

Investor Presentation

The CEO Sessions, ASX Exchange – Sydney 17/5/16

Important Notice

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

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.

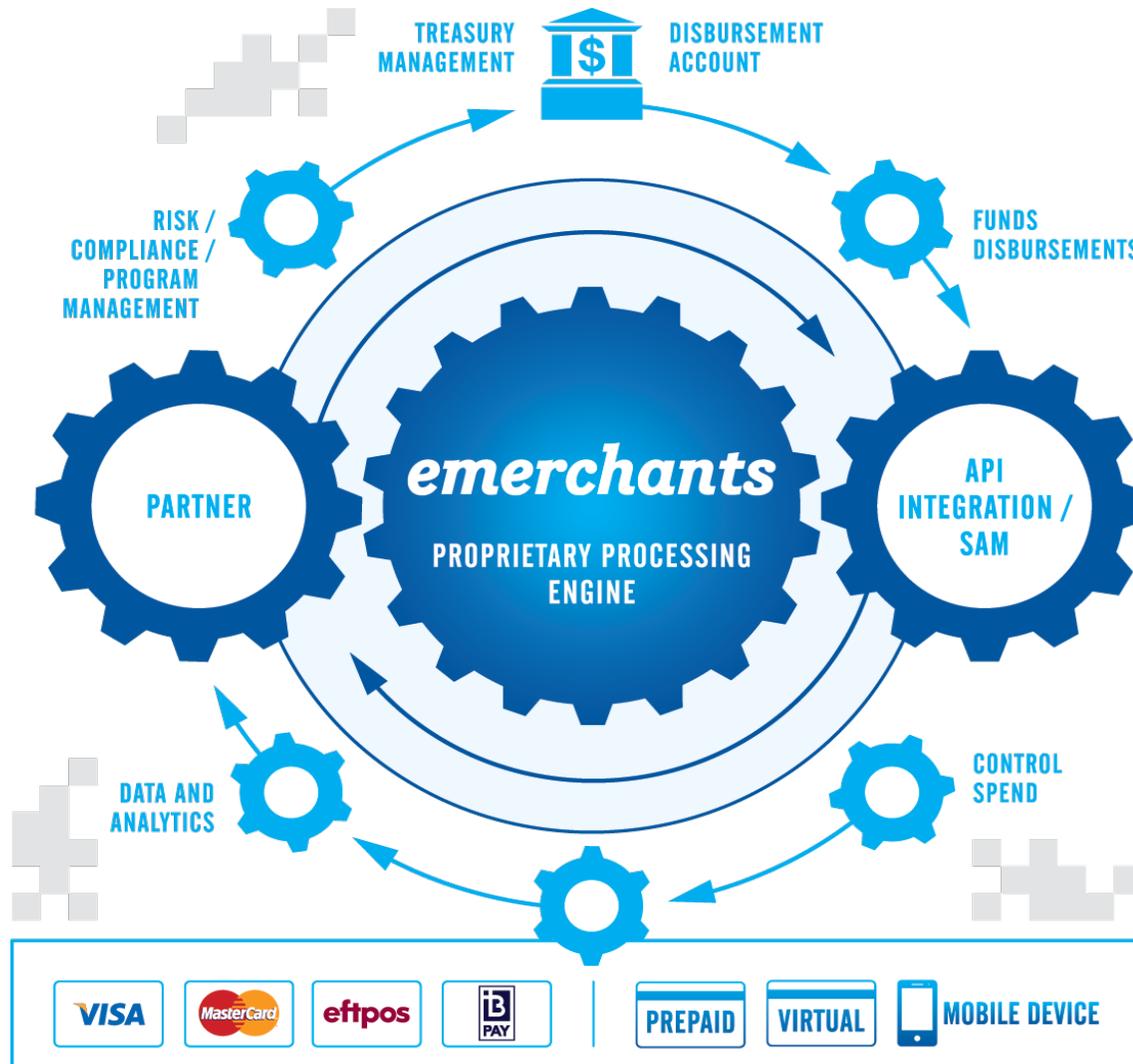
We believe the information provided herein is reliable, as of the date hereof, but do not warrant its accuracy or completeness. In preparing these materials, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. 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).

2016 Emerchants Limited.

Our Value Proposition



Key Customer Relationships

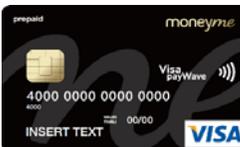
We manage over 210 prepaid debit programs across 11 countries in Australia and Europe

Consumer Lending

Gaming and Wagering Services

Commercial

Non-Reloadable



SFS Acquisition Expected To Close June 2016

Key Metrics

300+

Gift card programs in the market in the USA and Canada

5.5m

Gift cards issued in 2015 worth US\$260m in loads

46m

46,000,000 gift cards issued since inception, representing over US\$2 billion in total loads

\$2BN

Processing in excess of US\$2bn per annum in digital / virtual and mobile payments

a) FY17 Pro-Forma Financials⁽¹⁾:

- a) Revenue US\$25m / AU\$33.3m
- b) Revenue components:
 - a) Interchange – 28%
 - b) Transaction Fees – 12%
 - c) Breakage / AMF (Account Maintenance Fees) – 56%
 - d) Establishment Fees – 4%
- c) EBITDA US\$3.5m / AU\$4.7m

b) SFS has been investing heavily in new sales segments to deliver incremental EBITDA growth:

- a) B2B Non-Reloadable programs (Consumer / Employee Rewards and Incentives)
- b) Re-loadable programs (will leverage EML gaming re-loadable solutions)
- c) Insurance claim payments
- d) Gaming programs

(1) USD:AUD has been assumed at 75c

Key SFS Customers



Motivation Excellence, Inc.

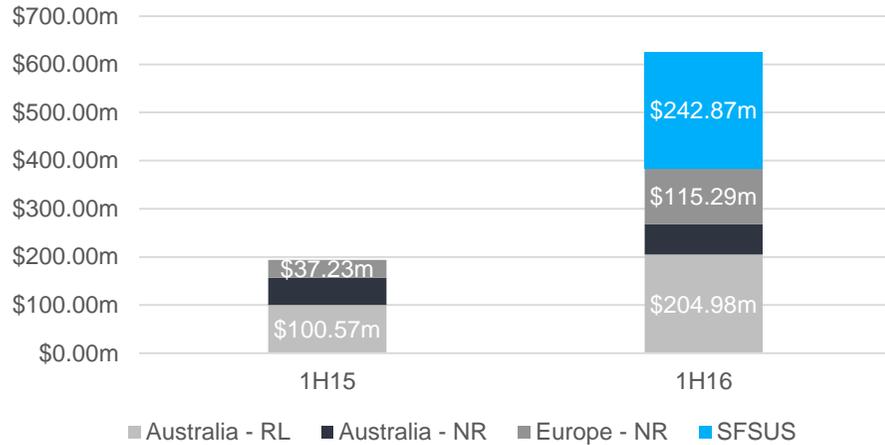


Helping you do better research.

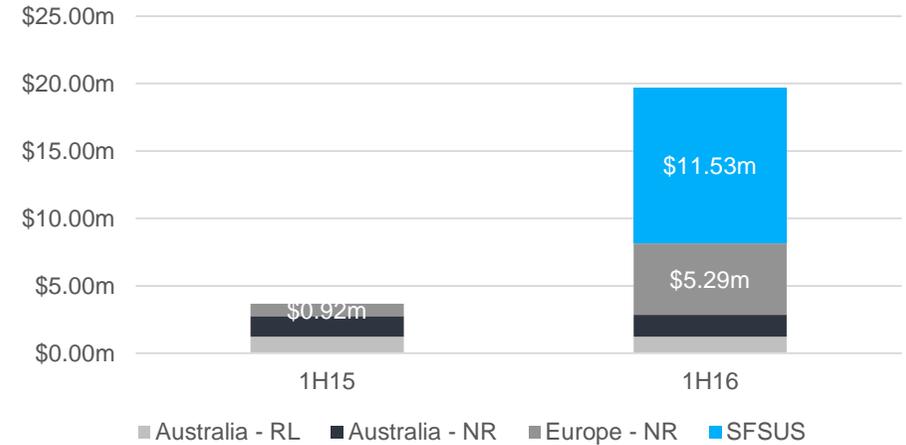


Key Metrics

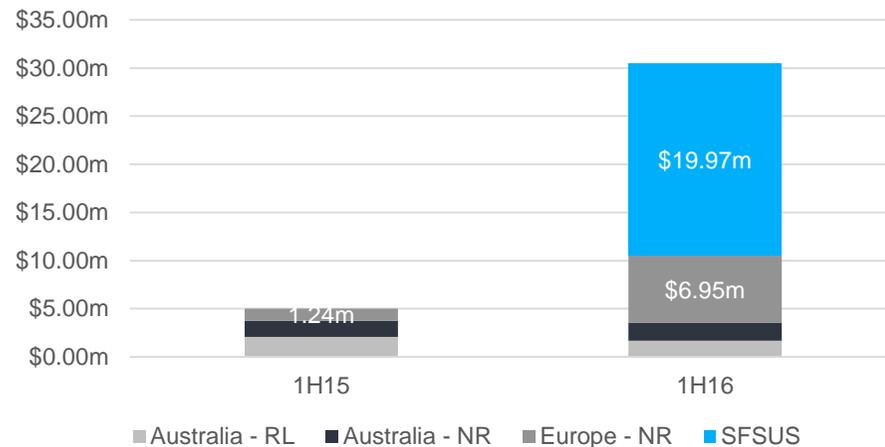
\$ Loaded 1H15 v 1H16



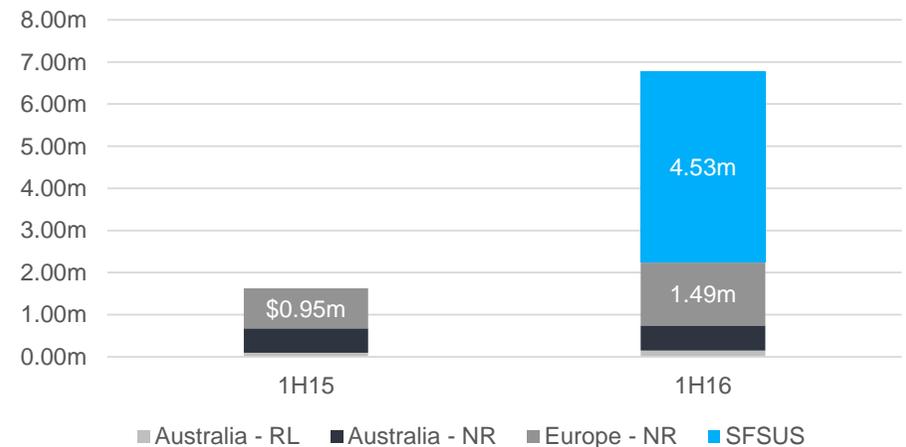
Gross Profit 1H15 v 1H16



Revenue 1H15 v1H16



Active Accounts 1H15 v 1H16



* The metrics above include the results SFSUS assuming they were part of the EML consolidated group for the entire period under review. Metrics in non AUD have been converted to AUD at an average rate for the 6 month period.

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 USA and Canada.
- **Cash:** Post close of the SFS acquisition we have circa \$29m in cash for use in driving further growth.
- **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 \$290m.
- **Debt:** Nil.