

Principal Issuer Licence Granted and Oceania PaaS Update

Highlights

- Change approved for Mastercard Principal Membership in Australia
- Principal Membership will enable Change to issue Mastercard debit and prepaid cards in Australia
- Launch of BIN sponsorship offering in Australia and New Zealand
- 3 out of 4 NZ clients now issued “live” cards and will progressively transition cardholders onto Change’s Vertexon Platform over H1 FY24
- Mastercard US\$1.0m (A\$1.5m) incentive payment received


10 July 2023 – **Change Financial Limited (ASX: CCA) (Change or the Company)** is pleased to provide the following update on its Vertexon Payments as a Service (**PaaS**) Platform and card issuing offering in Oceania.

Issuing Capabilities Update

As a result of the Mastercard Principal Membership for Australia, Change has now successfully completed the majority of the necessary regulatory and licencing requirements to enable card issuing in NZ, Australia and the US. The table below outlines the current status of the key licences and certifications for these jurisdictions. The deliverables shaded green indicate what has been recently completed.

Change is now targeting to complete the two remaining items shaded orange in Q1 FY24. The Vertexon PaaS Platform in Australia is now undergoing Mastercard technical certification which will enable live card issuing. This process has been recently completed for the Vertexon PaaS Platform in NZ and is substantially similar in Australia.

Upon completion of the two remaining items, Change will be able to issue debit and prepaid cards in NZ, Australia and the US.

	Regulatory Licence	Mastercard Issuing Licence	Mastercard Certified Processor	Mastercard Prepaid Issuing	Mastercard Debit Issuing ¹
New Zealand	Registered FSP	Licensed	Certified	Live	Live
Australia	AFSL	Licensed	Q1 FY24	Approved	Approved
United States	Issuing Bank Partner	Licensed	Certified	Live	Q1 FY24

1. Debit issuing requires a partner bank (US) or customers to be a licensed deposit taking entity (NZ & AU)

Change CEO, Tony Sheehan said, “We are excited to have achieved further milestones in expanding our Vertexon PaaS offering in Oceania. Over the past two years, we have been focussed on completing the key foundational components of our Oceania PaaS platform to enable the Company to issue card products in the region. We have continued to make great progress towards completing these foundational requirements and have also successfully launched our first clients in New Zealand.

Following receipt of the Mastercard licence which enables Change to issue both debit and prepaid cards in Australia, we have now commenced the final stage of Mastercard certification of the Vertexon PaaS Platform for the Australian market.”

BIN Sponsorship Offering

The Mastercard Principal Memberships in Australia and New Zealand enables Change to offer Banking Identification Number (**BIN**) Sponsorship in these regions. This service will enable clients without local issuing capabilities to access Change’s principal issuing status with Mastercard. By leveraging this capability, clients will be able to offer their customers the ability to issue and manage Mastercard prepaid and debit cards. BIN Sponsorship will also provide an efficient and cost-effective solution for clients looking to expand their service offerings in the region.

New Zealand Clients Go-Live

Change has continued working closely with its contracted NZ clients to onboard them to the Vertexon PaaS Platform. Change is on track to complete the transition of existing cards to the Vertexon PaaS Platform in H1 FY24, producing an anticipated increase in contracted revenues over this period.

Whilst the rollout of NZ clients, the first using the Vertexon PaaS Platform in Oceania, has taken slightly longer than anticipated, the Company expects future rollouts to occur in an expedited manner given the platform is fully live and operational.

Client	Status	Notes
First Credit Union	Live	Following contract signing, First Credit Union has acquired Westforce Credit Union and Steelsands Credit Union. The cardholders of these credit unions will also be transitioned to Change under the First Credit Union brand. Transition to Change occurring during H1 FY24
Police Credit Union	First Live Cards Issued	Transition to Change occurring during H1 FY24
Nelson Building Society	First Live Cards Issued	Transition to Change occurring during H1 FY24
NZCU Auckland	Final Testing	Anticipated go-live in Q1 FY24

Receipt of Mastercard Incentive Payment

As announced on 18 April 2023, launch of the first NZ client triggered the US\$1.0m (A\$1.5m¹) incentive payment from Mastercard, which the Company received in June. The incentive payment will be progressively recognised as revenue in future periods once target processing volumes have been achieved.

Tony Sheehan commences as CEO

Further to the announcement of the appointment of Tony Sheehan as CEO released on 26 April 2023, the Company is pleased to confirm that Tony has commenced in the role effective 3 July 2023 as planned.

Currently the Company has not appointed a new CFO and these duties will continue to be covered by Tony and the existing finance team.

Authorised for release by the Board of Change Financial Limited.

¹ AUD/USD = 0.67

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 157 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

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