

Change Financial Granted AFSL – Enables Direct Issuing in Australia

Highlights

- Change (via its subsidiary) granted an Australian Financial Services Licence (AFSL)
- AFSL enables Change to finalise the Mastercard Principal Issuer licence process for prepaid cards in Australia
- Following Mastercard Principal Issuer accreditation, the Vertexon platform will be licensed to provide both processing and direct issuing in Australia and New Zealand
- Final phase of Vertexon integration and testing ahead of 'go-live' of first New Zealand clients expected in Q3 FY23

23 January 2023 – **Change Financial Limited (ASX: CCA) (Change or the Company)** is pleased to announce that the Australian Securities and Investments Commission (**ASIC**) has approved Change Financial Payment Services Pty Ltd (**CFPS**), a wholly-owned subsidiary of Change Financial Limited, for an Australian Financial Services Licence (**AFSL**).

Change CEO and Managing Director, Alastair Wilkie commented, "This is an important milestone for Change as it will enable our direct issuing capability in Australia. The AFSL complements our existing New Zealand Financial Service Provider licence and will significantly expand opportunities to deliver our leading payments as a service (**PaaS**) solution to banks, fintechs and financial institutions within one of our key target markets."

"Following Mastercard Principal Issuer accreditation for Australia, Change will be able to issue debit and prepaid cards in New Zealand and prepaid cards in Australia. As an agile non-bank card provider in the Australian market, we will lower the barriers of entry for fintechs and non-bank lenders who wish to provide digital and physical cards."

Licence Authority

The AFSL will enable Change to issue digital and physical prepaid cards through the partnership with Mastercard. The licence enables Change to provide the following key financial services offerings to retail and wholesale clients:

1. provide general financial product advice for financial products that fall into the class of 'deposit and payment products limited to non-cash payment products', which includes cards; and
2. deal in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect to financial products that are in the class of 'deposit and payment products limited to non-cash payment products'.

Following the granting of the AFSL, Change can finalise the Mastercard Principal Issuer licence process in Australia. The Company expects to achieve Principal Issuer accreditation in Australia in Q3 FY23. Change is already an accredited Mastercard Principal Issuer in New Zealand. Card issuing in Oceania is a key component of Change's strategy and will enable the Company to generate revenue growth through transaction and processing-based fees.

In accordance with the new licence obligations, Change has registered with the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Financial Complaints Authority (AFCA).

New Zealand Client Progress Update

Change continues to progress towards 'go-live' of the first New Zealand client card programs, having delivered all key milestones on time to date. The integration with the clients' core banking platform is in

the final stages of user acceptance testing and client card designs are with Mastercard for approval. Change is working closely with all parties to commence transitioning card programs in Q3 FY23, thereby starting to generate transaction and processing-based revenue from the delivery of those services.

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 27 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

For more information, please contact

Alastair Wilkie
CEO & Managing Director
Change Financial Limited
investors@changefinancial.com