grand Final in Warsaw, Poland. In 2019 Noel was named European CEO Entrepreneur of the Year for the second year in a row.




**Lee Britton**

*Chief Commercial Officer*

Before joining Noel at PFS in 2011 Lee held several senior management roles within the Financial Services industry, including EVP of Business Development at Muscato Group and CEO of Altair Financial.

Lee is Chief Commercial Officer at PFS, where he has overseen 9 consecutive years of sales growth since joining. Lee has helped to steer PFS's trajectory in the FinTech and Payments industries with a focus on customer delivery.

# Financial Performance

	12 months to 31 December 2017 <sup>1</sup> Actual	12 months to 31 December 2018 <sup>1</sup> Actual	12 months to 31 December 2019 <sup>1,2</sup> Forecast
			
Gross debit volume (£bn)	1.2	2.0	2.5
<b>Net Revenue (£m)</b>	<b>£24</b>	<b>£30</b>	<b>£40</b>
Net Revenue Growth (%)	33%	25%	33%
Revenue Conversion Rate (bps) <sup>3</sup>	200bps	150bps	160bps
<b>Gross Profit (£m)</b>	<b>£16</b>	<b>£18</b>	<b>£24</b>
GP Margin (%)	67%	60%	60%
Overheads (£m)	(9)	(10)	(12)
<b>EBITDA (£m)</b>	<b>£7</b>	<b>£8</b>	<b>£12</b>
EBITDA Margin (%)	29%	27%	30%

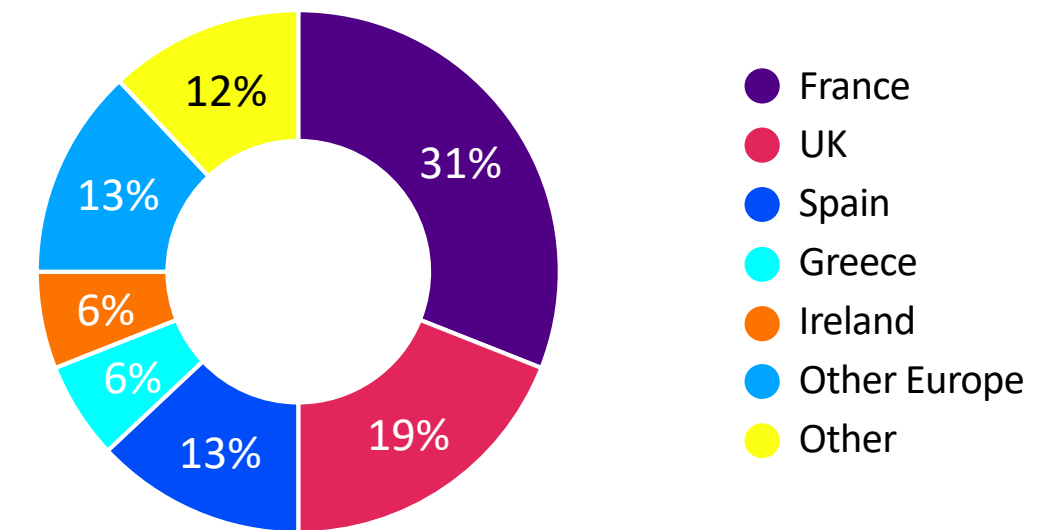
**GDV growth from in place and new programmes**

**Complementary and high revenue conversion rates that are consistent with EML**

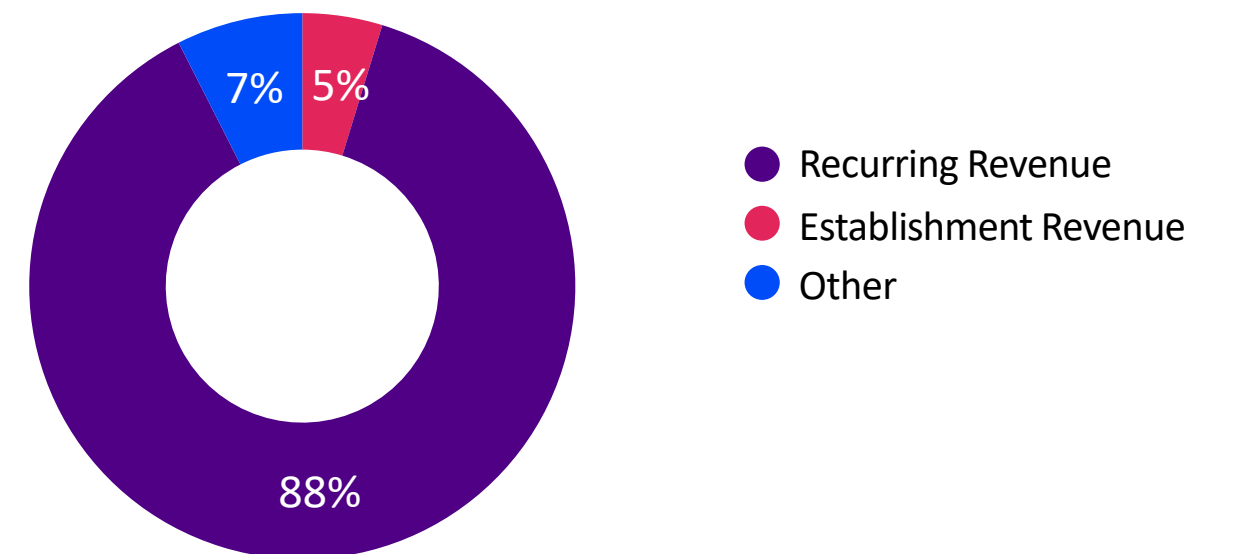
**Consistently robust gross profit margins and in-line with EML**

**Strong EBITDA margins of 20%+ p.a.**

CY2018A Net Revenue by Geography<sup>1</sup>



CY2018A Net Revenue by Product<sup>1</sup>



Source: Vendor Due-Diligence Report, Financial Due-Diligence Report, Management Estimates

(1) PFS's financial year ends on 31 December, and is labelled as CY. PFS's results, where presented as FY, have been calendarised to a 30 June year end

(2) Slides 23 and 24 outline further detail on forecast assumptions

(3) Revenue conversion rate is defined as net revenue / gross debit volume

# Acquisition Rationale



EMI.



# Strategic Rationale



## LEADING GLOBAL PLAYER

- **Leader:** Post-Acquisition combined group is one of the largest independent FinTech enablers in open banking and prepaid globally
- **Scale:** ~A\$18bn GDV in FY20<sup>1</sup>



## BROADENS SOLUTION SUITE

- **New Solutions:** Adds digital banking and multi-currency offerings to EML's solution suite
- **Cross-Sell:** Ability to cross-sell PFS' digital banking and multi-currency offerings into EML's global market footprint



## CUSTOMER DIVERSIFICATION & REVENUE MIX

- **Diversification:** Further diversifies EML's customer footprint
- **Revenue Mix:** Shifts segment mix on a net revenue basis towards GPR going from 25% → 54% of pro forma FY19 net revenue<sup>2</sup>



## OPERATING LEVERAGE

- **Deepen EML Europe:** Brings scale to EML's European operations, enabling greater operating leverage in addition to potential synergies<sup>3</sup>



## FINANCIALLY ATTRACTIVE COMBINED GROUP

- **High Growth:** Attractive 3-year pro forma net revenue CAGR of 25%+ from FY18 – FY20<sup>4</sup>
- **Profitable:** Strong 30%+ pro forma EBITDA margin for FY20<sup>4</sup>
- **Accretive:** Expected to be mid-teen pro forma EPSA accretive in FY20 pre-synergies and 25%+ post-synergies<sup>1,3,5</sup>



## MANAGEMENT TEAM ALIGNMENT

- **Aligned Incentives:** Earn-out structure and vendor scrip component incentivises the PFS management team to deliver continued growth post combination

(1) Slides 23 and 24 outlines further detail on forecast assumptions

(2) Pro forma FY19 net revenue comprises EML's net revenue for FY19, and PFS's net revenue for the 12 months ended 30 June 2019, and assumes completion of the Acquisition on 1 July 2018

(3) Net run-rate synergies of approximately A\$6m per annum expected to be partially realised in FY21 and fully realised from FY22

(4) Pro forma net revenue and EBITDA comprise EML's and PFS's net revenue and EBITDA for the relevant period, and assume completion of the Acquisition prior to the commencement of that period

(5) See slide 7 for the calculation and assumptions underlying FY20 EPSA accretion

# Expanded Solutions

- Adds Digital Banking and Multi-currency offerings to EML's solution suite
- Ability to cross-sell PFS's solutions into EML's global footprint
- PFS deepens EML's presence in reloadable cards
- Shifts revenue mix with majority coming from attractive GPR segment

## Segment Mix by Net Revenue

EML Standalone (FY19)

EML + PFS (FY19)



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(1) GPR = General Purpose Reloadable; G&I = Gift & Incentive; VANs = Virtual Account Numbers

 	
<b>Reloadable</b> (GPR / Payout Cards)	 
<b>Non-Reloadable</b> (Incentive & Reward Cards, Gift Cards)	 
<b>Supplier Payments</b> (Virtual B2B, Supplier Enablement, Payment Execution)	
<b>Digital Gifting</b> (Pays)	 
<b>Digital Banking &amp; Current Accounts</b> (Online / Mobile Banking, Issuance of IBAN)	
<b>Multi-Currency Travel Cards</b> (Multi-currency E-wallets and Integration With FX Suppliers)	



# Expanded Capabilities



Licences

AFSL & CBOI

CBOI & FCA

Currencies

15

26

European Footprint

16  
countries

24  
countries

Cash Loading Locations

Australia

UK, France, Ireland, Slovenia,  
Spain

Processors

Proprietary

3<sup>rd</sup> Party & Proprietary

Fully Scale UK and European Footprint

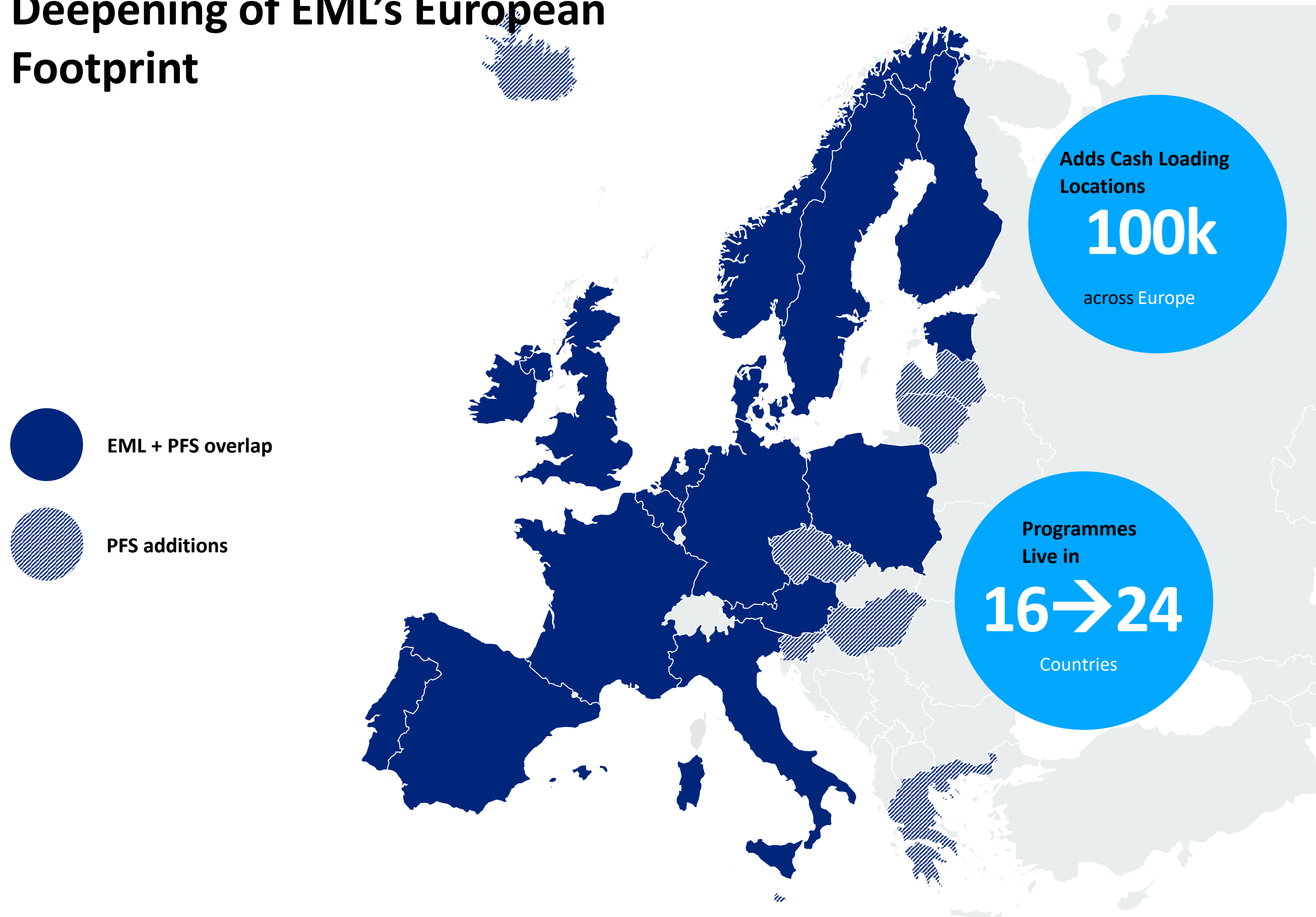
26+ currencies supported, with new currency offerings including HKD, Rand, Shekel, Swiss Franc, the Yen and more

Provides entry into 8 new markets, including Hungary, Greece and Slovenia, and further penetration into the UK, France and Spain

Expands cash loading capabilities beyond Australia

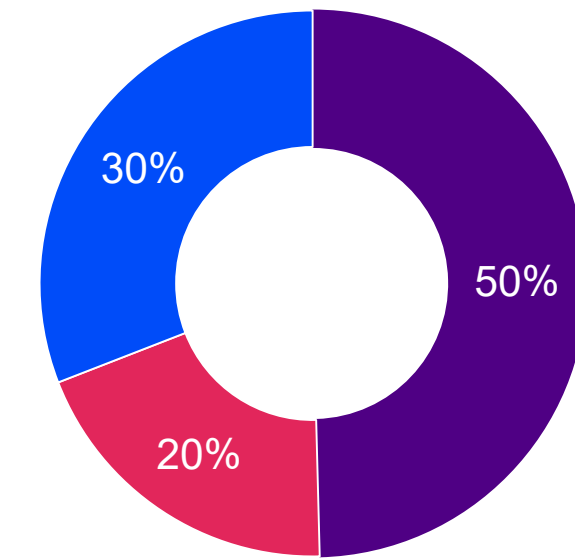
Room for cost savings from investment in internal processing technologies

# Deepening of EML's European Footprint

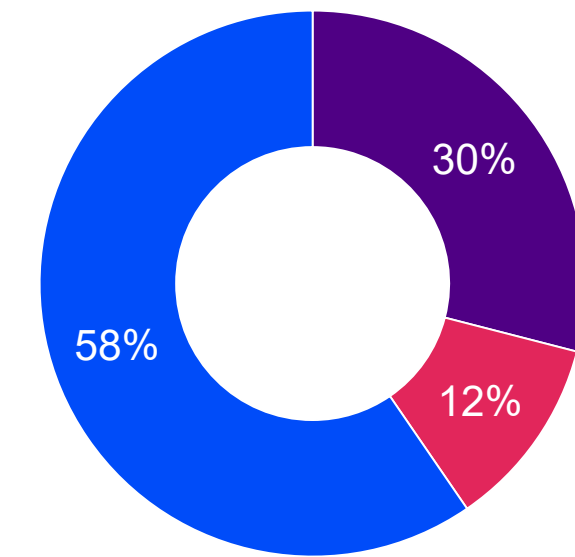


## Geography Mix by Net Revenue

EML Standalone (FY19)



EML + PFS (FY19)



- America
- Australia
- EMEA

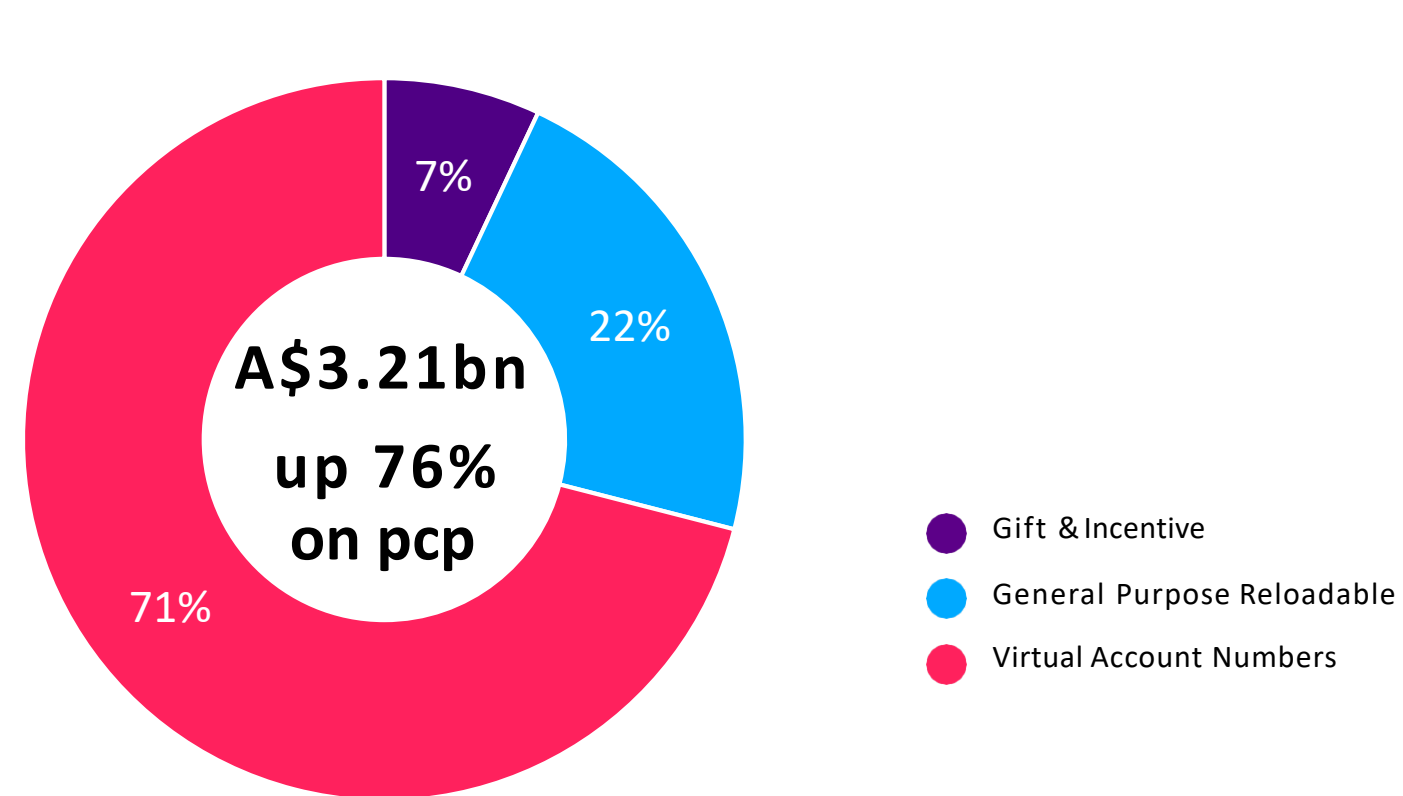
# EML Financial Update and Acquisition Impact



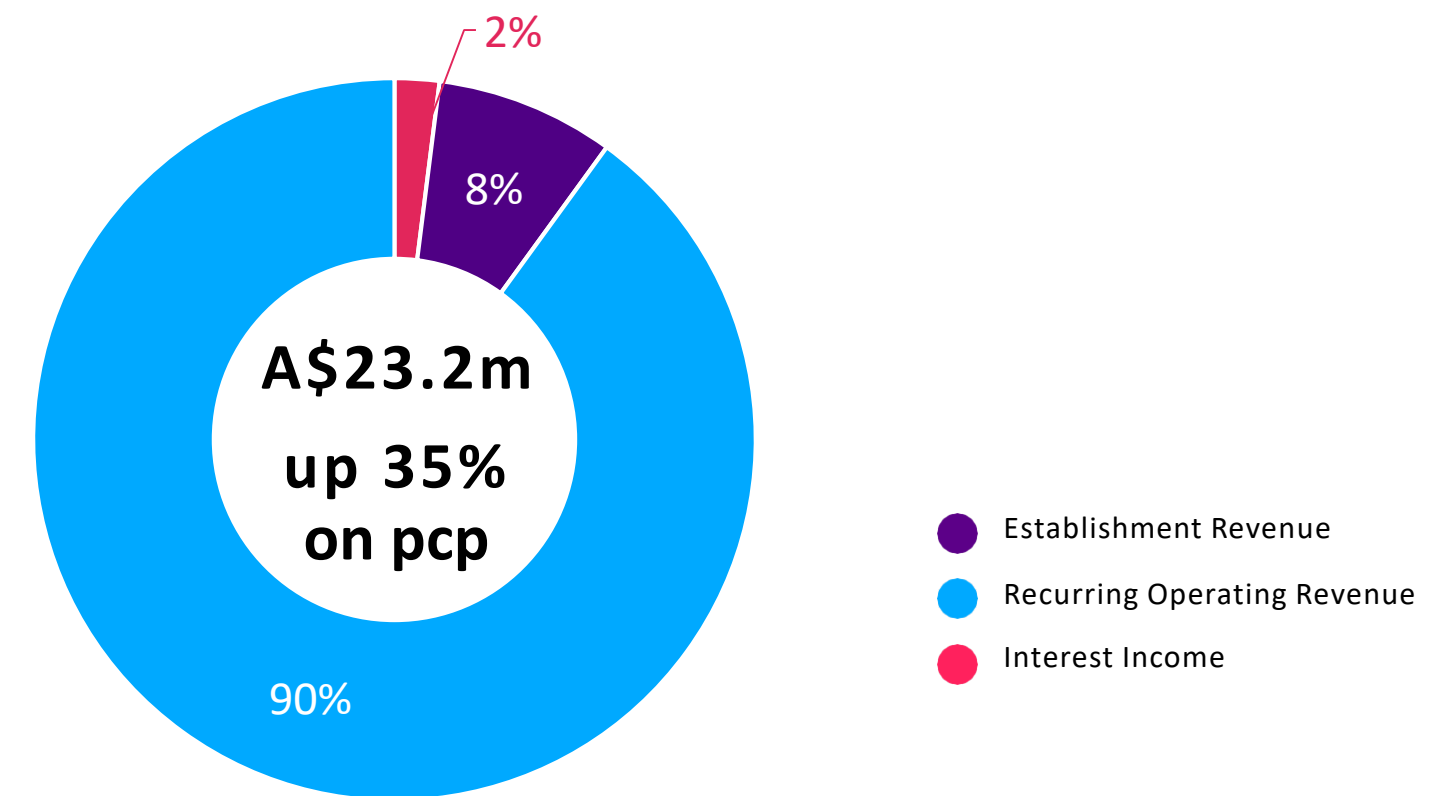
EML.

# Q1 FY20 Financials Update

## Group Gross Debit Volume (GDV)



## Group Sources of Revenue



Q1 FY20

GDV

**A\$3,214m**

A\$1,821m (Q1 FY19)

Revenue

**A\$23.2m**

A\$17.2m (Q1 FY19)

Revenue conversion

**72bps**

94bps (Q1 FY19)

# Q1 FY20 Financials Update

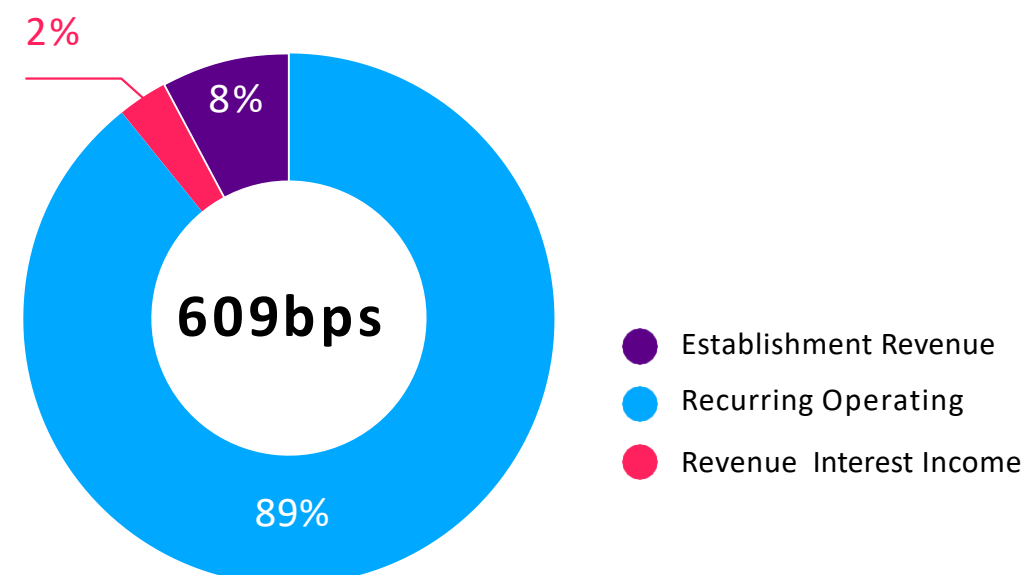
### Gift & Incentive

GDV	Revenue*
<b>A\$223m</b>	<b>A\$13.6m</b>
\$139m (Q1 FY19)	\$9.3m (Q1 FY19)

Revenue up 46% on pcp:

- Q1 FY19 includes contribution from Flex-e-Card acquired 28 June 2019 and ECE launched in Q2 FY18
- Mobile Pays Gift Solution gaining traction with new programs in market in AU (Q1) and EU (Q2)

Sources of revenue



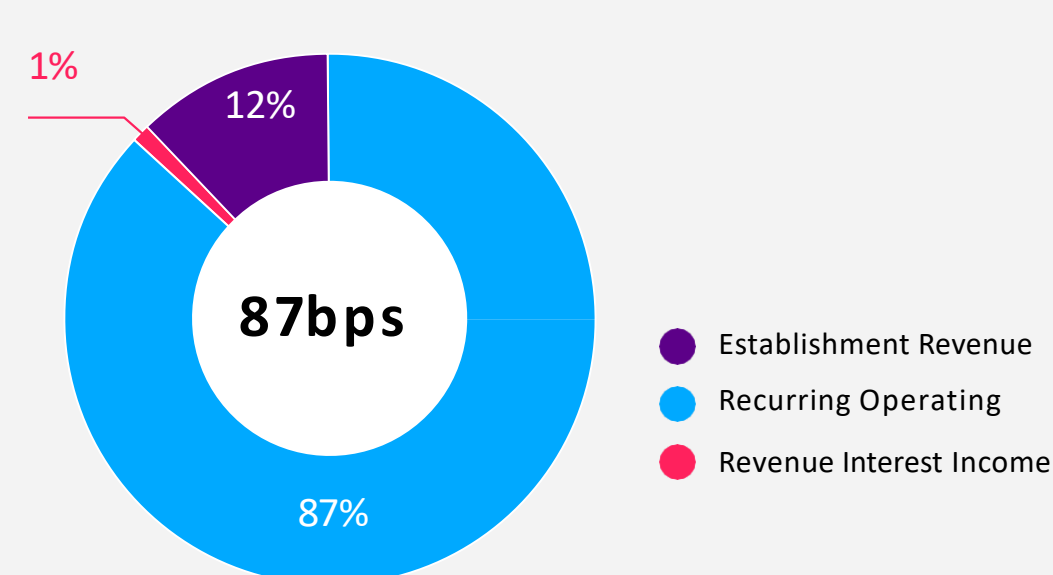
### General Purpose Reloadable (GPR)

GDV	Revenue*
<b>A\$715m</b>	<b>A\$6.4m</b>
\$709m (Q1 FY19)	\$6.2m (Q1 FY19)

Revenue up 3% on pcp:

- LuLaRoe (LLR) GDV down 36% on pcp with revenue down 26% in line with expectations, program performing in line with Q4 FY19
- Establishment income down \$0.3m on pcp due to timing of plastic orders
- At 30 September 2019, EML supported more than 184k Salary Packaging accounts

Sources of revenue



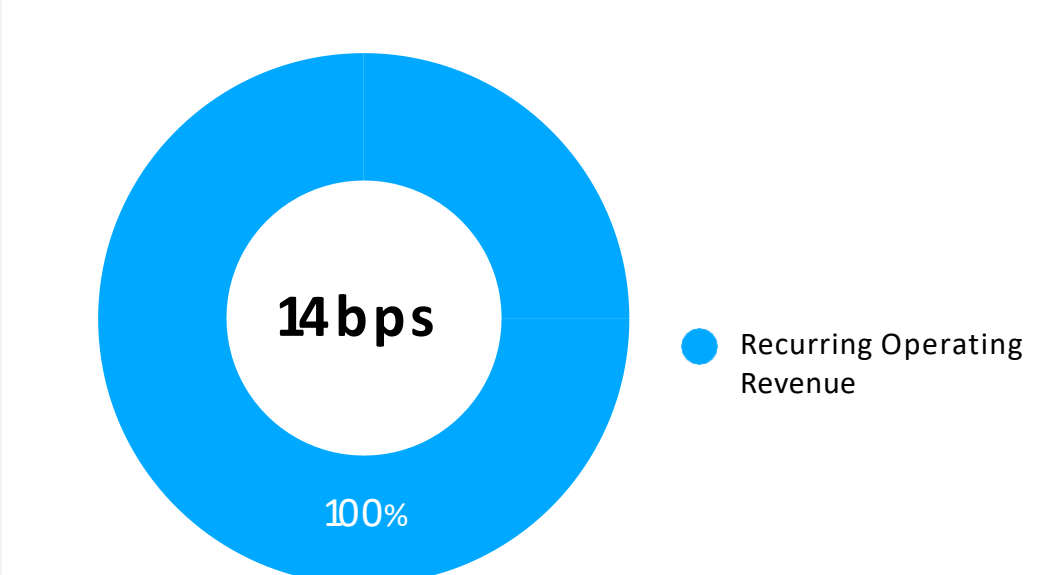
### Virtual Account Numbers (VANS)

GDV	Revenue*
<b>A\$2,276m</b>	<b>A\$3.1m</b>
\$963m (Q1 FY19)	\$1.0m (Q1 FY19)

Revenue up 210% on pcp:

- Growth in line with management expectations of more than A\$8.4bn GDV for the full year

Sources of revenue



\* Segment Revenue excludes Group interest & adjustments



## FY2020 - Financial Guidance (excluding Prepaid Financial Services)

EML expects underlying EBITDA<sup>1,2</sup> to be in a range of

**A\$38.5m - A\$42.5m**

for FY20

Represents growth of

**29-43%**

over pcp of A\$29.7m excluding acquisition costs

### FY20 Guidance

Revenue	<b>A\$116m - A\$132m</b>
EBITDA	<b>A\$38.5m - A\$42.5m</b>
NPATA	<b>A\$26.2m - A\$29.4m</b>
Operating cash flow	<b>70% - 80%</b>

### Assumptions:

**01**

Underlying EBITDA now excludes acquisition costs in FY20 and prior year comparatives

**02**

FX rates remain in line with October 2019 rates

**03**

Declining global interest rates negatively impacting interest income in all regions by A\$1.0m. No significant movement in rates for remainder of the year.

**04**

Seasonal gift card GDV growth in line with 2018 (4-8%)

**05**

Minimal contribution from US gaming programs

**06**

No impact included for any acquisitions<sup>3</sup>

**07**

Underlying EBITDA includes the adoption of AASB16 leases which improves EBITDA by approximately A\$1.5m

(1) EBITDA is equivalent to the net profit/(loss) for the period including R&D tax offset and excluding share based payments, depreciation and amortisation expense, acquisition expenses and non-cash unrealised foreign exchange included within the Statement of Profit or Loss and Other Comprehensive Income. EBITDA presented in EML's FY19 results included acquisition costs of A\$0.6m, which is now excluded given the materiality of the costs incurred in acquiring PFS.

(2) Consistent with its growth strategy, EML is always considering and pursuing new customer relationships, which may result in EML entering into new customer contracts from time to time. EML is currently in negotiations with a number of potential new customers, including to provide EML's gift card program to a potential new customer that owns shopping centres in the United States. No final decision has been made in relation to any new customer arrangements, and any such decision will be subject to concluding contractual arrangements that are satisfactory to both parties as well as relevant board approvals.

(3) EML is currently exploring a number of potential acquisition opportunities, which may be pursued if a compelling proposal materialises that is consistent with EML's acquisition strategy. No decision has been made as to whether any targets currently being evaluated by EML will be acquired, and any such decision will be subject to due diligence and relevant board approvals.



# FY2020 - Financial Guidance (Prepaid Financial Services)



12 months to  
30 June  
2020  
Forecast<sup>1,2</sup>

Gross debit volume (A\$bn)	\$5.3
<b>Net Revenue (A\$m)</b>	<b>\$84</b>
Net Revenue Growth (%)	33%
Revenue Conversion Rate (bps) <sup>3</sup>	158bps
<b>Gross Profit</b>	<b>\$51</b>
GP Margin (%)	61%
Overheads	(\$27)
<b>EBITDA (A\$m)</b>	<b>\$24</b>
EBITDA Margin (%)	29%

## Assumptions:

### 01

GDV is expected to increase to A\$5.3bn driven by growth in existing programs, the annualised impact of new contracts won in FY19 and a strong sales pipeline for FY20

### 02

The 15 largest clients have been forecast on an individual contract-by-contract basis, leading to an overall revenue conversion rate of 158bps

### 03

PFS's operating costs are expected to increase to ~32% of revenue, largely driven by investments in technology and the employee base

### 04

Staff costs are forecast to remain the largest component of operating expenses at ~24% of revenue

### 05

The blended tax rate has been assumed to be 19%

### 06

No synergies have been forecast in FY20. Net run-rate synergies of approximately A\$6m per annum are expected to be partially realised in FY21 and fully realised from FY22. Synergies are anticipated to be driven by insourcing of processing, scale benefits across supplier agreements and general corporate savings

Source: Vendor Due-Diligence Report, Financial Due-Diligence Report, Management Estimates

(1) PFS's financial year ends on 31 December, and is labelled as CY. PFS's results, where presented as FY, have been calendarised to a 30 June year end

(2) GBP / AUD conversion rate of 1.87

(3) Revenue conversion rate is defined as net revenue / gross debit volume

# Unaudited Pro Forma Combined Statements as if the Acquisition had been completed on 1 July, 2018

A\$m, June year end	EML.		prepaid FINANCIAL SERVICES		Aggregated <sup>5</sup> EML. prepaid FINANCIAL SERVICES	
	FY2019	FY2020	FY2019 <sup>4</sup>	FY2020 <sup>4</sup>	FY2019	FY2020
GDV	\$9.0bn	\$13.0bn	\$4.5bn	\$5.3bn	\$13.5bn	\$18.3bn
Net Revenue <sup>1</sup>	\$97m	\$124m	\$63m	\$84m	\$160m	\$208m
3-Year Revenue CAGR	29%	32%	29%	30%	29%	31%
Revenue Conversion Rate <sup>2</sup>	108bps	95bps	140bps	158bps	119bps	114bps
EBITDA <sup>1,3</sup>	\$30m	\$41m	\$17m	\$24m	\$47m	\$65m
EBITDA Margin	31%	33%	27%	29%	29%	31%
Segment Mix by Net Revenue (FY19)						

PFS FY20 forecasts are based on EML management estimates

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Enhances processing volume and increases revenue scale

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20%+ growth rates highlight strong commercial momentum in both businesses

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Meaningful cash flow generation providing greater financial and strategic flexibility

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Attractive margin profile driven by high operating leverage

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Net run-rate synergies of approximately A\$6m per annum expected to be partially realised in FY21 and fully realised from FY22

---

Shift in revenue mix towards attractive GPR segment

Source: Vendor Due-Diligence Report, Financial Due-Diligence Report, Management Estimates  
 Note: Assumes GBP / AUD conversion rate of 1:1.87. Top 15 clients are representative of PFS's net revenue breakdown by segment.  
 (1) Underlying EBITDA before synergies and Acquisition costs. PFS is restated on the basis of EML accounting policies.  
 (2) Revenue conversion rate is defined as net revenue / gross debit volume  
 (3) EML FY20 shown at midpoint of FY20 guidance  
 (4) PFS's financial year is 31 December. For the purposes of this document, PFS financials presented as FY are calendarised to a 30 June year end  
 (5) Financial metrics below comprise EML's and PFS's financial metrics for the relevant period, and assume completion of the acquisition prior to the commencement of the relevant period

# Unaudited Pro Forma Balance Sheet

FYE 30 June (A\$m) <sup>1</sup>	EML 30 June 2019	PFS 30 June 2019	Transaction Adjustments <sup>2,3</sup>	Pro Forma 30 June 2019
Cash and cash equivalents	33.1	15.8	(17.0)	31.9
Contract asset	31.8	-	-	31.8
Receivable from financial institution	244.8	800.0	-	1,044.8
Other short term receivables and other current assets	17.7	27.3	-	45.0
Investments and other long term assets	16.7	-	-	16.7
Deferred tax asset	22.7	-	-	22.7
Plant and equipment	5.3	8.0	-	13.3
Goodwill and intangibles <sup>4</sup>	104.5	6.6	516.0	627.1
<b>Total assets</b>	<b>476.6</b>	<b>857.7</b>	<b>499.0</b>	<b>1,833.3</b>
Liabilities to stored value account holders	244.8	800.0	-	1,044.8
Deferred tax liabilities	7.3	0.3	-	7.6
Interest-bearing borrowings	15.0	-	110.2	125.2
Other liabilities	65.3	30.1	102.8	198.2
<b>Total liabilities</b>	<b>332.4</b>	<b>830.4</b>	<b>213.0</b>	<b>1,375.8</b>
Equity	144.2	27.3	286.0	457.5
<b>Total equity</b>	<b>144.2</b>	<b>27.3</b>	<b>286.0</b>	<b>457.5</b>

(1) Figures have been rounded to the nearest million and may present rounding errors

(2) Pro forma transaction adjustments include the Upfront Enterprise Value paid to PFS's shareholders, potential additional earn-out payments that could be paid and transaction costs incurred by EML in relation to the Acquisition as if the transaction had taken place on 30 June 2019. Further, the excess of purchase price paid by EML, over the assumed net value of the tangible and intangible assets acquired and liabilities assumed, resulted in goodwill and intangibles of A\$516.0 million

(3) Purchase consideration includes an earnout component of up to £55 million (A\$102.8 million) which will be adjusted to fair value at the date of completion. The earnout is payable in GBP and subject to the rate of exchange once the final amount becomes known in alignment with the milestones of the earnout agreed. GBP has been converted to AUD using a rate of 1.87. EML has used its cash reserves to fund the Acquisition expenses estimated at A\$17.0 million including costs to raise finance to complete the transaction. EML has estimated approximately 70% of the transaction costs will be capitalised as they relate to financing of the transaction.

(4) The purchase price accounting for the acquisition has been shown on an illustrative basis by allocating the difference between the purchase consideration and the carrying value of assets and liabilities in the 30 June 2019 balance sheet of PFS to intangibles. The pro forma adjustments to reflect the estimated financial effect of the accounting for the business combination are illustrative only. Australian Accounting Standards require an allocation of fair value of assets and liabilities acquired. EML will undertake a formal allocation of its acquisition subsequent to the date when the transaction completes. Accordingly, that allocation may give rise to material differences in values allocated to the above balance sheet line items and may also give rise to fair value being allocated to other balance sheet items

# Acquisition Funding

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# Acquisition Funding and Terms

<b>Acquisition Consideration<sup>1</sup></b>	<ul style="list-style-type: none"> <li>– Upfront Enterprise Value of <b>£226 million</b> (A\$423 million) comprising <b>£41 million</b> (A\$77 million) in EML shares to the vendors<sup>2</sup>, issued at A\$3.55 per share, and <b>£182 million</b> (A\$340 million) cash</li> <li>– Earn-out Consideration comprising up to <b>£55 million</b> (A\$103 million) contingent on PFS achieving agreed annual EBITDA targets during the 3 year period post transaction close</li> <li>– Implied upfront Acquisition multiple of approximately <b>17.5x</b> Upfront Enterprise Value / FY20 EBITDA based on PFS’s forecast EBITDA for the 12 months ending 30 June 2020 of <b>£12.9m</b>, and approximately <b>14.0x</b> taking into account the full year impact of synergies expected to be realised post completion of the Acquisition<sup>3,4</sup></li> <li>– <b>£11.5 million</b> (A\$21.5 million) will be held in escrow for 12 months following completion of the Acquisition for claims made under the Acquisition agreement</li> </ul>
<b>Acquisition Funding</b>	<ul style="list-style-type: none"> <li>– The Upfront Enterprise Value and transaction costs of the Acquisition will be funded by a combination of: <ul style="list-style-type: none"> <li>– A fully underwritten placement to new and existing institutional shareholders of approximately A\$67 million at an issue price of A\$3.55 per share (<b>Placement</b>)</li> <li>– A fully underwritten accelerated, pro-rata, accelerated, non-renounceable entitlement offer to raise approximately A\$183 million at an issue price of A\$3.55 per share (<b>Entitlement Offer</b>) (representing 6.2% discount to TERP)</li> <li>– Scrip consideration of A\$77 million of new EML shares issued to the vendors of PFS at A\$3.55 per share<sup>2</sup></li> <li>– A new fully underwritten A\$175 million multicurrency debt facility. Initially A\$130 million to be drawn, representing pro forma net leverage of 2.3x on FY19 pro forma EBITDA<sup>5</sup> (accompanied by a A\$100 million accordion facility)</li> </ul> </li> <li>– The Earn-out Consideration, to the extent paid, is expected to be funded in cash from operating cash flows and available debt capacity</li> </ul>
<b>Key Terms of Debt Facility</b>	<ul style="list-style-type: none"> <li>– <b>Covenants:</b> DSCR, Leverage and Gearing</li> <li>– <b>All-In Interest Rate:</b> Interest rate on new debt comprised of a margin (depending on a leverage grid) over the applicable EUR, AUD or GBP base rate. Assumed to be ~3.35%</li> <li>– <b>Tenor:</b> 3 years</li> <li>– <b>Facility Size:</b> A\$175m</li> </ul>
<b>Vendor Ownership in Combined Group</b>	<ul style="list-style-type: none"> <li>– PFS vendors to own approximately 6.2% of EML shares post-Acquisition, which will be restricted from sale until EML releases its financial results for the year ending 30 June 2020 in August 2020</li> </ul>
<b>Timing and Conditions</b>	<ul style="list-style-type: none"> <li>– Completion of the Acquisition is subject to change of control regulatory approvals from the FCA and CBOI</li> <li>– The Acquisition is expected to complete in early 2020</li> </ul>

(1) GBP / AUD conversion rate of 1.87

(2) EML shares issued to the vendors will be restricted from sale until EML releases its financial results for the year ending 30 June 2020 in August 2020

(3) Net run-rate synergies of approximately A\$6m per annum expected to be partially realised in FY21 and fully realised from FY22

(4) Slides 23 and 24 outline further detail on forecast assumptions

(5) The FY19 pro forma EBITDA of A\$50.8m is based on EML’s FY19 EBITDA of A\$29.7m adjusted for the A\$4m Flex-E-Card acquisition run rate EBITDA, and PFS’s EBITDA for the 12 months ended 30 June 2019 of A\$17.1m. EML EBITDA presented in EML’s FY19 results included acquisition costs of A\$0.6m, which are now excluded from EBITDA.

## Sources and Uses

<u>Sources of Funds</u>	<u>A\$m</u>	<u>Uses of Funds</u>	<u>A\$m</u>
Scrip issued to PFS vendors	\$77	PFS Upfront Enterprise Value	\$423
Placement and Entitlement Offer	\$250	Repayment of current EML debt	\$15
New debt facility drawn	\$130	Fees & expenses	\$17
EML cash on balance sheet	\$15	PFS agreed cash on hand at Acquisition	\$17
<b>Total Sources</b>	<b>\$472</b>	<b>Total Uses</b>	<b>\$472</b>

(1) GBP / AUD conversion rate of 1.87

# Overview of the Placement and Entitlement Offer

<b>Offer Structure</b>	<ul style="list-style-type: none"> <li>– Fully underwritten institutional placement and fully underwritten 1 for 5 pro-rata, accelerated, non-renounceable entitlement offer to raise approximately A\$250 million (the <b>Offer</b>)</li> <li>– Approximately 70 million new ordinary shares (<b>New Shares</b>) representing approximately 27% of existing shares on issue</li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>– All shares under the Offer will be issued at A\$3.55 per New Share (<b>Offer Price</b>), representing a:             <ul style="list-style-type: none"> <li>– 6.2% discount to TERP<sup>1</sup></li> <li>– 7.3% discount to last close at 8 November 2019 of A\$3.83</li> </ul> </li> </ul>
<b>Placement and Institutional Entitlement Offer</b>	<ul style="list-style-type: none"> <li>– The Placement and the institutional component of the Entitlement Offer (<b>Institutional Entitlement Offer</b>) will be conducted by way of a bookbuild process that will open at 10:00am on Monday, 11 November 2019 and close on Tuesday, 12 November 2019<sup>2</sup></li> </ul>
<b>Retail Entitlement Offer</b>	<ul style="list-style-type: none"> <li>– The retail component of the Entitlement Offer (<b>Retail Entitlement Offer</b>) will open at 9:00am on Monday, 18 November 2019 and close at 5:00pm Friday, 29 November 2019</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>– The Offer is fully underwritten by Royal Bank of Canada (trading as RBC Capital Markets) and UBS AG, Australia Branch</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>– New Shares issued under the Offer will rank pari passu with existing shares on issue</li> </ul>
<b>Director / CEO participation</b>	<ul style="list-style-type: none"> <li>– Managing Director &amp; CEO, Tom Cregan, intends to take up a portion of his entitlement under the Entitlement Offer</li> </ul>
<b>Other Director Participation</b>	<ul style="list-style-type: none"> <li>– All directors of EML who are eligible may participate in the Entitlement Offer</li> <li>– Peter Martin intends to take up a portion of his entitlement under the Entitlement Offer</li> </ul>
<b>Record Date</b>	<ul style="list-style-type: none"> <li>– 7:00pm (Melbourne time) on Wednesday, 13 November 2019</li> </ul>

(1) TERP includes shares issued under the Institutional Entitlement Offer and the Retail Entitlement Offer, and excludes shares issued to PFS vendors under the Placement. TERP is a theoretical calculation only and the actual price at which EML shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

(2) All dates and times are indicative and subject to change without notice

# Placement and Entitlement Offer Timetable

Offer Structure	Date
Trading halt and announcement of the Offer	Monday, 11 November 2019
Institutional Entitlement Offer and Placement opens	Monday, 11 November 2019
Institutional Entitlement Offer and Placement closes	Tuesday, 12 November 2019
Results of the Institutional Entitlement Offer and Placement announced to ASX	Wednesday, 13 November 2019
Trading Halt lifted - Shares recommence trading on ASX on an "ex-entitlement" basis	Wednesday, 13 November 2019
Record Date for determining entitlement to subscribe for New Shares at 7:00pm (Melbourne time)	Wednesday, 13 November 2019
Retail Offer Booklet dispatched and Retail Entitlement Offer Opens	Monday, 18 November 2019
Settlement of Institutional Entitlement Offer and Placement	Tuesday, 19 November 2019
Allotment and normal trading of New Shares under the Institutional Entitlement Offer and Placement	Wednesday, 20 November 2019
Retail Entitlement Offer closes	Friday, 29 November 2019
Results of the Retail Entitlement Offer announced to ASX	Wednesday, 4 December 2019
Settlement of Retail Entitlement Offer	Thursday, 5 December 2019
Allotment of New Shares under the Retail Entitlement Offer	Friday, 6 December 2019
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 9 December 2019
Dispatch of holding statements	Tuesday, 10 December 2019



# Appendix A – Key Risks



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# Key Risks

This section discusses some of the key risks associated with any investment in EML, which may affect the value of EML shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in EML. Before investing in EML, you should be aware that an investment in EML has a number of risks, which are specific to EML and some of which relate to listed securities generally, and all of which are beyond the control of EML.

Before investing in New Shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on EML (such as that available on the websites of EML and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

## Acquisition Risks

Topic	Summary
<p><b>Information has been provided by the vendors of PFS</b></p>	<p>EML undertook a due diligence process in respect of PFS, which relied in part on the review of financial and other information (including unaudited financial information) concerning the business and corporate structure of PFS, which was provided to EML by the vendors of PFS. Despite making reasonable efforts, EML has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, EML has prepared (and made assumptions in the preparation of) the financial information relating to PFS (on a stand-alone basis and also with EML post-Acquisition of PFS) included in this Presentation from financial and other information (including unaudited financial information) provided by the vendors of PFS. EML is unable to verify the accuracy, reliability or completeness of all of this information. If any of the data or information provided to and relied upon by EML in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of PFS and the combined group may be materially different to the financial position and performance expected by EML and reflected in this Presentation.</p> <p>Furthermore, there is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Acquisition. A material adverse issue that was not identified prior to entry into the Acquisition could have an adverse impact on the financial performance or operations of EML. As is usual in the conduct of acquisitions, the due diligence process undertaken by EML identified a number of risks associated with PFS, which EML had to evaluate and manage. The mechanisms used by EML to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by EML may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated or unforeseen, and hence they may have a material adverse impact on EML's operations, earnings and financial position.</p>
<p><b>Future earnings may not be as expected</b></p>	<p>EML has undertaken financial and business analysis of PFS in order to determine its attractiveness to EML and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by EML, draw conclusions and forecasts that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by PFS are different than those anticipated, or any unforeseen difficulties emerge in integrating the operations of PFS, or the timing of receipt of regulatory approvals for the Acquisition do not align with EML's assumptions, there is a risk that the profitability and future earnings of the operations of EML may differ (including in a materially adverse way) from the performance as described in this Presentation.</p>
<p><b>EML may not successfully integrate PFS</b></p>	<p>The integration of a business of the size and nature of PFS carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. The success of the Acquisition, and the ability to realise the expected benefits of the Acquisition outlined in this Presentation, is dependent on the effective and timely integration of PFS's business alongside EML's business following completion of the Acquisition. A failure to fully integrate the operations of PFS, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of EML.</p>

# Key Risks

## Acquisition Risks

Topic	Summary
<p><b>EML will assume PFS' historical liabilities</b></p>	<p>Following completion of the Acquisition, EML will be responsible for any outstanding liabilities that PFS has incurred prior to the Acquisition, including any liabilities that were not identified during EML's due diligence or which are greater than expected, for which insurance may not be available, and for which EML may not have post-Acquisition recourse under the agreement for the Acquisition (for example pursuant to an indemnity provided by the PFS vendors for prior regulatory breaches) and which may result in EML being liable for fines and penalties or subject to other sanctions. Such liabilities could include liabilities relating to current or future litigation or other proceedings, failure by PFS to hold required regulatory approvals, authorisations or licences, regulatory actions (including without limitation in relation to any such failure), health and safety claims, warranty or performance claims, liabilities relating to deferred consideration payable under acquisition agreements previously entered into by PFS, historical tax liabilities and other liabilities.</p> <p>For example, EML is aware that on 24 September 2019, the French banking regulator ("ACPR") published an enforcement action against PFS and imposed a €1 million fine. The ACPR enforcement decision will remain published on the ACPR website for 5 years. The ACPR identified regulatory breaches by PFS, broadly relating to failures by PFS to carry out a robust 'know your customer' processes and report suspicious transactions to the French regulator. No remediation or corrective measures are imposed by the ACPR in its decision, but the ACPR may carry out a further on-site inspections. PFS may be subject to other similar regulatory action.</p> <p>Furthermore, EML is aware that the United Kingdom's Payment Systems Regulator ("PSR") is currently investigating certain conduct by PFS in relation to a competitor of PFS. EML understands that PFS is co-operating with the PSRs' investigation. As at the date of this Presentation, the investigation is an on-going confidential process and EML and PFS are not in a position to comment further.</p> <p>Such liabilities may adversely affect the financial performance or position of EML and even put at risk the group's capacity to carry on its business, either at all or in one or more of the geographic regions in which the group currently operates, and may be more costly than expected to remedy.</p>
<p><b>The financial capacity of, and recourse to, the vendors of PFS may be limited and there is counterparty and contractual risk</b></p>	<p>The ability of EML to achieve its stated objectives will depend on the performance by the parties of their obligations under the agreements for, and related to, the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for EML to approach a court to seek a legal remedy, which can be expensive and time consuming.</p> <p>Furthermore, if a warranty, indemnity or other claim was made by EML against the vendors of PFS under the agreement for the Acquisition, there is a risk that such claim may be contested or that funds may not be available to meet the claim in its entirety. Further, while part of the purchase price will be held in escrow in accordance with the terms of the Acquisition, there can be no guarantee as to the on-going financial capacity of the vendors of PFS. Any inability to recover amounts claimed under the agreement for the Acquisition could materially adversely affect EML's financial position and performance.</p>



# Key Risks

## Acquisition Risks

Topic	Summary
<p><b>The Acquisition may not complete</b></p>	<p>Completion of the Acquisition is conditional on certain matters, including certain approvals that are required from the United Kingdom’s Financial Conduct Authority and the Central Bank of Ireland. There is a risk that either of these regulators may not provide the requisite approvals to EML.</p> <p>If any of the conditions precedent are not satisfied or waived or take longer than anticipated to satisfy, completion of the Acquisition may be deferred or delayed, or may not occur on the current terms or at all. There is no guarantee that EML will obtain all necessary approvals to complete the Acquisition within any particular timeframe, or at all, or that such approvals will be granted on terms that are acceptable to EML or on an unconditional basis.</p> <p>If the Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise), EML will need to consider alternative uses for the proceeds of the Entitlement Offer and Placement, or ways to return such proceeds to shareholders. If completion of the Acquisition is delayed, EML may incur additional costs and it may take longer than anticipated for EML to realise the benefits of the Acquisition. Any failure to complete, or delay in completing, the Acquisition and/or any action required to be taken to return capital raised to shareholders may have a material adverse effect on EML’s financial position and performance.</p>
<p><b>Brexit may impact PFS’ operations</b></p>	<p>Like EML, PFS has operations in Europe including in the United Kingdom and these operations could be impacted by the terms on which the United Kingdom leaves the European Union (commonly referred to as ‘Brexit’). How Brexit may impact PFS and its operations, is currently uncertain. For example, Brexit may impact PFS’ existing licensing arrangements and require PFS to amend its existing licences or apply for new licences, and transfer assets between entities in different jurisdictions, which may have adverse tax implications. Any adverse consequences of Brexit may, individually or together, adversely affect EML’s ability to operate PFS’ business as it is currently operated, and its financial position and results.</p>
<p><b>Arrangement with PFS’ key suppliers and customers</b></p>	<p>Some of PFS’ contracts with its suppliers and customers contain change of control provisions that will be triggered by the Acquisition and, when triggered, entitle the counterparty to terminate the relevant contract. Furthermore, the initial term of a number of these contracts is expired and those contracts appear to be operating on the basis of automatic annual renewals.</p> <p>Furthermore, a large portion of PFS’ net revenue has historically been derived from a small number of key customers. For the eight months to 31 August 2019, PFS generated approximately 26% of total net revenue from two customers and its top 15 customers, representing less than 7% of the total number of customers, generated approximately 46% of PFS’s net revenue.</p> <p>Any termination or non-renewal or renewal on less favourable terms of a material supplier or customer contract could materially adversely affect EML’s financial position and prospects.</p>
<p><b>Acquisition accounting</b></p>	<p>EML is required to undertake an assessment of the fair value of the tangible and intangible assets acquired as well as the actual and contingent liabilities of PFS at the date of the Acquisition. Accounting standards provide twelve months from completion for this assessment to be finalised. The outcome of this assessment could give rise to different values being applied than those used in the pro-forma financial information contained in this Presentation. Such an outcome will impact the values of assets and liabilities reported in the consolidated balance sheet by EML. There will also be differences in the depreciation and amortisation charges recognised in the consolidated profit or loss account which may impact reported profit before tax and net profit after tax.</p>

# Key Risks

## Acquisition Risks

Topic	Summary
<b>Regulatory</b>	<p>The Payment Systems Regulator (“PSR”) notified PFS in February 2018 that it had commenced an investigation under the Competition Act 1998 into anti-competitive conduct in relation to a minor part of its’ business. The progress and scope of the investigation remain confidential. PFS is co-operating with the PSR and the investigation is ongoing. A PSR investigation may run for a considerable period of time before any outcomes are announced. Under the relevant legislation, should an adverse finding be made against PFS fines can be up to 10% of PFS’ turnover. Under the terms of the SPA for the Acquisition EML has received protections from the Vendors to cover any potential fines that could ultimately be imposed.</p>

## Business Risks

While the risks set out in this section are stated to relate to EML and its business, investors should consider that these risks will also apply to PFS and its business, which EML will own following completion of the Acquisition.

Topic	Summary
<b>EML operates in a heavily regulated industry and it may not comply with applicable laws and regulations</b>	<p>EML currently has operations in 23 countries in North America, Europe and Australia, and will following the Acquisition have operations in an additional 8 countries. Accordingly, EML is exposed to a range of risks relating to compliance with, changes to, or uncertainty in, the relevant legal and regulatory regimes in those jurisdictions including in relation to regulation of financial services, regulation of e-Money, privacy and data protection laws and anti-money laundering and counter terrorism financing laws.</p> <p>EML is also exposed to political uncertainty in some of the countries in which it operates. For example, the terms on which the United Kingdom will leave the European Union (commonly referred to as ‘Brexit’), and how Brexit may impact EML and its operations, is currently uncertain.</p> <p>Changes to laws and regulations that apply to EML in any of the jurisdictions in which EML operates may have a material adverse effect on EML’s business, financial position and prospects, as well as reduce demand for EML’s services. Further, regulatory requirements in any of the jurisdictions in which EML operates may become more burdensome in the future, which may result in EML being required to dedicate more time, resources and expenditure to achieve compliance</p> <p>If EML’s operations are found not to satisfy or to violate any applicable laws or regulations, EML may be subject to penalties, damages, fines, disruption to its operations and increased compliance costs. The reputation of EML may also be adversely affected. Any penalties, damages, fines, operational disruptions, increased compliance costs or damage to reputation, individually or together, could adversely affect EML’s ability to operate its business, and its financial position and results.</p>

# Key Risks

## Business Risks

Topic	Summary
<p><b>EML’s customers are also subject to laws and regulations that may change and evolve and impact demand for EML’s products and services</b></p>	<p>EML’s customers are also subject to a range of legal and regulatory regimes in the jurisdictions in which they operate, and such laws may be evolving. For example, the regulation of sports betting in the United States is currently evolving, which is presenting a number of opportunities for EML to provide products to sports betting companies operating in the United States. However, changes to, or uncertainty in, laws and regulations that apply to EML’s customers in any of the jurisdictions in which they operate may reduce demand for EML’s products and services or impact the way in which those customers are allowed to use EML’s products and services. Further, regulatory requirements in any of the jurisdictions in which EML’s customers operates may become more burdensome in the future, which may result in EML’s customers being required to dedicate more time, resources and expenditure to achieve compliance, which may in turn make EML’s products and services less appealing.</p>
<p><b>EML’s customer contracts may be breached, terminated, not renewed or renewed on less favourable terms</b></p>	<p>EML is party to contracts to provide its solutions to customers for payouts, gifts, incentives and rewards, and supplier payments and those contracts are responsible for the majority of EML’s revenue. If EML breaches a customer contract (for example by not meeting service level requirements), including if it fails to deliver its payment solutions to the specified requirements, EML may be liable for damages under the relevant contract and in certain cases the counterparty may be entitled to terminate the contract. EML’s customer contracts may also not be renewed for a number of reasons, including performance below required service levels, adverse publicity or increased competition, or renewed on terms less favourable than those currently enjoyed by EML.</p> <p>Any breach, termination, non-renewal or renewal on less favourable terms of a customer contract could materially adversely affect EML’s financial position and prospects.</p>
<p><b>EML is exposed to adverse foreign exchange rate and interest rate movements</b></p>	<p>The financial information in EML’s financial statements is presented in Australian dollars, while the majority of EML’s revenue is currently generated in USD, CAD, GBP and Euros. Similarly, some of EML’s expenses are incurred in these foreign currencies. The non-Australian dollar denominated sales and expenses are translated into Australian dollars for the purposes of presenting the consolidated EML group financial performance and position.</p> <p>Accordingly, EML is subject to adverse exchange rate movements, particularly, adverse movements in the USD:AUD exchange rate, the CAD:AUD exchange rate, the GBP:AUD exchange rate and the Euro:AUD exchange rate. An adverse movement in the exchange rate (ie an increase in the Australian dollar relative to the USD, CAD, GBP or Euro) may have an adverse impact on EML’s future reported financial performance (ie reduce its reported sales, profitability, cash flows and financial position). Furthermore, as EML expands, including through the acquisition of PFS (which generates sales in a number of currencies including GBP and Euros), it will be exposed to additional currencies and a higher proportion of its sales, profitability, cash flows and financial position will be affected by exchange rate movements.</p> <p>Furthermore, EML is exposed to adverse changes in interest rates on its interest bearing financial instruments (primarily its cash and cash equivalents and receivables from financial institutions) and well its debt borrowings. EML does not use derivatives to mitigate this exposure. Adverse changes in interest rates could affect the amount of interest income received by EML and EML’s cost of servicing its borrowings may increase. In each case, this may adversely impact EML’s business, financial condition and financial performance.</p>



# Key Risks

## Business Risks

Topic	Summary
<p><b>EML may not achieve anticipated benefits from past acquisitions</b></p>	<p>EML has in part historically grown its business by acquisition (including the recent acquisitions of Flex-e-Card and PerfectCard), and growth through acquisition is likely to remain an important part of EML’s strategy in the future. This growth has placed, and may continue to place, significant demands on management, information and reporting resources and financial and internal controls and systems. Effective management of EML’s growth will require continued development and appropriate resourcing of these controls and systems, failing which EML may not be able to take advantage of market opportunities, satisfy customer requirements, execute its business plan or respond to competitive threats.</p> <p>There are a range of additional risks associated with strategic acquisitions, including one or more past or future acquisitions giving rise to significant actual or contingent liabilities or loss which it cannot recover under the relevant acquisition agreement, EML may fail to achieve expected synergies and cost savings in relation to an acquisition, customers and key employees of acquired businesses may not be retained after completion of the acquisition and the services contracts of acquired businesses may contain unusual or onerous terms, including in relation to termination rights.</p> <p>Any of the above factors, either individually or in combination, may have a material adverse effect on EML’s financial position and future prospects.</p>
<p><b>EML’s or a third party’s information technology systems may fail or be subject to attack</b></p>	<p>EML relies on its information technology systems to perform key functions critical to its ability to service its customers by providing its payment solutions. In addition, EML relies on information technology systems provided by third party technology vendors such as banking and payment processing systems owned and operated by third parties, for example Apple Pay, which is owned by Apple Inc., as well as point of sale devices, for the validation of payments, processing and settlement of payments. The use of information technology and the effectiveness of EML’s proprietary technology platforms are critical to EML’s ability to deliver services to its clients and to continue to grow its business.</p> <p>By their nature, EML’s information technology systems, as well as those provided by third party technology vendors, are vulnerable to damage, interruption or failure from a number of sources, including limitations in processing increasing transaction volumes, natural disasters, power losses, computer systems failures, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data and similar events, computer viruses, penetration by hackers seeking to disrupt operations or misappropriate information and other breaches of security. It is possible that the measures taken by EML or relevant third parties to protect its proprietary information and the private information of its clients may not be sufficient to prevent unauthorised access to, or disclosure of, sensitive financial, proprietary or personal information. Furthermore, EML’s reliance on third parties and their systems to provide key services decreases its control over the delivery of these services and the quality and reliability of the services provided.</p> <p>Any damage or interruption to, or failure of, EML’s information systems or those provided by third party technology vendors could significantly curtail, directly and indirectly, EML’s ability to conduct its business and generate revenue and could result in significant costs being incurred, for example to rebuild systems, respond to regulatory inquiries or actions, pay damages, or take other remedial steps with respect to third parties. Further, accidental or deliberate security breaches or other unauthorised access to, or disclosure of, EML’s or a third party technology vendor’s information technology systems or customer data may subject EML to reputational damage, a loss of confidence in the products and services it provides, claims by customers, loss of customers, a disruption to services, legal action and regulatory scrutiny.</p>

# Key Risks

## Business Risks

Topic	Summary
<p><b>EML relies on the effective performance of IT infrastructure</b></p>	<p>Technology is the key enabler of EML's services. EML and its clients are dependent on the effective performance, reliability and availability of EML's technology platforms, software, third party data centres and communications systems. EML may fail to successfully achieve the required development of its technology and systems to meet clients' needs, match competitors or meet regulatory requirements, which may, in turn, adversely affect its operations, relationship with clients, financial performance and financial condition.</p>
<p><b>EML may not be issued with, or lose or breach, a licence, certification or accreditation</b></p>	<p>EML is required to hold various licences, registrations, certifications or accreditations to operate its business such as an Australian Financial Services Licence and e-Money licence. Any lapse in, or revocation of, EML's licences, registrations, certifications or accreditations could adversely affect EML's operations and financial results. Furthermore, EML may not be issued with the licences, certifications or accreditations necessary to conduct its business. To the extent that EML's customer contracts include termination rights due to loss of accreditation, registration or licence, or other adverse regulatory findings, there may be flow-on contractual effects or regulatory difficulties affecting EML's businesses.</p>
<p><b>EML may fail to attract and retain key personnel</b></p>	<p>A key driver of EML's performance is the recruitment and retention of effective and qualified employees. EML faces risks of loss of key management personnel, loss of other key employees, delay in finding suitable replacements for lost personnel and the inability to find suitably qualified personnel to meet EML's business needs as it grows. If any of these risks were to materialise, they could have a material adverse impact on PFS' business, financial performance and financial condition.</p>
<p><b>EML's competitive position may deteriorate</b></p>	<p>EML operates in a highly competitive industry. EML's competitive position may be impacted by a number of factors, including the level of innovation relative to that of competitors, commercial factors including pricing and liability, its ability to keep up with technological or regulatory change, its ability to respond to client preferences for products and services and the ability to maintain strong relationships with existing clients by upholding the consistency and quality of its services. In addition, EML needs to respond effectively to any changes in the competitive landscape, which may evolve as a result of a number of factors, including the entry of new competitors into the market and the consolidation of existing market participants. Increased competition may adversely affect EML's business, financial performance and financial condition.</p>
<p><b>EML's intangible assets may be impaired</b></p>	<p>EML has a material amount of intangible assets on its balance sheet relating to goodwill and identifiable intangible assets such as client contracts and relationships, software and licences. Under Australian Accounting Standards, goodwill and indefinite life intangible assets must be regularly tested for impairment. If impaired, EML would need to write down the value of its intangible assets, which would result in an expense in the income statement, thereby potentially materially impacting EML's financial condition and reported earnings.</p>
<p><b>EML's reputation may be damaged</b></p>	<p>EML's brand and reputation is important in attracting and retaining clients. There is a risk that EML's brand and reputation may be tarnished by incidents such as negative publicity, a data security breach or a one-off unforeseen events that negatively impacts EML's operations. The occurrence of any such incidents may lead to client loss and the failure to attract new clients, which, in turn, may have an adverse impact on EML's financial performance.</p>

# Key Risks

## Business Risks

Topic	Summary
<p><b>EML may be involved in disputes or litigation</b></p>	<p>EML may in the ordinary course of business become involved in litigation and disputes, for example with its suppliers or clients. Any such litigation or dispute could involve significant economic costs and damage to relationships with suppliers, clients and/or other stakeholders. If EML is involved in any litigation or disputes or protracted settlement negotiations in relation to that litigation or dispute, this may disrupt EML's business operations, cause EML to incur significant legal costs, and may divert management's attention away from the daily operations of the business. Any such outcomes may have an adverse impact on EML's business, reputation and financial condition and financial performance.</p>
<p><b>EML may fail to realise benefits from research and development investments</b></p>	<p>Developing software and technology is expensive and the investment in the development of these product and service offerings often involves an extended period of time to achieve a return on investment. An important element of EML's corporate strategy is to continue to make investments in innovation and related product and service opportunities through internal investments and the acquisition of intellectual property from companies that it has acquired. EML believes that it must continue to dedicate resources to its innovation efforts to develop its software and technology service offering and maintain its competitive position. However, EML may not receive significant revenues from those investments for several years, or may not realise such benefits at all.</p>
<p><b>EML's intellectual property may be compromised or lost</b></p>	<p>EML relies and expects to continue to rely on a combination of confidentiality, assignment provisions and licence agreements with its employees, consultants and third parties with whom it has relationships, as well as trademarks, copyright and patents, to protect its proprietary rights. Third parties may knowingly or unknowingly infringe EML's proprietary rights, and/or may challenge proprietary rights held by EML, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which EML operates or intends to operate its business. In any or all of these cases, EML may be required to expend significant time and expense in order to prevent infringement or to enforce its rights. If the protection of its proprietary rights is inadequate to prevent unauthorised use or appropriation by third parties, its competitors may be able to more effectively mimic its products, services, and methods of operation. Any of these events could have an adverse effect on its business, financial condition and financial performance.</p>
<p><b>EML may infringe a third party's intellectual property rights</b></p>	<p>EML may receive notices from third parties claiming infringement of their intellectual property rights and/or breach of its agreements with them, including from its competitors in the industries it which it operates. Such claims may require protracted negotiation, including litigation, to resolve, or the payment of monetary damages or the satisfaction of indemnification obligations in the agreements with suppliers. In addition, such claims may increase as EML continues to acquire new businesses and enter new markets. In such cases, if a determination was made that EML had infringed such third party rights, EML's business and financial condition may be adversely affected.</p>

# Key Risks

## Business Risks

Topic	Summary
<p><b>EML is exposed to changes in general economic conditions, legislation and regulation which may adversely impact spending and confidence</b></p>	<p>EML’s customers and the end users of EML’s products (including customers of EML’s customers) may be impacted by changes in general economic conditions, such as movements in inflation and interest rates, the level of business spending and consumer confidence generally and to changes to fiscal or monetary policies, legislation and regulation. A prolonged downturn in general economic conditions either globally or in any geographic region in which EML operates may therefore impact demand for EML’s products and services from its customers and end-user’s willingness to use EML’s products. Any such downturn may have a material adverse impact on EML’s operations and financial results.</p>
<p><b>EML may be unable to refinance, repay or renew its debt</b></p>	<p>EML utilises debt to partially fund its business operations and may need to access additional debt financing to grow its operations. If EML is unable to refinance, repay or renew its debt facilities or otherwise obtain debt finance on favourable terms, EML may not meet its growth targets, which may adversely impact its financial performance.</p>
<p><b>Underwriting risk</b></p>	<p>EML has entered into an underwriting agreement under which the Joint Lead Managers have agreed to underwrite the Entitlement Offer and Placement, subject to the terms and conditions of the underwriting agreement between EML and the Joint Lead Managers (Underwriting Agreement). The Joint Lead Managers’ obligations to underwrite the Entitlement Offer and Placement is conditional on certain customary matters, including EML delivering certain certificates, sign-offs and opinions to the Joint Lead Managers. Furthermore, if certain events occur, the Joint Lead Managers may terminate the Underwriting Agreement. Those events include where:</p> <ul style="list-style-type: none"> <li>• EML is prevented from issuing the New Shares under the Entitlement Offer and Placement;</li> <li>• ASX announces that EML will be removed from the official list of ASX or that its shares will be delisted or suspended from quotation by ASX for any reason;</li> <li>• there are certain delays in the timetable for the Entitlement Offer and Placement without the Joint Lead Managers’ consent;</li> <li>• EML withdraws the Entitlement Offer and Placement or indicates that it does not intend to or is unable to proceed with the Entitlement Offer and Placement;</li> <li>• EML is required to give ASX a notice in accordance with section 708AA(12) or 708A(9) of the Corporations Act;</li> <li>• certain information supplied by or on behalf of EML to the Joint Lead Managers is or becomes false, misleading or deceptive or is likely to mislead or deceive; or</li> <li>• a statement contained in the offer materials (including this Presentation) is or becomes misleading or deceptive in a material respect or those offer materials omit any information they are required to contain.</li> </ul> <p>Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Entitlement Offer and Placement. In these circumstances, EML would need to utilise alternative funding to meet its obligations under the Acquisition agreements. Termination of the Underwriting Agreement could materially adversely affect EML's business and financial condition.</p>

# Key Risks

## General Investment Risks

Topic	Summary
<p><b>There are risks associated with an investment in shares</b></p>	<p>There are general risks associated with investments in equity capital such as EML shares. The trading price of EML shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors that may affect the market price of shares include:</p> <ul style="list-style-type: none"> <li>• general movements in Australian and international stock markets;</li> <li>• investor sentiment;</li> <li>• Australian and international economic conditions and outlooks;</li> <li>• changes in interest rates and the rate of inflation;</li> <li>• changes in government legislation and policies, in particular taxation laws;</li> <li>• announcement of new technologies;</li> <li>• geo-political instability, including international hostilities and acts of terrorism;</li> <li>• demand for and supply of EML shares;</li> <li>• announcements and results of competitors; and</li> <li>• analyst reports.</li> </ul> <p>No assurance can be given that the New Shares will trade at or above the Offer Price or that there will be an active market in EML shares. None of EML, its directors or any other person guarantees the performance of the New Shares.</p> <p>The operational and financial performance and position of EML and EML’s share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.</p>
<p><b>Risk of dilution</b></p>	<p>Investors who do not participate in the Entitlement Offer and the Placement, or do not take up all of their entitlement under the Entitlement Offer, will have their percentage security holding in EML diluted by not participating to the full extent in the Entitlement Offer and the Placement. Investors may also have their investment diluted by future capital raisings by EML. EML may issue new shares to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest in EML. EML will only raise equity if it believes that the benefit to investors of conducting the capital raising is greater than the short term detriment caused by the potential dilution associated with a capital raising.</p>



# Key Risks

## General Investment Risks

Topic	Summary
<p><b>Dividends may not be paid</b></p>	<p>The payment of dividends by EML is determined by the Board from time to time at its discretion, depending on the profitability and cash flow of EML's business. While EML does not have a stated dividend policy, the Acquisition is likely to cause EML to not be in a position to pay dividends given EML will divert cash flows to the repayment of debt.</p>
<p><b>There may be changes in accounting standards</b></p>	<p>There may be changes in accounting standards. This may affect the reported earnings of EML and its financial position from time to time. There are multiple pending, or recently adopted, changes to accounting standards that may impact EML, including those governing leases (adopted on 1 July 2019). EML has previously and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.</p>
<p><b>Adverse changes to tax laws may occur</b></p>	<p>Future changes in taxation laws in jurisdictions in which EML operates, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in EML shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which EML operates, may impact the future tax liabilities of EML.</p> <p>An investment in shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in EML.</p>



# Appendix B – International Offer Restrictions



EMI.

## International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### **Canada (Alberta, British Columbia, Ontario and Quebec provinces)**

This document constitutes an offering of New Shares only in the Provinces of Alberta, British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

### *Statutory rights of action for damages and rescission*

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation.

Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

## International Offer Restrictions

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

# International Offer Restrictions

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).



## International Offer Restrictions

### Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 *et seqq.* of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.



# International Offer Restrictions

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## United States

This document may not be distributed or released in the United States.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of United States, and may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which EML has no obligation to do or procure) or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.



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**EML Payments Limited**

ACN 104 757 904

13 November 2019

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**ASX Market Announcements**

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**NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES**

## **EML PAYMENTS SUCESSFULLY COMPLETES PLACEMENT AND INSTIUTIONAL ENTITLEMENT OFFER**

- **Approximately A\$67 million raised through the Placement, which received strong demand**
- **Approximately A\$89 million raised in the Institutional Entitlement Offer, with a strong take up rate of approximately 90% by eligible institutional shareholders**
- **Retail Entitlement Offer to raise a further A\$91 million opens on Monday, 18 November 2019**

**EML Payments Limited (ASX:EML) (EML)** is pleased to announce the successful completion of the institutional placement (**Placement**) and the institutional component of its fully underwritten 1 for 5 accelerated pro-rata non-renounceable entitlement offer (**Entitlement Offer** and together with the Placement, the **Equity Raising**) announced on Monday, 11 November 2019. Approximately A\$156 million was raised across the Placement and institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) from the offer of new EML shares at a price of A\$3.55 per EML share.

EML Managing Director and Group Chief Executive Officer, Tom Cregan said:

*"We are pleased to see the strong support that investors have shown for the acquisition of PFS and the institutional component of the Equity Raising. The acquisition is a transformational step for EML, expanding and diversifying our customer base, product suite and geographic footprint. The Placement received strong demand from a broad range of high quality institutional investors. The Institutional Entitlement Offer was also well supported by existing institutional shareholders with a take-up rate of approximately 90% by eligible institutional shareholders."*

### **Placement and Institutional Entitlement Offer**

The Placement received strong demand and the Institutional Entitlement Offer had a take up rate by eligible institutional shareholders of approximately 90%. The shortfall under the Institutional Entitlement Offer also attracted strong demand from both existing shareholders and new investors.

Under the Placement, approximately 19 million EML shares will be issued at a price of \$3.55 per new EML share to raise approximately A\$67 million. Under the Institutional Entitlement Offer, approximately 25 million EML shares will be issued at a price of \$3.55 per EML share to raise approximately A\$89 million.

New EML shares issued under the Placement and Institutional Entitlement Offer will be issued on Wednesday, 20 November 2019 and are expected to commence trading on ASX on a normal settlement basis on the same day.

EML confirms that, pursuant to Listing Rule 7.1, the Placement is being undertaken within its existing placement capacity and does not require shareholder approval.

EML shares are expected to resume trading on the ASX from market open today (Wednesday, 13 November 2019).

## **Retail Entitlement Offer**

The retail component of the Entitlement Offer, which is fully underwritten, is expected to raise a further \$91 million (**Retail Entitlement Offer**). The Retail Entitlement Offer opens on Monday, 18 November 2019 and will close on Friday, 29 November 2019.

Eligible shareholders with a registered address in Australia and New Zealand will be able to subscribe for 1 new EML share for every 5 EML shares held as at 7.00pm (AEDT) on the Record Date of Wednesday, 13 November 2019, at the Offer Price of \$3.55 per EML share.

Eligible retail shareholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer, which includes the timetable for the Retail Entitlement Offer. EML expects to lodge the Retail Offer Booklet with the ASX and despatch the Retail Offer Booklet and personalised Entitlement and Acceptance Forms to eligible retail shareholders on or about Monday, 18 November 2019.

## **Further information**

Further information on the acquisition of PFS and the Equity Raising is set out in the Investor Presentation separately lodged with the ASX on Monday, 11 November 2019. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

If you have any questions in relation to the Entitlement Offer, please contact the EML Offer Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 outside of Australia between 8.30am to 5.00pm (AEDT) Monday to Friday.

## **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](https://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. Cooling off rights do not apply to the acquisition of EML shares pursuant to the Entitlement Offer.

## 4 Australian tax considerations

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This section summarises certain Australian income tax, capital gains tax (**CGT**), goods and services tax (**GST**) and stamp duty implications of the Entitlement Offer for Eligible Shareholders who hold their New Shares on capital account.

This section does not take account of the individual circumstances of particular Eligible Shareholders and does not constitute tax advice. For instance, this section does not consider the position of Eligible Shareholders who:

- are not resident solely in Australia for Australian income tax purposes;
- are in the business of security trading, or who hold their existing shares on revenue account or as trading stock (including shareholders such as banks, insurance companies and shareholders carrying on a business of security trading);
- are exempt from Australian income tax;
- acquired their existing shares under an employee share or option plan, or in return for services provided; or
- are subject, or have elected to become subject, to the Taxation of Financial Arrangements (**TOFA**) provisions of the Australian income tax law.

This section does not purport to be a complete analysis of the potential tax consequences of the Entitlement Offer and is intended only to provide a general guide to the Australian tax implications. Eligible Shareholders should seek advice from an appropriate professional advisor in relation to the tax implications of the Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax law as it applies as at 9:00am (Sydney time) on the date of this Information Booklet. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time unless otherwise specified.

### 4.1 Issue of Entitlement

The issue of the Entitlement should not in itself result in any amount being included in the assessable income of an Eligible Shareholder.

### 4.2 Exercise of Entitlement

New Shares will be acquired where the Eligible Shareholder exercises (i.e. takes up) all or part of their Entitlement under the Entitlement Offer.

An Eligible Shareholder will not derive any assessable income, or make any capital gain or capital loss, at the time of exercising their Entitlement under the Entitlement Offer.

For Australian CGT purposes, New Shares will be taken to have been acquired on the day that an Eligible Shareholder exercises their Entitlement.

The cost base of each New Share will be equal to the Offer Price payable for each New Share (plus a proportion of non-deductible incidental costs the Eligible Shareholder incurs in acquiring the New Shares).

### 4.3 Lapse of Entitlement

If an Eligible Shareholder does not accept all or part of their Entitlement in accordance with the instructions, that Entitlement will lapse and the Eligible Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications for an Eligible Shareholder from the lapse of the Entitlement.



#### **4.4 Distributions on New Shares**

Any future dividends or other distributions made in respect of New Shares will generally be subject to the same income tax treatment as dividends or other distributions made on existing Shares held in the same circumstances.

#### **4.5 Disposal of New Shares**

As each share comprising the Entitlement Offer is a separate CGT asset, the disposal of New Shares will constitute a disposal for CGT purposes. Accordingly, the capital proceeds referable to the disposal of each individual share will need to be determined by apportioning the total capital proceeds received from the disposal of the New Shares on a reasonable basis.

On disposal of a New Share, an Eligible Shareholder will make a net capital gain if the capital proceeds received on disposal exceed the total cost base of the New Share. An Eligible Shareholder will make a net capital loss if the capital proceeds are less than the total reduced cost base of the New Share.

Eligible Shareholders that are individuals or complying superannuation entities and that have held their New Shares for 12 months or more (excluding the date of acquisition and the date of disposal) at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trustees and 33.33% for complying superannuation entities. The CGT discount is not available to companies that are not trustees.

For the purpose of determining whether the New Shares have been held for 12 months or more (excluding the date of acquisition and the date of disposal), Eligible Shareholders will be taken to have acquired them when they exercise their Entitlement under the Entitlement Offer.

Eligible Shareholders that make a capital loss can only use that loss to offset other capital gains from other sources (i.e. the capital loss cannot be used against taxable income on revenue account). However, if the capital loss cannot be used in a particular income year it may be carried forward for use in future income years, provided certain loss utilisation tests are satisfied and applicable.

#### **4.6 Taxation of Financial Arrangements (TOFA)**

The application of the TOFA provisions depends on the specific facts and circumstances of the Eligible Shareholder. Eligible Shareholders should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions.

#### **4.7 Tax File Number**

If an Eligible Shareholder has quoted their Australian Business Number (**ABN**), Tax File Number (**TFN**) or an exemption from quoting their TFN exists, this quotation or exemption will also apply in respect to any New Shares acquired by that Eligible Shareholder.

#### **4.8 GST**

The taking up of the New Shares will be classified as a "financial supply" for Australian GST purposes. Accordingly, Australian GST will not be payable in respect of amounts paid for the acquisition of the New Shares. Subject to certain requirements, there may be a restriction on the entitlement of Eligible Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares.

#### **4.9 Stamp duty**

No stamp duty should be payable in respect of the taking up of New Shares.

## 5 Important information

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This Information Booklet (including the ASX Announcements in Section 3) and enclosed personalised Entitlement and Acceptance Form have been prepared by EML Payments.

This Information Booklet is dated Monday, 18 November 2019 (other than the Investor Presentation, the announcement of the Capital Raising and Acquisition published on the ASX website on Monday, 11 November 2019 and the announcement of completion of the Institutional Offer published on the ASX website on Wednesday, 13 November 2019). This Information Booklet remains subject to change without notice and EML Payments is not responsible for updating this Information Booklet.

There may be additional announcements made by EML Payments after the date of this Information Booklet and throughout the Retail Entitlement Offer Period that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, you should check whether any further announcements have been made by EML Payments (by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au)) before submitting your application to take up your Entitlement.

No party other than EML Payments has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

### **This Information Booklet is important and requires your immediate attention.**

You should read this Information Booklet carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the 'Key risks' section of the Investor Presentation included in Section 3 of this Information Booklet, any of which could affect the operating and financial performance of EML Payments or the value of an investment in EML Payments.

You should consult your stockbroker, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

### **5.1 Trading of New Shares**

It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving written confirmation of their holding will do so at their own risk.

EML Payments and the Underwriters disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statement, whether on the basis of confirmation of the allocation provided by EML Payments, the Share Registry or the Underwriters.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other independent professional adviser.

### **5.2 Eligible Retail Shareholders**

This Information Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand, and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. Accordingly, neither this Information Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating a possible investment in EML Payments. They do not and are not required to contain all of the information which would be required to be disclosed in a prospectus.

The Retail Entitlement Offer is being offered to Eligible Retail Shareholders only.

An Eligible Retail Shareholder is a person who:

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

Retail Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. EML Payments reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

EML Payments may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

### **5.3 Ineligible Retail Shareholders**

EML Payments has decided that it is unreasonable to make offers under the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand. EML Payments has had regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places.

Ineligible Retail Shareholders are not eligible to participate in the Retail Entitlement Offer due to securities laws restrictions on the offer of New Shares in certain jurisdictions.

### **5.4 Eligible Institutional Shareholders**

Eligible Institutional Shareholders are institutional shareholders to whom the Underwriters made an offer on behalf of EML Payments under the Institutional Entitlement Offer.

### **5.5 Ranking of New Shares**

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares are set out in EML Payments' constitution.

### **5.6 Risks**

The Investor Presentation details important factors and risks that could affect the financial and operating performance of EML Payments. You should refer to the 'Key Risks' Section of the Investor Presentation which is included in Section 3 of this Information Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

### **5.7 Reconciliation and the rights of EML Payments and the Underwriters**

The Entitlement Offer is a complex process and in some instances investors may believe that they own more Shares than they ultimately do as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that EML Payments may need to issue additional New Shares to ensure that the relevant investors

receive their appropriate allocation of New Shares. These additional New Shares would be issued, if required, at the Offer Price.

EML Payments also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders or other applicable investors, if EML Payments believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, EML Payments may, in its discretion, require the relevant Shareholder to transfer excess New Shares to the Underwriters at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by EML Payments in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of EML Payments nor the Underwriters to require any of the actions set out above.

#### **5.8 No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

#### **5.9 Rounding of Entitlements**

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

#### **5.10 Notice to nominees and custodians**

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

If EML Payments believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate under the Institutional Entitlement Offer; and
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to take up any of their Entitlements and may receive no value for any such Entitlements held.

Nominees and custodians may not distribute any part of this Information Booklet, or take up Entitlements on behalf of persons, in the United States or in any other country outside Australia and New Zealand.

EML Payments is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any holder is acting as a nominee for a foreign person, that hold, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. EML Payments is not able to advise on foreign laws.

### **5.11 Not investment advice**

This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. EML Payments is not licensed to provide financial product advice in respect of the New Shares. This Information Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with EML Payments' other periodic statements and continuous disclosure announcements lodged with ASX, which are available at <https://www.emlpayments.com>.

Prospective investors should conduct their own independent investigation and assessment of the Retail Entitlement Offer and the information contained in, or referred to in, this Information Booklet. An investment in EML Payments is subject to investment risk including possible loss of income and principal invested. Before deciding whether to apply for New Shares, you should consider all materials sent to you in relation to the Retail Entitlement Offer and any relevant materials lodged with ASX, and whether the New Shares are a suitable investment for you in light of your own investment objectives, financial circumstances and investment needs (including financial and taxation issues) and having regard to the merits or risks involved (including the 'Key risks' set out in the Investor Presentation). If, after reading the Information Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser or call the EML Payments Offer Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (from outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

### **5.12 Quotation and trading**

EML Payments has applied to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, EML Payments will repay all Application Money (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence at 10.00am (Sydney time) on Monday, 9 December 2019.

### **5.13 Continuous disclosure**

EML Payments is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

EML Payments is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, EML Payments has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to



have a material effect on the price or value of EML Payments shares. That information is available to the public from ASX.

Some documents are required to be lodged with ASIC in relation to EML Payments. These documents may be obtained from, or inspected at, an ASIC office.

#### **5.14 Information Booklet availability**

If you are in Australia or New Zealand, you can obtain a copy of this Information Booklet during the Retail Entitlement Offer Period by calling the EML Payments Offer Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (from outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

A replacement Entitlement and Acceptance Form can also be requested by calling the EML Payments Offer Information Line.

If you access the electronic version of this Information Booklet, you should ensure that you download and read the entire Information Booklet.

#### **5.15 Foreign jurisdictions**

This Information Booklet has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

Neither the Entitlements nor the New Shares have been, nor will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. In the Retail Entitlement Offer, the Entitlements and the New Shares will only be offered and sold in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of EML Payments with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

EML Payments has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

This Information Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information Booklet, you should observe such restrictions. See the foreign selling restrictions set out in the 'International offer restrictions' section of the Investor Presentation included in Section 3 of this Information Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

## **5.16 Underwriting arrangements**

EML Payments and the Underwriters have entered into the Underwriting Agreement pursuant to which the Underwriters have agreed to underwrite the Capital Raising on the terms and conditions set out in the Underwriting Agreement. The Underwriters' obligation to underwrite the Capital Raising is conditional on certain matters, including EML Payments delivering certain certificates, sign-offs and opinions to the Underwriters and the Acquisition agreement not having been breached, terminated, rescinded or varied in a material respect.

If certain events occur (which in some cases will depend on whether the event has, or is likely to have, a material adverse effect on the success, marketing or settlement of the Capital Raising, or where it leads, or is likely to lead, to a liability for an Underwriter or its affiliates), the Underwriters may terminate the Underwriting Agreement. Those events include where:

- EML Payments is prevented from allotting or issuing the New Shares under the Capital Raising;
- there are certain declines in the S&P/ASX 200 Index against the level of that Index as at the last trading day prior to announcement of the Capital Raising;
- ASX announces that EML Payments will be removed from the official list of ASX or that its shares will be delisted or suspended from quotation by ASX for any reason;
- there are certain delays in the timetable for the Capital Raising without the Underwriters' consent;
- EML Payments withdraws the Capital Raising or indicates that it does not intend to or is unable to proceed with the Capital Raising;
- EML Payments is required to give ASX a notice in accordance with section 708AA(12) or section 708A(10) of the Corporations Act;
- any material adverse change occurs in the assets, liabilities, financial position, results, condition, operations or prospects of EML Payments;
- certain information supplied by or on behalf of EML Payments to the Underwriters is or becomes false, misleading or deceptive or is likely to mislead or deceive; or
- a statement contained in the offer materials (including this Information Booklet) is or becomes misleading or deceptive in a material respect or those offer materials omit any information they are required to contain.

If the Underwriters terminate the Underwriting Agreement, the Underwriters will not be obliged to perform any of their obligations that remain to be performed.

In accordance with the Underwriting Agreement, as is customary with these types of underwriting arrangements:

- EML Payments has (subject to certain limitations) agreed to indemnify the Underwriters, their respective affiliates and related bodies corporate and each of their respective directors, officers, agents, employees, representatives and advisers from and against all losses directly or indirectly suffered or incurred in connection with the Capital Raising;
- EML Payments and the Underwriters have given certain representations, warranties and undertakings in connection with (among other things) the conduct of the Capital Raising; and
- EML Payments must pay each Underwriter in its respective proportion, being 50% in relation to UBS and 50% in relation to RBC (**Respective Proportion**):
  - an underwriting fee equivalent to 2.08% of the gross proceeds of the Capital Raising; and
  - a management and selling fee equivalent to 0.52% of the gross proceeds of the Capital Raising.

EML Payments must also reimburse the Underwriters for their reasonably incurred costs in connection with the Capital Raising, including legal fees and disbursements, travel and accommodation expenses, CHES DvP settlement costs and stamp duty or similar taxes payable in respect of the Underwriting Agreement. The Underwriters (on behalf of EML Payments) must pay each co-manager a fixed fee of \$200,000 and a fee equivalent to 1.00% of the dollar value of their respective allocation of New Shares under the institutional bookbuild.

Please see the ASX Announcements for further details about the Underwriting Agreement and the risks associated with the Underwriting Agreement.

Neither the Underwriters nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, advisers or agents (the **Underwriter Parties**) have authorised or caused the issue of this Information Booklet, or made or authorised the making of any statement that is included in this Information Booklet or any statement on which a statement in this Information Booklet is based, and they do not take any responsibility for this Information Booklet or any action taken by you on the basis of such information.

To the maximum extent permitted by law, each Underwriter Party excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you (directly or indirectly) as a result of your participation in the Entitlement Offer and this Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

None of the Underwriter Parties make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information and you represent, warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally.

#### **5.17 ASX waiver**

On 8 November 2019, ASX granted a waiver of Listing Rule 7.1 to EML Payments to the extent necessary to permit EML Payments to calculate the number of New Shares which it could issue without Shareholder approval under the Institutional Placement as if the Entitlement Offer was completed before the Institutional Placement. The waiver is subject to conditions, including that the Entitlement Offer is fully underwritten. EML Payments has relied on this waiver in conducting the Institutional Placement.

### **5.18 Governing law**

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

### **5.19 Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet.

Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by EML Payments, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, neither EML Payments, nor any other person, warrants or guarantees the future performance of EML Payments or any return on any investment made pursuant to this Information Booklet or its content.

### **5.20 Withdrawal of the Entitlement Offer**

EML Payments reserves the right to withdraw all or part of the Entitlement Offer and this Information Booklet at any time, subject to applicable laws, in which case EML Payments will refund any Application Money in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, EML Payments may only be able to withdraw the Entitlement Offer with respect to New Shares yet to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Money paid by you to EML Payments will not entitle you to receive any interest and that any interest earned in respect of Application Money will belong to EML Payments.

### **5.21 Privacy**

EML Payments collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in EML Payments.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to EML Payments (directly or through the Share Registry). EML Payments collects, holds and will use that information to assess your Application. EML Payments collects your personal information to process and administer your shareholding in EML Payments and to provide related services to you. EML Payments may disclose your personal information for purposes related to your shareholding in EML Payments, including to the Share Registry, EML Payments' related bodies corporate, agents, contractors and third party service providers (including mailing houses and professional advisers) and to ASX and regulatory bodies. You can obtain access to personal information that EML Payments holds about you. To make a request for access to your personal information held by (or on behalf of) EML Payments, please contact EML Payments through the Share Registry.

## 6 Glossary

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<b>Applicant</b>	an Eligible Retail Shareholder who has submitted a valid Application
<b>Application</b>	the payment of the relevant Application Money via BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of a completed Entitlement and Acceptance Form accompanied by the relevant Application Money
<b>Application Money</b>	the total amount payable for the New Shares applied for via BPAY® or a completed Entitlement and Acceptance Form
<b>Acquisition</b>	the proposed acquisition of all of the shares in Prepaid Financial Services (Ireland) Limited, as described in the Investor Presentation
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited ABN 98 008 624 691, or the financial market operated by it, as the context requires
<b>ASX Announcements</b>	the initial announcement in relation to the Capital Raising and Acquisition released to ASX on Monday, 11 November 2019 and the announcement in relation to the completion of the Institutional Offer released to ASX on Wednesday, 13 November 2019, incorporated in Section 3 of this Information Booklet
<b>Capital Raising</b>	the Institutional Placement and the Entitlement Offer
<b>CGT</b>	capital gains tax
<b>Closing Date</b>	5.00pm (Sydney time) on Friday, 29 November 2019
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>CRN</b>	the unique Customer Reference Number on the personalised Entitlement and Acceptance Form
<b>Eligible Institutional Shareholder</b>	<p>in accordance with sections 708(8) and 708(11) of the Corporations Act respectively, a sophisticated or professional Shareholder on the Record Date who:</p> <ul style="list-style-type: none"><li>• is not an Ineligible Institutional Shareholder; and</li><li>• has successfully received an invitation from the Underwriters (at their absolute discretion) to participate in the Institutional Offer (either directly or through a nominee)</li></ul>
<b>Eligible Retail Shareholder</b>	<p>a person who:</p> <ul style="list-style-type: none"><li>• is registered as a holder of Shares as at the Record Date;</li><li>• has a registered address on the EML Payments share register in Australia or New Zealand;</li><li>• is not in the United States and is not acting for the account or benefit of a person in the United States;</li><li>• was not invited to participate (other than as a nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer (at the absolute discretion of the Underwriters), and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and</li><li>• is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer</li></ul>

<b>EML Payments</b>	EML Payments Limited ABN 93 104 757 904
<b>EML Payments Offer Information Line</b>	1300 407 677 (within Australia) or +61 1300 407 677 (from outside Australia) between 8.30am to 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period
<b>Entitlement</b>	the right to apply for 1 New Share for every 5 Existing Shares held as at the Record Date, at the Offer Price of \$3.55 per New Share, pursuant to the Entitlement Offer
<b>Entitlement and Acceptance Form</b>	the entitlement and acceptance form which accompanies this Information Booklet
<b>Entitlement Offer</b>	the Institutional Entitlement Offer and the Retail Entitlement Offer
<b>Existing Shares</b>	Shares already on issue on the Record Date
<b>GST</b>	goods and services tax, as defined in the GST Act
<b>GST Act</b>	<i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)
<b>Ineligible Institutional Shareholder</b>	an institutional or sophisticated Shareholder who is not an Eligible Institutional Shareholder
<b>Ineligible Retail Shareholder</b>	a Shareholder (or beneficial owner of Shares) other than an Eligible Institutional Shareholder, Ineligible Institutional Shareholder or Eligible Retail Shareholder
<b>Information Booklet</b>	this information booklet
<b>Institutional Entitlement Offer</b>	the accelerated non-renounceable pro rata entitlement offer to Eligible Institutional Shareholders
<b>Institutional Offer</b>	the Institutional Entitlement Offer and the Institutional Placement
<b>Institutional Placement</b>	the placement of approximately 19 million New Shares to sophisticated and institutional investors to raise approximately \$67 million, as announced on Monday, 11 November 2019
<b>Investor Presentation</b>	the presentation to investors released to ASX on Monday, 11 November 2019, included in Section 3 of this Information Booklet
<b>Listing Rules</b>	the official listing rules of ASX
<b>New Shares</b>	Shares to be issued and allotted under the Capital Raising, including (if the context requires) the shortfall from the Entitlement Offer issued to the Underwriters or any sub-underwriters
<b>Offer Price</b>	\$3.55 per New Share
<b>Record Date</b>	7.00pm (Sydney time) on Wednesday, 13 November 2019
<b>Retail Entitlement Offer</b>	the non-renounceable pro rata entitlement offer to Eligible Retail Shareholders to apply for 1 New Share for every 5 Existing Shares held as at the Record Date at the Offer Price of \$3.55 per New Share
<b>Retail Entitlement Offer Period</b>	the period that the Retail Entitlement Offer is open
<b>Share</b>	a fully paid ordinary share in the capital of EML Payments
<b>Share Registry</b>	Link Market Services Limited ABN 54 083 214 537
<b>Shareholder</b>	a registered holder of Shares
<b>TERP</b>	the theoretical ex-rights price calculated by reference to EML Payments' closing price on Friday, 8 November 2019 of \$3.83 per Share, being the last trading day prior to the announcement of the



Entitlement Offer

**Underwriters**

- UBS AG, Australia Branch ABN 47 088 129 613; and
- Royal Bank of Canada (trading as RBC Capital Markets) ABN 86 076 940 880

**Underwriting Agreement**

the underwriting agreement between EML Payments and the Underwriters dated Monday, 11 November 2019

## CORPORATE DIRECTORY

### **EML Payments Limited** **ABN 93 104 757 904**

#### **Registered office**

Level 12, 333 Ann Street  
Brisbane QLD 4000

#### **EML Payments Offer Information Line**

1300 407 677 (within Australia)

+61 1300 407 677 (outside Australia)

Open between 8.30am to 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period

#### **Share Registry**

Link Market Services Limited  
Level 21, 10 Eagle Street  
Brisbane QLD 4000

#### **Legal adviser**

Herbert Smith Freehills  
101 Collins Street  
Melbourne VIC 3000  
<https://www.herbertsmithfreehills.com/>

#### **Lead Managers and Underwriters to the Equity Raising**

UBS AG, Australia Branch  
Level 16, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
<https://www.ubs.com>

Royal Bank of Canada  
Level 47, 2 Park Street  
Sydney, NSW 2000  
[www.rbccm.com](http://www.rbccm.com)