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Annual Report Presentation

For the year ended 30 June 2021

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Change Financial Limited

ASX: CCA

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Payments as a Service provider

Change has the vision and capabilities to simplify payment experiences worldwide.

Vision

Simplifying payment experiences worldwide

Ambition

To be a leading Payments as a Service provider through simple, flexible and fast to market technology

Enablers

People

Products

Partnerships

Priorities

Grow from the core

Perform with strong results

Excel through solutions

Differentiate in client experiences

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Delivering scalable payments solutions

Payments solutions provider, driving innovation in the Banking as a Service ecosystem.

Banking as a Service

Payments as a Service

vertexon

Issuing physical, digital and virtual prepaid, debit and credit cards

BNPL, Digital wallets, Apple Pay, Google Pay and Samsung Pay

Transaction processing for major schemes Mastercard, VISA, Union Pay, JCB and AMEX

Payment testing

PAYSIM

Payment simulation

Testing automation

All network management and financial transactions

Company snapshot

Leveraging our people and customer base to grow our payments and testing solutions.

16m+ cards
Scalable payments platform

99 different currencies
Agnostic payments solutions

96% client retention
Sticky client base

8+ years average tenure
Highly engaged clients

Processing for the major schemes

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Building a strong foundation for growth

Transformative year for Change, acquiring world class solutions to extend our payment capabilities.

FY21 Q1

- ✓ MasterCard certified processor launched in USA
- ✓ Key payment certification received (PCI-DSS certification)
- ✓ UpChange prepaid card & mobile app launched

FY21 Q2

- ✓ Strategic acquisition to build on payment processor technology, benefits include:
  - Blue-chip client base
  - Geographical reach
  - Accelerated technology and product roadmaps
  - Global workforce

FY21 Q3

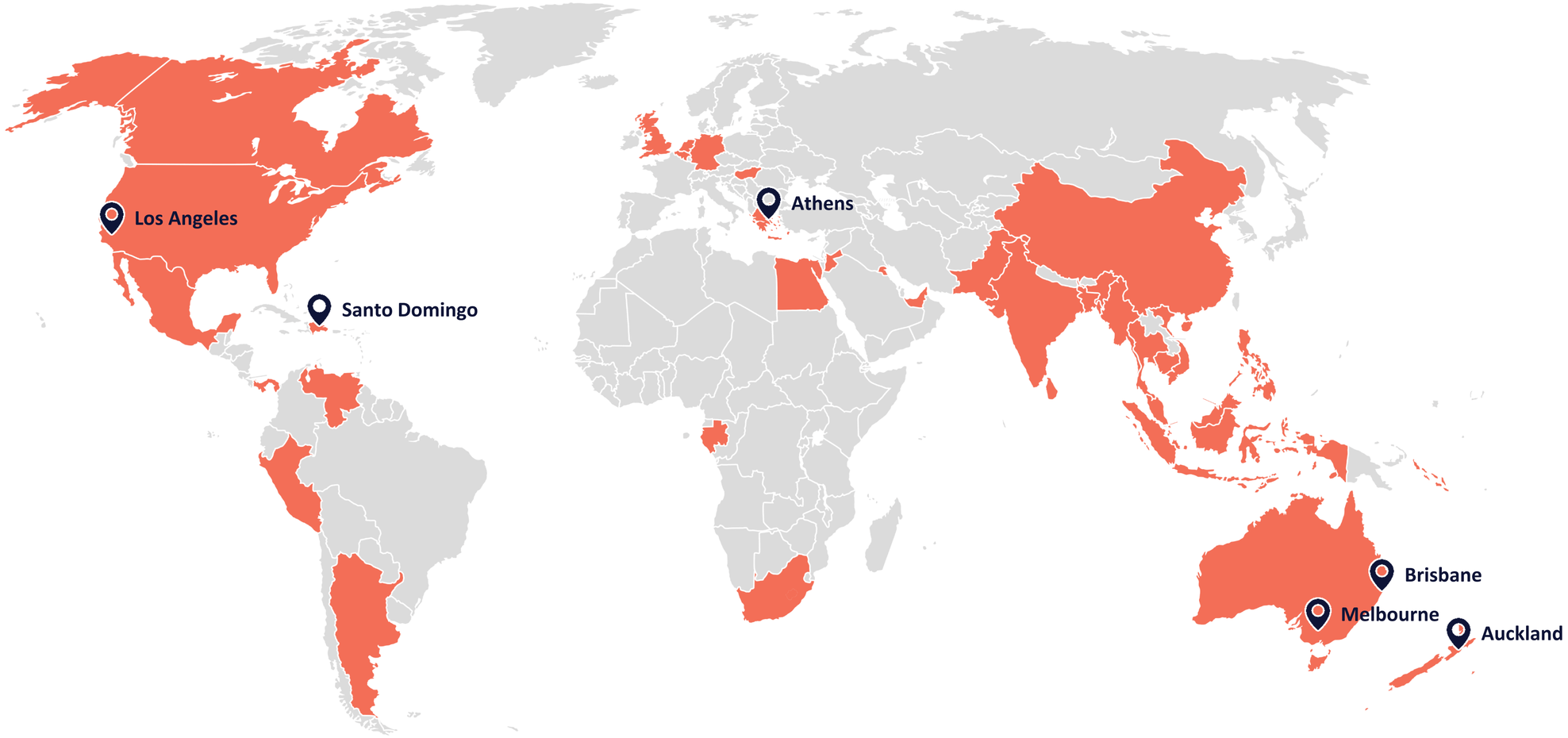
- ✓ Completed Phase 1 of platform integration project

FY21 Q4

- ✓ Pi Pay partnership
- ✓ Strategy and GTM completed
- ✓ Key executive team appointments complete

Global fintech with local expertise

We have a diverse team of 80 people with local knowledge to support our 136 customers across 36 countries.



136 clients
Large and growing customer base

Our offices / staff

Our clients

Clients in 36 countries
Global footprint

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Products

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Our payments solutions power card programs around the globe.

Payments as a Service

Our payment platform aims to lower the barrier of entry for banks, fintechs and brands to deliver digital card solutions to their customers.

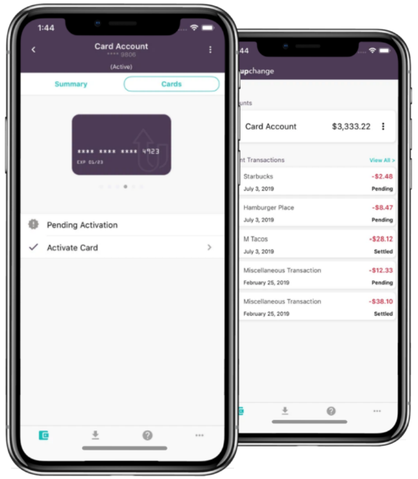
- Issuing physical, digital and virtual cards
- Prepaid, debit and credit cards
- Digital wallets, Apple Pay, Google Pay and Samsung Pay
- Transaction processing for major schemes Mastercard, VISA, Union Pay, JCB and AMEX
- Buy Now Pay Later
- Loyalty program integration
- Full program management services
- SaaS and OnPrem offerings

Tailored payments solutions to suit our clients' needs

Our technology allows our clients to deliver innovative and market leading card solutions to their customers.

"Change's staff are knowledgeable, professional and cooperative across every project. They have helped us bring many innovative and flexible payments solutions to market quickly."

Senior Vice President, BDO



ME Bank's Digital Experience

ME has issued over 450,000 card products including the Buck card, a digital and physical Mastercard debit card and Frank, a low rate physical and digital Mastercard credit card.

Vertexon powers ME's digital wallets including Apple Pay, Google Pay, Samsung Pay, Fitbit Pay and Garmin Pay.

BDO Cards and BNPL

BDO, the Philippines' largest bank, trust Change's Vertexon to deliver its card solutions, flexible BNPL payment solutions

The partnership is key to providing BDO with flexibility and control over its card programs.

UpChange Prepaid

The UpChange prepaid card showcases the Vertexon program management and Mastercard processing capabilities.

Change delivers PCI-DSS certified card management services, dynamic transaction control and mobile apps to its US cardholders.

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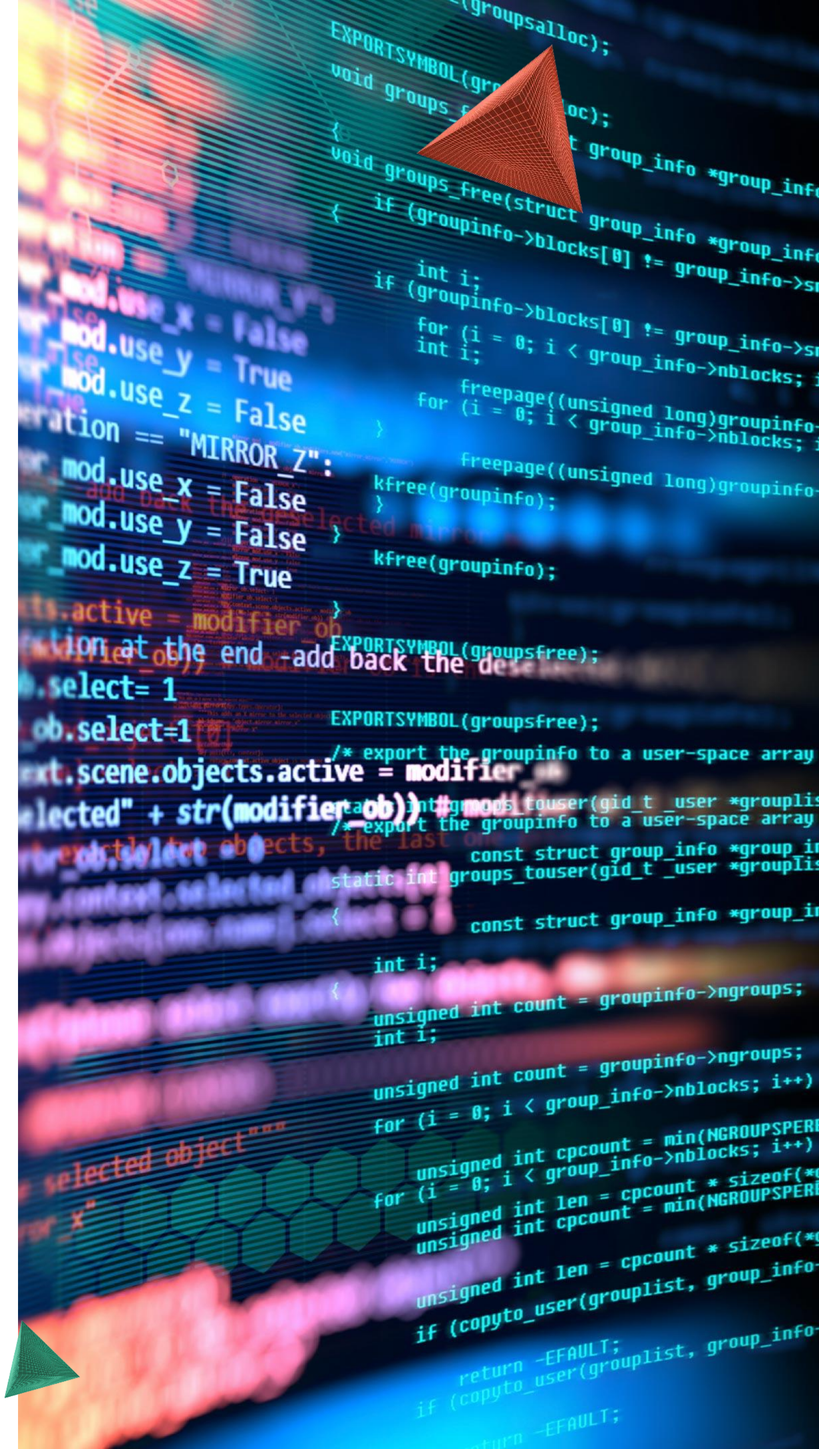
PAYSIM

Testing platform

PaySim enhances our customers' speed to market by delivering automated, repeatable and scalable testing capabilities.

Enables financial institutions to test their payment systems to meet the reliability and performance expectations of their customers. PaySim simulates the full transaction lifecycle, enabling banks and fintechs to complete end to end testing of their payment platforms and processes.

- Payment Simulation
- Testing Automation
- All network management and financial transactions
- ATM and POS Emulation
- Stress Testing
- Visa, Mastercard, UnionPay, Amex, JCB Validation
- API
- Regression Testing
- EMV, Faster Payments Standards / NPP



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Testing platform to speed up clients' processes

PaySim is the de facto standard for EFTPOS testing in Australia and all participants must use our software to validate their technology.

By removing the complexity of needing to integrate with third party and physical testing devices, the PaySim solution speeds up the testing process, cutting costs and delivering secure payments.

- Accelerate development
- Work remotely
- Coverage of all possible faults
- Quarterly updates
- Product Roadmap
- ROI
- Test the latest features
- Compliance for schemes and networks
- Increase speed to market

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White Label Mobile Wallet

A digital wallet SaaS platform for fintechs and banks to deliver world class payments solutions in emerging markets.

Change recently announced our partnership with Pi Pay. Under the partnership, Change's solution will enable Pi Pay to offer digital acquiring services to more than 50,000 merchants, as well as mobile wallets to more than 360,000 consumers.

- Mobile and digital wallet
- Merchant acquiring
- Merchant self management
- Money transfers
- Transfers
- Promotions

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FY21 Results

Financial Performance

Transformative year for the business, generating strong ARR and laying the foundations for future growth.

Proforma Revenue
US$8.4M[1]

Annualised Recurring Revenue
US$4.4M[3]

Customer Retention[4]
96%

Average Customer Tenure
>8 years

Year ended 30 June (US$'000)	FY21 Actual	Adjustments[1]	FY21 Combined Proforma[2]	FY20 Actual	FY21 Actual v FY20 Actual
Revenue	6,313	2,120	8,433	258	2,344%
Operating Expenses	(8,966)	(1,572)	(10,539)	(3,758)	139%
EBITDA	(2,653)	547	(2,106)	(3,500)	24%
Depreciation & Amortisation	(635)	(267)	(902)	(12)	4,991%
Profit / (Loss) before Tax	(3,288)	281	(3,008)	(3,513)	6%
Income Tax (Expense) / Benefit	(189)	(16)	(205)	-	N/A
Profit / (Loss) from Operations	(3,477)	265	(3,213)	(3,513)	1%

[1]Wirecard FY21 management accounts (unaudited) for the period prior to acquisition, being 1 July 2020 to 30 September 2020
[2]On a proforma basis assuming the acquisition occurred on 1 July 2020
[3]Run rate Annualised Recurring Revenue as at 30 June 2021
[4]Customer retention for the period 1 October 2020 to 30 June 2021

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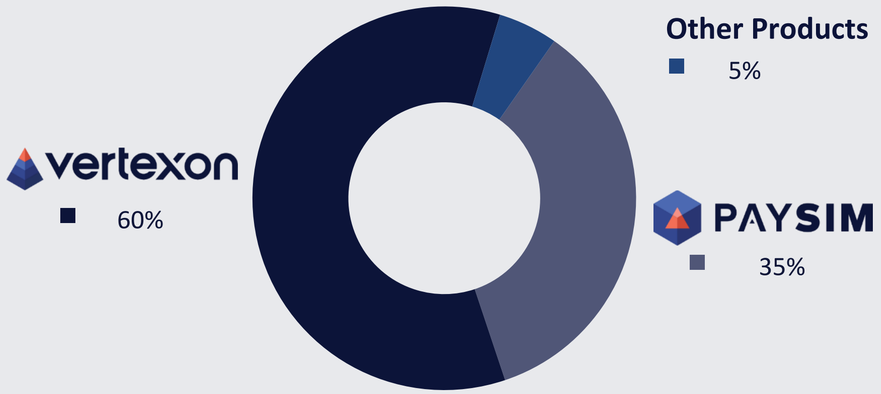
Revenue Breakdown

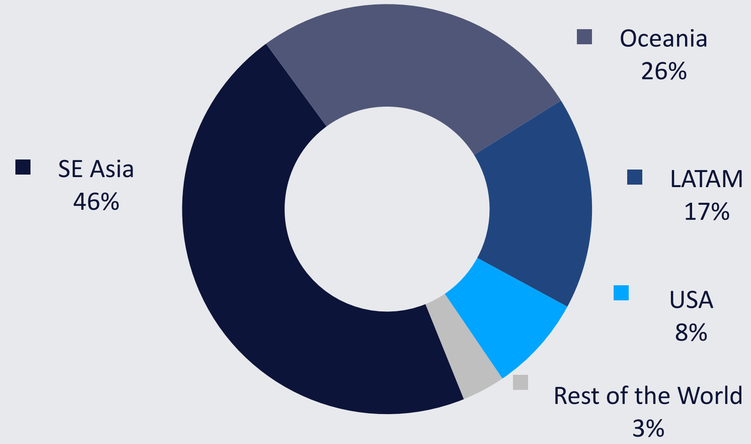
Diverse range of customers and product usage globally.

Expansive regional presence and a platform for future growth and expansion.

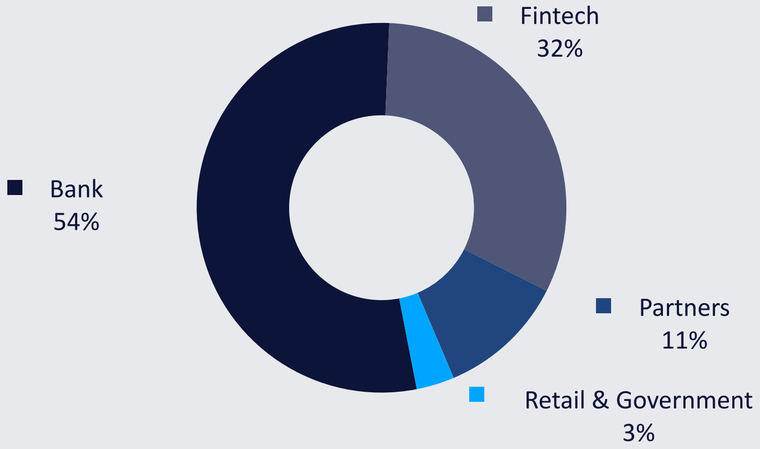
Revenue by Product



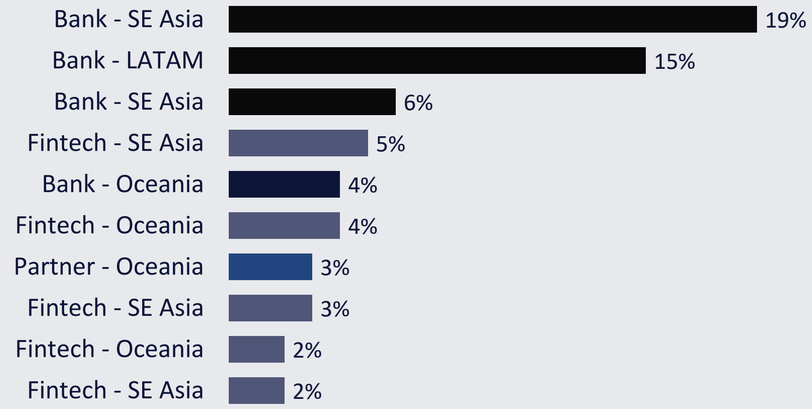
Revenue by Region



Revenue by Client Type



Top 10 Customers by Revenue



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Strategy

Core strategies to drive growth

Working with Deloitte, we analysed our products, capabilities and global market opportunities.

	Be competitive FY22	Be different FY23	Be famous FY24
Objective	Build upon Change's existing foundation by strengthening and growing the core business	Evolve Change's products and explore growth accelerators	Change leads the market with innovative payment solutions
Solutions	Enhance SaaS solutions and features	Focus on market leading user experiences and product features	Complement existing solutions with enhanced capabilities and ecosystem partnerships
Growth	Growth through banks and early-stage fintechs	Explore retail, government and corporate opportunities while growing banks and fintech	Accelerate growth through global opportunities
Partnerships	Develop partnerships and build regional relationships with schemes	Scale partnership model to increase pipeline and scale client engagement	Build out partner ecosystem with complementary financial and banking solutions
Regions	Prioritise growth for LATAM and SEA Unlock growth for US and ANZ	Strengthen client engagement across LATAM, SEA, US and ANZ	Explore opportunities in new regions and countries

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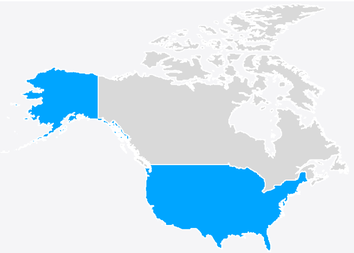
A large addressable market for growth opportunities

We are focusing on 4 key markets; US, LATAM, SE Asia and Oceania. Our target countries have a TAM of over USD $10 trillion.

US TAM

$8.3T	6%	153B
Transaction value	Transaction volume growth	Transaction volume #



LATAM TAM

$1.1T	11%	46B	49%
Transaction value	Transaction volume growth	Transaction volume #	Unbanked Population

Oceania TAM

$565B	6%	13B
Transaction value	Transaction volume growth	Transaction volume #

South East Asia TAM

$487B	19%	63B
Transaction value	Transaction volume growth	Transaction volume #

Source: Deloitte June 2021

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FY22 Key deliverables for growth

Our Be Competitive year will focus on integration of our platforms, feature development, partnerships and customer growth.

FY22 Q1-Q2

- ✓ Payment Card Industry PA-DSS Certification
- ✓ BDO Unibank Major Platform Upgrade
- ✓ Established Global Business Development team
- ▶ New website launch
- ▶ Vertexon Eventing
- ▶ Vertexon SaaS Platform launch
- ▶ PaySim API launch
- ▶ New US Issuing Bank Partnership

FY22 Q3-Q4

- ▶ Partnership model enabled
- ▶ First Vertexon SaaS Customer
- ▶ Enhanced Customer Support Model
- ▶ PaySim SaaS launch

Experienced management team

Our management team has extensive payments and financial services experience in multiple international markets.

Alastair Wilkie

Chief Executive Officer

Alastair is an experienced financial services executive specialising in banking and payments coupled with a background in information technology and business development. Alastair has over 25 years of experience in senior leadership roles across Australia, Europe and North America.

Tony Sheehan

Chief Financial Officer

Tony is a highly experienced, strategic and influential finance executive with more than 18 years of international experience in investment banking, private equity, corporate finance, operations and sales and marketing roles, across Australia, New Zealand and the United Kingdom.

Clayton Fossett

Chief Operating Officer

Clayton has over 20 years of experience in fintech, financial services, technology and consulting. He has been Chief Operating Officer at Change Financial since it was established and has been instrumental in the company's journey through building and launching its payments and card issuing platform.

Vinnie D'Alessandro

Chief Product Officer

Vinnie has over 20 years of technology experience spanning operational, architectural, strategic and managerial roles across multiple industries including, financial services, aged care, energy, gaming, retail, tourism, construction and not-for-profit.

Arnold Lee

Chief Technology Officer

Arnie is a highly-experienced executive focused on people and technology. He has spent over 20 years leading technology teams across a range of sectors such as IT, logistics and financial services; including an 11-year tenure in London working in banking and energy commodity trading. He has an in-depth knowledge of the payments space, and a strong track record in building high-performing teams.

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Statement of Profit or Loss

Year ended 30 June	FY21 US$	FY20 US$
Revenue & other income	6,313,343	258,312
Employee benefits expenses	(5,451,265)	(1,684,449)
Advertising & marketing expense	(36,616)	(41,736)
Program expense	(297,129)	(125,964)
Professional services & insurance	(555,592)	(378,204)
Consulting expense	(782,937)	(485,911)
Technology & hosting expense	(842,616)	(503,006)
Depreciation & amortisation expense	(635,453)	(12,481)
Business acquisition expense	(175,013)	-
Impairment of lease receivable	(326,432)	-
Finance expense	(19,549)	(259,794)
Other expenses	(479,148)	(279,407)
Profit (loss) before tax	**(3,288,407)**	**(3,512,640)**
Income tax (expense) benefit	(188,975)	-
Profit (loss) from operations	**(3,477,382)**	**(3,512,640)**

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Statement of Financial Position

As at	30 June 2021 US$	30 June 2020 US$
Cash and cash equivalents	4,019,001	2,966,200
Trade and other receivables	2,360,898	231,875
Lease receivable – current	-	161,980
Other current assets	368,203	5,564
Total Current Assets	**6,748,102**	**3,365,619**
Property, plant & equipment	460,953	-
Lease receivable – non-current	-	189,472
Intangible assets	5,513,817	-
Total Non-current Assets	**5,974,770**	**189,472**
Total Assets	**12,722,872**	**3,555,091**
Trade & other payables	1,351,738	631,393
Provisions	1,035,100	154,285
Lease liability – current	297,380	153,287
Contract liabilities	2,714,047	-
Other current liabilities	-	111,165
Total Current Liabilities	**5,398,265**	**1,050,130**
Provisions	39,559	-
Lease liabilities – non-current	264,378	179,388
Total Non-current Liabilities	**303,937**	**179,388**
Total Liabilities	**5,702,202**	**1,229,518**
Total Equity	**7,020,670**	**2,325,573**

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Statement of Cash Flows

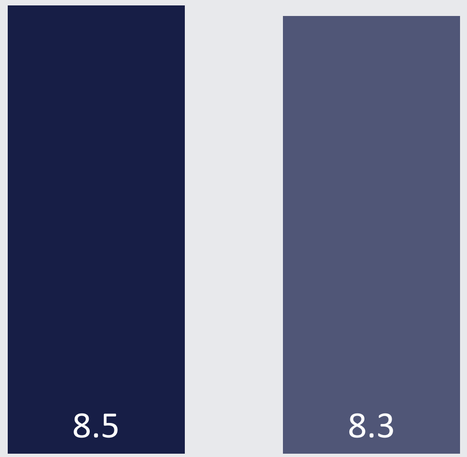
Year ended 30 June	30 June 2021 US$	30 June 2020 US$
Receipts from customers	6,091,317	4,102
Payments to suppliers and employees	(7,879,153)	(3,117,723)
Interest received	10,790	22,807
Interest paid	(19,549)	(22,456)
Government grant programs	60,549	230,000
R&D tax offset	-	14,224
Net cash used in operating activities	**(1,736,046)**	**(2,869,046)**
Proceeds from sale of property, plant & equipment	-	500
Payment for plant & equipment	(41,003)	-
Payment for software development	(664,510)	-
Receipts from sublease (excluding interest received)	25,020	147,148
Business acquired	(4,492,416)	-
Proceeds from sale of investment	-	200,000
Net cash provided by (used in) investing activities	**(5,172,909)**	**347,648**
Proceeds from share issue	8,358,600	3,372,572
Proceeds from convertible note funding	-	951,391
Cost of funding	(606,588)	(218,405)
Payments of lease liabilities (excluding interest paid)	(190,098)	(139,395)
Net cash provided by financing activities	**7,561,914**	**3,966,163**
Net increase (decrease) in cash held	**652,959**	**1,444,765**

Key operating metrics

Our focus is to grow our ARR for our payments and testing solutions.

Loyal customer base who are supportive of our engagement and product strategy.

Average Customer Tenure (years)



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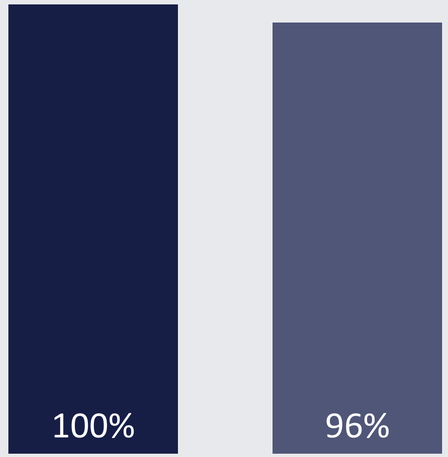
Customer Retention



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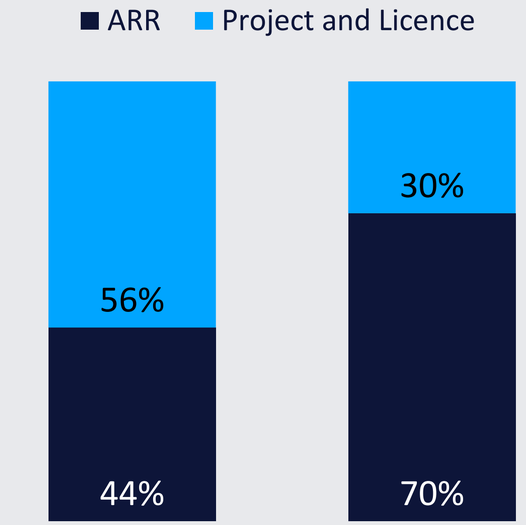
Revenue Split



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