change.

Annual Report

For the year ended 30 June 2023

Corporate Directory

Directors	Edward Grobler (Chair) Ian Leijer (Non-executive Director) Alastair Wilkie (Non-executive Director) Thomas Russell (Executive Director) Geoffrey Sam (Non-executive Director) Benjamin Harrison (resigned as Chair and Director on 24 November 2022)
Company Secretary	Adam Gallagher
Registered Office	Change Financial Limited Level 11, 82 Eagle Street Brisbane QLD 4000 Email: investors@changefinancial.com
Postal Address	Change Financial Limited GPO Box 5011 Brisbane QLD 4001
Australian Company Number	150 762 351
Australian Business Number	34 150 762 351
Auditors	Pitcher Partners Level 38 345 Queen Street BRISBANE QLD 4000 Telephone: +61 7 3222 8444 Fax: +61 7 3221 7779 www.pitcher.com.au
Share Registry	Link Market Services Limited Telephone: 1300 554 474 www.linkmarketservices.com.au
Website	www.changefinancial.com
ASX Code	CCA

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Chair's Letter

Dear Shareholders,

On behalf of the Board of Change Financial Limited (**Change**), I am pleased to present our Annual Report for the year ended 30 June 2023.

The 2023 financial year completes the formative phase for Change with significant investment made in our technology, product, people and operations as we execute on our vision of simplifying payment experiences globally and becoming a leading payments solutions provider via simple, flexible, secure and fast to market technology.

During the year Change was granted an Australian Financial Services Licence (**AFSL**), complementing our Financial Service Provider (**FSP**) registration in New Zealand. As a result of receiving Mastercard Principal Membership in Australia and New Zealand, Change has now successfully completed the majority of the necessary regulatory and licencing requirements to enable debit and prepaid card issuing in New Zealand, Australia and the US.

The team has worked tirelessly on achieving operational readiness for the Vertexon Payments as a Service (**PaaS**) platform. This effort enabled the first New Zealand clients to process 'live' Mastercard transactions on the PaaS platform. This is a significant achievement for Change and a key enabler for future revenue growth from both our existing contracted clients and pipeline opportunities now the platform is live and processing.

We welcomed Tony Sheehan to the role of Chief Executive Officer following the retirement of Alastair Wilkie. Alastair played a critical role in the transformation of the business and we look forward to his continued input as Non-executive Director. As our Company looks to accelerate the commercialisation of Vertexon and PaySim, Tony's skills in building teams and driving a winning culture will be critical to delivering on our strategic objectives. We also welcomed Geoff Sam as a Non-executive Director. Geoff brings a wealth of experience as a company director and we look forward to his contributions to Change as the business continues to grow and evolve.

In further validation of our strategy, we welcomed strategic investor FinTech HQ as the Company's largest shareholder through a placement raising A$6.9m to strengthen our financial position and enable the business to execute on our growth plans through continued investment in our products along with targeted investment in sales and marketing.

The achievements of this past year provide Change with a platform to capitalise on and drive growth as the business moves from the build and launch phase for the Vertexon PaaS platform to onboarding already contracted clients and securing future clients. I am excited with where the business is heading as we look to take advantage of the solid foundations we have established.

I would like to take this opportunity, on behalf of the Board of Directors, to thank all our valued clients and employees and highlight how important they are to us and the successful future of our Company.

Finally, I would like to thank our shareholders for their continued support and we look forward to keeping you informed of our key achievements throughout the upcoming year.

Sincerely,

Edward Grobler
Chair

CEO's Report

Dear Shareholders,

Financial year 2023 marked another period of solid progress for Change as we completed the second year of our three-year strategy.

Over the past 12 months we continued to make strong progress in our transformation towards a software as a service business model. We have continued to invest in our two core products with a particular focus on Vertexon. After a significant period of investment, the core building blocks for the Vertexon PaaS platform are almost complete. During the year, we were granted an AFSL which will enable Change to issue debit and prepaid cards in Australia, complementing our offering in New Zealand and the US. We were also granted Mastercard Principal Membership in Australia and New Zealand with the platform also certified by Mastercard in New Zealand. We are expecting Mastercard certification of the Australian platform in the coming months.

During the year we achieved a major milestone for the business with our first PaaS clients in New Zealand processing Mastercard transactions on the Vertexon platform. We remain focussed on finalising EFTPOS connectivity which will enable Change issued cards to be accepted at all merchants in New Zealand. This is the key enabler for transitioning our New Zealand client's cardholders on to the Vertexon platform and will assist with Change's future growth ambitions in the market.

In financial year 2023 we delivered revenue of US$8.7 million (A$13.6[1] million), an increase of 4.7% on the prior year. This result was slightly lower than anticipated primarily as a result of delays in transitioning card programs for our New Zealand clients. Whilst we commenced processing live Mastercard transactions, additional requirements for the completion of EFTPOS connectivity resulted in delays to the transition of our New Zealand client's cardholders to the Vertexon platform. We now anticipate completing the EFTPOS integration in Q1 FY24 and transitioning existing cards to the Vertexon platform in H1 FY24. With the Vertexon platform in New Zealand substantially complete, we are focusing on deploying the latest version of the platform in the US in Q1 FY24 and also launching the platform in Australia in Q2 FY24.

Following the integration of the strategic acquisition in 2020 and substantial progress on transitioning to a cloud offering, we realigned the cost base of the business in early financial year 2023. This process streamlined the business and positioned Change to deliver future revenue growth profitably. Modest revenue growth coupled with a lower cost base resulted in a material reduction in the EBITDA loss in FY23 to US$1.3 million (A$2.0 million), a significant (49%) improvement from the prior year EBITDA loss of US$2.5 million (A$3.9 million). In particular, the EBITDA loss of US$0.2 million (A$0.3 million) in the second half of the year was 80% lower than first half and 75% lower than the prior corresponding period as we saw the benefit of the realigned cost base realised.

Looking forward, we are focussed on delivering profitable revenue growth and are targeting to achieve monthly cashflow breakeven run-rate exiting financial year 2024. The key drivers of these financial targets are our existing client base, our contracted PaaS clients plus new client and partner wins. We expect the majority of growth to come through PaaS clients. Notably, we have New Zealand and US PaaS clients which we have already signed but are not yet fully transacting and hence yet to generate material revenue. The transition of the New Zealand cardholders is expected to be a key driver of revenue growth in financial year 2024.

On a personal note, I am very grateful to have the opportunity to lead Change into the next exciting chapter of the Company's journey. I am looking forward to working with the extremely talented team at Change to execute on our strategy and drive growth. We are entering the commercialisation phase following several years of investment and we have the product, people and processes to drive success.

Lastly, I would like to thank our employees, clients, partners and shareholders for their ongoing support. To the Change team, thank you for your ongoing dedication and commitment to delivering the key milestones over this past year. These milestones are critical to our future growth and success.

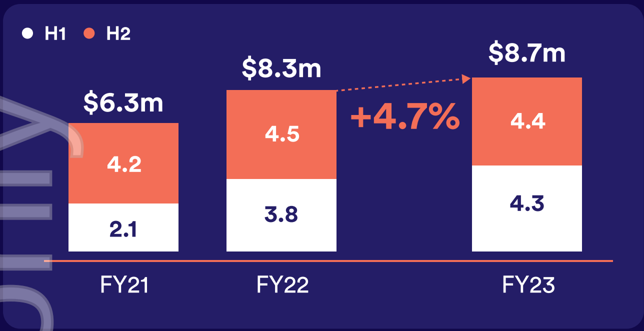
Sincerely,

Tony Sheehan
CEO

[1] AUD/USD = 0.64 (A$ amounts are converted for representation purposes to assist the reader)

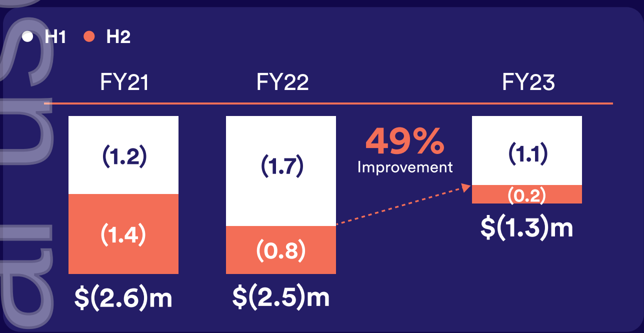
Financial Highlights

Revenue (US$m) – H1 v H2



- FY23 revenue of US$8.7 million (A$13.6 million), up 4.7% on prior year
- Modest growth driven by new licences and continued maintenance & support revenue from existing clients
- FY23 did not include any transactional revenue from New Zealand PaaS clients which are expected to transition cardholders to Change during H1 FY24

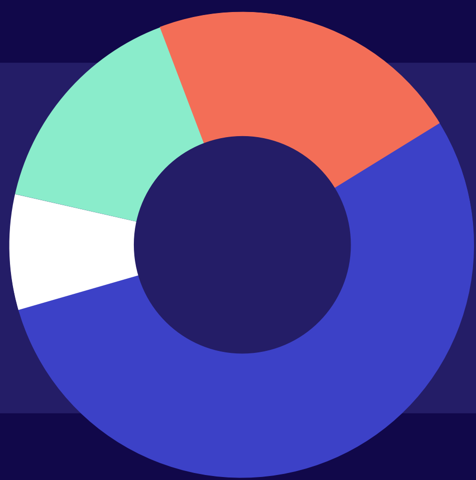
EBITDA (US$m) – H1 v H2



- FY23 EBITDA loss of US$1.3 million (A$2.0 million), a 49% improvement on prior year
- Realigned the cost base in early FY23 following the integration of the strategic acquisition in 2020 and substantial progress on transitioning to a cloud offering
- Effects of realigned cost base evident in H2 EBITDA result and has positioned Change to drive future revenue growth profitably

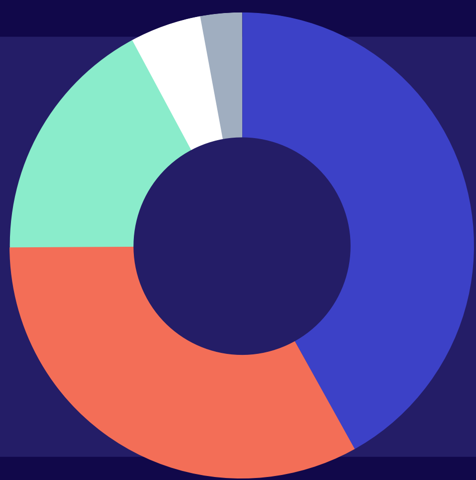
Revenue by Product – FY23

55%	Maintenance & Support
22%	Professional Services
16%	License
7%	Other



Revenue by Region – FY23

44%	SE Asia
31%	Oceania
17%	LATAM
5%	USA
3%	Rest of the World



AUD/USD = 0.64 (A$ amounts are converted for representation purposes to assist the reader)

Operational Highlights

Business readiness for card issuing

- Change has completed the majority of the necessary regulatory and licensing requirements to enable card issuing in New Zealand, Australia and the US
  - Granted an Australian Financial Services Licence (AFSL)
  - Granted Mastercard Principal Issuer Membership for prepaid and debit cards in New Zealand and Australia
  - Completed Mastercard technical certification in New Zealand – Vertexon platform now live and issuing Mastercard cards
  - Signed a five-year partnership agreement with Mastercard enabling Change to expand its product offering in the US to include debit cards
- Upon completion of the two remaining items shaded orange (targeting Q1 FY24), Change will be able to issue debit and prepaid cards in New Zealand, Australia and the US
- Strengthened the team with key hires across client onboarding, fraud management, treasury and compliance

change	Regulatory Licence	Mastercard Issuing Licence	Mastercard Issuing Processor	Mastercard Prepaid Issuing	Mastercard Debit Issuing[1]
New Zealand	**Registered FSP**	**Licenced**	**Certified**	**Live**	**Live**
Australia	**AFSL**	**Licenced**	**Q1 FY24**	**Approved**	**Approved**
United States	**Issuing Bank Partner**	**Licenced**	**Certified**	**Live**	**Q1 FY24**

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

[2] Green shading denotes completed in financial year 2023

Deliver market leading products

- Released latest version of the Vertexton PaaS platform for Oceania clients
  - AWS hosted architecture
  - New API features
  - New rules engine features
  - PCI-DSS & 3D Secure enhancements
- Launched Bank Identification Number (BIN) sponsorship offering
- Completed PaySim certification solution for ISO20022 (Faster Payments) development – focused on enabling scalable multi-region implementations

Growth through clients and partners

- First New Zealand client 'live' with first cards issued and transactions processed through Vertexon
- First US card program live

Directors' Report

The Directors present their report together with the financial statements of Change Financial Limited (**Change Financial** or **the Company**) consisting of Change Financial Limited and the entities it controlled (**Group**) at the end of or during the year ended 30 June 2023.

Directors

The following persons were Directors of Change Financial Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

- Edward Grobler (Chair effective 24 November 2022)
- Ian Leijer
- Alastair Wilkie
- Thomas Russell
- Geoffrey Sam (effective 1 June 2023)
- Benjamin Harrison (Chair) (retired as Director and Chair on 24 November 2022)

Principal activities

The Group's principal activity during the year continued to be the commercialisation and ongoing development of its payments management platform and payment testing solution. Change Financial is a global fintech developing innovative and scalable payments technology through two core products:

- Vertexon PaaS: physical and virtual card issuing and transaction processing; and
- PaySim: payment testing solution

Review of operations

Highlights

Change Financial's strategy remains focussed on simplifying payment experiences through providing simple, flexible and fast to market technology to financial institutions and fintechs globally. The Company has experienced another year of significant transformation, establishing strong building blocks for future growth and success. Key operational highlights include:

- Granted Mastercard Principal Issuer Membership for prepaid and debit cards in New Zealand and Australia
- Completed Mastercard technical certification in New Zealand
- Granted an Australian Financial Services Licence (AFSL)
- Completed two capital raisings and repaid all debt
- Launched the Vertexon API sandbox
- Completed PaySim certification solution for ISO20022 (Faster Payments)
- First New Zealand client 'live' with first cards issued and transactions processed through Vertexon
- Launched Bank Identification Number (BIN) sponsorship offering
- Strengthened the team with key Board and management appointments to execute on growth strategy

Key risks

There are risks associated with the Company's ability to achieve financial and operational targets. Some of these key risks include:

- Future success of new products launched – revenue growth will be dependent on the ability to launch and commercialise new products. The Company is entering the commercialisation phase for the Vertexon PaaS platform which is key to achieving financial targets. The Company has already signed PaaS clients and is working towards achieving 'go-live' throughout financial year 2024 which will generate revenue.
- Operational readiness for new product offerings – the Vertexon PaaS offering, particularly card issuing, requires different skill sets and business operations to ensure success. Card issuing also introduces new risks to the business particularly in relation to treasury, fraud and compliance. The Company has appointed individuals with the requisite skills in these areas to mitigate risk upon 'go-live' of card programs.
- Ability to scale as the business grows – the ability to scale the business is key to driving profitable future growth. The Company is focused on growing in pre-defined core target markets with the goal of achieving scale in these regions.
- Unexpected changes in regulatory requirements – the Company operates in more than 40 countries and will be providing card issuing (which is a regulated activity) in New Zealand, Australia and the US. The Company has a dedicated compliance function which is responsible for ensuring the Company complies with existing regulations and any future changes. The Company closely monitors regulatory requirements to ensure current and future compliance and to enable the Company to respond to upcoming changes as and when required.

Significant changes in the state of affairs

No significant changes in the state of affairs other than as set out in the Review of Operations above.

Matters subsequent to the end of the financial year

Subsequent to the year ending 30 June 2023, the Company was approved for Mastercard Principal Membership in Australia.

Following receipt of the Mastercard licence which enables Change to issue both debit and prepaid cards in Australia, the Company has commenced the final stage of Mastercard certification of the Vertexon PaaS platform for the Australian market.

Likely developments and expected results of operations

Refer to the Review of Operations for further details.

Information on Directors

Edward Grobler (Chair)

Effective 24 November 2022

Experience and expertise

Edward has more than 34 years' experience in the payments industry. He spent 14 years working for a South African bank before joining Mastercard in 1999 as Senior Vice President for Mastercard Africa. In 2008 he was appointed as Executive Vice President for Mastercard Australasia and in 2017 he took up the role of Executive Vice President: Real Time Payments, based in the United Kingdom.

Edward holds a Bachelor of Arts (Honours) from University of Pretoria, Master of Arts from the University of South Africa and a Master in Business Leadership from the University of South Africa.

Other current ASX directorships

None

Former ASX directorships in last 3 years

None

Current Change Financial shareholding

Ordinary shares – 520,833

Options – Nil

Ian Leijer (Non-executive Director)

Experience and expertise

Ian has been closely involved with Change Financial since its inception.

Ian has over 30 years' experience in financial analysis, corporate transactions, business strategy and business management. He was CFO and Company Secretary for over 10 years of former ASX listed company Avatar Industries Limited which operated globally in a number of diverse industries including mining services, electronics distribution, fabrication of building products and printing. Ian started his career with Price Waterhouse specialising in corporate transactions and valuations before joining a boutique investment bank.

Ian currently works with a number of entities on business analysis, capital raising (debt & equity) and general management. Ian also holds a Bachelor of Economics from the University of Sydney, Australia.

Other current ASX directorships

None

Former ASX directorships in last 3 years

None

Special responsibilities

Chair of the Audit & Risk Committee

Current Change Financial shareholding

Ordinary shares – 6,886,976

Options – Nil

Alastair Wilkie (Director)

Chief Executive Officer & Managing Director until 30 June 2023

Experience and expertise

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 30 years of experience in senior leadership roles across Australia, Europe & North America. He spent 6 years with Indue Ltd as Executive General Manager and 2 years as Chief Operating Officer at ASX listed EML Payments Ltd. Alastair joined the Company as Chief Executive Officer in 2019, before joining the Board and becoming Chief Executive Officer & Managing Director in 2021.

Alastair holds a Diploma in Business Management from W.L. College in Scotland, studied Business Administration at the Executive Management Institute, ESSEC Business School in Paris and is a Member of The Australian Institute of Company Directors.

Other current ASX directorships
None

Former ASX directorships in last 3 years
None

Current Change Financial shareholding
Ordinary shares – 7,954,914
Options – Nil

Thomas Russell (Executive Director)

Previously Alternate Director to Benjamin Harrison until 24 November 2022

Experience and expertise

Thomas has more than 12 years' experience in the United States and Australia as an investor and advisor working across a range of industries with a focus on growth companies. Thomas is highly experienced in raising capital, setting business strategy, executing M&A, managing operations, as well as launching technology platforms.

Thomas holds both a Bachelor of Commerce (Finance) and a Bachelor of Economics (Quantitative Methods) from the University of Queensland, Australia.

Other current ASX directorships
None

Former ASX directorships in last 3 years
None

Special responsibilities
Chair of the Nomination & Remuneration Committee

Current Change Financial shareholding
Ordinary shares – 1,684,264
Options – Nil

Geoffrey Sam, OAM (Non-executive Director)

Appointed 1 June 2023

Experience and expertise

Geoffrey is a highly experienced company director and currently serves as Chair of Earlypay Limited (ASX:EPY) and Non-executive Director of Paragon Care Limited (ASX: PGC). Prior to his appointments to ASX listed companies, Geoffrey undertook numerous Chief Executive positions at Adelaide based hospitals. He is currently the Co-Founder and Director of HealtheCare Australia Pty Ltd, a privately owned health care company comprising a portfolio of 18 hospitals.

Geoffrey holds a Bachelor of Commerce (Accounting and Finance) and a Master of Health Administration from the University of New South Wales, a Master of Arts (Economics and Social Studies) from the University of Manchester UK and is a Fellow of the Australian Institute of Company Directors.

Geoffrey was appointed as Director on 1 June 2023.

Other current ASX directorships

Earlypay Limited (ASX:EPY)
(appointed 10 March 2015)

Paragon Care Limited (ASX:PGC)
(appointed 3 June 2016)

IDT Australia Limited (ASX:IDT)
(appointed 10 October 2022)

Former ASX directorships in last 3 years

None

Current Change Financial shareholding

Ordinary shares – Nil
Options – Nil

Company Secretary

The Company Secretary is Mr Adam Gallagher.

Adam Gallagher

Experience and expertise

Adam has over 20 years' experience across technology, debt and equity markets as a business owner, executive, M&A manager, investor and officeholder. He has been providing corporate services for listed companies for over 10 years as a Director, Company Secretary and executive. He has previously held officeholder roles at ASX listed technology companies. Adam is currently Company Secretary for Change Financial, Propell Holdings Limited (ASX:PHL), Envirosuite Limited (ASX:EVS) and Credit Clear Limited (ASX:CCR).

Adam holds a Bachelor of Economics, Master in Commerce, Graduate Diploma in Information Systems and Graduate Diploma in Applied Corporate Governance and is a Fellow of the Governance Institute of Australia.

Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2023, and the numbers of meetings attended by each Director were:

	Full meetings of Directors		Audit & Risk Committee meetings		Nomination & Remuneration Committee meetings	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Benjamin Harrison	6	6	-	-	-	-
Ian Leijer	19	19	4	4	6	6
Edward Grobler	18	19	3	3	6	6
Alastair Wilkie	19	19	-	-	-	-
Thomas Russell	19	19	3	3	6	6
Geoffrey Sam	2	2	-	-	-	-

Note: Mr Leijer is Chair of the Audit & Risk Committee. Mr Russell is the Chair of the Nomination & Remuneration Committee that was formally established in the second half of financial year 2023. Each of the non-member Directors have a standing invitation to the committee meetings and all Directors attended each committee meeting held during the reporting period.

Remuneration report (audited)

The Directors are pleased to present your Company's 2023 remuneration report which sets out remuneration information for Change Financial Limited's Non-executive Directors, Executive Directors and other key management personnel.

Non-executive Director remuneration policy

The shareholders of Change Financial Limited on 11 August 2015 approved, for the purposes of the ASX Listing Rules and the Group's Constitution, an increase in the maximum aggregate annual Non-executive Directors' fees to A$500,000, with such fees to be allocated to the Non-executive Directors as the Board of Directors may determine.

Executive remuneration policy and framework

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market practice for delivery of reward.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- performance linkage / alignment of executive compensation;
- transparent;
- acceptable to shareholders;
- alignment to shareholders' interests;
- attracts and retains high calibre executives;
- alignment to program participants' interests;
- rewards capability and experience; and
- provides recognition for contribution.

The executive remuneration and reward framework has three components:

- base pay and benefits, including superannuation;
- short term incentives; and
- long term incentives.

(a) Elements of remuneration base pay and benefits

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

(b) Details of remuneration

Details of the remuneration of the Directors and the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) are set out in the following tables.

The key management personnel of Change Financial Limited includes the Directors as listed below:

- Edward Grobler (Chair effective 24 November 2022)
- Ian Leijer (Non-executive Director)
- Alastair Wilkie (Chief Executive Officer and Managing Director) – ceased as Chief Executive Officer 30 June 2023
- Thomas Russell (Executive Director)
- Geoffrey Sam – appointed 1 June 2023
- Benjamin Harrison (Chair) – ceased as Director and Chair on 24 November 2022

In addition to the Directors, the following executives that report directly to the Board or Chief Executive Officer are key management personnel:

- Tony Sheehan (Chief Financial Officer) – appointed 19 July 2021 and subsequently appointed Chief Executive Officer effective 3 July 2023
- Vinnie D'Alessandro (Chief Product Officer) – appointed 16 November 2020
- Arnold Lee (Chief Technology Officer) – appointed 1 September 2021
- Clayton Fossett (Chief Operating Officer) – ceased employment 1 December 2022

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

2023

Name	Short Term Benefits		Post-Employment Benefits	Long Term Benefits	Share Based Payments	Total	Proportion of Remuneration Performance Based
	Cash salary and fees US$	Non-Monetary Benefits US$	US$	US$	US$	US$	%
Non-executive Directors							
Benjamin Harrison[1]	13,970	-	-	-	-	13,970	-
Ian Leijer	33,172	-	-	-	-	33,172	-
Edward Grobler	35,963	-	-	-	-	35,963	-
Geoffrey Sam[2]	2,763	-	-	-	-	2,763	-
Subtotal	**85,868**	**-**	**-**	**-**	**-**	**85,868**	**-**
Executive Directors							
Alastair Wilkie[3]	226,422	-	18,526	3,658	5,273	253,879	2.1
Thomas Russell	122,198	-	-	-	-	122,198	-
Subtotal	**348,620**	**-**	**18,526**	**3,658**	**5,273**	**376,077**	**1.4**
Other Key Management Personnel							
Clayton Fossett[4]	124,316	364	-	-	585	125,265	0.5
Vinnie D'Alessandro	172,045	-	18,903	2,860	5,238	199,046	2.6
Tony Sheehan	181,858	-	18,803	2,969	14,770	218,400	6.8
Arnold Lee	143,254	-	4,722	-	10,810	158,786	6.8
Subtotal	**621,473**	**364**	**42,428**	**5,829**	**31,403**	**701,497**	**4.5**
Total	**1,055,961**	**364**	**60,954**	**9,487**	**36,676**	**1,163,442**	**3.2**

2022

Name	Short Term Benefits		Post-Employment Benefits	Long Term Benefits	Share Based Payments	Total	Proportion of Remuneration Performance Based
	Cash salary and fees US$	Non-Monetary Benefits US$	US$	US$	US$	US$	%
Non-executive Directors							
Benjamin Harrison	36,513	-	-	-	-	36,513	-
Harley Dalton[5]	26,216	-	-	-	-	26,216	-
Ian Leijer[6]	79,786	-	-	-	-	79,786	-
Edward Grobler[7]	18,458	-	-	-	-	18,458	-
Thomas Russell[8]	41,230	-	-	-	-	41,230	-
Subtotal	**202,203**	**-**	**-**	**-**	**-**	**202,203**	**-**
Executive Directors							
Alastair Wilkie[9]	260,897	-	19,884	4,423	16,938	302,142	11.1
Subtotal	**260,897**	**-**	**19,884**	**4,423**	**16,938**	**302,142**	**11.1**
Other Key Management Personnel							
Clayton Fossett	219,582	457	-	-	4,795	224,834	2.1
Vinnie D'Alessandro	209,670	-	20,258	2,734	24,263	256,925	22.3
Tony Sheehan[10]	184,966	-	17,938	2,824	32,308	238,036	13.6
Arnold Lee[11]	137,968	-	3,903	-	5,919	147,790	15.4
Subtotal	**752,186**	**457**	**42,099**	**5,558**	**67,285**	**867,585**	**13.5**
Total	**1,215,286**	**457**	**61,983**	**9,981**	**84,223**	**1,371,930**	**11.0**

[1] Mr Harrison resigned effective 24 November 2022
[2] Mr Sam was appointed 1 June 2023
[3] Mr Wilkie retired as Chief Executive Officer and Managing Director effective 30 June 2023 from which he continued as a Non-executive Director
[4] Mr Fossett resigned effective 1 December 2022
[5] Mr Dalton resigned effective 25 November 2021
[6] Mr Leijer became a Non-executive Director effective 1 October 2021
[7] Mr Grobler was appointed 25 November 2021
[8] Mr Russell was appointed 1 November 2021
[9] Mr Wilkie was appointed Chief Executive Officer and Managing Director effective 25 November 2021
[10] Mr Sheehan was appointed 19 July 2021
[11] Mr Lee was an existing employee of Change Financial and was promoted to Chief Technology Officer effective 1 September 2021

The value of options issued to Directors and employees as remuneration is expensed over the vesting period which may be a number of years. Therefore, the amount for share based payments is not a cash expense and represents the expense recognised in that financial year for options granted as remuneration in that year and prior years. Negative amounts are the options forfeited but not yet vested at the time of forfeiture.

In the current year, a portion of remuneration for the Key Management Personnel and Executive Director are performance related. Performance related remuneration is based on achieving certain financial and operational targets that are aligned to the success of the Company. The Company undertakes a formal process to assess actual results achieved relative to the targets set to determine an individual's eligibility for performance related remuneration.

(c) Service agreements

Thomas Russell (Executive Director)

- Term of agreement – no fixed term;
- Annual fee of A$50,000 payable monthly on pro rata basis;
- Reimbursement of specified expenses incurred in providing the services; and
- Payment for services outside the normal scope of the ordinary duties of the Director at a rate of A$1,600 per day

Alastair Wilkie (Chief Executive Officer and Managing Director)
(Retired as Chief Executive Officer 30 June 2023)

- Term of agreement – no fixed term;
- Base salary of A$359,675 per annum (including statutory superannuation contributions) which is reviewed annually;
- An annual incentive bonus of A$20,000, payable subject to satisfactory achievement of KPI's;
- Can participate under the Company ESOP (refer details in subsection (d) below);
- Entitled to reimbursement of specified expenses incurred in his employment; and
- Termination – 6 months' notice by either party except for serious misconduct where the Company can terminate immediately.

Vinnie D'Alessandro (Chief Product Officer)

- Term of agreement – no fixed term;
- Base salary of A$284,537 per annum (including statutory superannuation contributions) which is reviewed annually;
- An annual incentive bonus of A$30,000, payable subject to satisfactory achievement of KPI's;
- Can participate under the Company ESOP (refer details in subsection (d) below); and
- Termination – 3 months' notice by either party except for serious misconduct where the Company can terminate immediately.

Tony Sheehan (Chief Financial Officer)
(appointed Chief Executive Officer effective 3 July 2023)

- Term of agreement – no fixed term;
- Base salary of A$295,919 per annum (including statutory superannuation contributions) which is reviewed annually;
- An annual incentive bonus of A$30,000, payable subject to satisfactory achievement of KPI's;
- Can participate under the Company ESOP (refer details in subsection (d) below); and
- Termination – 3 months' notice by either party except for serious misconduct where the Company can terminate immediately.

Arnold Lee (Chief Technology Officer)

- Term of agreement – no fixed term;
- Base salary of NZ$238,342 per annum (including statutory KiwiSaver contributions) which is reviewed annually;
- An annual incentive bonus of NZ$30,000, payable subject to satisfactory achievement of KPI's; and
- Termination – 3 months' notice by either party except for serious misconduct where the Company can terminate immediately.

Clayton Fossett (Chief Operating Officer) (ceased 1 December 2022)

- Term of agreement – no fixed term;
- Base salary of US$225,000 per annum which is reviewed annually;
- An annual incentive bonus of US$20,000, payable subject to satisfactory achievement of KPI's;
- Entitled to reimbursement of specified expenses incurred in his employment;
- Can participate under the Company ESOP (refer details in subsection (d) below);
- Employment can be terminated giving four months' written notice; and
- Employed under the laws of the State of California, US.

(d) Equity instrument disclosures relating to key management personnel

(i) Options issued to Key Management Personnel as remuneration

The following options were issued to Clayton Fossett on 27 October 2022:

Tranche	Expiry	Term (years)	Strike Price A$	Fair Value at Grant Date A$	Number	Vesting Conditions	% Vested at 30 June 23
Tranche 4	5 December 2024	2.0	0.200	0.0041	750,000	No	100
Total					**750,000**		

These options were granted to Mr. Fossett to replace a tranche of options that expired on 5 December 2022. There are no vesting conditions associated with the options granted to Mr. Fossett during the year.

(ii) Option holdings

The numbers of options in the Company held during the financial year by each Director of Change Financial Limited and key management personnel of the Group, including their personally related parties, are set out below.

2023

Name	Balance at the start of the period	Granted during the year	Cancelled during the year	Lapsed & forfeited during the year	Exercised during the year	Balance at the end of the period	Total vested and exercisable at 30 June 23	Unexercisable at 30 June 23
Directors								
Benjamin Harrison	-	-	-	-	-	-	-	-
Ian Leijer	-	-	-	-	-	-	-	-
Edward Grobler	-	-	-	-	-	-	-	-
Thomas Russell	-	-	-	-	-	-	-	-
Geoffrey Sam	-	-	-	-	-	-	-	-
Other Key Management Personnel								
Clayton Fossett[2]	2,250,000	750,000	-	(2,250,000)	-	750,000	750,000	-
Alastair Wilkie	3,500,000	-	-	(3,000,000)	(500,000)[1]	-	-	-
Vinnie D'Alessandro	1,500,000	-	-	-	-	1,500,000	1,500,000	-
Tony Sheehan	2,000,000	-	-	-	(500,000)[1]	1,500,000	500,000	1,000,000
Arnold Lee	1,500,000	-	-	-	-	1,500,000	500,000	1,000,000

[1] Exercise price per option of A$0.001
[2] Ceased being a Key Management Personnel upon resignation effective 1 December 2022

2022

Name	Balance at the start of the period	Granted during the year	Cancelled during the year	Lapsed & forfeited during the year	Exercised during the year	Balance at the end of the period	Total vested and exercisable at 30 June 22	Unexercisable at 30 June 22
Directors								
Benjamin Harrison	-	-	-	-	-	-	-	-
Harley Dalton	-	-	-	-	-	-	-	-
Ian Leijer	-	-	-	-	-	-	-	-
Other Key Management Personnel								
Clayton Fossett	750,000	1,500,000	-	-	-	2,250,000	750,000	1,500,000
Alastair Wilkie	3,500,000	-	-	-	-	3,500,000	1,500,000	2,000,000
Vinnie D'Alessandro	1,500,000	-	-	-	-	1,500,000	500,000	1,000,000
Tony Sheehan	-	2,000,000	-	-	-	2,000,000	-	2,000,000
Arnold Lee	-	1,500,000	-	-	-	1,500,000	-	1,500,000

No option holder (Key Management Personnel or otherwise) has any right under the options to participate in new issues of securities in the Company made by the Company to its shareholders generally. In the event of a reconstruction of the capital of the Company or an issue of bonus shares, the option strike price and/or the number of options will be adjusted such that no benefit is gained or lost by option holders as a result of that reconstruction or bonus share issue.

(iii) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Change Financial Limited and Key Management Personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Year to 30 June 2023	Balance at the start of the period	Purchased	Options exercised	Balance at appointment/ (resignation)	Balance at the end of the period
Directors					
Benjamin Harrison	1,673,670	388,250	-	(2,061,920)	-
Ian Leijer	4,812,988	2,073,988	-	-	6,886,976
Edward Grobler	-	520,833	-	-	520,833
Thomas Russell	1,273,377	410,887	-	-	1,684,264
Geoffrey Sam	-	-	-	-	-
Other Key Management Personnel					
Clayton Fossett	38,800	-	-	(38,800)	-
Alastair Wilkie	5,223,591	2,231,323	500,000	-	7,954,914
Vinnie D'Alessandro	17,727	96,974	-	-	114,701
Tony Sheehan	-	481,356	500,000	-	981,356
Arnold Lee	-	-	-	-	-

Year to 30 June 2022	Balance at the start of the period	Purchased	Options exercised	Balance at appointment/ (resignation)	Balance at the end of the period
Directors					
Harley Dalton	14,960,978	200,000	-	(15,160,978)	-
Benjamin Harrison	1,473,670	200,000	-	-	1,673,670
Ian Leijer	4,812,988	-	-	-	4,812,988
Edward Grobler	-	-	-	-	-
Thomas Russell	-	-	-	1,273,377	1,273,377
Other Key Management Personnel					
Clayton Fossett	38,800	-	-	-	38,800
Alastair Wilkie	5,223,591	-	-	-	5,223,591
Vinnie D'Alessandro	17,727	-	-	-	17,727
Tony Sheehan	-	-	-	-	-
Arnold Lee	-	-	-	-	-

(e) Other Transactions with Key Management Personnel

The following transactions with key management personnel and their associated entities:

On 31 January 2022, Change secured a A$1.5 million unsecured term facility (**Facility**). The funder is Altor Capital via ACM AEPF Pty Ltd ATF Altor Emerging PIPE Fund (**Funder**). The Company engaged Altor Advisory Partners Pty Ltd (**AAP**) to arrange the Facility. Mr Harley Dalton, a Director of the Company until 25 November 2021, is a director and controlling shareholder of Altor Capital Pty Limited which wholly owns AAP. The Funder and APP are also related parties of Mr Dalton. The Funder and AAP may remain a related party for six months post Mr Dalton's cessation as a Director, being 25 November 2021.

Benjamin Harrison is the Chief Investment Officer of the Altor Capital Pty Ltd group entities (Altor Group). Thomas Russell is the Chief Operating Officer and Investment Director of the Altor Group. Mr Harrison and Mr Russell are not directors of, nor do they own or control any Altor Group entities, including the Funder. However, Mr Harrison and Mr Russell, as consultants of the Altor Group, may be entitled to remuneration under their relevant engagement agreements. Notwithstanding that, Altor Group is not considered a related party of Mr Harrison or Mr Russell.

The Facility was repaid in full in March 2023 and there is no ability to redraw under the Facility.

(f) Additional information

The table below shows for the current year and prior years the total remuneration cost of the key management personnel, earnings per share (EPS), dividends paid or declared, and the closing price of ordinary shares on ASX at year end.

Financial Year	Total Remuneration US$	EPS US$	Dividends cents	Share Price $A
2019	469,476	(0.057)	0.0	0.049
2020	740,002	(0.028)	0.0	0.105
2021	853,089	(0.009)	0.0	0.11
2022	1,371,570	(0.009)	0.0	0.057
2023	1,163,442	(0.005)	0.0	0.042

End of Remuneration Report

Shares under option

Unissued ordinary shares of Change Financial Limited under option at the date of this report are as follows;

Grant Date	Expiry	Strike Price	Number
27 May 2021	16 Nov 2023	A$0.20	650,000
27 May 2021	16 Nov 2023	A$0.26	1,150,000
12 Apr 2022	19 Jul 2024	A$0.20	500,000
12 Apr 2022	19 Jul 2024	A$0.26	1,000,000
12 Apr 2022	1 Sep 2024	A$0.26	1,000,000
12 Apr 2022	1 Sep 2024	A$0.20	500,000
12 Apr 2022	16 Aug 2024	A$0.20	250,000
12 Apr 2022	16 Aug 2024	A$0.26	250,000
5 Dec 2022[1]	5 Dec 2024	A$0.20	750,000
TOTAL			**6,050,000**

[1] Issued to Mr Fossett - refer section (ii) of the Remuneration Report

1,000,000 shares were issued during the financial year or subsequent to balance date as the result of the exercise of options (2022: nil). The amount paid to exercise those options was A$0.001 per share. No amounts remain unpaid.

Environmental Regulations

There are no environmental regulations that specifically apply to the Company.

Indemnity and Insurance of officers

Insurance of officers

During the financial year, the Group paid a premium in respect of a contract insuring the Directors of the Company (as named above), the Company Secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such as a Director, Company Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined at note 27 to the financial statements. Based on advice provided by the Audit and Risk Committee, the Directors have formed the view that the provision of non-audit services is compatible with the general standard of independence for auditors, and that the nature of non-audit services means that auditor independence was not compromised.

Dividends - Change Financial Limited

The Directors of Change Financial Limited do not recommend the payment of a dividend for the 12 months ending 30 June 2023 (2022: nil).

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 24.

Auditor

Pitcher Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2) of the Corporations Act 2001.

Dated 31 August 2023

Edward Grobler
Chair

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors
Change Financial Ltd
Level 11, 82 Eagle Street
Brisbane QLD 4000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

This declaration is in respect of Change Financial Limited and the entities it controlled during the year.

Pitcher Partners

PITCHER PARTNERS

DANIEL COLWELL
Partner

Brisbane, Queensland
31 August 2023

Corporate Governance Statement

We are pleased to present our 2023 Corporate Governance Statement, which provides information about governance matters at Change Financial Limited (Change).

The Board of Directors (Board) of Change Financial Limited ('Change', 'Company' or 'Group') is responsible for the corporate governance of Change and its subsidiaries. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Commensurate with the spirit of the ASX Corporate Governance Principles and Recommendations (4th Edition) (Principles or Recommendations), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for the corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where the Company's corporate governance practices depart from the recommendations, the Board has offered full disclosure of the nature and reason for the departure.

The Board will periodically review and develop its governance policies and practices as the Company grows in size and complexity.

The Corporate Governance Charter is available from the Company and is available on its website at www.changefinancial.com

This statement was authorised for issue by the Board on 31 August 2023.

2023 Governance Highlights

- Annual Review of the Board and Committee Charters
- Annual Review of Corporate Policies
- Establishment of Nomination and Remuneration Committee
- Membership changes to the Audit and Risk Committee
- Board performance evaluation

Principle 1: Lay solid foundations for management and oversight

1.1 Board and management functions

The Board has a Charter within its Corporate Governance Charter outlining its roles and responsibilities, which is available on the Company's website. The Charter clearly delineates matters reserved for the Board and those delegated to management.

In summary the responsibilities of the Change Board include:

- oversight of the Company, including its control and accountability systems;
- setting the Company's major goals, including the strategies and financial objectives to be implemented by management;
- appointing, removing and managing the Chief Executive Officer;
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and/or Company Secretary;
- input into and final approval of management's development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring that appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving and monitoring financial and other reporting; and
- instilling sound corporate governance practices in the Board and executive.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director or an employee. However, the Board acknowledges that it retains the ultimate responsibility for the exercise of such powers under the Corporations Act 2001 (Cth).

The Board has delegated responsibility to the Chief Executive Officer for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing Change's annual budget, recommending it to the Board for approval and managing day-to-day operations within the budget;
- managing day-to-day operations in accordance with standards for social and ethical practices which have been set by the Board; and
- approval of capital expenditure and business transactions within predetermined limits set by the Board.

1.2 Appointment of Directors

The Company performs appropriate checks on any person to be appointed as a Director, either by the Board or nominated by shareholders. These checks include details of the person's character, experience, education and other factors.

In accordance with the ASX Governance Recommendations, all material information in the Company's possession relevant to a Director's election or re-election is provided to shareholders in the relevant notice of meeting for each Annual General Meeting (**AGM**).

The Company will provide the following information to shareholders to enable them to make an informed decision as to whether to elect a Director for the first time:

- biographical details, including relevant qualifications, experience and skills that they bring to the Board;
- details of any other material Directorships currently held;
- any materially adverse information revealed by the checks the Company has performed about the candidate;
- any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, the candidate's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally;
- whether the Board considers that, if elected, the candidate will qualify as an independent Director; and
- whether the Board supports the election of the candidate.

The Company will provide the following information to shareholders to enable them to make an informed decision as to whether to re-elect a Director standing for re-election:

- biographical details;
- relevant qualifications, experience and skills they bring to the Board;
- details of any other material Directorships currently held;
- term of office currently served;
- whether the Board considers the Director an independent Director; and
- if the Board supports their re-election.

1.3 Written Agreements

The Company requires written agreements for Directors and senior executives specifying their roles, responsibilities, and Company expectations. The published Remuneration Report within the Annual Report includes employment contract details, including significant terms.

1.4 Company Secretary

Adam Gallagher continued as the Company Secretary for the entire financial year.
The Company Secretary reports directly to the Board, providing advice on governance and other relevant matters, ensuring compliance with policies and procedures, managing the timely dispatch of board papers, accurately recording meeting minutes, and assisting in Director induction and development. The Board is responsible for appointing or removing the Company Secretary.

Adam's relevant skills, qualifications and experience are set out in the 2023 Annual Report.

1.5 Diversity

The Board has a formal Diversity Policy included in its Corporate Governance Charter. In summary:
The Company respects and values diversity (which includes but is not limited to gender, age, disability, ethnicity, marital or family status, religious beliefs, socio-economic background, perspective, experience, cultural background, sexual orientation and gender identity), and the benefit of its integration throughout the Company to enrich the Company's perspective, improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals. The Company acknowledges that diversity is important to the Company's ability to attract, retain and motivate employees from the widest possible pool of available talent and the Company is committed to diversity at all levels.

With respect to gender diversity, the Board has chosen not to set measurable objectives and targets due to the small size and scale of its operations. The Board will review this position in future reporting periods.

The Board of Change has five Directors, all of whom are male. In the senior executive, the Company has no female employees and three male employees. A 'senior executive' is defined as the C-suite level, including the Chief Operating Officer, Chief Financial Officer or equivalent, Chief Technology Officer and Chief Product Officer. The total number of female employees in the Company is 16, accounting for 22% of all employees. Overall, 24% of management, including the C-suite, are female, an increase from 17% in the prior year.

The Company is not considered a 'relevant employer' as defined under the Workplace Gender Equality Act.

1.6 & 1.7 Board & Executive Performance Evaluation

The Company defines its Senior Executives as the CEO and executive leadership group, including Key Management Personnel (KMP).

The Board regularly evaluates its own performance, individual Directors (including Executive Directors), and committee functions.

The Chair meets with Directors to discuss their performance, and the Board evaluates the Chair's performance. Directors retiring by rotation undergo an evaluation by the Chair. The evaluation considers factors such as capability, skills, industry understanding, value-adding contribution, and performance in key areas of responsibility.

Similarly, the Chief Executive Officer assesses the performance of executives based on assigned goals and these factors. The annual evaluation aims to enhance the effectiveness of the Directors, the Board, and executives.

The assessment program was conducted during the 2023 financial year.

Principle 2: Structure the board to add value

2.1 Nomination Committee

The Company established a Nomination and Remuneration Committee (NRC) during the financial year 2023 (FY23). The NRC comprises three members: Ian Leijer, Edward Grobler, and Thomas Russell. These individuals bring a collective wealth of experience and expertise to the committee, enabling them to fulfil the objectives of the Nomination and Remuneration Charters that are contained within the Company's Corporate Governance Charter.

Mr Leijer and Mr Russell are not considered to be independent directors, however it is considered that they have the experience and knowledge to fulfil the respective Committee membership roles.

The skills and experience of the Committee members, together with the number of meetings held and the number of meetings attended by each Committee member in the reporting period, are set out in the 2023 Annual Report.

The NRC plays a vital role in overseeing the selection, appointment, and succession planning of directors within the Company. This includes evaluating potential director candidates' skills, experience, and diversity and making recommendations to the board regarding their suitability for appointment or reappointment.

Additionally, the NRC is responsible for reviewing and advising on executive remuneration policies and practices. By ensuring that executive remuneration aligns with the Company's strategic objectives, industry standards, and shareholder interests, the NRC helps foster a performance-oriented and accountable culture.

When a Director vacancy arises, the NRC identifies suitable candidates, potentially with the help of external consultants. The appointed candidate must stand for election at the next annual general meeting. Re-election of Directors follows the Company's Constitution, which requires a portion of Directors to retire each year at the annual general meeting, with the possibility of re-election.
More information about the Nomination and Remuneration Committee can be found in the Corporate Governance Charter.

2.2 Skills matrix

It is important for the Board to have the appropriate mix of skills, knowledge, and experience to effectively oversee the Company's operations and make informed decisions. To fulfil this principle, the Company has implemented a Board Skills Matrix as a valuable tool for assessing and enhancing the composition and capabilities of the Board.

The Board Skills Matrix is designed to identify and evaluate the skills, experience, qualifications, and diversity of the Directors, enabling the Board to assess any gaps in skills or knowledge and address them through appropriate recruitment, training, or other initiatives. The matrix covers a broad range of areas, including but not limited to finance, legal, governance, health & safety, technology, human resources and strategy. Each Director's skills and experience are assessed and mapped against these criteria, providing a clear overview of the collective strengths and areas that may require further development or focus.

The Board periodically reviews and updates the Board Skills Matrix to ensure its relevance and alignment with the Company's evolving needs and strategic priorities. This ongoing evaluation enables the Board to identify gaps in skills or expertise and take proactive steps to address them.

By utilising the Board Skills Matrix, the Company strives to maintain a diverse and highly skilled Board that can effectively guide and govern the organisation, make informed decisions, and adapt to the changing business landscape. This commitment to a robust and dynamic Board composition enhances the Company's ability to deliver long-term value to its stakeholders and achieve sustainable growth in a rapidly evolving business environment.

The current Board Skills Matrix can be found in the Corporate Governance Charter.

Details of the Directors, including their qualifications and experience, together with details of the length of service, are set out in the Directors Report in the 2023 Annual Report.

2.3 Status of Independence

The Board consists of a total of five Directors, with three being Non-executive and one executive.

The table below sets out the details of the Directors who served on the Board during FY23, their length of service and their status of independence.

Name	Position	Appointed - Ceased	Independent
Benjamin Harrison	Chair/Non-executive Director	12 December 2018 - 24 November 2022	No
Edward Grobler	Chair/ Non-executive Director	25 November 2021 (Dir) 24 November 2022 (Chair)	Yes
Ian Leijer	Non-executive Director	16 January 2016	No
Thomas Russell	Alternate Director to Chair / Executive Director	1 November 2021 (Alternate Director) 24 November 2022 (Executive Director)	No
Alastair Wilkie	Chief Executive Officer and Managing Director	25 November 2021	No
Geoffrey Sam	Non-executive Director	1 June 2023	Yes

The Board considered that Mr Benjamin Harrison (until his retirement) and Mr Thomas Russell are not independent due to their association with Altor Capital Management Pty Ltd, which engaged in funding activities for the Company in the past three years. Although they are employed by companies within the Altor group, Altor Capital Management Pty Ltd is not considered a related party for either Director.

Please refer to the Directors' Report in the 2023 Annual Report for detailed information about the Directors' profiles, tenure, skills, experience, and expertise.

2.4 Majority of Directors to be Independent

Recommendation 2.4 of the ASX Corporate Governance Principles states that the Board should comprise a majority of independent Directors. However, there are several circumstances where the Company may assess that a majority of its Directors are not independent.

The Board considers a Director to be independent where he or she is:

- independent of management, that is a non-executive Director; and
- free from any business or other relationship that could materially interfere, or could reasonably be perceived to materially interfere, with the exercise of his or her unfettered and independent judgement.

Materiality is assessed on a case-by-case basis by reference to the Director's individual circumstances rather than any general materiality thresholds.

The Company recognises that the independence of Directors is a critical factor in ensuring effective corporate governance and protecting the interests of shareholders. While the Company strives to maintain a Board with a substantial proportion of independent Directors, there may be situations where this composition is not achievable or deemed appropriate based on specific circumstances.

In assessing the independence of Directors, the Company considers various factors such as relationships, affiliations, and potential conflicts of interest. It carefully evaluates each Director's background, experience, and connections to ensure a diverse range of perspectives and expertise on the Board. However, due to factors such as strategic partnerships, significant shareholders, or industry relationships, the Company may find that a majority of its Directors have certain affiliations that impact their independence status.

It is important to note that the lack of majority independence does not necessarily undermine the effectiveness or integrity of the Board. The Company recognises that a balanced mix of independent and non-independent Directors can contribute to a robust decision-making process by incorporating diverse viewpoints, industry insights, and specialised knowledge. Non-independent Directors, including executive Directors, bring valuable expertise, experience, and a firsthand understanding of the Company's operations, strategy, and industry dynamics.

Moreover, the Company ensures that appropriate checks and balances are in place to safeguard the interests of shareholders and maintain accountability. Independent Directors continue to play a crucial role in overseeing management, challenging decisions, and representing the interests of minority shareholders.

The Company remains committed to upholding high standards of corporate governance and continually reviews its Board composition to ensure an appropriate balance of skills, expertise, and independence to effectively steer the Company towards its strategic objectives and deliver sustainable performance for the benefit of all stakeholders.

The Board will continue to monitor the requirements for independent Directors in the context of the Company's communicated objectives.

Role of the Chair and CEO must be Separate

During FY23, the role of the Chair and the role of the CEO were exercised by different individuals. Benjamin Harrison served as Chair until 24 November 2022, and Edward Grobler assumed the role of Chair from 24 November 2022 and remains Chair of the Company at the reporting date. Edward Grobler is an independent Director.

The Chair's overarching responsibilities are to provide appropriate leadership to the Board and to the Company to ensure the Board fulfils its obligations under the Corporate Governance Charter. The Corporate Governance Charter sets the Chair's responsibilities in more detail.

Induction program & professional development

Newly appointed Directors are provided with an induction program to ensure their active involvement in Board decision-making from the start. This program includes written information about the Company, its operations, and ongoing Board matters.

Additionally, new Directors are invited to meet with each Director and senior executive and attend an initial Board meeting as an observer.

The Board promotes continuous professional development for Directors through workshops, seminars, and external education opportunities.

Principle 3: Act Ethically and Responsibly

Recommendations 3.1, 3.2. 3.3 and 3.4

The Company has developed a comprehensive Code of Conduct, Whistleblower Policy, and Anti-Bribery and Corruption Policy, which apply to all Directors, Senior Executives, employees, and contractors. These policies are readily accessible on the Company's website, providing transparency and clarity regarding the Company's values, expectations, and standards of behaviour.

The Code of Conduct serves as a guiding document that outlines the ethical principles, professional standards, and conduct expected from all individuals associated with the Company. It covers various areas, including conflicts of interest, confidentiality, and compliance with laws and regulations.

The Whistleblower Policy provides a mechanism for employees and stakeholders to report any concerns or wrongdoing within the organization, ensuring confidentiality and protection against retaliation. It encourages individuals to come forward with information related to illegal activities, unethical behaviour, or any other misconduct that may adversely impact the Company.

Additionally, the Anti-Bribery and Corruption Policy sets clear guidelines and procedures to prevent bribery, corruption, and unethical practices in any form. It outlines the Company's commitment to conducting business with integrity, complying with anti-bribery laws, and ensuring fair competition.

To ensure accountability and enforcement of these policies, any material breach is reported to the Board or a designated Committee of the Board. This reporting mechanism ensures that significant breaches are appropriately addressed, investigated, and remedied.
By promptly addressing any breaches, the Company demonstrates its commitment to upholding the highest standards of integrity and ethical conduct.

Principle 4: Safeguard integrity in corporate reporting

4.1 Audit Committee

The Company has an Audit & Risk Committee (ARC) comprising three directors, with Mr Ian Leijer as the Committee Chair. Although Mr Leijer is not an independent director, he is not the Company's Chair or an executive.

The skills and experience of the Committee members, together with the number of meetings held and the number of meetings attended by each Committee member in the reporting period, are set out in the 2023 Annual Report.

The roles and responsibilities of the Committee are outlined in a formal Audit & Risk Committee Charter available on the Company's website.

Reflecting the relatively small size of the Company the Audit & Risk Committee is responsible for:

- reviewing the annual and half year financial reporting carried out by the Company;
- reviewing the accounting policies of the Company;
- reviewing the scope of the external auditors and internal auditor/compliance team (if appointed) and any material issues arising from these audits;
- overseeing the independence of the external auditors and determining procedures for the rotation of audit partners;
- ensuring the sufficiency of, and compliance with, ethical guidelines and Company policies affecting corporate governance, financial reporting and corporate control together with compliance with laws and external regulations;
- identification of the full range of actual or potential risk exposures which are material to the Company; and
- the effectiveness of the group's risk management systems and strategies.

4.2 Chief Executive Officer and Chief Financial Officer Declaration

The Chief Executive Officer and the Chief Financial Officer or their equivalent provide the Board with written confirmation that:

- the consolidated financial statements for each half year and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with accounting standards; and
- the declarations provided in accordance with Section 295A of the Corporations Act are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received this assurance for the 2023 financial year.

4.3 Verification of periodic reports

The Company's financial and half-yearly financial reports are audited prior to being released to the market. Directors also require a s295A declaration from the CEO and CFO before any financial reports are released to the market.

The ARC reviews the Company's financial reports, including the Company's Annual Report and recommends whether Directors should approve the release of these documents to the market.

The Company has established a diligent review mechanism for all non-audited or reviewed periodic corporate reports. These reports include financial statements, interim financial reports, operational updates, and other relevant disclosures that provide information on the Company's performance, financial position, and prospects.

Reports are circulated to all Directors before their public release. This practice allows the Board to have a comprehensive understanding of the contents, implications, and key messages conveyed in the reports. It enables Directors to engage in informed discussions, provide valuable insights, and collectively ensure the accuracy and integrity of the information being communicated to the market.

The Company continuously evaluates and enhances its review mechanisms to align with evolving regulatory requirements, industry best practices, and emerging reporting standards. It maintains open communication channels with the independent reviewers, the Board, and relevant stakeholders to ensure a collaborative and rigorous approach to preparing, reviewing, and disseminating non-audited or reviewing periodic corporate reports.

Principle 5: Make timely and balanced disclosure

5.1 Written disclosure policy

The Company has established comprehensive procedures to identify and disclose matters that may have a material impact on the price or value of its securities in compliance with ASX disclosure requirements.

The continuous disclosure policy, which outlines the Company's commitment to providing timely and relevant information to the market, is explicitly included in the Corporate Governance Charter. This Charter is readily accessible on the Company's website, enabling stakeholders, including investors, analysts, and the general public, to familiarise themselves with the Company's disclosure practices and guidelines.

Both senior management and the Board assume responsibility for scrutinising events and information to determine the necessity of disclosure. This shared responsibility ensures a comprehensive and balanced assessment of potential disclosure matters. Senior management, led by the Chief Executive Officer, monitors ongoing developments within the Company, evaluates their potential impact, and promptly informs the Board about significant events or information that may require disclosure.

The Board, in collaboration with senior management, exercises due diligence in evaluating the significance and materiality of the identified events or information. This evaluation process is guided by the Company's commitment to maintaining market integrity and ensuring that shareholders and other stakeholders have access to information that may affect their investment decisions.

5.2 Market announcements sent to the Board

The Company has established an approval process which ensures all directors have reviewed and approved all material market announcements prior to these being provided to the ASX.

The Company Secretary is responsible for lodging all communications with the ASX and providing a confirmation of lodgment to the Directors.

5.3 Presentations released to the ASX

All presentations where the Company provides financial results, or new and substantive content, are released to the ASX before being made public elsewhere.

Principle 6: Respect the rights of security holders

6.1 Company & governance information

The Company provides general and current information regarding its purpose, Board and leadership and its activities on its website at www.changefinancial.com. The Company's Corporate Governance Charter is also publicly available on the site: www.changefinancial.com/corporate-governance/.

6.2 Investor relations program

The Company manages investor relations internally and promotes two-way communication by inviting shareholders and investors to contact the Company in all external communications and ASX releases.

Additionally, the Company organises investor webinars after each financial report release, allowing time for investor questions.

6.3 Shareholder participation at meetings

Shareholders are encouraged to attend all Annual General Meetings and other general meetings and are given the opportunity to meet management immediately following all meetings. In addition, management will respond to meetings or information requests by shareholders in a timely manner.

The Company uses its general meetings (**GM**) as an opportunity to further engage with its shareholders and seek their comments on the management of the Company. The Company undertakes several actions to facilitate shareholders' ability to participate in the GM process by:

- making Directors, members of management and the external auditor available at the Annual General Meeting;
- allowing shareholders in attendance at a GM a reasonable opportunity to ask questions regarding the items of business, including questions to the external auditor regarding the conduct of the audit and the preparation and content of the auditor's report; and
- providing shareholders who are unable to attend a GM with an opportunity to submit questions in advance of the GM.

6.4 Resolutions decided by poll

The Board has determined that all shareholder resolutions will be decided by poll.

6.5 Electronic communication

The Company's website contains a facility for shareholders to direct inquiries to the Company and to elect to receive communications from the Company via email. The Company's securities registrar also offers shareholders the option of receiving electronic information and provides details for communication and accessing holding-related information.

Principle 7: Recognise and manage risk

7.1 & 7.2 Risk Committee & review

The Company has an Audit & Risk (ARC) Committee comprising three directors, with Mr Ian Leijer as the Chair. While Mr Leijer is not an independent director, he is not the Chair or an executive of the Company. The Board believes that the technical skills, qualifications, and experience of Mr Leijer and his fellow members, Mr Grobler and Mr Russell make them well-suited for the Committee's responsibilities.

As the Company grows, the Board will assess the need for additional Directors to join the ARC. The roles and responsibilities of the ARC are outlined in a formal ARC Charter available on the Company's website.

The ARC oversees the Company's risk management framework, including setting risk appetite and profile for management and reviewing and updating them as needed. The Chief Executive Officer is responsible for implementing and reporting on the adequacy of the Company's risk management and internal control system, regularly updating the ARC on the risk environment.

The ARC and external auditors monitor the effectiveness of management's internal control and reporting system. The Company's risk framework undergoes an annual review conducted during the reporting period.

7.3 Internal audit function

The Company has not implemented an internal audit function due to the relatively small size of its current operations. The Board believes that the ARC and the external auditors are able to monitor the effectiveness of the Company's control environment at this stage of the Company's development.

7.4 Economic, Environmental or Social Sustainability

While being committed to corporate social responsibility, the Company acknowledges that its size and nature of operations currently limit its exposure to economic, environmental, and social sustainability risks. The Company operates within the fintech industry.

Considering the specific nature of our business, the Company has assessed that the direct economic risks associated with traditional industries, such as resource depletion, supply chain disruptions, or market fluctuations, do not significantly impact our operations. Additionally, our business model aligns with environmentally friendly practices, as our operations primarily rely on digital platforms, which inherently minimise environmental footprints compared to traditional industries.

While the Company acknowledges the importance of economic, environmental, and social sustainability, we maintain transparency by openly disclosing our assessment of these risks and our current position. This allows investors and stakeholders to understand our business operations comprehensively, including the extent of our exposure to sustainability risks.

As the Company continues to grow and evolve, we remain committed to periodically reassessing our exposure to economic, environmental, and social sustainability risks. This ongoing evaluation will ensure that we adapt our practices and strategies in accordance with emerging sustainability trends, industry best practices, and the evolving expectations of our stakeholders.

Principle 8: Remunerate fairly and responsibly

8.1 Remuneration Committee

The Company established a Nomination and Remuneration Committee during the financial year 2023 (FY23). The NRC comprises three members: Ian Leijer, Edward Grobler, and Thomas Russell whom acts as Chair.

Mr Russell is not an independent director and holds an executive role in the Company however, he is not the Company's Chair.

The skills and experience of the Committee members, together with the number of meetings held, and the number of meetings attended by each Committee member in the reporting period, are set out in the 2023 Annual Report.

The NRC reviews and advises on executive remuneration policies and practices. This includes setting appropriate salary packages, performance-related incentives, and other benefits to align with the Company's objectives, industry standards, and the interests of shareholders. Executive remuneration decisions are made based on a thorough assessment of individual performance, market conditions, and the Company's overall financial position. These deliberations consider relevant factors such as industry benchmarks, comparable remuneration practices, and the achievements and contributions of executives in driving the Company's success.

The Board recognises the importance of maintaining transparency and fairness in remuneration practices and periodically reviews and evaluates executive remuneration policies to ensure they remain aligned with the Company's strategic goals and create appropriate incentives for performance and value creation.

By ensuring that executive remuneration aligns with the Company's strategic objectives, industry standards, and shareholder interests, the NRC helps foster a performance-oriented and accountable culture.

More information about the Nomination and Remuneration Committee can be found in the Corporate Governance Charter.

8.2 Non-executive Director & Executive Remuneration

Non-executive Directors' remuneration is subject to shareholder approval, while the NRC determines the individual Director's remuneration within the approved aggregate total. To establish appropriate Director's fees, the NRC benchmarks data from similar public companies in terms of size and industry to Change.

Non-executive Directors of Change as applicable, are:

- not entitled to participate in performance-based remuneration practices unless approved by shareholders; and
- currently remunerated by means of payment of cash benefits in the form of Directors' fees.

Non-executive Directors of the Company do not have a retirement benefits scheme or allowance, except for applicable superannuation payments. The NRC conducts an annual review of the compensation arrangements for the Chief Executive Officer and senior executives, considering factors such as individual performance, comparable salaries in similar-sized companies, market rates, and Company results.

The Company's remuneration policy aims to provide competitive packages that attract, retain, and motivate high-quality executives. The Company has an Employee Share Option Plan (ESOP) to incentivise eligible Directors, executives, and consultants by granting equity aligned with shareholder interests. The Board ensures compliance with ESOP thresholds and rules for equity-based remuneration. Detailed policies and remuneration information are provided in the Annual Report's Remuneration Report and Financial Statements.

8.3 Equity Based Remuneration Restrictions

The Company strictly prohibits Directors and executives from engaging in hedging arrangements, derivatives trading, or any activities that modify the economic risk associated with the Company's securities. This prohibition extends to various transactions, including but not limited to warrants, equity swaps, put and call options, and contracts for difference.

The prohibition on hedging arrangements and derivatives trading serves multiple purposes. First, it prevents potential conflicts of interest that may arise when Directors or executives have financial interests that are at odds with the Company's performance. It also promotes transparency and fairness by eliminating the possibility of individuals benefiting from short-term fluctuations in the Company's securities at the expense of other shareholders.

By strictly enforcing this prohibition, the Company demonstrates its commitment to fostering a culture of integrity, aligning its leadership team's incentives with its long-term success, and safeguarding its shareholders' interests.

Financial report

These financial statements are the consolidated financial statements of the consolidated entity consisting of Change Financial Limited and its subsidiaries.

The financial statements are presented in the United States currency.

Change Financial Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Level 11, 82 Eagle Street
Brisbane QLD 4000

Its principal place of business is:

Level 11, 82 Eagle Street
Brisbane QLD 4000

A summary of the Group's operations and its principal activities is included in the Directors' report on page 8, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 31 August 2023. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: www.changefinancial.com

Consolidated Statement of Profit or Loss

Year ended 30 June	Notes	2023	2022
		US$	US$
Revenue and other income	4	8,709,090	8,316,419
Employee benefits expense		(5,719,793)	(7,282,104)
Advertising & marketing expense		(122,669)	(224,290)
Program expenses		(566,707)	(339,004)
Professional services & insurance		(1,011,637)	(980,330)
Consulting fees		(404,301)	(606,451)
Technology & Hosting		(1,612,040)	(1,107,726)
Depreciation & amortisation expense	5	(1,283,935)	(1,094,867)
Finance expense	5	(86,695)	(103,664)
Other expenses		(525,809)	(291,202)
Loss before tax	5	**(2,624,496)**	**(3,713,219)**
Income tax (expense) benefit	6	(293,931)	(55,274)
Loss from operations		**(2,918,427)**	**(3,768,493)**
Basic loss per share (US cents per share)	22	(0.54)	(0.95)
Diluted loss per share (US cents per share)	22	(0.54)	(0.95)

The consolidated statements above should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

Year ended 30 June	Notes	2023	2022
		US$	US$
Loss for the year		(2,918,427)	(3,768,493)
Other comprehensive income (loss)			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		(6,467)	(368)
Total comprehensive loss for the year		**(2,924,894)**	**(3,768,861)**

The consolidated statements above should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at	Notes	30 Jun 2023	30 Jun 2022
		US$	US$
Current assets			
Cash and cash equivalents	7	5,351,218	1,501,427
Trade and other receivables	8	2,120,927	1,790,585
Other current assets	11	848,815	640,957
Total current assets		**8,320,960**	**3,932,969**
Non-current assets			
Property, plant & equipment	12	209,060	318,807
Deferred tax asset		103,434	101,819
Intangible assets	13	6,343,052	5,992,925
Other non-current assets	33	324,990	-
Total non-current assets		**6,980,536**	**6,413,551**
TOTAL ASSETS		**15,301,496**	**10,346,520**
Current liabilities			
Trade and other payables	14	1,294,201	1,196,360
Provisions	15	1,060,216	1,289,088
Lease liability - current	9	72,199	95,535
Contract liabilities	10	3,291,217	3,094,507
Income tax liability		47,924	98,152
Other current liabilities	16	-	12,000
Total current liabilities		**5,765,757**	**5,785,642**
Non-current liabilities			
Provisions	15	26,798	18,896
Lease liabilities – non-current	9	64,054	140,048
Contract liabilities – non-current	34	1,007,150	-
Borrowings	32	-	1,058,230
Total non-current liabilities		**1,098,002**	**1,217,174**
TOTAL LIABILITIES		**6,863,759**	**7,002,816**
NET ASSETS		**8,437,737**	**3,343,704**
Equity			
Contributed equity	17	50,497,323	42,519,906
Reserves	18	4,813,736	4,778,693
Accumulated losses	19	(46,873,322)	(43,954,895)
TOTAL EQUITY		**8,437,737**	**3,343,704**

The consolidated statements above should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Notes	Contributed Equity US$	Reserves US$	Accumulated Losses US$	Total Equity US$
Balance at 1 July 2021		42,519,906	4,687,166	(40,186,402)	7,020,670
Loss for the year		-	-	(3,768,493)	(3,768,493)
Exchange differences on translation of the foreign operations		-	(368)	-	(368)
Total comprehensive loss for the period		**-**	**(368)**	**(3,768,493)**	**(3,768,861)**
Transactions with owners in their capacity as owner					
Options issued	31	-	91,895	-	91,895
Contributions (net of costs)		-	-	-	-
Total		**-**	**91,895**	**-**	**91,895**
Balance at 30 June 2022		**42,519,906**	**4,778,693**	**(43,954,895)**	**3,343,704**
Balance at 1 July 2022		42,519,906	4,778,693	(43,954,895)	3,343,704
Loss for the year		-	-	(2,918,427)	(2,918,427)
Exchange differences on translation of the foreign operations		-	(6,467)	-	(6,467)
Total comprehensive loss for the period		**-**	**(6,467)**	**(2,918,427)**	**(2,924,894)**
Transactions with owners in their capacity as owner					
Options issued	31	-	41,510	-	41,510
Contributions (net of costs)	17	7,977,417	-	-	7,977,417
Total		**7,977,417**	**41,510**	**-**	**8,018,927**
Balance at 30 June 2023		**50,497,323**	**4,813,736**	**(46,873,322)**	**8,437,737**

The consolidated statements above should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

Year ended 30 June	Notes	2023 US$	2022 US$
Cash flow from operating activities			
Receipts from customers		9,547,763	9,046,556
Payments to suppliers and employees		(10,193,512)	(10,781,589)
Interest received		20,618	-
Interest paid		(104,485)	(24,217)
Income tax		(330,671)	(65,845)
Net cash used in operating activities	**20**	**(1,060,287)**	**(1,825,095)**
Cash flow from investing activities			
Payment for plant & equipment		(19,436)	(43,804)
Payment for software development	13	(1,504,938)	(1,388,492)
Receipts from sublease (excluding interest received)		45,000	160,000
Receipts (payments) for security deposits	16, 33	(324,990)	12,000
Net cash used in investing activities		**(1,804,364)**	**(1,260,296)**
Proceeds from financing activities			
Proceeds from share issue	17	8,481,765	-
Proceeds from exercise of options	17	650	-
Cost of share issue / borrowings	17	(504,998)	(53,865)
Proceeds from (repayment of) borrowings		(991,050)	1,057,680
Payments of lease liabilities (excluding interest paid)		(95,134)	(293,023)
Net cash provided by financing activities		**6,891,233**	**710,792**
Net increase (decrease) in cash held		**4,026,582**	**(2,374,599)**
Reconciliation of cash			
Cash at the beginning of the financial year		1,501,427	4,019,001
Net increase (decrease) in cash held		4,026,582	(2,374,599)
Foreign exchange difference on cash holding		(176,791)	(142,975)
Cash and cash equivalents at end of the year	**7**	**5,351,218**	**1,501,427**

The consolidated statements above should be read in conjunction with the accompanying notes.

Notes To The Consolidated Financial Statements

1) Summary of Significant Accounting Policies

These financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with the other requirements of the law. Accounting Standards include Australian Accounting Standards.

The principal accounting policies adopted in preparing the financial report of the Company and its consolidated entities (Consolidated Entity or Group) for the year ended 30 June 2023 are stated to assist in a general understanding of the financial report. For the purposes of preparing the financial report, the Company is a for profit entity.

Change Financial Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

a) Compliance with IFRS

The Consolidated Financial Report of Change Financial Limited complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

b) Basis of preparation

The Consolidated Financial Report of Change Financial Limited has been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars, unless otherwise noted.

c) Application of new and revised Accounting Standards

The Group has adopted all new and amended Australian Accounting Standards and Australian Accounting Standards Review Board (AASB) interpretations that are mandatory for the current reporting period and relevant to the Group. The impact of new and revised standards has not been material.

d) Accounting Standards issued but not effective

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2023. As a result of this review, the Directors have determined there will be no material impacts of any new or revised Standards and Interpretations on the Group, and therefore, no change is necessary to Group accounting policies.

e) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses, have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-recognised from the date that control ceases.

f) Foreign currency translation and balances

Presentation currency
The financial statements of each entity within the consolidated entity are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in US dollars which is the consolidated entity's presentation currency.

Transactions and balances
Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year: Current assets and liabilities are translated at the closing rate on reporting date;

- Current assets and liabilities are translated at the closing rate on reporting date;
- Non-current assets are translated at historical cost; and
- Income and expenses are translated at actual exchange rates or average exchange rates for the period where appropriate.

The assets and liabilities of foreign operations are translated into US dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into US dollars using the average exchange rates, which approximate the rates at the date of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in Equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

g) Revenue from contracts with customers

The Group derives its revenues from maintenance, support, professional services and license fees.

A single, principles-based five-step model to revenue recognition is applied to all contracts with customers: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognise revenue when (or as) the entity satisfies a performance obligation.

Maintenance and support
Maintenance provides customers with rights to unspecified software product upgrades and maintenance enhancements. Support provides customers with rights to access the help desk during the term of the support period. Maintenance and support is recognised over time as performance obligations are satisfied.

Professional services
Software implementation and development services represents revenue from consulting, training and implementation services sold separately under professional services contracts. Fixed price arrangements are accounted for over time on a percentage-of-completion basis as performance obligations are satisfied using the input method.

Software licence
Software licence revenues are earned from granting customers licences to use the Group's software, either through an initial licence or through the purchase of additional modules or user rights, but excludes any amounts that are related to maintenance. Revenue is recognised at the point the software is delivered, functional and control has been passed to the customer. The Group includes software that is either sold on a term basis or perpetual basis but excludes software licences that are sold on a subscription payment basis.

The Group consider that licence fees may be recognised upfront if:

- the arrangement with the customer does not require significant development, modification or customisation of the software solution;
- there are no contingencies on the licences that could cause deferral of revenue (e.g. refund clauses attached to the licence) i.e. no amounts are refundable;
- the contract is non-cancellable and there are no break clauses considered substantive; and
- there is no remaining obligation for the Group attached to the licence.

Contract assets

A contract asset is recognised when a conditional right to consideration exists and transfer of control has occurred. They are typically related to unbilled receivables balances which have not yet been invoiced and arises when the Group satisfied a performance obligation before it receives the consideration and are generally related to professional services contracts. Impairment of contract assets is assessed in the same manner as trade and other receivables – refer to the accounting policy for trade and other receivables and Note 24 for further details.

Contract liabilities

Fees for services received in advance are recorded as a liability within contract liabilities on the Consolidated Statement of Financial Position and these amounts are recognised in the Statement of Profit or Loss over the relevant period of the contract which is in line with the provision of the services. Fees are typically received in advance for maintenance and support services and for professional services.

h) Income Tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

i) Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit or loss. After initial recognition, non-derivative financial instruments are measured as described below and based on historical loss rates with adjustments for current economic conditions.

Trade and other receivables
Trade receivables are measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses – refer note 24.

Financial liabilities
Financial liabilities include trade payables, other creditors and loans from third parties including inter- company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation based on the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

j) Property, plant & equipment

Plant and equipment
Plant and equipment carried at cost less accumulated depreciation and, where applicable, any accumulated impairment losses.

Depreciation
The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

Class of fixed asset	Depreciation rates	Depreciation basis
Office equipment	25%	Straight line

k) Intangibles

(i) Business contracts and relationships

Business contracts and relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being seven years.

(ii) Software development

Software development is capitalised as an asset and is amortised on a straight-line basis over the period of their expected benefit, being their finite life of five to eight years. Research costs are expensed as incurred.

An intangible asset arising from development expenditure on an internal project is recognised only when the Consolidated Entity can demonstrate the following:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete and the ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the development; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project date.

Intangible assets acquired separately are capitalised at cost, and if acquired as a result of a business combination, capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to all classes of intangible assets. The useful lives of the intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on intangible assets with finite lives, this expense is taken to the Statement of Profit or Loss through the 'depreciation and amortisation expense' line item. Intangible assets with finite lives are tested for impairment where an indicator of impairment exists. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis. Software acquired separately is amortised on a straight-line basis over 5 - 8 years.

l) Impairment of non-financial assets

Intangible assets are tested when there is an indicator of impairment.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

m) Employee benefits

Short term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled wholly within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short- term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Long term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled wholly within 12 months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Share base payments

Equity-settled share-based payments are provided to eligible employees through the Employee Share Option Plan (**ESOP**). The fair value of the options granted is determined at grant date and is recognised as an employee benefit expense with a corresponding increase in equity on a straight-line basis over the period during which the employees become unconditionally entitled to the options.

Fair value is determined using an appropriate option pricing model which takes into account factors such as exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. At each balance sheet date, the Company revises the estimated number of options that are expected to become exercisable. The employee benefits expense recognised each period takes into account the most recent estimate. Where the share-based payments give rise to the issue of new share capital, the proceeds received are credited to share capital (nominal value) and share premium when the share entitlements are exercised.

n) Goods and services tax (GST)

Revenues, expenses and purchased assets in Australia are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o) Rounding

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, related to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Legislative Instrument to the nearest dollar, unless otherwise indicated.

p) Ongoing operations

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At the date of this report the group remains in a development and growth phase of operations. The Directors are of the view that the group's payments and card issuing platform is commercially viable and are confident that the business will become sustainable in future years through forecast revenue growth.

Until such time as the Group's revenues grow to a level that is sufficient to enable the Group to meet its financial commitments as and when they fall due, the Group will be dependent on raising further capital in future years.

q) Cash and cash equivalents

For cash-flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

r) Leases

Group as lessee

Leases are recognised 'on balance sheet' as a right-of-use asset with a corresponding lease liability. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the lease term on a straight-line basis or over the useful life where title to the asset transfers at the end of the lease. Assets and liabilities arising from a lease are initially measured on a present value basis.

Depreciation on right-of-use assets and interest on lease liabilities is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Payments associated with short term leases (generally less than 12-month terms) and leases of low value have continued to be recognised on a straight-line basis as an Other Expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The principal portion of the lease payments are recognised as a financing cash flow and the interest portion of the lease payments are recognised as an operating cash flow in the Consolidated Statement of Cash Flows.

The Group uses critical judgements in determining the lease term. Extension options are only included in the lease term where management considers that it is probable that the option will be exercised.

Group as lessor

The Group has entered into back-to-back lease arrangements. Where the terms of the lease transfer substantially all the risks and rewards of ownership to the sublessee and/or the term of the sub-lease is for the whole of the remaining term of the head lease, these arrangements are classified as finance leases.

Amounts due from finance leases are recognised as a lease receivable at the amount of the Group's net investment in the leases, the right-of-use asset relating to the underlying lease is de-recognised. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the lease.

2) Critical Accounting Judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of intangible assets and other non-current assets

Determining whether non-current assets are impaired requires an estimation of the value in use of those assets. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the Group and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Determination as to whether indicators exist in relation to impairment of non-current assets is undertaken at each balance date. Where indicators exist, the Directors assess potential impairment in accordance with AASB 116. During the year ended 30 June 2023, no indicators of impairment existed.

Share based payments transactions
The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes or Binomial model taking into account the terms and conditions upon which the instruments were granted (refer note 31). The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss or equity.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease. The carrying amount of the lease is remeasured if there is a change in future lease payments (arising from a change in index or a rate used), the residual guarantee or the lease term. The remeasurement is an adjustment to the corresponding right-of-use asset, lease receivable (in the case of sub-leases) or to profit and loss.

Project services
The Group recognises revenue from project services based on the proportion of the project that is completed. The Group makes judgements as to the estimated hours required to complete a project which is compared with hours completed to determine the percentage of the project that has been completed.

Trade and other receivables
The Group makes judgements as to its ability to collect receivables and provides for a portion of receivables when collection becomes doubtful. Evidence of impairment may include indications that the debtor is experiencing financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears of economic conditions that correlate with defaults. Collectability of trade and other receivables is reviewed on an ongoing basis. Trade and other receivables, which are known to be uncollectable, are written off. An allowance for expected credit losses is established. In measuring expected credit losses a provision matrix for trade receivables is used. The provision matrix is based on historical credit losses, adjusted for any material expected changes to future credit risk. Refer to note 8 for details of the trade and other receivables.

Deferred tax assets
The New Zealand branch of Change Financial Services Pty Ltd generated taxable income in the financial year. However, the Australian Tax Consolidated Group (**ATCG**) has not generated taxable income in the financial year and as such the ATCG continues to carry forward tax losses for which no deferred tax assets have been recognised. Given that the ATCG's revenue generating activities remain in early stages, it is unlikely that the ATCG will generate taxable income in the near future with the exception of the New Zealand branch of Change Financial Services Pty Ltd. Taking this into account, no deferred tax assets of the ATCG have been recognised in the financial statements, as management does not believe that the members of the Group satisfy the criteria set out in AASB112. All deferred tax assets recognised in the current and prior year relate to the New Zealand branch of Change Financial Services Pty Ltd only.

3) Operating Segments

The Group's chief operating decision maker, being the Chief Executive Officer and Managing Director, makes financial decisions and allocates resources based on the information received from the Group's internal management system. Currently the Group has one reportable segment being the development and provision of card payments software and services. The core products of Change Financial are card management systems, transaction processing and payment simulators.

4) Revenue and Other Income

Year ended 30 June	2023 US$	2022 US$
Revenue from contracts with customers		
License revenue	1,346,076	996,572
Maintenance & support services revenue	4,796,230	4,187,921
Professional services revenue	1,913,336	2,622,486
Other sales revenue	587,830	349,440
Subtotal	**8,643,472**	**8,156,419**
Other revenue and income		
Interest income	20,618	-
Other income[1]	45,000	160,000
Total revenue and other income	**8,709,090**	**8,316,419**
Revenue from contracts with customers		
Revenue from services – over time	7,297,396	7,159,847
Revenue from sale of licenses – at a point in time	1,346,076	996,572
Total revenue from contracts with customers	**8,643,472**	**8,156,419**

[1] Other income relates to sub-lease income received.

Year ended 30 June	2023 US$	2022 US$
Revenue by geographic region		
South East Asia	3,708,338	3,755,160
Oceania	2,712,489	2,545,322
Latin America	1,503,510	1,024,961
United States of America	441,629	548,509
Rest of World	277,506	282,467
Total revenue from contracts	**8,643,472**	**8,156,419**
Revenue by product		
Vertexon	5,494,365	4,846,651
PaySim	3,149,107	3,219,539
Other	-	90,229
Total revenue from contracts	**8,643,472**	**8,156,419**

All contract liabilities as at 30 June 2022 have been recognised as revenue in the current period.

5) Expenses

Year ended 30 June	2023 US$	2022 US$
Loss before income tax has been determined after:		
Amortisation and depreciation		
Depreciation of property, plant & equipment	129,124	185,486
Amortisation of intangibles	1,154,811	909,381
Total amortisation and depreciation	**1,283,935**	**1,094,867**
Share based payments expense	41,510	91,895
Superannuation expense	397,865	405,246
Foreign exchange (gain) loss	53,914	(70,283)
Allowance for expected credit loss	60,000	-
Short-term lease expense	71,177	111,308
Finance Expense		
Interest expense - lease	8,242	15,231
Interest expense - other	78,453	88,433
Total Finance Expense	**86,695**	**103,664**

6) Income Tax Expense

Year ended 30 June ***Reconciliation of income tax expense and tax at the statutory rate***	2023 US$	2022 US$
Loss before income tax expense	(2,624,496)	(3,713,219)
Tax expense (credit) at the Australian tax rate of 25% (2022: 25%)	(656,124)	(928,305)
Differences in overseas tax rates	97,164	1,555
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Share based payments expense	10,378	22,974
Other	898	(3,691)
Under provision for income tax in prior periods	57,011	142,580
Deferred tax assets not recognized	784,604	820,161
Income tax expense	**293,931**	**55,274**

Deferred tax assets of $6,331,653 (2022: $5,547,049) in respect of temporary differences and tax losses have not been recognized.

7) Cash and cash equivalents

Year ended 30 June	2023 US$	2022 US$
Cash and cash equivalents	5,351,218	1,501,427

8) Trade & other receivables

Year ended 30 June	2023 US$	2022 US$
Trade receivables	2,034,015	1,808,899
Allowance for expected credit loss	(65,967)	(166,576)
Other current receivables	152,879	148,262
Total trade & other receivables	**2,120,927**	**1,790,585**

Trade receivables are amounts due from customers for services performed or to be performed in the ordinary course of business. They are generally due for settlement within 30 days of invoicing. Trade receivables are recognised initially at the amount of consideration.

Due to the short-term nature of the trade and other receivables, their carrying amount is considered to be the same as their fair value.

Information about the impairment of trade receivables and the group's exposure to credit risk and foreign currency risk may be found at note 24.

The movement in the expected credit loss provision is set out in the following table:

Year ended 30 June	2023 US$	2022 US$
Opening balance	166,576	230,414
Allowance for expected credit loss	60,000	-
Debts written off against expected credit loss allowance	(160,609)	(63,838)
Total trade & other receivables	**65,967**	**166,576**

9) Leases

Year ended 30 June	2023 US$	2022 US$
Lease liabilities		
Lease liabilities – current	72,199	95,535
Lease liabilities – non-current	64,054	140,048
Total lease liabilities	**136,253**	**235,583**

Lease liability Reconciliation of movement	2023 US$	2022 US$
Opening Balance	235,583	561,758
Additions to lease liabilities	-	-
Interest accrued	8,242	15,231
Lease repayments	(107,572)	(341,406)
Balance as at 30 June (before provision)	**136,253**	**235,583**

Lease liabilities are in relation to property leases for office space. The Company has the following property leases:

- Auckland, New Zealand – four (4) year term expiring 30 April 2025. The Company has the option to break the lease after two (2) years with three (3) months' notice plus a termination fee of NZ$16,700. There are two (2) rights of renewal for a further two (2) years. Other than rental payments, the Company is not exposed to other material cash outflows under the terms of the lease.
- Melbourne, Australia – two (2) year term which expired 10 January 2023. Following expiry of the term, the lease is on a month-to-month basis. Other than rental payments, the Company is not exposed to other material cash outflows under the terms of the lease.

The Company also has a property lease in Santo Domingo, Dominican Republic. This lease is on a month-to-month basis with rental payments expensed in the profit or loss as it is not within the scope of AASB 16 Leases.

10) Contract liabilities

Year ended 30 June	2023 US$	2022 US$
Contract liabilities	3,291,217	3,094,507

The contract liabilities represent maintenance, services fees and project services fees invoiced in advance of the service being provided. Maintenance and service fees are invoice for periods of 3 to 12 months in advance of the maintenance or service period. A proportion of each project undertaken for customers is invoiced in advance of the project work being undertaken. All contract liabilities are expected to be recognised as revenue in the next twelve months.

11) Other current assets

Year ended 30 June	2023 US$	2022 US$
Contract assets	183,466	227,197
Prepayments	414,721	267,691
Other current assets	250,628	146,069
Total other current assets	**848,815**	**640,957**

Contract assets arise where on a particular project the proportion of work performed on that project exceeds the amounts invoiced on that project to date. It is expected that 100% of contract assets will be invoiced in the next twelve months.

12) Property, plant and equipment

	2023 US$	2022 US$
Office equipment at cost	201,015	184,935
Accumulated depreciation	(150,313)	(113,421)
Closing carrying value	**50,702**	**71,514**
Right of Use Assets at costs	417,085	419,181
Accumulated depreciation	(258,727)	(171,888)
Closing carrying value	**158,358**	**247,293**
Total property, plant & equipment	**209,060**	**318,807**

Year ended 30 June	Right of Use Assets US$	Office equipment US$	Total US$
2023			
Open carrying amount	247,293	71,514	318,807
Additions	(2,096)	21,473	19,377
Depreciation expense	(86,839)	(42,285)	(129,124)
Closing carrying amount	**158,358**	**50,702**	**209,060**
2022			
Open carrying amount	364,817	96,136	460,953
Additions	-	43,340	43,340
Depreciation expense	(117,524)	(67,962)	(185,486)
Closing carrying amount	**247,293**	**71,514**	**318,807**

13) Intangible Assets

Year ended 30 June	2023 US$	2022 US$
Software acquired	3,470,656	4,131,733
Customer contracts	58,479	72,239
Software development	2,813,917	1,788,953
Total intangible assets	**6,343,052**	**5,992,925**

	Software Acquired US$	Customer Contracts US$	Software Development US$	Total US$
2023				
Opening carrying amount	4,131,733	72,239	1,788,953	5,992,925
Capitalisation of software developments	-	-	1,504,938	1,504,938
Amortisation expense	(661,077)	(13,760)	(479,974)	(1,154,811)
Closing carrying amount	**3,470,656**	**58,479**	**2,813,917**	**6,343,052**
Expected useful life (years)	**8**	**7**	**5**	
Remaining useful life (years)	**5.25**	**4.25**	**4.08**	

	Software Acquired US$	Customer Contracts US$	Software Development US$	Total US$
2022				
Opening carrying amount	4,792,810	85,999	635,008	5,513,817
Capitalisation of software developments	-	-	1,388,489	1,388,489
Amortisation expense	(661,077)	(13,760)	(234,544)	(909,381)
Closing carrying amount	**4,131,733**	**72,239**	**1,788,953**	**5,992,925**
Expected useful life (years)	**8**	**7**	**5**	
Remaining useful life (years)	**6.25**	**5.25**	**3.8**	

14) Trade and other payables

Year ended 30 June	2023 US$	2022 US$
Unsecured liabilities		
Accounts payable	524,997	627,054
Accrued expenses	428,171	340,000
Other payables	341,033	229,306
Total trade and other payables	**1,294,201**	**1,196,360**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

15) Provisions

Year ended 30 June	2023 US$	2022 US$
Unsecured liabilities		
Employee leave provisions – current	1,060,216	1,289,088
Employee leave provisions – non-current	26,798	18,896
Total provisions	**1,087,014**	**1,307,984**

16) Other current liabilities

Year ended 30 June	2023 US$	2022 US$
Sub-lease security deposit	-	12,000

During the financial year ended 30 June 2022, Change Financial entered a sub-lease agreement over the Los Angeles property for a period of five months. One month security deposit was paid by the sub-lessee upon entering the agreement. Pending the property being in good condition as at 30 June 2022, being the end of the lease term, the amount was refundable by the Company to the sub-lessee.

17) Contributed equity

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to focus on growing its existing business.

During the year ended 30 June 2023 the consolidated entity repaid the unsecured loan facility in full. There were no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

Year ended 30 June	**2023** US$	**2022** US$
627,661,385 fully paid ordinary shares (30 June 2022: 396,718,162[1])	50,497,323	42,519,906

[1] This amount includes 1,170,506 (June 2022: 1,170,506) shares issued under the Loan Funded Share Plan (LFSP). In accordance with the terms of the LFSP, there was a success fee payable by the Company to the recipient which matched the balance of the loan owing by the recipient to the Company. During the year ended 30 June 2023, the Company and the recipient agreed to offset the success fee payable and the associated LFSP loan balance which resulted in a net nil impact to the Company's financial position. The shares issued under the LFSP are now recognised in Share Capital as at 30 June 2023.

Details of the movement in share capital in the period ending 30 June 2023 is set out below:

	Number of Shares	**Value** US$
Opening balance as at 30 June 2022	396,718,162	42,519,906
August 2022 share placement at A$0.05 per share	15,000,000	524,012
August 2022 entitlement offer at A$0.05 per share	56,535,646	1,975,023
September 2022 entitlement offer at A$0.05 per share	42,937,071	1,367,303
Cost associated with the placement and entitlement offer	-	(327,433)
Options exercised	1,000,000	650
February 2023 share placement at A$0.06 per share	114,300,000	4,615,427
Costs associated with share placement	-	(177,565)
June 2023 Loan Funded Share Plan	1,170,506	-
Balance at 30 June 2023	**627,661,385**	**50,497,323**

There was no movement in the share capital for financial year ended 30 June 2022.

18) Reserves

Year ended 30 June	2023 US$	2022 US$
Share based payment reserve (a)	4,363,472	4,321,962
Foreign currency translation reserve (b)	450,264	456,731
Total reserves	**4,813,736**	**4,778,693**

(a) Share based payment reserve

Balance at the start of the period	4,321,962	4,230,067
Options issued	41,510	91,895
Closing balance	**4,363,472**	**4,321,962**

(b) Foreign currency translation reserve

Balance at the start of the period	456,731	457,099
Exchange differences on translation of parent operation	(6,468)	(368)
Closing balance	**450,263**	**456,731**

19) Accumulated Losses

	2023 US$	2022 US$
Opening balance of accumulated losses	(43,954,895)	(40,186,402)
Loss for the period	(2,918,427)	(3,768,493)
Closing balance of accumulated losses	**(46,873,322)**	**(43,954,895)**

20) Reconciliation of loss after income tax to net cash outflows from operating activities

Year ended 30 June	2023 US$	2022 US$
Loss for the year	(2,918,427)	(3,768,493)
Depreciation and amortisation	1,283,935	1,094,867
Share based payments	41,510	91,895
Sub-lease income	(45,000)	(160,000)
Capitalised interest	(23,569)	25,582
Change in operating assets and liabilities:		
Decrease (increase) in current receivables	(294,057)	529,055
Decrease (increase) in other current assets	(244,542)	(292,339)
Increase (decrease) in accounts payable	81,500	44,860
Increase (decrease) in employee liabilities	(181,907)	200,206
Increase (decrease) in tax liabilities	(33,006)	98,152
Increase (decrease) in other liabilities	9,485	(38,127)
Decrease (increase) in deferred tax assets	(3,734)	(101,819)
Increase (decrease) in deferred income	1,228,159	458,740
Exchange gains (losses)	39,366	(7,674)
Net cash used in operating activities	**(1,060,287)**	**(1,825,095)**

21) Subsidiaries

The consolidated financial statements include the assets, liabilities and results of the following subsidiaries:

Name of Entity	Country of Incorporation	Equity Type	Holding 2023 %	Holding 2022 %
Change Financial LLC	US	Membership units	100	100
Change Labs NZ Pty Ltd	Australia	Ordinary Shares	100	100
Change Financial Services Pty Ltd	Australia	Ordinary shares	100	100
Change Financial IP Pty Ltd	Australia	Ordinary shares	100	100
Change Financial Trading Pty Ltd	Australia	Ordinary shares	100	100
Change Financial Payment Services Pty Ltd	Australia	Ordinary shares	100	100

22) Earnings per share

Year ended 30 June	2023 US$	2022 US$
Loss attributable to ordinary equity holders of Change Financial Limited	(2,918,427)	(3,768,493)
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	535,657,700	396,718,162
Weighted average number of ordinary shares and dilutive potential ordinary shares used as a denominator calculating diluted earnings per share	535,657,700	396,718,162
Basic loss per share (US cents per share)	(0.54)	(0.95)
Diluted loss per share (US cents per share)	(0.54)	(0.95)

Options and other potential equity securities on issue at the end of the period have not been included in the determination of diluted earnings per share as the Group has incurred a loss for the period and they are therefore not dilutive in nature.

23) Dividends

There were no dividends paid, recommended or declared during the current or previous period. There are no franking credits available for future distributions.

24) Financial risk management

The Group's activities may expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as direction in specific areas.

Consolidated entity financial assets and financial liabilities

Year ended 30 June	Notes	2023 US$	2022 US$
Cash and cash equivalents	7	5,352,218	1,501,427
Financial assets at amortised cost			
Trade and other receivables	8	2,120,927	1,790,585
Total financial assets		**7,473,145**	**3,292,012**
Financial liabilities at amortised cost			
Trade and other payables	14	1,294,201	1,196,360
Lease liabilities	9	136,253	235,583
Borrowings	32	-	1,058,230
Total financial liabilities		**1,430,454**	**2,490,173**

Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

At balance date, the Group had the following exposures to Australian dollars (A$)	2023 US$	2022 US$
Cash at bank	4,862,223	755,720
Current assets	713,440	1,051,411
Current liabilities	(2,632,114)	(2,536,098)
Net financial assets / (liabilities) designated in AUD	**2,943,549**	**(728,967)**

At balance date, the Group had the following exposures to New Zealand dollars (NZ$)	2023 US$	2022 US$
Cash at bank	151,474	256,735
Current assets	64,289	69,126
Current liabilities	(479,163)	(533,426)
Net financial (liabilities) designated in NZD	**(263,400)**	**(207,565)**

The exposure to foreign currency movement arising from foreign current working capital balances held within the group is summarised below:

USD impact on profit or loss before tax of a 10% increase in foreign currency rates	2023 US$	2022 US$
AUD	294,355	(72,897)
NZD	(26,340)	(20,756)

USD impact on profit or loss before tax of a 10% decrease in foreign currency rates	2023 US$	2022 US$
AUD	(294,355)	72,897
NZD	26,340	20,756

The Group incurs operating costs in both AUD and NZD, the foreign currency impact of which is partly mitigated by revenues in those currencies. To mitigate the risk of short term volatility of the USD exchange rate of AUD and NZD, the Company holds cash balances in those currencies.

Interest rate risk

The Group's main interest rate risk arises from cash. Cash at variable rates expose the Group to cash flow interest rate risk. No hedging instruments are used. As at the reporting date, the Group had cash and cash equivalents of $5,351,218 (2022: $1,501,427) subject to variable interest rates. The majority of cash is held in an account which is subject to a variable interest rate which is currently approximately 3.6% (2022: 0.05%). At 30 June 2023, if interest rates had changed by +/- 1% from the year-end rates with all other variables held constant the impact would be immaterial.

During the period, the Company had borrowings which had a fixed interest rate. These borrowings were repaid in full during the period. Accordingly, the Company was not subject to interest rate risk on these borrowings.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents, outstanding trade and other receivables.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Expected credit losses are measured by grouping trade receivables on a shared risk basis. The shared risk has been determined as being by days past due. A provision percentage is then determined based on the historic credit loss for each group of customers by age adjusted for any material expected changes to the future credit risk for that customer group.

2023 Ageing category	Current	0-30 days past due US$	31-60 days past due US$	61-90 days past due US$	>90 days past due US$	Total US$
Trade receivable	1,145,315	241,072	88,914	447,006	111,708	2,034,015
Provision matrix	1%	2%	5%	5%	21%	
Total	**11,453**	**4,821**	**4,446**	**22,350**	**22,897**	**65,967**

2022 Ageing category	Current	0-30 days past due US$	31-60 days past due US$	61-90 days past due US$	>90 days past due US$	Total US$
Trade receivable	1,164,538	221,746	-	36,357	386,258	1,808,899
Provision matrix	1%	2%	5%	10%	38%	
Total	**11,645**	**4,435**	**-**	**3,636**	**146,860**	**166,576**

Liquidity Risk

The Group manages liquidity risk by maintaining adequate cash balances and by continuously monitoring forecasts and actual cash flows matching maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The Group does not have access to any undrawn borrowing facilities at the end of the reporting period.

(ii) Maturities of financial liabilities

At period end the Group had trade and other payables of $1,294,201 (2022: $1,196,360) which have a maturity of less than 6 months. The Group had no current borrowings (2022: nil). The Group had no non-current borrowings (2022:$1,058,230). The total lease payments to be made in the next 12 months are $77,445 (2022: $95,535) and the period later than 12 months and less than 5 years $65,932 (2022: $140,048). The Group has no other financial liabilities.

25) Parent entity financial information

The individual financial statements for the Parent entity show the following aggregate amounts:

As at 30 June	2023 US$	2022 US$
Current assets	4,725,903	329,418
Non-current assets	723,700	3,161,001
Total assets	**5,449,603**	**3,490,419**
Current liabilities	(329,242)	(209,545)
Non-current liabilities	-	(1,062,563)
Total liabilities	**(329,242)**	**(1,272,108)**
Net Assets	**5,120,361**	**2,218,311**
Shareholders' equity		
Issued Capital	50,497,323	42,519,906
Reserves	4,962,069	4,778,693
Accumulated losses	(50,339,031)	(45,080,288)
Total shareholders' equity	**5,120,361**	**2,218,311**
Loss for the period	(5,258,743)	(6,658,622)
Total comprehensive loss	(5,400,609)	(6,658,990)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

26) Key management personnel disclosures

Directors
The following persons were directors of Change Financial Limited during the financial year:

Non-executive Directors
Benjamin Harrison (resigned 24 November 2022)
Ian Leijer
Edward Grobler
Geoffrey Sam (appointed 1 June 2023)

Executive Directors
Alastair Wilkie – Chief Executive Officer & Managing Director
Thomas Russell

Other key management personnel
The following persons also had responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year. They are employed by Change Financial Services Pty Ltd and Change Financial LLC.

Clayton Fossett – Chief Operating Officer (resigned 1 December 2022)
Vinnie D'Alessandro – Chief Product Officer (appointed 16 November 2020)
Tony Sheehan – Chief Financial Officer (appointed 19 July 2021)
Arnold Lee – Chief Technology Officer (appointed 1 September 2021)

Key management personnel compensation

Year ended 30 June	2022 US$	2021 US$
Short term employee benefits	1,055,961	1,214,926
Non-monetary benefits	364	457
Post-employment benefits	60,954	61,983
Long term benefits	9,487	9,981
Share based payments	36,676	84,223
Total	**1,163,442**	**1,371,570**

Detailed remuneration disclosures are provided in the remuneration report.

27) Remuneration of auditors

The auditor of Change Financial Limited is Pitcher Partners.

Year ended 30 June	2023 US$	2022 US$
Amounts received or due and receivable for current auditors:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	63,506	70,498
Other services in relation to the entity and any other entity in the consolidated group:		
tax compliance services	9,663	8,052
tax advisory and due diligence services	31,950	25,145
Total	**105,119**	**103,695**

28) Related Party Transactions

There are no related party transactions to report for the period ending 30 June 2023 other than payment in respect of remuneration as disclosed in the Remuneration Report.

Transactions with Related Parties	2023 US$	2022 US$
Amounts recognised as expense		
Accounting and bookkeeping fees	-	10,961
Amounts recognised in equity (cost of funds raised)		
Capital raising & management fees	-	-

29) Contingent liabilities

The Group has no contingent liabilities.

30) Commitments

The Group is required to pay to certain minimum payments under contracts for services, the amounts of which are set out in the table below. These contractual commitments relate to payment system connectivity in the US.

	2023 US$	2022 US$
Payments contracted for but not recognised in the financial statements:		
Not later than 12 months	300,000	300,000
Later than 12 months but not later than five years	650,000	950,000
Later than 5 years	-	-
Total	**950,000**	**1,250,000**

31) Share Based Payments

(a) Employee option Plan

Share options of the parent were granted to senior executives of the Group as part of their remuneration package. Their options were granted under their employment contracts for no consideration.

Set out below are summaries of options granted to executives during the year:

	2023		2022	
	Average exercise price Per share Option	Number of options	Average exercise price Per share Option	Number of options
As at 1 July	A$0.21	11,550,000	A$0.21	6,050,000
Granted during the year[1]	A$0.20	750,000	A$0.22	5,500,000
Exercised during the year[2]	A$0.001	(1,000,000)	Nil	Nil
Cancelled during the year[3]	A$0.23	(2,250,000)	Nil	Nil
Expired/forfeited[4]	A$0.23	(3,000,000)	Nil	Nil
As at 30 June	**A$0.23**	**6,050,000**	**A$0.21**	**11,550,000**
Vested and exercisable at 30 June		**3,800,000**		**2,900,000**

[1] Includes options issued to Mr. Fossett as disclosed in the remuneration report.
[2] These options were exercised by Mr. Wilkie and Mr. Sheehan. The weighted average share price at the date of exercise was A$0.0519.
[3] Includes options that cancelled upon Mr. Fossett's cessation of employment at 1 December 2022.
[4] Includes options issued to Mr. Wilkie that expired during the year.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry	Term (years)	Exercise Price A$	2023 Number	2022 Number
28 Oct 2019	28 Oct 2022	3	0.001	-	500,000
28 Oct 2019	28 Oct 2022	3	0.200	-	1,000,000
5 Dec 2019	5 Dec 2022	3	0.200	-	750,000
27 May 2021	28 Oct 2022	1.4	0.200	-	1,000,000
27 May 2021	28 Oct 2022	1.4	0.300	-	1,000,000
27 May 2021	16 Nov 2023	2.5	0.020	650,000	650,000
27 May 2021	16 Nov 2023	2.5	0.260	1,150,000	1,150,000
12 Apr 2022	4 Nov 2024	2.6	0.200	-	500,000
12 Apr 2022	4 Nov 2024	2.6	0.260	-	1,000,000
12 Apr 2022	19 Jul 2024	2.3	0.001	-	500,000
12 Apr 2022	19 Jul 2024	2.3	0.200	500,000	500,000
12 Apr 2022	19 Jul 2024	2.3	0.260	1,000,000	1,000,000
12 Apr 2022	1 Sep 2024	2.4	0.200	500,000	500,000
12 Apr 2022	1 Sep 2024	2.4	0.260	1,000,000	1,000,000
12 Apr 2022	16 Aug 2024	2.3	0.200	250,000	250,000
12 Apr 2022	16 Aug 2024	2.3	0.260	250,000	250,000
5 Dec 2022	5 Dec 2024	2.0	0.200	750,000	-
Total				**6,050,000**	**11,550,000**
Weighted average remaining contractual life of options outstanding at year end (years)				**0.9**	**1.4**

(b) *Fair value of options granted*

The assessed fair value of options granted during the year was an average of A$0.0041 (2022:A$0.024) per option. The fair value at grant date is independently determined using the Black-Scholes method of option pricing taking into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield, the risk-free rate for the term of the options.

The model inputs for options granted during the year ended 30 June 2022 included;

- (i) options are granted for no consideration;
- (ii) exercise price of options granted as set out in the table above;
- (iii) expiry dates as set out in the table above;
- (iv) share price of A$0.087 for options granted on 12 April 2022;
- (v) expected volatility of 75%;
- (vi) expected dividend yield of nil; and
- (vii) risk-free interest rate of 3.29%.

The model inputs for options granted during the year ended 30 June 2023 included;

- (i) options are granted for no consideration;
- (ii) exercise price of options granted as set out in the table above;
- (iii) expiry dates as set out in the table above;
- (iv) share price of $0.047 for options granted on 27 October 2022;
- (v) expected volatility of 75%;
- (vi) expected dividend yield of nil; and
- (vii) risk-free interest rate of 3.19%.

The expected volatility is based on the historic volatility adjusted for any expected changes to the future volatility due to publicly available information.

(c) Expenses arising from share-based payment transactions

Year ended 30 June	2023 US$	2022 US$
Share based payments expense	41,510	91,895
Total	**41,510**	**91,895**

32) Borrowings

On 17 March 2023, Change repaid the balance of the unsecured term facility (Facility) including accrued interest. The Facility cannot be redrawn.

	2023			2022		
	Current US$	Non-current US$	Total US$	Current US$	Non-current US$	Total US$
Unsecured Loan	-	-	-	-	1,058,230	1,058,230
Total	**-**	**-**	**-**	**-**	**1,058,230**	**1,058,230**

33) Other non current assets

Year ended 30 June	2023 US$	2022 US$
Security deposits	324,990	-

Security deposits comprise cash backed guarantees which are required for card issuing in New Zealand, Australia and the US. The security deposits are a requirement of Change's scheme and processing partners to provide security for settlement and other payment obligations relating to the processing of cards and associated transactions.

34) Contract liabilities – non-current

Year ended 30 June	2023 US$	2022 US$
Contract liabilities – non-current	1,007,150	-

The non-current contract liabilities represent the incentive payment under the Mastercard agreement for Australia and New Zealand. The agreement contains volume targets which are not expected to be achieved within the next 12 months. Upon achievement of the volume targets, the non-current contract liabilities are expected to be progressively recognised as revenue.

35) Events occurring after the reporting period

Subsequent to the year ending 30 June 2023, the Company was approved for Mastercard Principal Membership in Australia. Following receipt of the Mastercard licence which enables Change to issue both debit and prepaid cards in Australia, the Company has commenced the final stage of Mastercard certification of the Vertexon PaaS platform for the Australian market.

Directors' Declaration

In the opinion of the Directors:

(a) the financial statements and notes set out on pages 37 to 69 are in accordance with the Corporations Act 2001, including:

(i) complying with Australian Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

Edward Grobler
Chair

31 August 2023

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Independent Auditor's Report to the Members of Change Financial Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Change Financial Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition *(Refer to note 4, note 10 and note 11)*	
The Group earns revenue from different revenue streams. The amount of revenue recognised during the year is dependent on meeting revenue recognition criteria, which varies between revenue streams, under Australian Accounting Standards and the Group's revenue recognition policies which are set out in note 1(g). Contract liabilities represent maintenance, service fees and project service fees invoiced in advance of the service being provided. These amounts are disclosed in note 10. Contract assets arise where on a particular project the proportion of work performed on that project exceeds the amounts invoiced on that project to date. These amounts are disclosed at note 11.	Our audit procedures included, amongst others: • Understanding and evaluating the design and implementation of relevant controls over revenue recognition; • Testing revenue from contract with customers recognised throughout the year to ensure existence and accuracy; • Testing trade receivables and contract assets recognised at the balance date to obtain evidence of the existence and accuracy of revenue from contracts with customers at year end; • Testing contract liabilities recognised at the balance date to obtain evidence of the completeness of the liabilities, together with the existence and accuracy of corresponding revenue from contracts with customers at year end; and • Assessing the adequacy of the disclosures in the financial report.
Intangible assets *(Refer to note 13)*	
During the year, the Group capitalised US$1.5 million of internal software development costs primarily in respect to its Vertexon PaaS platform. The Group's accounting policy is described in note 1(k). The capitalisation of internal software development costs is a key audit matter due to the judgement involved in assessing whether the recognition criteria set out in AASB 138 *Intangible Assets* have been satisfied.	Our audit procedures included, amongst others: • Understanding and evaluating the design and implementation of relevant controls over the capitalisation of internal software development costs; • Assessing whether the costs capitalised satisfy the recognition criteria under AASB 138 *Intangible Assets;* • Reviewing management's assessment to determine whether the internally developed software platform will generate probable future economic benefits that exceed the carrying value of the software development asset; • Completing substantive tests of detail over the capitalised software development costs to verify their existence and accuracy, and to assess whether those costs are directly attributable to software development activities; and • Assessing the adequacy of the relevant disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Directory, Chairman's Letter, CEO & Managing Director's Report, Directors' Report, Corporate Governance Statement and ASX Additional Disclosure which was obtained as at the date of our audit report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 21 of the directors' report for the year ended 30 June 2023. In our opinion, the Remuneration Report of Change Financial Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners

PITCHER PARTNERS

DANIEL COLWELL
Partner

Brisbane, Queensland
31 August 2023

ASX Additional Disclosure

Shareholder information at 1 August 2023

Shareholding Distribution

Size of Shareholder	Number of Shares	% of Issued Capital	Number of Holders	% of Holders
100,001 and Over	595,942,464	94.95	452	20.44
10,001 to 50,000	27,916,737	4.45	751	33.97
5,001 to 10,000	2,241,218	0.36	285	12.89
1,001 to 5,000	1,407,767	0.22	451	20.40
1 to 1,000	153,199	0.02	272	12.30
Total	**627,661,385**	**100.00**	**2,211**	**100.00**

Top 20 Shareholders

Rank	Number of Shares	Number of Holders	% of Issued Capital
1	FINTECH HQ PTY LTD	125,498,524	19.99
2	LEMEURICE PTY LTD	32,536,187	5.18
3	BART PROPERTIES PTY LTD	19,198,917	3.06
4	BJT903 PTY LTD	17,200,234	2.74
5	BNP PARIBAS NOMINEES PTY LTD	15,217,186	2.42
6	AJM NOMINEES (VIC) PTY LTD	13,000,000	2.07
7	ACM AEPF PTY LTD	11,486,139	1.83
8	MR COLIN WILLIAM MACLEOD & MRS LINDA ELIZABETH MACLEOD	8,600,000	1.37
9	MR DAVID FREDERICK OAKLEY	8,510,960	1.36
10	CPX HOLDINGS, L.L.C.	8,333,333	1.33
11	ALTOR CAPITAL MANAGEMENT PTY LTD	8,235,117	1.31
12	BOND STREET CUSTODIANS LIMITED	7,000,000	1.12
13	RIGGS AND RUMPS PASTORAL PTY LTD	6,912,500	1.10
14	HESF SUPER PTY LTD	6,675,425	1.06
15	MR MANFRED DIETER LAGEMANN	6,350,084	1.01
16	ADMIRANDUS PTY LTD	6,250,000	1.00
17	GERSEKOWSKI SUPER FUND PTY LTD	6,000,000	0.96
18	BOND STREET CUSTODIANS LIMITED	5,666,000	0.90
19	NAREENEN PTY LTD	5,425,327	0.86
20	JPPC SUPER PTY LTD	5,300,000	0.84
	TOTAL	**323,395,933**	**51.51**

Unquoted Options

Option ex price and expiry	Number of Options	Number of Holders
Options @ A$0.20 expiry 16 Nov 23	650,000	2
Options @ A$0.26 expiry 16 Nov 23	1,150,000	2
Options @ A$0.20 expiry 19 Jul 24	500,000	1
Options @ A$0.26 expiry 19 Jul 24	1,000,000	1
Options @ A$0.20 expiry 1 Sep 24	500,000	1
Options @ A$0.26 expiry 1 Sep 24	1,000,000	1
Options @ A$0.20 expiry 16 Aug 24	250,000	1
Options @ A$0.26 expiry 16 Aug 24	250,000	1
Options @ A$0.20 expiry 5 Dec 24	750,000	1
Total	**6,050,000**	**6**

Substantial Shareholders

Name	Number of Shares	% of Issued Capital
FINTECH HQ PTY LTD AND ASSOCIATED ENTITIES	125,498,524	19.99%
LEMEURICE PTY LTD AND ASSOCIATED ENTITIES	41,416,421	8.07%
Total	**166,914,945**	**28.06%**

Unmarketable Parcels

The number of shareholders held in less than marketable parcels was 1,024 with total shares of 3,400,861.

change.

Change Financial Limited

Website www.changefinancial.com
ACN 150 762 351

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