

Trading Update

Highlights

- Increase in revenue expectations for already onboarded NZ clients to in excess of US\$3.2m (A\$4.8m¹) per annum, up 40%+ on prelaunch estimates
 - Increase due to transaction volumes (therefore resulting revenues and interchange) being significantly higher than initial expectations for all NZ clients
 - Migration of NZ financial institution clients now complete with the final 20,000 cards issued in late May 2024
- Unity Credit Union (new PaaS client announced 30 May 2024) targeting launch during H1 FY25 with anticipated revenue in excess of US\$2.0m (A\$3.0m) per annum
 - Revenue is in addition to already onboarded NZ clients
- Following completion of Unity Credit Union migration, Change will be one of the largest non-bank issuers of debit cards in NZ
- First live transactions processed in Australia with launch of HealthNow Australia
- PaaS revenue continuing to increase as cards activate which will contribute to Change delivering record revenue in FY24
 - FY24 May YTD Revenue (unaudited) of US\$9.6m (A\$14.5m) vs. full year FY23 revenue of US\$8.7m (A\$13.2m)

19 June 2024 – **Change Financial Limited (ASX: CCA) (Change or the Company)** is pleased to provide a trading update on the rollout of its Vertexon PaaS Platform in Australia, NZ and the US.

Change CEO, Tony Sheehan said, “We have achieved several key milestones in recent months, the most significant being the completion of the migration of our NZ financial institution clients, signing Unity Credit Union as a new PaaS client in NZ, launch of our first PaaS client in Australia and the expanding rollout in the US.

“We remain focussed on driving growth through continued execution of our operating plan and delivering market leading solutions and services to our clients. It is pleasing to see the resulting improvement in financial performance and that Change will achieve record revenue in FY24 with PaaS volumes continuing to increase into FY25 as clients continue to be onboarded, building upon our increasing recurring revenue base.”

Increasing PaaS Volumes

Growth in PaaS Revenues

Following completion of the migration of clients to the Vertexon PaaS platform, Change now expects the already onboarded clients to deliver revenue in excess of US\$3.2m (A\$4.8m) per annum, an increase of more than 40% from initial estimates. With a number of NZ clients now fully onboarded to the Vertexon PaaS platform and the final 20,000 cards issued in late May for Change’s NZ financial institution clients, transaction volumes and resulting revenues (including interchange) are significantly higher than the Company’s initial expectations.

New PaaS client, Unity Credit Union (announced 30 May 2024), is expected to migrate cardholders to Change during H1 FY25 and is anticipated to deliver revenue in excess of US\$2.0m (A\$3.0m) per annum in addition to the already onboarded NZ clients.

Following completion of the Unity Credit Union migration, Change will be one of the largest non-bank issuers of debit cards in NZ.

¹ AUD/USD = 0.66, all AUD amounts are converted for representation purposes to assist the reader

Vertexon PaaS Metrics

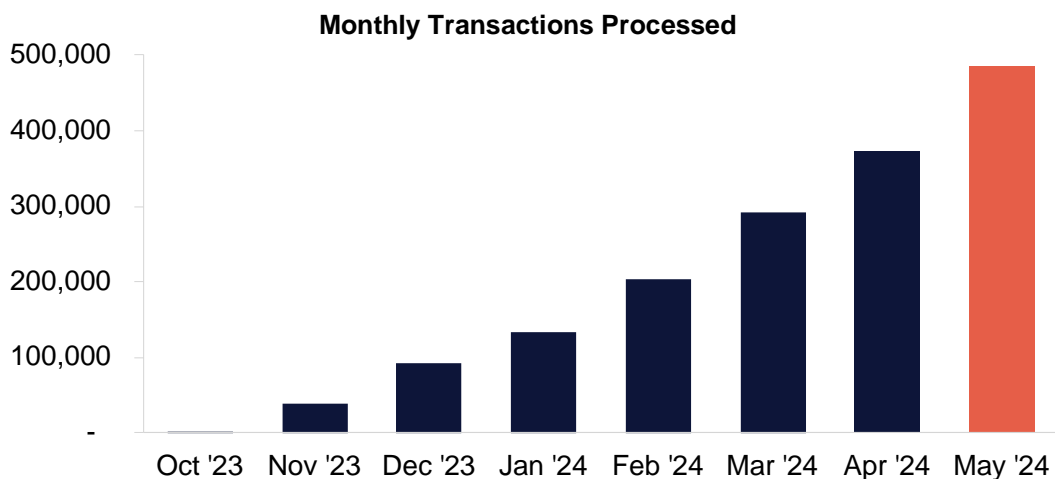
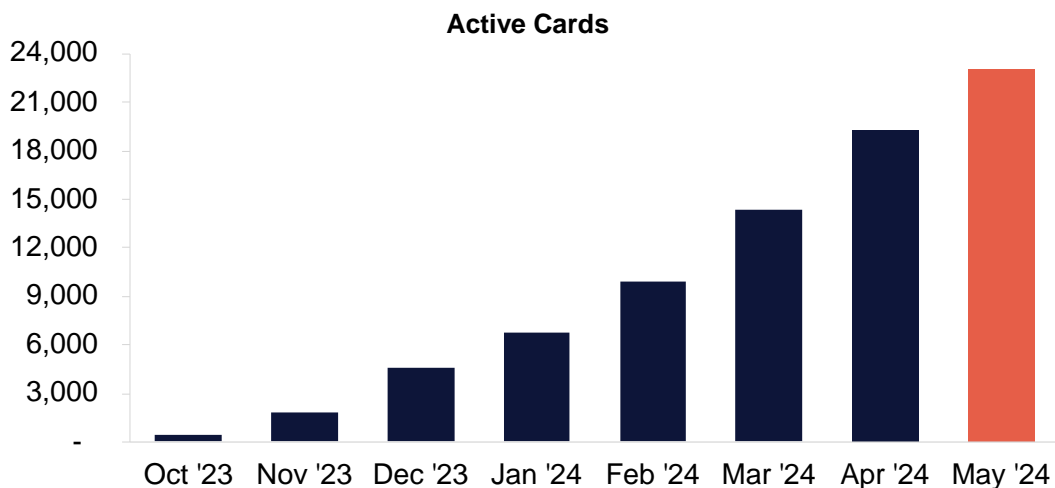
Change has now completed the migration of all debit cards for its first four NZ financial institution clients (First Credit Union, Nelson Building Society, Police Credit Union and Auckland Credit Union) which collectively represent approximately 45,000 accountholders. Approximately 20,000 cards were issued in late May and as such, Change expects a material uplift in card activations and a resulting contribution to PaaS volumes and revenue from June 2024 onwards.

The Company also achieved another key milestone with the first cards now live in Australia and the resulting first transactions for HealthNow Australia processed. In addition, Change's US clients, Rolling Thunder (LatinPay) and PlutusM (VirtCC), have completed onboarding and will now work through their own launch and rollout plans with Change looking forward to supporting the client's growth.

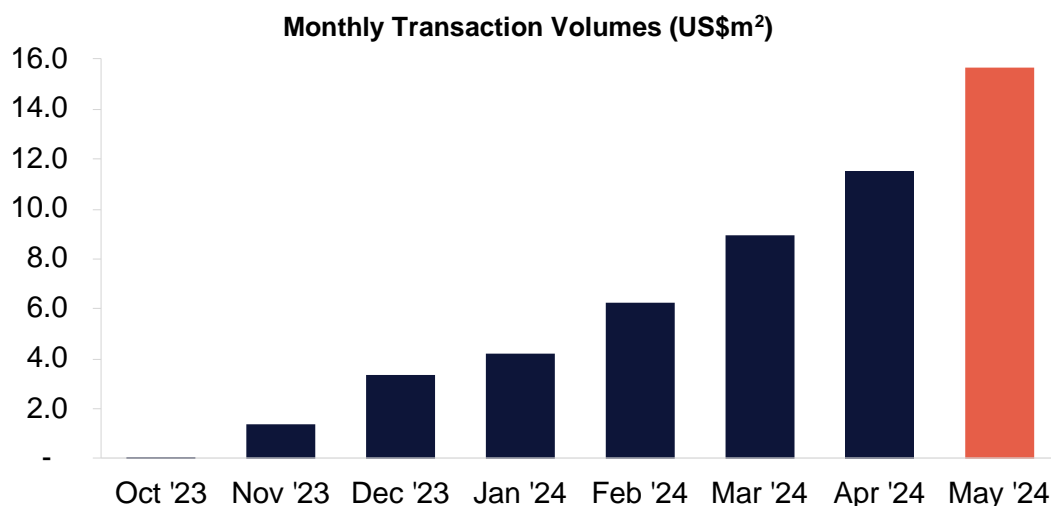
Change has now issued more than 55,000 cards in NZ, Australia and the US, with more than 27,000 cards activated (at the date of this announcement). Transactional revenues will continue to increase with the onboarding of additional clients and associated issue of cards. Unity Credit Union is expected to begin issuing debit cards on the Vertexon PaaS platform during H1 FY25, with Change's prepaid card clients also continuing to progressively roll out cards.

The metrics presented below are global (Australia, NZ and US) metrics for Change relating to its Vertexon PaaS offering. Vertexon on-premise client metrics are not reported given the limited correlation between card and transaction volumes and resulting revenue.

Vertexon PaaS Metrics



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Outlook

Change has remained focussed on delivering earnings accretive revenue growth in FY24. Change is pleased to confirm it has reached its target of completing the migration of all existing NZ financial institution clients by June 2024 and they are now making a meaningful contribution to revenue and EBITDA. The Company has also completed the launch of its first client in Australia with the Vertexon PaaS platform now fully operational in all key target markets.

As a result of the continued rollout of Change's PaaS offering and improved financial performance, the Company will achieve record revenue in FY24 with PaaS revenues continuing to increase through to the end of FY24. For FY24 May YTD, Change has delivered revenue (unaudited) of US\$9.6m (A\$14.5m) compared to full year FY23 revenue of US\$8.7m (A\$13.2m). The increasing revenue profile demonstrates the growth that Change can begin to deliver now the Vertexon PaaS platform is live and clients are onboarding and transacting.

Change is targeting to achieve monthly EBITDA positive and operating cashflow breakeven run-rate exiting FY24.

Authorised for release by the Board of Change Financial Limited.

² Transactions are denominated in local currencies and have been converted to USD, Change's reporting currency, for reporting purposes

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About Change Financial

Change Financial Limited (ASX: CCA) (**Change**) is a global fintech, leveraging innovative and scalable technology to provide tailored payment solutions, card issuing and testing to banks and fintechs. Change's technology is used by 150+ clients across 40+ countries to deliver simple, flexible, and fast-to-market payment services, including card issuing and testing.

Change's payments as a service (PaaS) platform Vertexon, seamlessly integrates with banks and fintechs' core systems enabling delivery of digital and virtual card solutions to their customers. It includes integrated features such as Apple Pay, Google Pay, Samsung Pay and Buy Now Pay Later (BNPL) services. Change currently manages and processes over 27 million credit, debit, and prepaid cards worldwide.

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

Learn more about Change at www.changefinancial.com

For more information, please contact:

Tony Sheehan
CEO
Change Financial Limited
investors@changefinancial.com

Tom Russell
Executive Director
Change Financial Limited
investors@changefinancial.com