Investor Presentation

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

emerchants
empowering | Your Money

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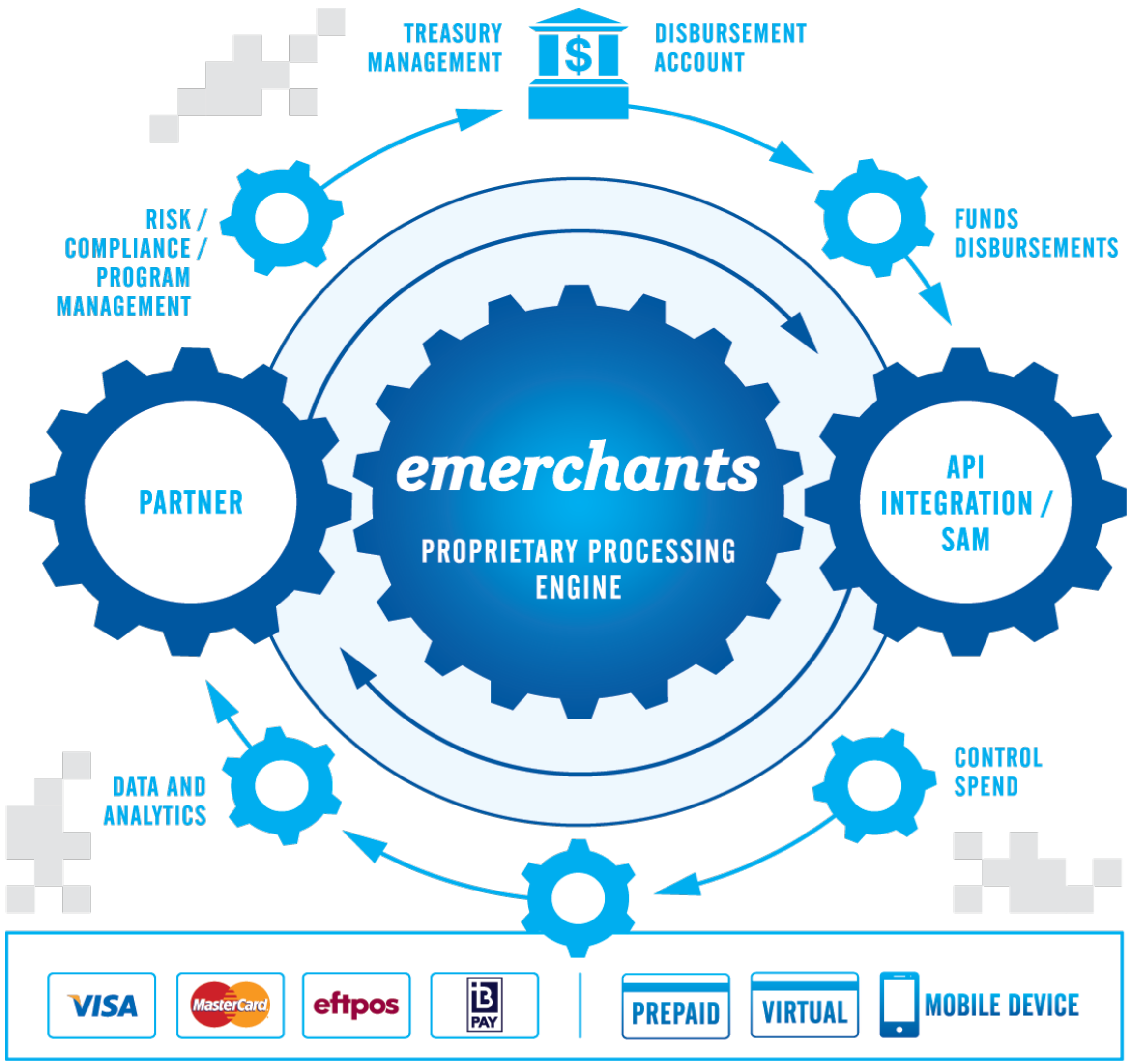
Our Value Proposition



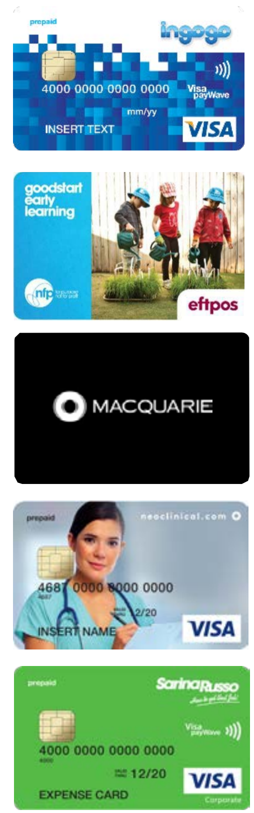
Key Customer Relationships

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+	5.5m	46m	$2BN
Gift card programs in the market in the USA and Canada	Gift cards issued in 2015 worth US$260m in loads	46,000,000 gift cards issued since inception, representing over US$2 billion in total loads	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

Cadillac Fairview

Primaris
A DIVISION OF H&R REIT

COMINAR

Lenovo

MOTOR HARLEY-DAVIDSON COMPANY

Ivanhoé Cambridge

WESTCLIFF

TangerOutlets

Motivation Excellence, Inc.

Bentall Kennedy

Morguard

devonshire mall

at&t

DELL

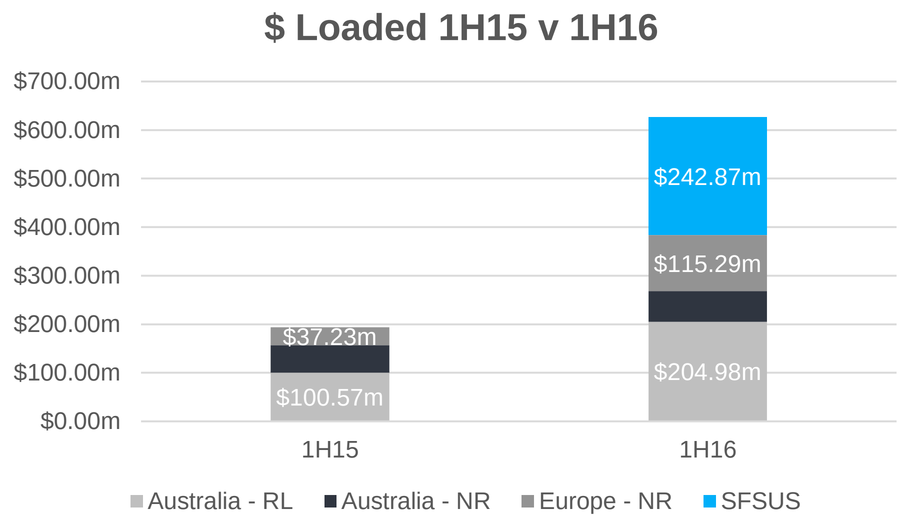
BAUSCH + LOMB
See better. Live better.

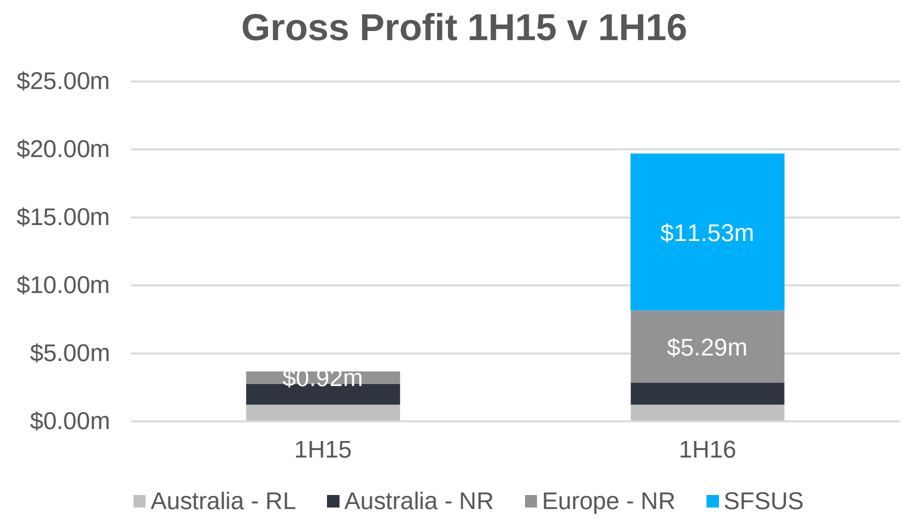
20|20
Helping you do better research.

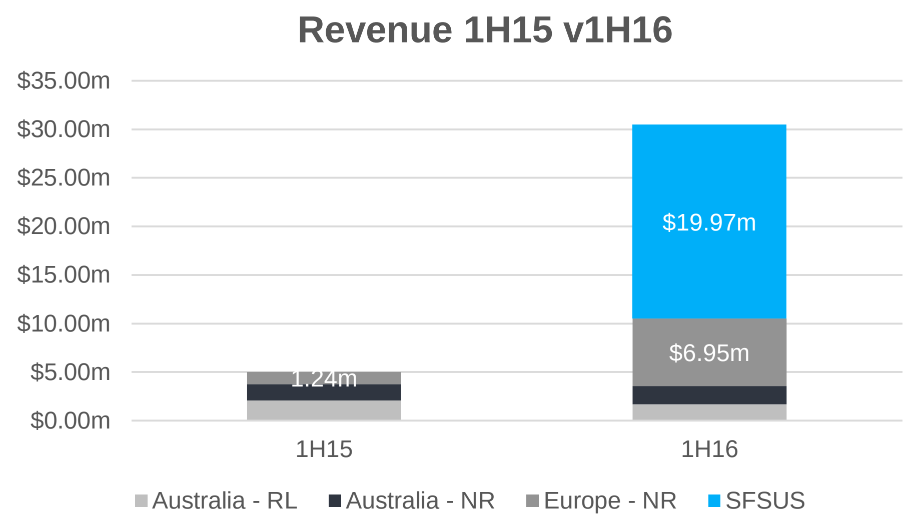
T · · Mobile ·

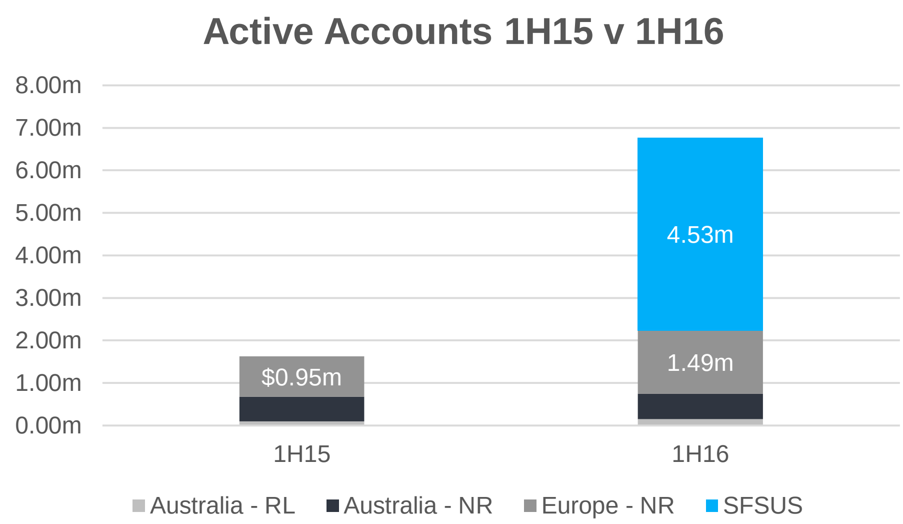
Etsy

Key Metrics









* 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.