



Money in Motion

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EML Payments Limited

19 May 2021

ASX Market Announcements

20 Bridge Street
SYDNEY NSW 2000

Central Bank of Ireland correspondence

EML PAYMENTS LIMITED (ASX: EML) ("EML") refers to its request for a trading halt dated 17 May 2021.

EML advises that its Irish regulated subsidiary, PFS Card Services (Ireland) Limited ('PCSIL'), has received correspondence from the Central Bank of Ireland ('CBI'), including a letter received on Friday 14 May 2021 (Australian time) raising significant regulatory concerns ('Correspondence'). The CBI is the relevant regulator in Ireland.

The CBI's concerns relate to PCSIL's Anti-Money Laundering / Counter Terrorism Financing ('AML/CTF'), risk and control frameworks and governance. The Correspondence states that the CBI is minded to issue directions to PCSIL pursuant to section 45 of the Central Bank (Supervision and Enforcement) Act 2013.

The Correspondence does not concern EML's Australian or North American operations, or the operations of PFS' UK subsidiary ('Prepaid Financial Services Limited' which is incorporated in England and regulated by the FCA), or EML's other Irish regulated subsidiary ('EML Money DAC').

Prior to 19 December 2020, PFS' European business primarily operated through its FCA regulated subsidiary. However, as a result of Brexit, PFS was required to transfer non-UK programs out of the UK. On 19 December 2020, all of PFS' European programs were transferred to its CBI regulated subsidiary PCSIL.

The directions, if made, could materially impact the European operations of the Prepaid Financial Services business, including potentially restricting PCSIL's activities under the Irish authorisation. During the period from 1 January 2021 to 31 March 2021, EML estimates that approximately 27% of EML's global consolidated revenue (unaudited) derived from programs operating under PCSIL's Irish authorisation.

The CBI has invited PCSIL to provide it with submissions in relation to the concerns, which PCSIL intends to do by 27 May 2021.

The CBI and PCSIL are currently in close dialogue regarding the concerns raised and PCSIL is working with the CBI to assist it in receiving information and documentation relevant to its concerns.

EML welcomes the opportunity to engage more closely with the CBI in relation to the matters raised and PCSIL's business model more generally. EML is committed to cooperating with the CBI and is taking steps to address concerns raised.

EML is independently regulated in multiple regions and subject to regular audits by various parties including Central banks, payment schemes, external and internal auditors and other third parties. EML takes regulatory compliance, including AML/CTF, risk management and governance very seriously, and is committed to ensuring our global operations meet the highest standards of risk and regulatory compliance.

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FY21 Guidance

Given the timing and early stages of discussion with the CBI, EML is presently unable to estimate the potential direct and consequential costs (including but not limited to legal costs) and impacts of the Correspondence on the Group's consolidated FY21 results.

Excluding these costs and impacts, we remain on track to achieve the underlying results previously guided to for the FY21 year, which were:

- Underlying full year revenues of between \$180 million - \$190 million;
- Underlying full year EBITDA between \$50 million - \$54 million;
- Underlying full year NPATA between \$30 million - \$33.5 million;
- Underlying full year Operating Cashflow Conversion from EBITDA of between 90 – 110%;
- Underlying full year EBITDA per share of between 13.8 - 15.0 cents / share.

Market Communication

EML will continue to comply with its continuous disclosure obligations and update the market accordingly.

About EML Payments Limited

EML provides an innovative payment solutions platform, helping businesses all over the world create awesome customer experiences. Wherever money is in motion, our agile technology can power the payment process, so money can be moved quickly, conveniently and securely. We offer market-leading programme management and highly skilled payments expertise to create customisable feature-rich solutions for businesses, brands and their customers.

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.

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