



Money in Motion

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EML Payments Limited



16 March 2022

ASX Market Announcements

20 Bridge Street
SYDNEY NSW 2000

EML enters the European Employee Benefits Market with Up Spain

EML Payments Limited (ASX: EML) ("EML") is excited to announce it has entered the Employee Benefits Market ("EBM") in Europe, covering meal vouchers and employee benefit solutions, initially through a multi-year agreement with Up Spain.

Globally, the EBM is worth over A\$88 billion¹ and is expected to grow by A\$20 billion between 2021 to 2025². Europe represents 35%³ of this market, or in excess of A\$30 billion per annum, making it one of the largest prepaid verticals in Europe. Up Spain is one of the three biggest providers in Spain with over 1 million users across approximately 4,700 corporate clients and a network of over 30,000 restaurants in Spain.

The deal with Up Spain provides EML with a platform to showcase its proprietary technology enabling real-time benefit and payment with just one transaction, accessing multiple accounts and data in the background to orchestrate a seamless user experience. EML will be working to have this contract act as the basis for potential future growth in this segment within Spain and in time, countries outside of Spain.

Up Spain is a subsidiary of the Up Group, which offers employee benefits and incentive programs in 28 countries, including Spain, Portugal, France, Germany, Belgium, Italy, Greece, Poland, Czech Republic, Hungary, Bulgaria, Romania, Serbia, Bosnia and Herzegovina, Slovakia, Moldova, Georgia and Turkey, and 10 countries across the Americas and Africa.

"This contract with Up Spain is a milestone agreement for us given the size of the EBM and the continued transition of meal voucher programs transitioning from physical vouchers to digital payment solutions. Up Spain is a proven market leader and we look forward to launching this program with them and continuing to build out our presence in the EBM industry, following on from the success we have had with Salary Packaging solutions in Australia and opportunities that we are targeting in the evolving Earned Wage Access industry," Tom Cregan, Managing Director & Group CEO at EML.

The program is expected to go live in Q1FY23. EML has not provided FY23 financial guidance but in light of EML's FY22 revenue guidance range of A\$230m – A\$250m and FY22 EBITDA guidance range of \$58 – 65m, we do not expect the program with Up Spain to make a material contribution to

¹ <https://cordis.europa.eu/project/id/736302> published 24 June 2019 - Exch Rate: 1EUR = 1.50AUD

² <https://newsroom.technavio.com/news/meal-vouchers-and-employee-benefit-solutions-market> - published 4 January 2022 - Exch Rate: 1USD = 1.39AUD (15/3/22)

³ <https://www.prnewswire.com/news-releases/meal-vouchers-and-employee-benefit-solutions-market-to-grow-by-14-64-bn-in-2021--industry-analysis-market-trends-growth-opportunities-and-forecast-2025--17000-technavio-reports-301273767.html> - published 21 April 2021



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EML Group's revenue or EBITDA in FY23, however, the win validates EML's strategy of focussing on this segment and it provides an opportunity for material future growth.

The EBM ecosystem at a glance: ⁴

- Meal vouchers have become a common part of employee benefit programs, growing to a €59 billion (AUD\$88 billion) worldwide market annually;
- Meal vouchers include physical programs and the digitisation of these physical vouchers provides a better user experience with heightened controls and reconciliation processes;
- The EBM market is expected to grow by an estimated USD\$14 billion (\$20 billion AUD) globally in the period 2021-2025;
- In the period to 2025, it is estimated that the EBM will accelerate at a CAGR of almost 4%;
- 33% of the market growth is expected to originate from Europe during the period to 2025;
- France, Italy, and Spain are the largest countries for the EBM solutions in Europe;
- The market is concentrated due to the presence of several large players;
- The tax benefits of meal vouchers is one of the key reasons expected to boost the meal vouchers and employee benefit solutions market growth in the next 5 years;
- The evolving buying pattern of consumers, such as the developing preference for making online payments and digital payment methods is expected to facilitate the growth in the EBM in Europe in the period to 2025.

About Up Spain

Up Spain (a subsidiary of Up Group) is one of the three biggest providers with innovative solutions to allow employees to enjoy benefits and tax incentives on meals and travel with a network of over 30,000 restaurants in Spain alone. It began its operations in 1988 with the Cheque Gourmet solution. Currently, it has more than 4,700 clients throughout the country, having more than 1,000,000 users of its solutions in terms of benefits, incentives, management and social. Following the acquisition of Grass Roots in May 2018, Up Spain extended its portfolio of services to engagement, communication, incentive and recognition solutions. The Up Gourmet Pay application is Up Spain's mobile solution developed to improve the user experience when paying in restaurants.

For more information: www.up-spain.com

About Up Group

Up Group is the market leader in creating payment solutions and services of social and local utility that give companies and local authorities purchasing power and ability to help employees and citizens everywhere get the most from their money. The Group has 3,541 employees worldwide and achieved a turnover of €535 million in 2020. Up Group currently operates in Spain, Portugal, France, Germany, Belgium, Italy, Greece, Poland, Czech Republic, Hungary, Bulgaria, Romania, Serbia, Bosnia and Herzegovina, Slovakia, Moldova, Georgia, Turkey, Morocco, Tunisia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama and Peru. Its well-known brands are the UpDéjeuner meal voucher, UpCadhoc gift vouchers, Chèque Lire and Chèque Culture. The cooperative owns the Kalidea brand, which develops ticketing and management platforms for councils. True to its cooperative model, Up contributes to a more sustainable society that places people at the heart of the economy. www.up.coop

⁴ <https://newsroom.technavio.com/news/meal-vouchers-and-employee-benefit-solutions-market> - published 4 January 2022 - Exch Rate: 1USD = 1.39AUD (15/3/22)



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About EML Payments

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.

Come and explore the many opportunities our platform has to offer by visiting us at: EMLPayments.com

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

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