



Money in Motion

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EML Payments Limited

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ASX Market Announcements

20 Bridge Street
SYDNEY NSW 2000

Settlement of PFS Group Acquisition Liabilities

EML Payments Limited (ASX:EML) (“EML”) announces that it has entered into an agreement to settle all outstanding deferred acquisition payments (“Loan Notes”) from the acquisition of Prepaid Financial Services Group (“PFS Group”) in 2020 for £15.0m (A\$28.8m¹). This represents a £7.9m (A\$15.2m) or ~35% reduction to the total value of the Loan Note liability if paid at face value plus interest by the specified instalment dates. In addition, all historical earnout arrangements are confirmed at zero.

This agreement represents the conclusion of all outstanding actual and potential liabilities for EML and its shareholders flowing from the 2020 PFS Group acquisition structure.

Loan Note Settlement

The acquisition of PFS Group in 2020 included deferred consideration in the form of Loan Notes of £20m in total plus interest, payable in two instalments on 30 June 2024 and 30 June 2025. At full term, EML’s liability for the Loan Notes would have a value of £22.9m (A\$44m)² inclusive of accrued interest, with the first tranche payment of £11.25m (A\$21.6m) otherwise due in ~3 months.

EML has agreed with the PFS vendors to settle the entire Loan Note liability for £15.0m (A\$28.8m) representing a discount of £7.9m (A\$15.2m). Settlement of the Loan Notes concludes all outstanding matters between EML and the PFS vendors including but not limited to acquisition earnout arrangements for which nil will be paid. The settlement amount will be paid by 31 July 2024 and funded from EML’s cash balance.

Settlement of all outstanding actual or potential liabilities from EML’s PFS Group acquisition structure is another important milestone in the delivery of the EML Group’s strategic review. By reducing the Loan Note liability and negating all other potential liabilities arising from the PFS Group acquisition structure, inclusive of potential earnout disputes, EML will strengthen its balance sheet and further de-risk the business.

¹ GBP to AUD conversation spot rate of 1.92 used throughout this announcement.

² Deferred acquisition payments (Loan Notes) totaling £20m were issued to the PFS vendors on completion (1 April 2020) falling due on 30 June 2024 (£10m + interest) and 30 June 2025 (£10m + interest) with interest calculated at 2% pa until year three increasing to 4% pa until maturity.



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About EML Payments Limited

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

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

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