

A\$5.72m Capital Raise to Accelerate Growth

Highlights

- A\$5.72m capital raising, comprising:
 - A\$0.75m placement to new institutions, sophisticated and professional investors – binding commitments received
 - A\$4.97m fully underwritten 1 for 4 non-renounceable entitlement offer
- Significant participation from new and existing shareholders, including sub-underwriting from Altor Capital and A\$0.4m from the Board & Management
- Funds raised will be used to accelerate product enhancement, repay A\$0.75m of debt, provide working capital and cover the costs of the offer
- Targeting monthly EBITDA positive during H2 FY23, driven by double digit percentage revenue growth target and a realigned cost base
- Investor webinar to be held at 11am (AEST) Wednesday, 3 August 2022. Register via [link](#)

3 August 2022 – **Change Financial Limited (ASX: CCA) (Change or the Company)** today announces a capital raising of A\$5.72m via a placement (**Placement**) and non-renounceable entitlement offer (**Entitlement Offer**) to eligible shareholders, with the Entitlement Offer underwritten by Henslow and MST Financial Services.

Change CEO and Managing Director, Alastair Wilkie commented, “We are pleased to have completed a well-supported Placement from our loyal existing shareholders whilst also welcoming several new institutional and sophisticated investors to the register. This capital raising will enable us to execute on our growth plans, specifically enhancing our Vertexon Payments as a Service (**PaaS**) offering via increased issuing capability and connectivity along with targeted investment into sales and marketing strategies. Additionally, we will improve our balance sheet via the repayment of A\$0.75m of the A\$1.5m unsecured term facility.”

“Over the past 18 months the Change team has worked hard to establish core building blocks – partnerships, compliance, technology, and talent – to deliver on our goals. With these building blocks now in place, we are in a perfect position to grow the business from a strong foundation. Underpinned by an existing client base with contracted revenue, a mature global sales pipeline and well a realigned cost base, we are targeting to reach monthly EBITDA positive during the second half of FY23.”

Placement Summary

The Company has received unconditional binding commitments for a Placement to institutions, sophisticated and professional investors. The Placement will raise approximately A\$0.75m, before offer costs. The Placement comprises the issue of approximately 15.0 million new fully paid ordinary Change shares (**New Shares**), at A\$0.05 per New Share (**Offer Price**). The Offer Price represents:

- 13.8% discount to the last close price on 29 July 2022 of A\$0.058
- 11.1% discount to the Theoretical Ex-Rights Price¹ (TERP including Placement) of A\$0.056

The Placement will be undertaken in a single tranche within the Company’s existing 15% placement capacity under ASX Listing Rule 7.1.

¹Theoretical ex rights price (TERP) includes the shares issued under the Placement and the Entitlement Offer. TERP is the theoretical price at which Change shares (Shares) should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. TERP is calculated by reference to the closing price of Change Shares as traded on ASX on 29 July 2022, being the last trading day prior to the announcement of the Entitlement Offer.

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Settlement of the Placement is scheduled to occur on Tuesday 9 August 2022, with the Placement shares scheduled to be allotted through the ASX and expected to commence trading on Wednesday 10 August 2022. An Appendix 3B for the proposed issue of the New Shares will be lodged following this announcement.

Henslow Pty Ltd & MST Financial Services Pty Ltd acted as Joint Lead Managers to the Placement.

Entitlement Offer Summary

In addition to the Placement, Change proposes to undertake a non-renounceable entitlement offer to eligible shareholders, on the basis of one (1) new fully paid ordinary shares (**New Entitlement Offer Shares**) for every four (4) existing shares held, at an issue price of A\$0.05 per share (**Entitlement Offer Price**), to raise approximately A\$4.97m (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Henslow Pty Ltd & MST Financial Services Pty Ltd (**Underwriters**). The following Directors of Change, Ben Harrison, Alastair Wilkie, Tom Russell and Ian Leijer have entered into general sub-underwriting agreements for a total of approximately A\$400,000.

The Directors' participation in the sub-underwriting is in accordance with the provisions of Exception 2 to Listing Rule 10.11. A summary of the terms of the underwriting agreement are provided in the Appendix 3B, lodged with ASX.

Assuming no existing options on issue in the Company are exercised, approximately 99.5 million New Entitlement Offer Shares will be offered under the Entitlement Offer. The Entitlement Offer will be available to shareholders with registered addresses in Australia and New Zealand who are recorded on the register as holding shares at 7pm Monday, 8 August 2022 (**Record Date**). New Shares issued pursuant to the Entitlement Offer will rank equally with all shares on issue.

Change does not require shareholder approval in relation to the Entitlement Offer. The Company is preparing and proposes to lodge an offer document (**Offer Document**) with ASX on or before Thursday, 11 August 2022 in relation to the Entitlement Offer. The Entitlement Offer made under the Offer Document will be an offer to Eligible Shareholders of continuously quoted securities (as defined in the Corporations Act) and will be prepared in accordance with Section 708AA of the Corporations Act. The Offer Document is expected to be despatched to Eligible Shareholders by Thursday, 11 August 2022.

The New Shares will be offered in accordance with the indicative timetable presented below:

Event	Date (2022)
Announcement of issue (including Appendix 3B information)	Wednesday, 3 August
Shares trading on an ex-entitlement basis	Friday, 5 August
Record Date for the Offer (7pm AEST)	Monday, 8 August
Settlement of the New Shares issued under the Placement	Tuesday, 9 August
Offer Document released on ASX and despatched to Shareholders with Entitlement and Acceptance Form	Thursday, 11 August
Opening Date of Offer	Thursday, 11 August
Closing Date of Offer (5pm AEST)	Thursday, 25 August
Announcement of results of the Offer	Tuesday, 30 August
Trading starts on normal T+2 basis	Wednesday, 31 August
First settlement date of trades conducted on a deferred settlement basis and on a normal T+2 basis	Friday, 2 September

All dates are subject to change and accordingly are indicative only. The Company, together with the Underwriters, reserve the right, subject to the Corporations Act and ASX Listing Rules, to amend the indicative timetable and in particular, to extend the closing date or to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the date of allotment and issue of New Shares.

Webinar Invitation - Investors and Analysts

Investors are invited to join a live webinar and Q&A hosted by Change CEO & Managing Director Alastair Wilkie, CFO Tony Sheehan and CPO Vinnie D'Alessandro on Wednesday, 3 August 2022 at 11:00am Australian Eastern Standard Time (AEST).

Please register ahead of time via the following link:
https://us06web.zoom.us/webinar/register/WN_cpPShg2MSwWoJpjGUd0ogQ

Once the registration form is completed, investors will receive a confirmation email with details on how to access the webinar.

Authorised for release by the board of Change Financial Limited.

About Change Financial

Change Financial Limited (ASX: CCA) (**Change**) is a global fintech, leveraging innovative and scalable technology to provide tailored payment solutions, card issuing and testing to banks and fintechs. Change's technology is used by over 156 clients across 41 countries to deliver simple, flexible, and fast-to-market payment services, including card issuing and testing.

Change's payments as a service (PaaS) platform Vertexon, seamlessly integrates with banks and fintechs' core systems enabling delivery of digital and virtual card solutions to their customers. It includes integrated features such as Apple Pay, Google Pay, Samsung Pay and Buy Now Pay Later (BNPL) services. Change currently manages and processes over 16 million credit, debit, and prepaid cards worldwide.

Using PaySim, Change tests payment systems to help clients meet the reliability and performance expectations of end customers. Simulating the full transaction lifecycle across multiple systems, PaySim enables banks and fintechs to complete end-to-end testing of their payment platforms and processes from a desktop. Change also provides the default standard for payments testing for many Australian companies, including Australia's domestic card payment service eftpos.

Learn more about Change at www.changefinancial.com

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