2015 Investor Presentation

9 – 12 November 2015

emerchants

empowering | Your Money

Important Notice

emerchants refers to the Emerchants Group which contains Emerchants Limited and its wholly owned subsidiaries including Emerchants Payment Solutions Limited.

This document is confidential and is intended only for the use of the person(s) to whom it is presented. It may not be reproduced (in whole or in part) nor may its contents be divulged to any other person without the prior written consent of emerchants. This document does not constitute an offer to sell or a solicitation of an offer to buy any securities. It is an outline of matters for discussion only. Any person receiving this document and wishing to effect a transaction discussed herein, must do so in accordance with applicable law. Any transaction implementing any proposal discussed in this document shall be exclusively upon the terms and subject to the conditions set out in the definitive transaction agreements.

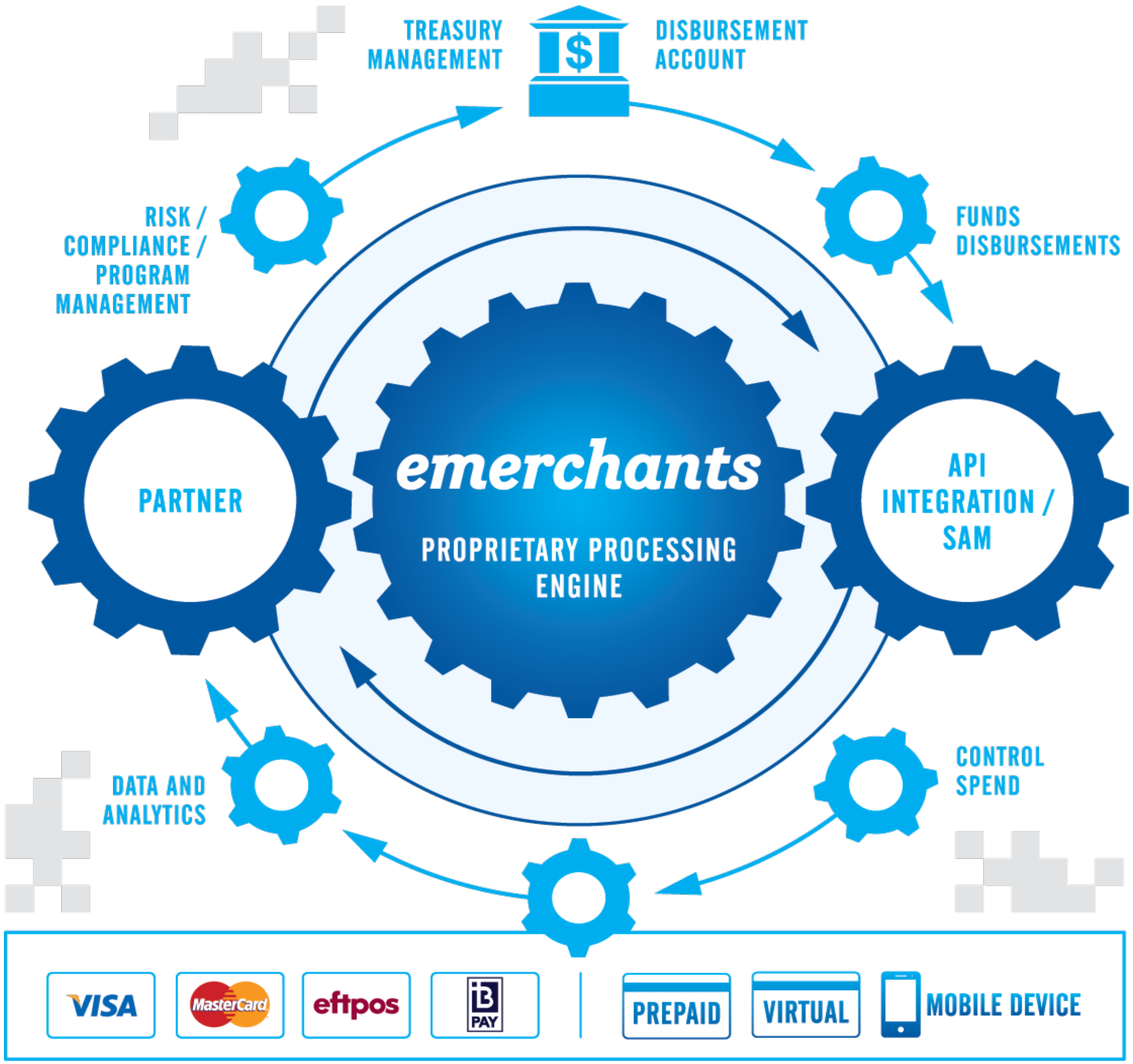
You may not rely upon this document in evaluating the merits of participating in any transaction referred to herein. This document contains selected information and does not purport to be all-inclusive or to contain all of the information that may be relevant to your participation in any such transaction. This document does not constitute and should not be interpreted as either a recommendation or advice, including investment, financial, legal, tax or accounting advice. Any decision with respect to participation in any transaction described herein should be made based solely upon appropriate due diligence of each party.

We believe the information provided herein is reliable, as of the date hereof, but do not warrant its accuracy or completeness. In preparing these materials, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Without limiting the generality of the foregoing, no audit or review has been undertaken by an independent third party of the financial assumptions, data, results, calculations and forecasts contained, presented or referred to in this document. You should conduct your own independent investigation and assessment as to the validity of the information contained in this document and the economic, financial, regulatory, legal, taxation, stamp duty and accounting implications of that information. Except as required by law, emerchants and its respective directors, officers, employees, agents and consultants make no representation or warranty as to the accuracy or completeness of the information contained in this document, and take no responsibility under any circumstances for any loss or damage suffered as a result of any omission, inadequacy, or inaccuracy in this document.

Nothing in this document contains a commitment from emerchants to issue securities, to provide debt, to arrange any facility, to invest in any way in any transaction described herein or is otherwise imposing any obligation on emerchants. emerchants does not guarantee the performance or return of capital from investments.

None of the Emerchants Group entities noted in this document are authorized deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia).

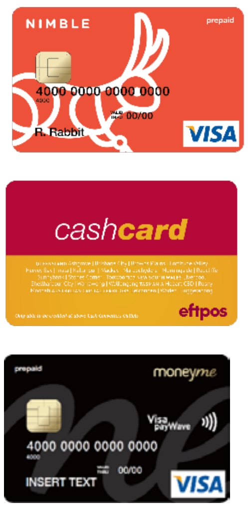
Our Value Proposition



Key Customer Relationships

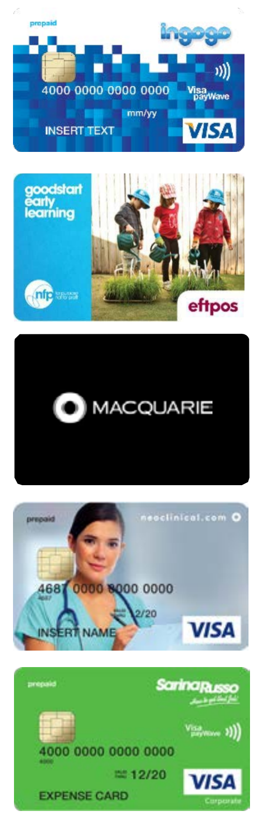
We manage over 210 prepaid debit programs across 10 countries

Consumer Lending



Gaming and Wagering Services

Commercial



Non- Reloadable

FY15 Financial Highlights

- Revenue growth of 178% from $5.18m to $14.40m.

- Strong revenue growth due to contributions from new Australian Re-loadable programs and seven months of contribution from our European operations, which included five months of revenue contribution from the Hammerson and MFI mall card programs, the two largest European programs implemented to date.

- Breakage is a significant contributor to our European earnings. We ended the year with a $3.96m accrual that will convert to cash in the coming financial year and positions us well from a cash flow perspective.

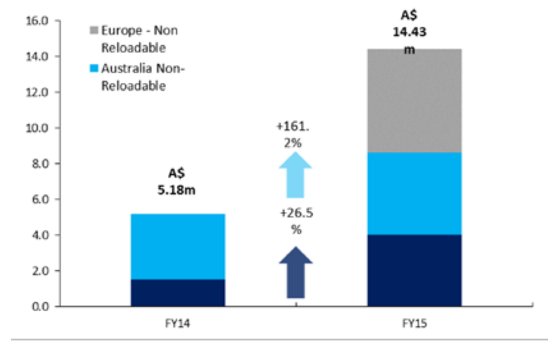
- Gross profit margin percentages were consistent with the prior year.

- Cash Overhead expenses were down $0.40m in Australia as a result of continued efficiency initiatives and cost control measures.

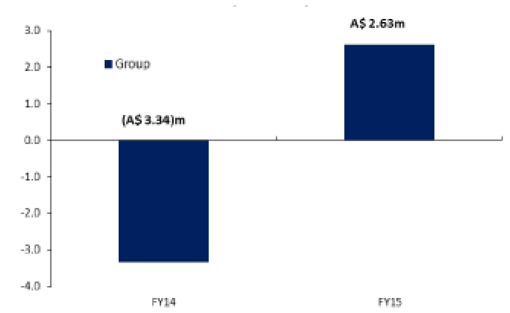
- EBITDA of $2.63m, an increase of $6.0m or 179% versus the prior financial year. The scalability of the business is demonstrated by the the conversion of incremental revenue into EBITDA.

- NPAT of $2.86m. As previously disclosed to shareholders, the company incurred $5.10m in non-cash share based expenses primarily associated with share grants agreed to as part of the SFUK acquisition, tied to the launch of the Hammerson and MFI programs. We also disclosed that we would recognise carried forward tax losses onto the Balance Sheet, given that the Group will generate sufficient taxable profit in future years to offset the tax losses.

Revenue ($A Millions)

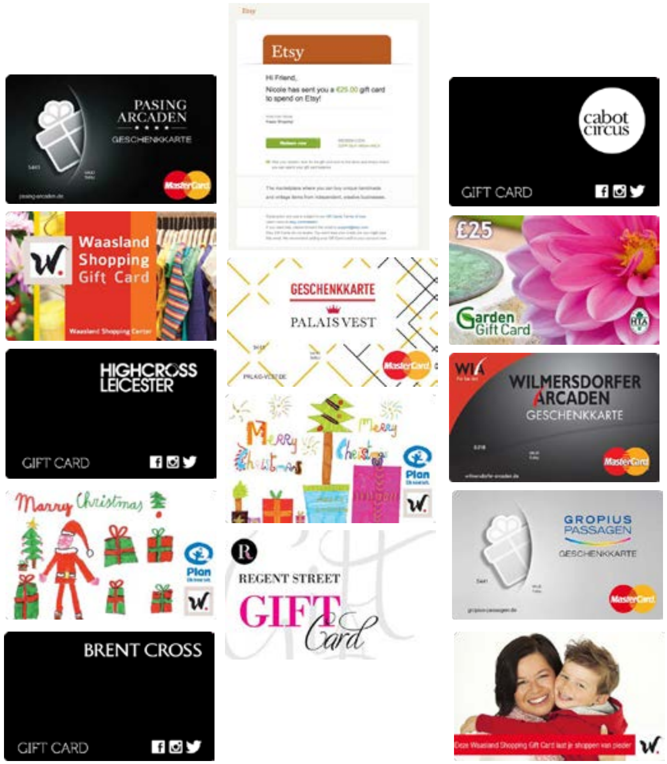


EBITDA ($A Millions)

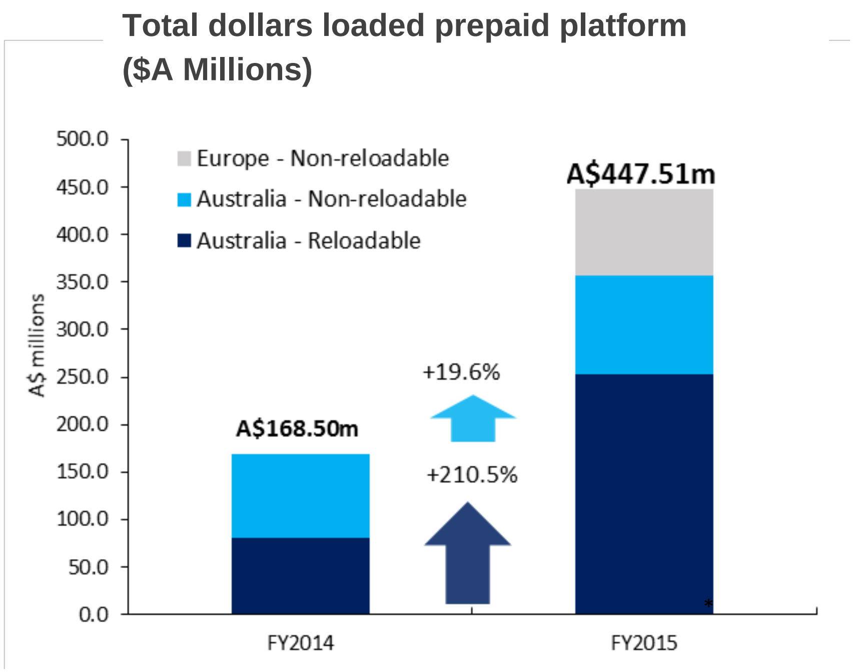


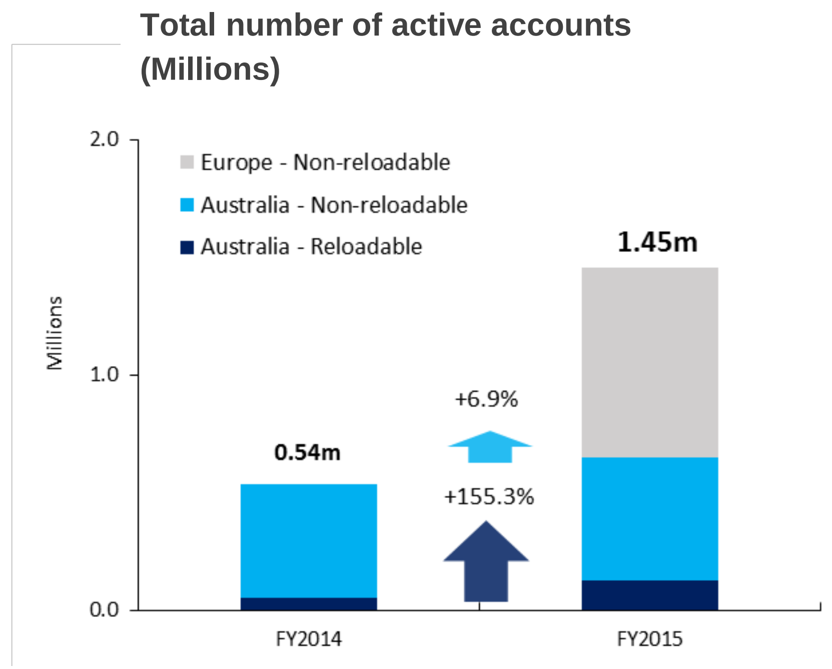
FY15 Operating Highlights

- Launch of Re-loadable programs for CCIG, Ladbrokes and Sportsbet.
- Signed Re-loadable agreements with CrownBet, bet365, MoneyMe, Sarina Russo and Neoclinical, with programs launching in early FY16.
- Completed product development of EachWay, our cash load solution for gambling companies, with a launch in market in the first half of FY16.
- Successfully closed the Store Financial United Kingdom (“**SFUK**”) acquisition on 1 December 2014, transforming the company geographically and financially.
- Signed and launched mall gift card programs with MFI (Germany, 25 malls) and Hammerson (UK, 11 malls) in January 2015, the two largest programs launched to date. In addition, we also signed and launched a mall program for Value-Retail Inc. (8 malls, 5 EU countries).
- Finalised an agreement with Bancorp Inc., a leading e-money issuer in Europe, to act as our issuer for Re-loadable programs, ensuring the ability to operate Re-loadable programs within any EU member nation.
- Commenced I.T development for Re-loadable solutions in Europe (expected to be completed end of Q1FY16). Sales activities commenced in April 2015 and we remain optimistic in relation to the market potential.



Performance Metrics – FY15 vs FY14

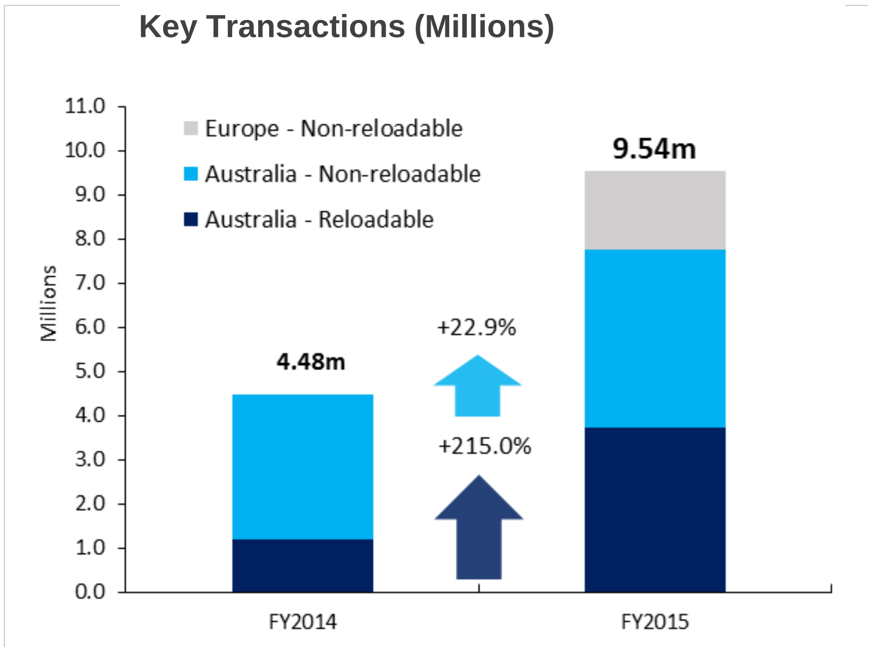


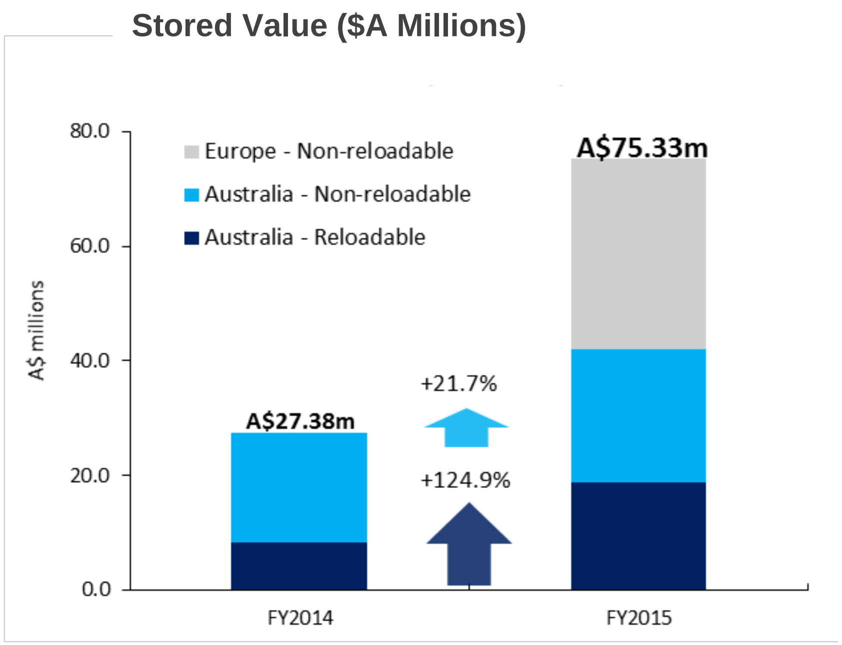


Total Dollars Loaded: +165%

Number of Active Accounts: +169%

Performance Metrics – FY15 vs FY14





Transactions: +113%

Stored Value: +175%

Financials

Statement of Profit and Loss for 12 months ended 30 June 2015

('000)	Year Ended June 14	Year ended June 15	% Δ
Breakage income	1,152	5,505	378%
Establishment income	1,097	3,211	193%
Transaction fees	1,988	4,617	132%
Interest received - host based stored value	613	814	33%
Interest received - group funds	178	119	(33%)
Service fees	156	171	9%
Total Revenue	**5,184**	**14,437**	**178%**
Gross Profit	**4,049**	**11,281**	**179%**
Gross profit margin - %	*78%*	*78%*	-
Gross Profit by reportable segments			
Australia - Reloadable	754	2,587	243%
Australia - Non-reloadable (Gift)	3,116	4,099	32%
Europe - Non-reloadable (Gift)	-	4,477	n/a
Interest received - group funds	178	119	(33%)
Total Gross Profit by segments	**4,049**	**11,281**	179%
Other income	60	-	(100%)
Cash overheads - employment related	(5,116)	(6,214)	21%
Cash overheads - other	(2,774)	(3,135)	13%
R&D tax offset	436	698	60%
EBITDA	**(3,346)**	**2,630**	**(179%)**
Less: R&D Tax offset shown above	(436)	(698)	(60%)
Depreciation, amortisation, other non cash charges	(665)	(2,637)	(297%)
Share-based payments	(1,403)	(5,104)	(264%)
Net Profit / (Loss) before tax	**(5,850)**	**(5,809)**	**1%**
Tax (including R&D tax offset)	436	8,668	1,888%
Net Profit / (Loss) after tax	**(5,414)**	**2,859**	**153%**

- Large growth in Revenue and Gross profit due to the inclusion of the European operations for 7 months and the strong performance of the Australian Reloadable segment.
- The increase in Group Cash overheads was minimal relative to the growth in revenue and Gross profit reflecting the scalability of our business model.
- The $5.10m non-cash share based expenses are primarily associated with share grants agreed to as part of the SFUK acquisition, tied to the launch of the Hammerson and MFI programs.
- Large benefit in the tax line is due to the recognition of the historic tax losses in Australia reflective of the fact that the Group will generate sufficient taxable profit in future years to offset the tax losses.

Financials

Statement of Financial Position for 12 months ended 30 June 2015

Summary Financial Position	Year Ended June 14	Year ended June 15	% ∆
Cash and cash equivalents	4.50	4.26	(5%)
Other receivables and other assets	1.79	6.28	251%
Receivable from financial institution	-	6.90	0%
Deferred Tax Asset	-	7.55	0%
Plant and equipment	0.96	0.79	(18%)
Goodwill and intangibles	11.22	38.98	247%
Total assets	**18.47**	**64.76**	**251%**
Liabilities to cardholders	-	6.90	n/a
Deferred tax liability	-	2.06	n/a
Other liabilities	1.77	3.22	82%
Total Liabilities	**1.77**	**12.18**	**590%**
Equity	**16.71**	**52.58**	**215%**
Summary of Cash Flow			
Cash flows from operating activities	(3.19)	(0.35)	(1.40)
Cash flows from investing activities	(0.74)	(13.18)	(11.10)
Cash flows from financing activities	7.06	13.29	13.29

- Included within Other Receivables is a breakage accrual of $3.96m which will convert to cash in the coming financial year.
- Receivables from financial institution offsets the liabilities to cardholders and represents funds cardholders have provided to us that we have in turn deposited with a financial institution for programs we self issue without an external Bin sponsor.
- Intangibles have increased due to the acquisition of SFUK for A$24.9m and is predominantly comprised of Goodwill of A$18.3m and Customer relationships / Customer contracts of A$ 9.1m.
- The Company had a pre-existing Goodwill value of $11m on the Balance Sheet, reflecting the original purchase price of Emerchants, also comprised largely of Customer relationships / Customer contracts.
- Other than the value of Customer relationships/ Customer contracts, no other assets – ie, Intellectual Property, is included as an intangible.

FY16 Operational Priorities

Australia

- Launch of additional Commercial Re-loadable programs providing further revenue diversification.
- Launch of supplementary Re-loadable programs in the Gambling and Consumer lending segment
- Continued focus and investment in business continuity planning in preparation for the 2015 Spring Racing Carnival. We will have 10x the number of active gambling winnings cards in market in 2015 versus the 2014 Spring Racing Carnival.
- Develop our product management focus and seek further I.P protection on our software and solutions.
- Launch and expansion of the EachWay cash load network.

UK and Europe

- Successful signing of a number of Re-loadable programs in the UK/EU gambling segment. This will further propel earnings growth in FY16 and beyond.
- Launch of our cash load solution in the UK and Europe.
- Launch of B2B “Cash Back” gift card programs in conjunction with Edge Loyalty, launching in early 2HFY16. Multiple market assessments have indicated that our future earnings contribution is similar to our Non-Reloadable revenue in Australia.
- Continued expansion of Mall gift card programs and other Non-reloadable programs.

Q1FY16 Financial Update

- Group revenue of $3.9m for Q1FY16 – up 96% on PCP
- Group Dollar Loads $146.7m for Q1FY16 – up 134% on PCP
- Group Transactions of 2.9m – up 93% on PCP
- Group Active Accounts increased from 560K to 1.54M – up 175% on PCP
- Group Stored Value balances increased from $31m to $83.3m – up 168% on PCP
- Flat Australian expenses
- Cash balance of $3.9m with $4.6m in breakage accruals that will convert to cash within the next 12 months

Q1FY16 Australian Market Update

- Crownbet, bet365 and Moneyme programs successfully launched in August
- Record month for total dollar loads in October reflecting the contribution from the Spring racing carnival, continued growth in Sportsbet and Ladbrokes and the launch of the CrownBet and bet365 programs.
  - We have over 130K cards ordered by customers and we would expect that to double in the next 12 months
- EML was approved as a principal member of MasterCard® for prepaid issuance on October 27 and will be the first non-ADI in Australia to have card scheme membership capabilities.
- EachWay agreements executed with 7-eleven and Woolworths to accept cash loads
  - Virtual “in-app” loads will be facilitated in 7-eleven and Woolworths self-checkout
  - Card based cash loads will be rolled out throughout the remainder of FY16
  - Distribution network should reach circa 4-4500 stores by June 2016 and become a material contributor to revenues and profitability in FY17 and beyond
  - Working towards launching in Q3FY16
- Cash Converters (corporate stores and online) have elected to delay the launch from late November to mid January so as not to change processes in the key month of December, We expect this to be a long term and profitable agreement for EML.

FY16 European Market Update – Non-Reloadable

- Non-Reloadable programs continue to show positive growth:
  - 7-18% YOY growth in same store mall card loads
  - MFI and Hammerson generating incremental mall card loads
  - 50% growth in other non-reloadable card loads
- In the shopping mall gift card segment, we are targeting European mall operators with significant portfolios:
  - Pipeline to date is in excess of $180m in dollar loads per annum (at current EU/AUD exchange rates)
  - We expect these to be long term sales cycles
- Launched B2B gift card issuance in Italy with our strategic partner (Epipoli) – the same type of operation that we support in Australia with Edge Loyalty – and we see significant growth potential for B2B in this market. Expanding to France with Epipoli in 2HFY16.
- We have signed a multi-year relationship with Blackhawk Networks (NASDAQ; HAWK) for the issuance of MasterCard® open loop gift cards in the UK, Belgium and The Netherlands, with the potential to add other countries during the life of the agreement. Program launches November 2015.
- We have signed a multi-year relationship with Redeem, a company specialising in mobile phone trade ins for UK mobile phone operators. A gift card is provided as an incentive to encourage a customer to trade in their older handset for a new phone and new mobile phone contract. This also has the potential to expand to other mobile phone operators in the future. Initial program launches November 2015.
- The launch of B2B gift card issuance in the UK with Edge Loyalty is on track for Q3FY16. B2B gift cards represent half of the GBP$5.4bn per annum gift card market so we see this as accretive financially in the coming years.

FY16 European Market Update – Reloadable

- From a business development perspective we are primarily focused on the opportunities in the gambling vertical.
- Product development is complete, allowing us to sign agreements with operators and undertake technical testing and development.
- We have hired an experienced executive to head up our business development efforts and to date he has made contact with dozens of prospects. These prospects are of varying size and represents a mix of geographies and product set (ie, Sports betting, Casino, Lottery, Bingo)
- We will be ramping up our marketing activity in the coming months using editorials and advertorials in gaming publications, and have and will be attending multiple industry events (Gibraltar 4/15, Barcelona 7/15, Berlin 10/15, Malta 11/15, London 02/16)
- The market is in its infancy and we have a number of competitors in the market, so we are limited in what we can communicate to shareholders at this time. What we can communicate is:
    - There is the likelihood of many operators adopting branded payment cards in the next 1-3 years, so we are comfortable that the demand exists
    - The demand is more evident in countries with inefficient banking systems where customers of the betting operator are looking to hold funds in an account not controlled by one of their domestic banks. This will lead to different adoption rates in different countries, which we are unable to predict until we have been in the market for 1-2 years
    - Pricing will vary on a program by program basis and on a country by country basis, but we expect the revenue metrics to be similar in AUD terms to the contribution from similar programs in Australia