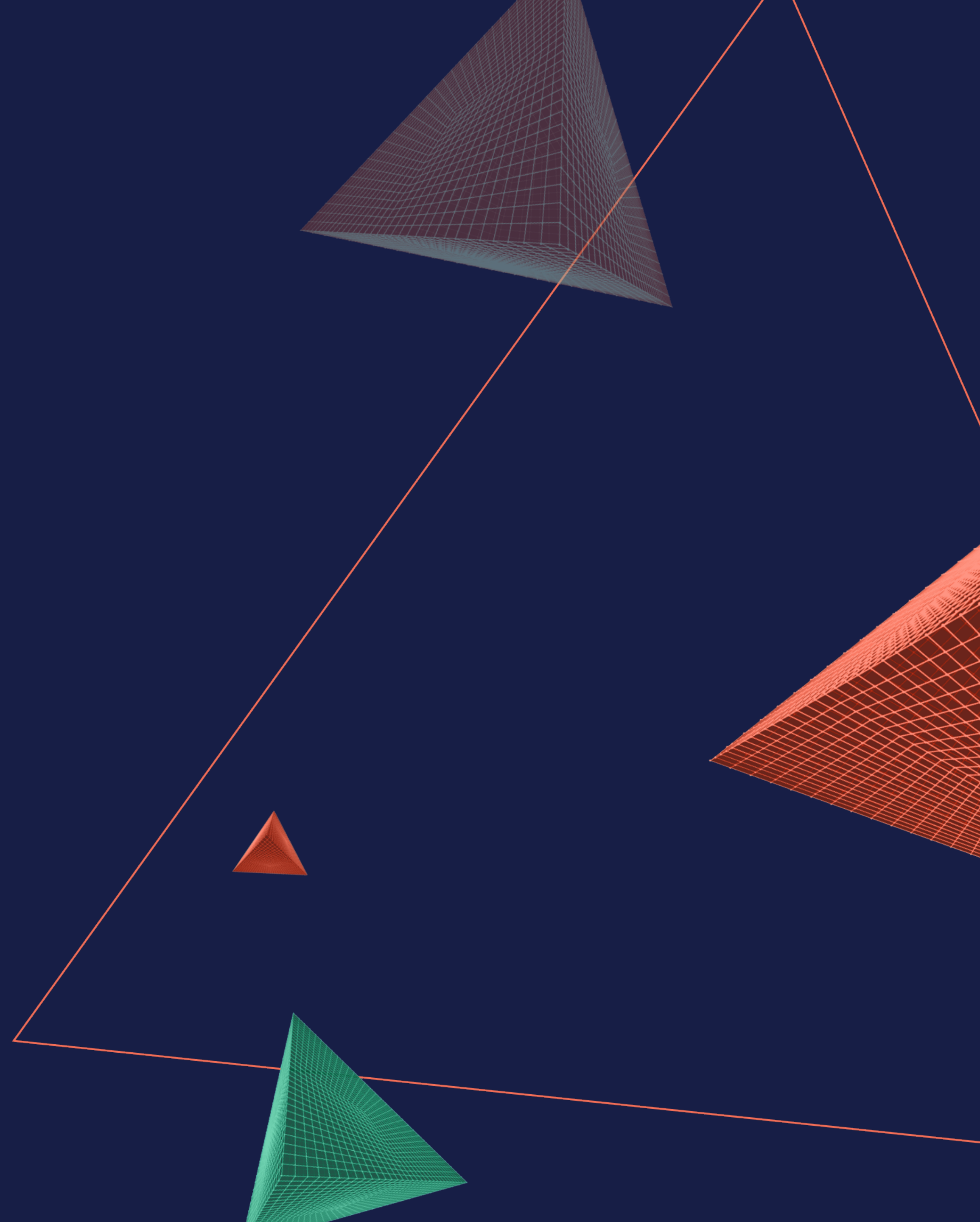




Q3 FY22 Investor Presentation

4 May 2022



Disclaimer

Important Notice

This presentation has been prepared by Change Financial Limited (Change Financial) in good faith. No express or implied warranty is given as to the accuracy or completeness of the information in this document or the accompanying presentation. All statutory representations and warranties are excluded, and any liability in negligence is excluded, in both cases to the fullest extent permitted by law. No responsibility is assumed for any reliance by any person on this document or the accompanying presentation.

Summary information

The information contained in this presentation is a summary overview of the current activities of Change Financial. This presentation does not purport to be all inclusive or to contain all the information that a prospective investor may require in evaluating a possible investment. This presentation is for general information purposes and is not intended to be and does not constitute an offer to sell or a solicitation of an offer to buy or sell securities, a prospectus, product disclosure statement, pathfinder document or other disclosure document for the purposes of the Corporations Act and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission. This presentation should be read in conjunction with all other periodic and continuous disclosure announcements lodged by Change Financial with the Australian Securities Exchange, available at www.asx.com.au.

Not financial product advice

The material contained in this presentation is not, and should not be considered as, financial product or investment advice. This presentation is not an offer, invitation or recommendation to acquire New Shares, and does not take into account the investment objectives, financial situation or particular needs of any particular investor. You must make your own independent assessment and review of Change Financial, and the information contained, or referred to, in this presentation, including its financial condition, assets and liabilities, financial position, profits and losses, prospects and business affairs, including the merits and risks involved. Nothing in this presentation constitutes investment, legal, tax or other advice. You should seek legal, financial, tax and other advice appropriate for your jurisdiction.

Past and future performance

This presentation contains information as to past performance of Change Financial. Such information is given for illustrative purposes only, and is not – and should not be relied upon as – an indication of future performance of Change Financial. The historical information in this presentation is, or is based upon, information contained in previous announcements made by Change Financial to the market. These announcements are available at www.asx.com.au.

This presentation contains certain “forward looking statements”. Forward looking words such as “expect”, “should”, “could”, “may”, “will”, “believe”, “forecast”, “estimate” and other similar expressions are intended to identify forward-looking statements. Such statements are subject to various known and unknown risks, uncertainties and other factors that are in some cases beyond Change Financial’s control. These risks, uncertainties and factors may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements and from past results, performance or achievements. Change Financial cannot give any assurance or guarantee that the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive beyond the date of its making, or that Change Financial’s business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward-looking statements only speak as at the date of this announcement and Change Financial assumes no obligation to update such information.

Global fintech with local expertise

We have a diverse team of over 85 people with local knowledge to support our loyal and growing client base.



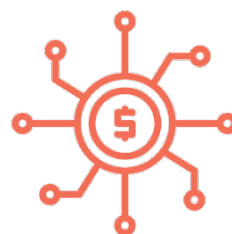
16m+ cards
Scalable payments platform



150 Clients in 41 countries
Global footprint



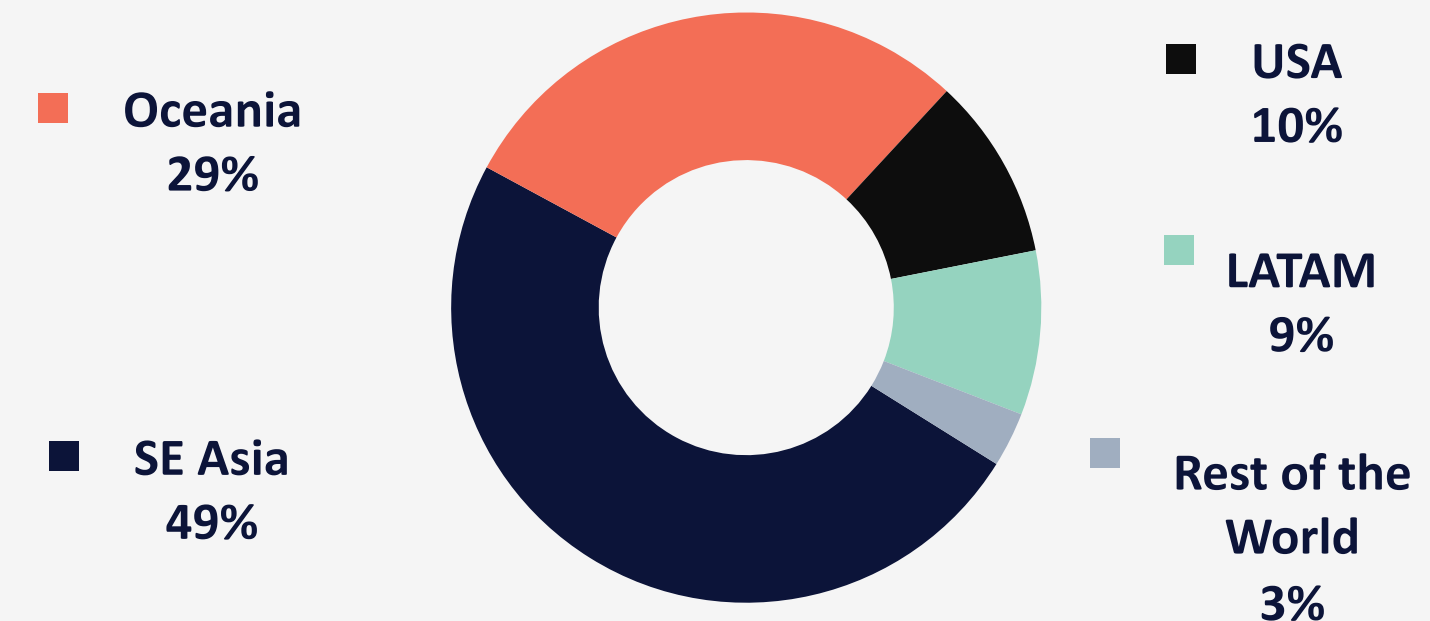
8+ years average tenure
Highly engaged clients



Processing for the major schemes



Revenue by Region¹



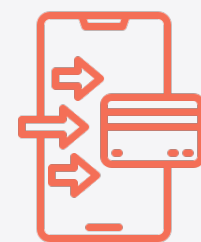
¹H1 FY22

Change Today: Delivering scalable payments solutions

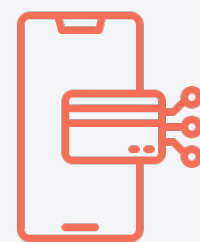
Payments solutions provider, driving innovation in the Banking as a Service ecosystem.

Banking as a Service

Payments as a Service



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



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

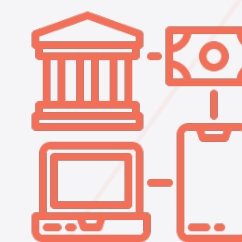


Transaction processing for major schemes Mastercard, VISA, Union Pay, JCB and AMEX

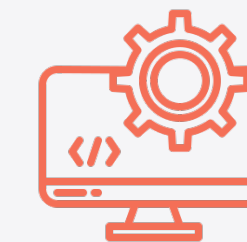
56%¹

% H1 FY22 Revenue

Payment testing



Payment simulation



Testing automation



All network management and financial transactions

43%¹

% H1 FY22 Revenue

¹c.1% revenue attributable to Other Products

Our 'Be Competitive' year (FY22) is focussed on integration of our platforms, feature development, partnerships and customer growth.

FY22 Key deliverables for growth

Q1-Q2 FY22

Q3-Q4 FY22

✓ Payment Card Industry PA-DSS Certification

✓ BDO Unibank Major Platform Upgrade

✓ Established Global Business Development team

✓ New US Issuing Bank Partnership

✓ New US Payments as a Service Client

✓ Board changes announced

✓ Vertexon SaaS Platform launch

✓ New Website Launch

✓ Vertexon Eventing

✓ PaySim API launch

✓ Vertexon SaaS Platform launch in new region

✓ Vertexon Product Roadmap release

✓ PaySim Product Roadmap Release

✓ **Axiom Bank issuing onboarding go live**

✓ **Partnership with card scheme in Australia & New Zealand**

✓ **New Zealand regulatory approval for direct issuing**

▶ First Vertexon SaaS Customer

▶ Australian regulatory approval for direct issuing

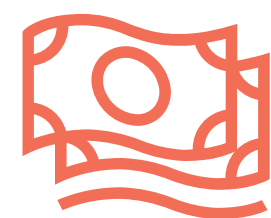
▶ PaySim SaaS Launch

▶ Partnership model enabled

▶ Enhanced Customer Support Model

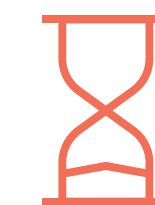
Direct Issuing AU/NZ

Expected regulatory approval for direct issuing services for card programs in both Australia & NZ by H1 FY23



Additional Revenue

- ▶ Generate new revenue streams from payment processing, interchange and other value-added services
- ▶ Increases return on investment from Vertexon platform



Speed to Market

- ▶ Removes requirement to partner with banks for issuing sponsorship



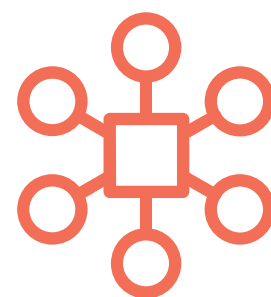
Diversify Customer Portfolio

- ▶ Unlock opportunities for global customers; E-comm, Travel, On-Demand Delivery, Expense Management & Digital Banking
- ▶ Access to larger addressable market



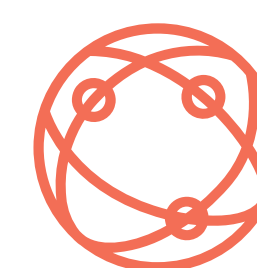
Innovation

- ▶ Greater ability to innovate and deliver market leading products and services
- ▶ Pivot towards financially attractive opportunities



From Software Provider to Financial Service & Platform Provider

- ▶ Enriched features by building an enhanced ecosystem
- ▶ Platform for developers in the payment value chain enables clients to launch new programs with speed, flexibility & scale



Enhanced global scalability

- ▶ Principal issuer status enables sponsorship of global subsidiaries for issuing
- ▶ Reduces barriers for the business to scale globally

Business Development activities have delivered new customers and opportunities.

Q3 FY22 Business Development Update

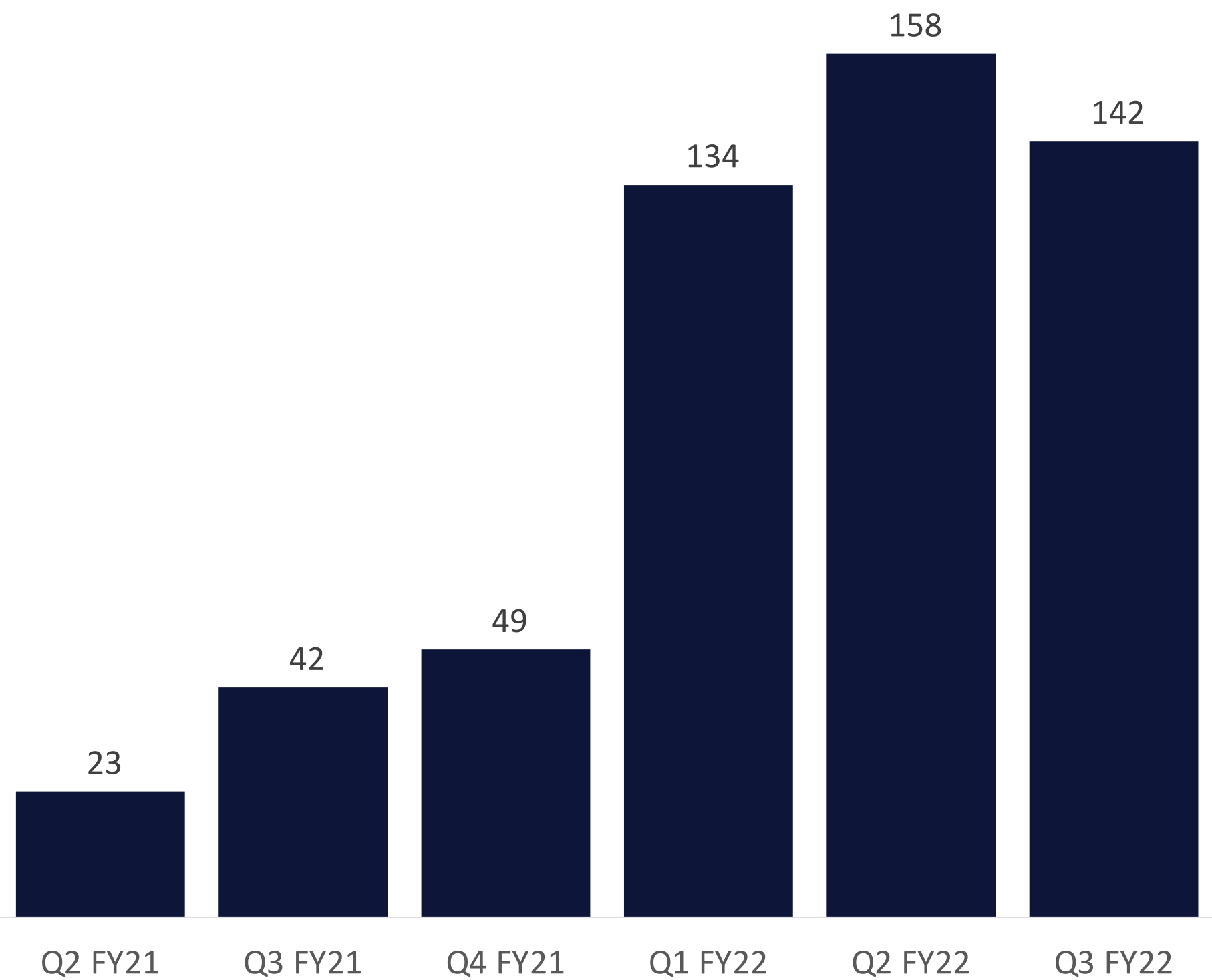
Business Development Activities

- ▶ 21 opportunities were won and closed in Q3
- ▶ 2 x New Vertexon Payments as a Service Clients for the US
- ▶ New PaySim client in Asia
- ▶ First PaySim API sale completed and strong demand from existing clients
- ▶ Existing clients commit to over US\$1.6m in payments projects
- ▶ Pipeline value continues to grow for both Vertexon and PaySim opportunities

Strategic Activities

- ▶ Nurturing leads from the Mastercard partnership announcement in Australia and New Zealand
- ▶ Marketing, PR and content strategy in place to increase market visibility and increase opportunities
- ▶ Strong business development activities in the LATAM market

Qualified Leads
Number of Opportunities



Key Recent Client Wins

Recent wins anticipated to generate in excess of US\$2.0m revenue over initial terms.

2 US Fintechs (April 2022)

- Two US fintechs secured as new Vertexon PaaS clients
- Rolling Thunder is a fintech focused on digital wallets and mobile payments in US, Mexico and parts of LATAM
- PlutusM is a fintech focused on the US reseller market for limited edition items
- Go-live & recurring revenue expected to start in H1 FY23

Financial Impact

- Combined minimum fee commitment of US\$2.0m (A\$2.8m¹) over initial terms (3 & 5 years); potential for further revenue from interchange, transaction & other fees
- Combined minimum fee commitments add ARR of:
 - US\$0.2m in Year 1
 - US\$0.4m in Year 2; and
 - **US\$0.6M in Year 3 (and rolling ongoing)**



PLUTUSM

Strong cashflow
quarter driven by
increase in receipts
from customers.

Q3 FY22 Financial Update

Revenue

- ▶ US\$2.1m for the quarter
- ▶ Annual Recurring Revenue (ARR) increased to US\$4.9m
- ▶ Strong contracted pipeline of project revenue in addition to ARR
- ▶ YTD revenue split – c.55% recurring / 45% non-recurring

Receipts from Customers

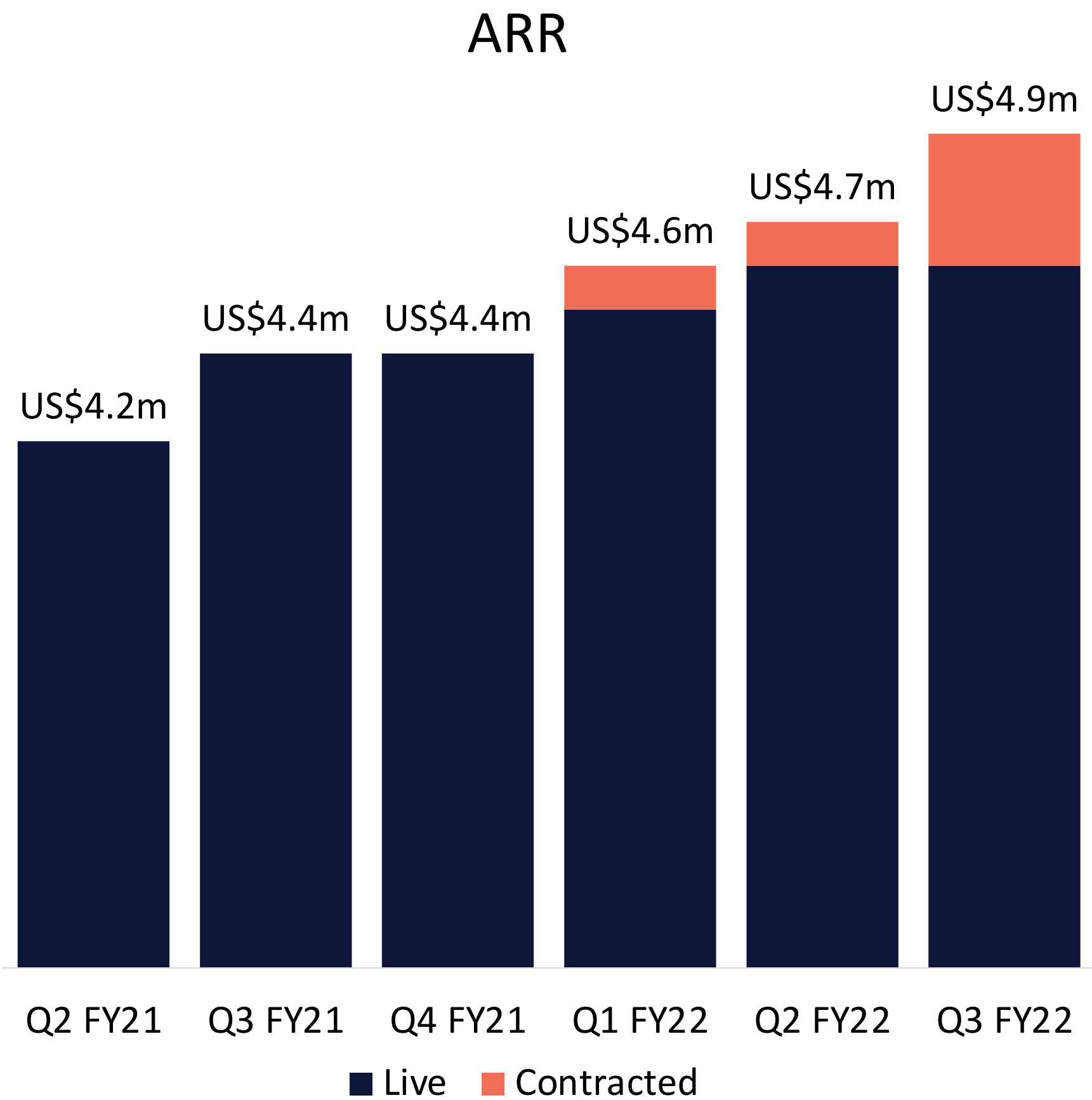
- ▶ US\$2.9m for the quarter – up from US\$1.5m in Q2
- ▶ Increase in cash receipts relative to Q2 was expected due to strong customer invoicing in Q2 FY22 and therefore resulting higher cash collections in Q3 FY22

Cash Operating Costs

- ▶ Lower than the previous quarters following a reduction in administration and corporate costs – expected to trend back towards the previous quarter levels as the Company continues to execute the Go-to-Market strategy to drive growth

Cash Balance

- ▶ US\$1.9m as at 31 March – increase from US\$1.6m at 31 December
- ▶ Cash flow from Operating Activities for Q3 were positive
- ▶ At the end of Q3, the Company had drawn US\$0.2m of the unsecured loan facility with US\$0.9m undrawn



¹ARR comprises annualised contractual minimum fee commitments from clients that have commenced and are ongoing or are scheduled to commence within the next 12 months. Only the next 12 months of minimum commitments are included in Change’s reported ARR and any increasing contracted minimum fee commitments will increase ARR in future periods.

Change is transitioning from a licence and project fee revenue model to a SaaS revenue model.

SaaS revenue to start in H2 FY22 on first US SaaS customer launch.

Revenue Model Transition

Previous Revenue Model

	Revenue Source	H1 FY22 Revenue
Recurring	Maintenance Support & maintenance contracts for existing clients	55%
	Subscription (SaaS) Recurring monthly / annual charges with minimal to no one-off upfront fees	N/A
	Transactional (SaaS) Volume and transaction based fees	N/A
Non-recurring	Licensing One-off upfront fees	13%
	Projects New products, features, upgrades, client requests	32%



New Revenue Model

FY23+ Revenue Trend	Key Drivers of Revenue Trend
↔	Maintenance revenue tied to one-off license sales which is expected to slow as the business transitions to a SaaS subscription and transactional revenue model
↑	Vertexon: Actively seeking to transition existing clients to SaaS model which will drive uplift in annual revenue. Targeting all new customers to be onboarded on a SaaS basis PaySim: Exploring a SaaS model to lower upfront capital requirements from clients and offer more flexible pricing
↑	Vertexon: Transaction and volume-based fees are a key focus and driver of revenue growth
↓	Transition to SaaS / subscription model for new clients will reduce new licence fee revenue. Change will continue to license new features to existing clients
↔	Growth expected to slow as existing clients migrate to SaaS / subscription model

For personal use only



Thank you.

Get in touch

investors@changefinancial.com

