



Money in Motion

+61 (07) 3557 1100

Level 12

333 Ann Street

Brisbane QLD 4000

EML Payments Limited

31 March 2021

ASX Market Announcements

20 Bridge Street
SYDNEY NSW 2000

Resolution of Regulatory Action against Prepaid Financial Services Limited by the Payment Systems Regulator (United Kingdom)

EML PAYMENTS LIMITED (ASX: EML) advises the resolution of regulatory action by the Payment Systems Regulator (PSR) in the United Kingdom against Prepaid Financial Services (Ireland) Limited ("PFS").

EML announced the acquisition of PFS on November 11, 2019.

On page 35 of the Investor Presentation titled "Acquisition of Prepaid Financial Services and Equity Raising" EML disclosed the following:

"The Payment Systems Regulator ("PSR") notified PFS in February 2018 that it had commenced an investigation under the Competition Act 1998 into anti-competitive conduct in relation to a minor part of its' business. The progress and scope of the investigation remain confidential. PFS is co-operating with the PSR and the investigation is ongoing. A PSR investigation may run for a considerable period of time before any outcomes are announced. Under the relevant legislation, should an adverse finding be made against PFS fines can be up to 10% of PFS' turnover. Under the terms of the SPA for the Acquisition EML has received protections from the Vendors to cover any potential fines that could ultimately be imposed."

Following a statement today by the PSR, EML would like to advise the market of the following:

- PFS, and EML (post our acquisition of PFS), have worked collaboratively with the regulator to resolve this issue;
- The investigation is ongoing but PSR and PFS have agreed to settle the matter and PFS has agreed to pay a maximum fine of approximately GBP920,000;
- EML had withheld GBP5,000,000 from the vendors of PFS to settle any financial penalties arising from this investigation;
- Given the penalty is below the amount that had been withheld, EML will return to the vendors approximately GBP4 million after deducting legal costs incurred by June 30, 2021;
- There is no financial impact to EML from the fine which at all times has been the responsibility of the vendors, and will be funded from an amount withheld from the vendors for that purpose.
- At all times the vendors have accepted responsibility to resolve the issue and have worked proactively with EML since our acquisition of PFS.



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About EML Payments Limited

At EML we develop tailored payment solutions for brands to make their customers lives simpler. Through next-generation technology, our portfolio of payment solutions offers innovative options for disbursement payout's, gifts, incentives and rewards. We're proud to power many of the world's top brands and expect to process over \$18 billion in GDV in FY21 across 28 countries in Australia, Europe and North America. Our payment solutions in 27 currencies are safe and secure, easy and flexible, providing customers with their money in real-time. We know payments are complex, that's why we've made the process simple, smart and straightforward, for everyone.

We encourage you to learn more about EML Payments Limited, by visiting: EMLpayments.com

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

For further information, please contact:

Paul Wenk

Joint Company Secretary

pwenk@emlpayments.com.au

+61 (0) 438 881 704

Sonya Tissera-Isaacs

Joint Company Secretary

stisaacs@emlpayments.com.au

+61 (0) 400 297 242

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