

Pie Funds Investor Conference

Auckland NZ 15/3/16

emerchants
empowering | Your Money

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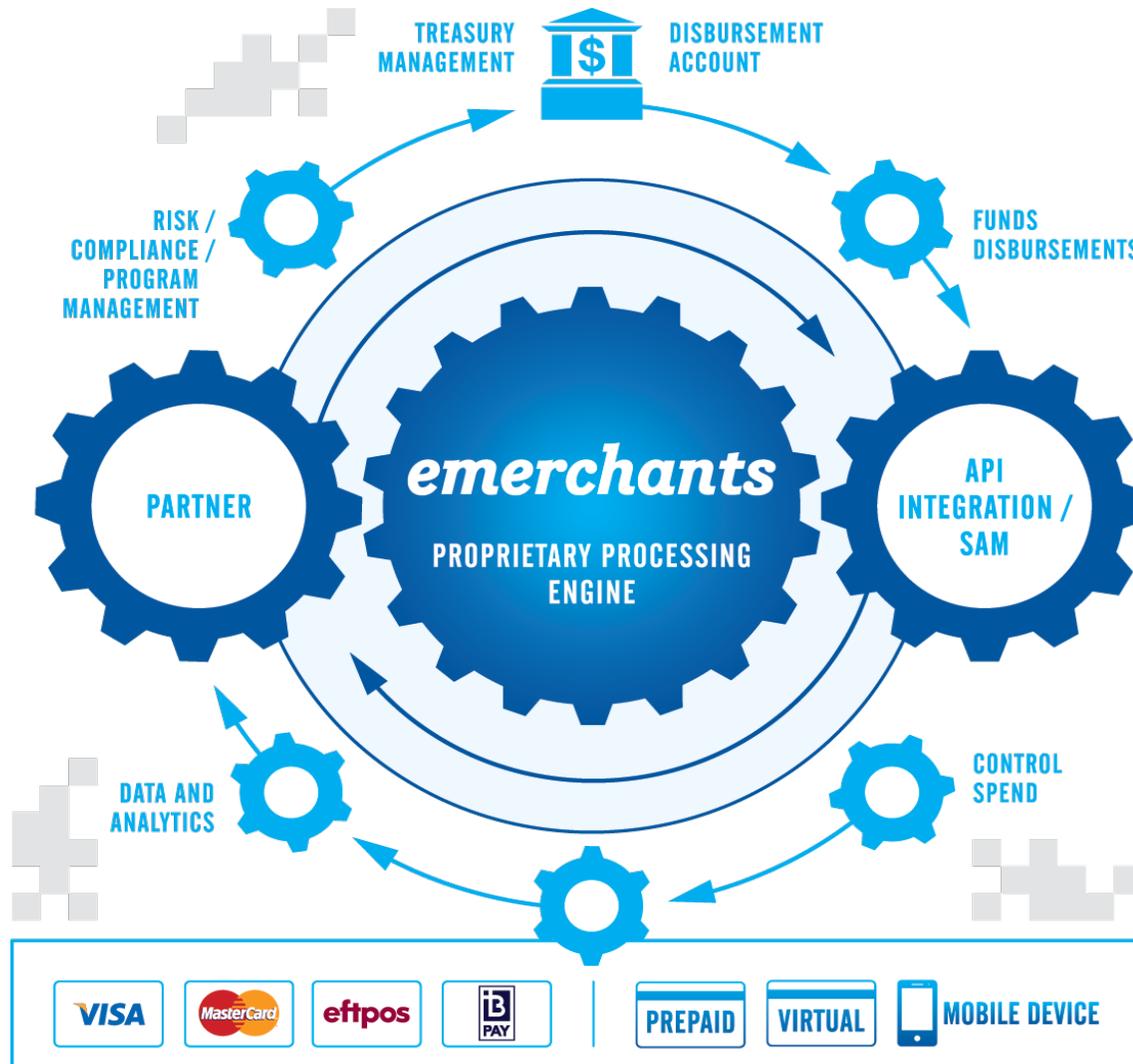
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Our Value Proposition



Key Customer Relationships

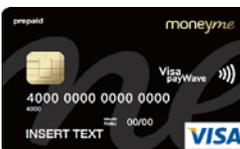
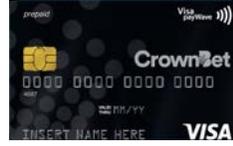
We manage over 210 prepaid debit programs across 11 countries

Consumer Lending

Gaming and Wagering Services

Commercial

Non-Reloadable



B2B Non-Reloadable Programs In Australia and Europe

Core driver of revenue in Australia and will become as important in the UK and Europe in FY17-18



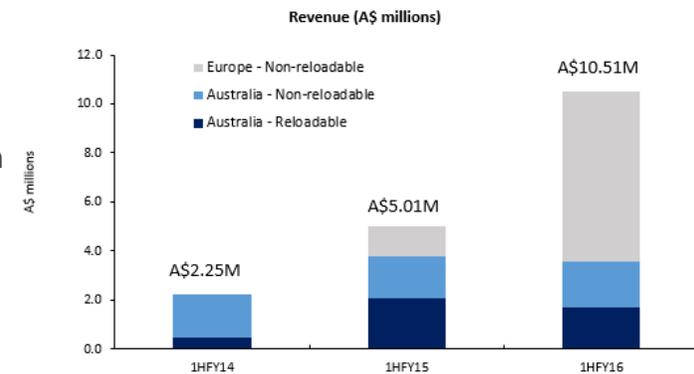
**Three Trade-in.
Instant reward card.**



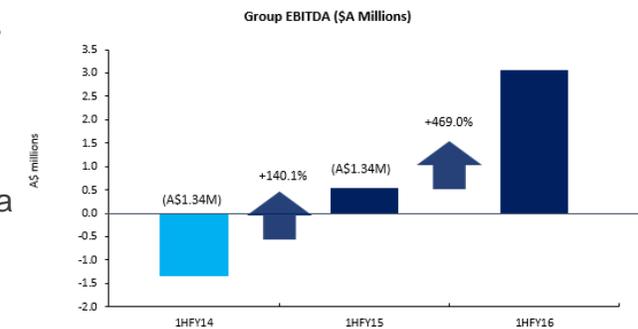
1HFY16 Financial Commentary

- EBITDA up 471% to \$3.05m.
- Net Profit up 247% to \$0.63m (includes \$2m in D&A related to SFUK acquisition)
- Revenue growth of 108% from \$5.08m to \$10.56m.
- Gross Margin up 117% from \$3.75m to \$8.12m.
- Gross margin increased from 74% to 77%, with an even balance between margins in Australia (78%) and Europe (76%).
- Revenue metrics per dollar loaded: Australian non-reloadable 3%, Europe non-reloadable 6%, Australian reloadable 0.8% (excludes establishment fees in 1H - normalised 1.2-1.5% inclusive of establishment fees).
- Cash overheads rose from \$3.21m to \$5.07m, reflective of six months of costs from our European operation (versus one month of costs in the 1HFY15) and investments in sales and product development, particularly in the UK re-loadable business.
- Dollar Loads and financial contribution from our online payday lending partners was down on the comparable half year due to industry specific factors we have not seen a recovery in load volumes in January 2016, so expect a negative margin impact of circa \$0.4m in FY16.
- Closing cash balance and accrued breakage increased 65% to \$9.7m (accrued breakage includes breakage that will translate to cash within the next 12 months)

Revenue (\$A Millions)

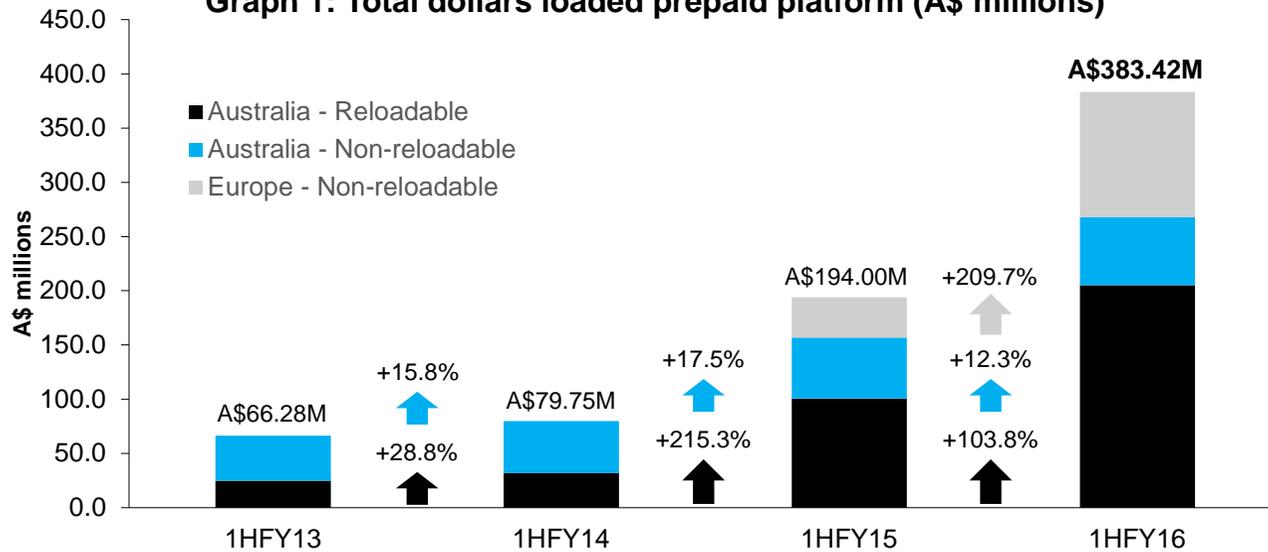


EBITDA (\$A Millions)



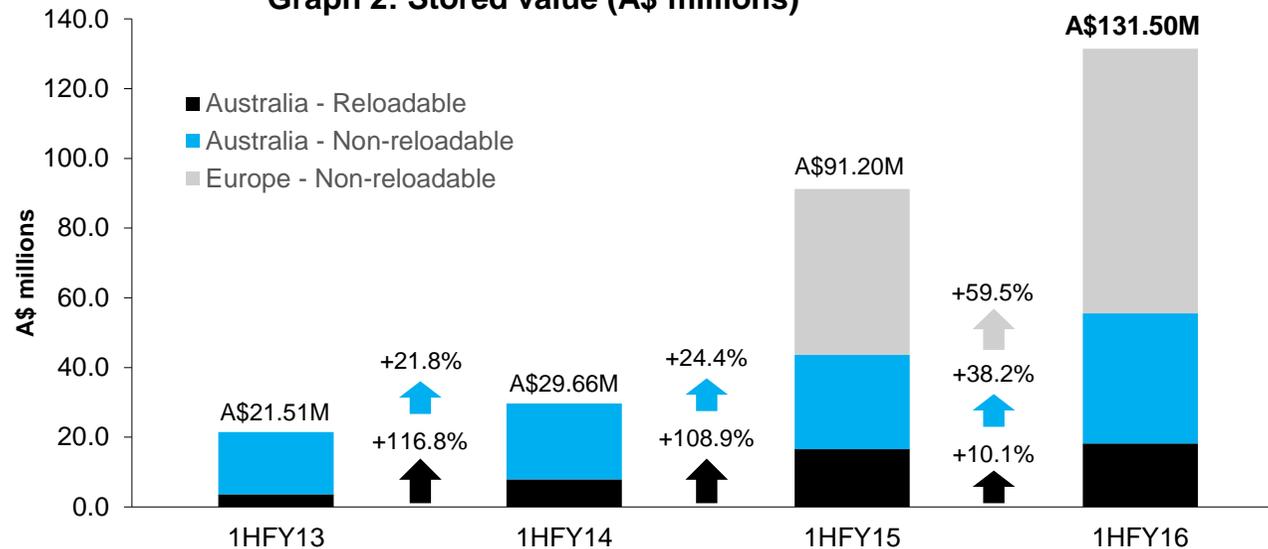
Performance Metrics – 1HFY16 vs 1HFY15

Graph 1: Total dollars loaded prepaid platform (A\$ millions)



**Total Dollars Loaded:
+98%**

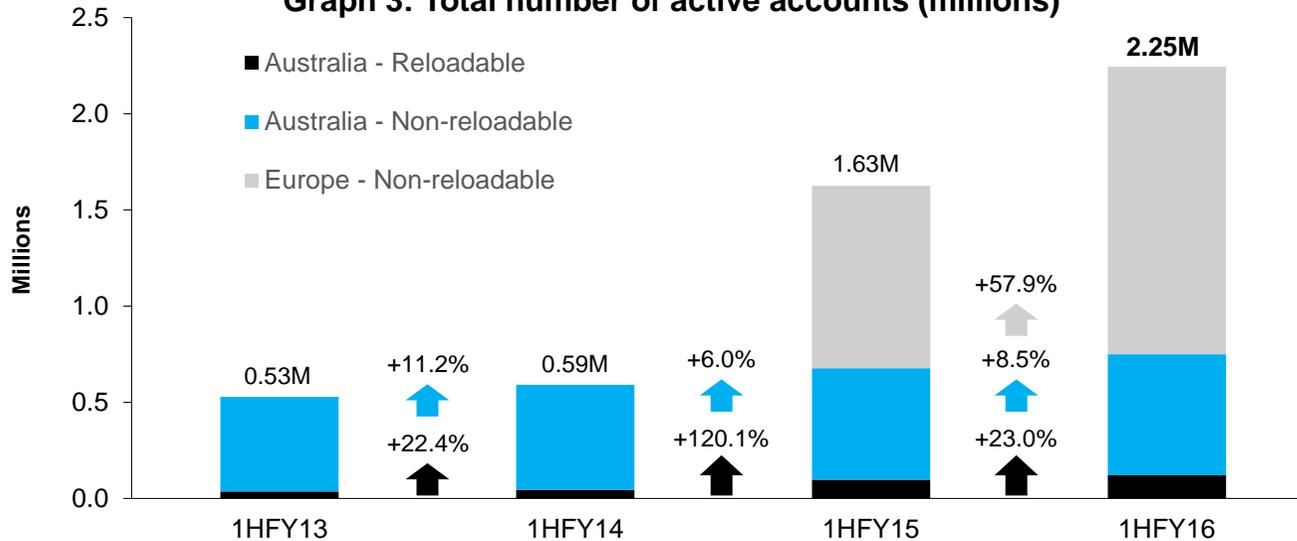
Graph 2: Stored value (A\$ millions)



**Stored Value:
+44%**

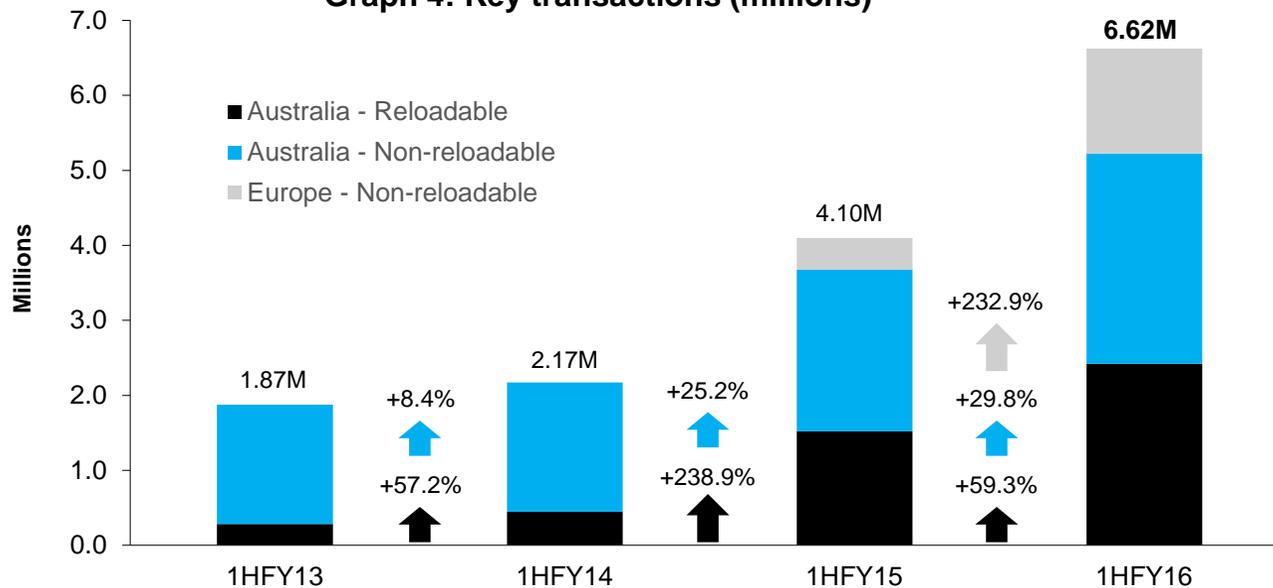
Performance Metrics – 1HFY16 vs 1HFY15

Graph 3: Total number of active accounts (millions)



Number of Active Accounts: +38%

Graph 4: Key transactions (millions)



Transactions: +62%

1HFY16 Operating Highlights

- Launch of Re-loadable programs for bet365, CrownBet and CreditCorp.
- Signing of long term agreements with William Hill and Cash Converters (Corporate stores and online lending).
- Signed Ladbrokes, bet365 and William Hill for the EachWay cash loads product.
- Strong growth in performance metrics.
- Signed and launched a multi-country, multi-year agreement with Blackhawk (Nasdaq: HAWK) to issue retail gift cards in the United Kingdom, Belgium and the Netherlands.
- Signed and launched a B2B non-reloadable program with Redeem, a leading mobile phone handset recycling company.
- Significant growth in B2B non-reloadable programs in Italy, with a pending launch of B2B programs in France in FY17.



2HFY16 Australian Market Update

- Dollar loads for re-loadable programs were \$205m for the 1HFY16. Our annualised run-rate as of February 2016 is circa **\$500m**, as new and existing programs continue to scale.
- Cash Converters Program launched across all Corporate stores on February 1, with sell-in underway to the remaining 55 franchisee sites. Online loans to launch in the coming months.
- Pending launch of William Hill, the first operator to launch a combined Payout card with EachWay cash loads functionality. William Hill is the second largest online operator in Australia so we can also expect this to add significantly to Dollar loads in FY17.
- Potential to sign another 1-2 online gaming programs in Australia with launches in 1HFY17.
- The launch of the EachWay cash load solution for gaming operators is on track to launch prior to the end of the financial year.

2HFY16 European Market Update

- Presented to over 30 European gaming operators at the ICE Totally Gaming Convention in London and received a positive response from the industry, validating the market opportunity identified and the primary reason for acquiring SFUK in December 2014. We remain optimistic of signing our initial partners by the end of the current financial year.
- LOI signed with PaySafe Group PLC (LSE:PAYS), a leading global provider of online payment solutions with operations in over 200 countries and territories. PaySafe is a global leader in payments for the gaming industry and will work exclusively with EML as an e-money issuer to promote our card programs into gaming companies throughout Europe and other countries.
- 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 in the United Kingdom and we expect our earnings in FY17-18 to be similar to that derived from our Australian B2B business (\$2.5-3.0m+ potential annual revenue).
- We have signed 2 agreements for non-reloadable programs that will be converted from a paper based program and represent over \$30m pounds in potential load volume in FY17-18.

Investment Case

- **Scale:** Gross margins averaging 78% and upwards of 90% on some programs, and on a relatively stable cost base, drives scale.
- **Revenue Acceleration:** Significant market potential in all of our core segments – driven by growth in existing programs and the potential that exists in UK/EU B2B non-reloadable programs, UK/EU gaming re-loadable programs and growth in the core shopping mall gift card portfolio.
- **Sales Pipeline:** We generate earnings from partnerships that are both directly sold and where we partner with companies such as Edge Loyalty, PaySafe and Blackhawk.
- **Deferred Tax Assets:** Net operating losses enable \$29m in net profit prior to being in a tax payable position.
- **Diversification:** We have transformed ourselves from a company in early 2012 operating in Australia with one customer, representing 90% of revenues, with a \$10m market cap, to a company with diversification of revenues and earnings, in multiple currencies, geographic diversification, diversification of risk and a market cap of circa \$180m.
- **Debt:** Nil.