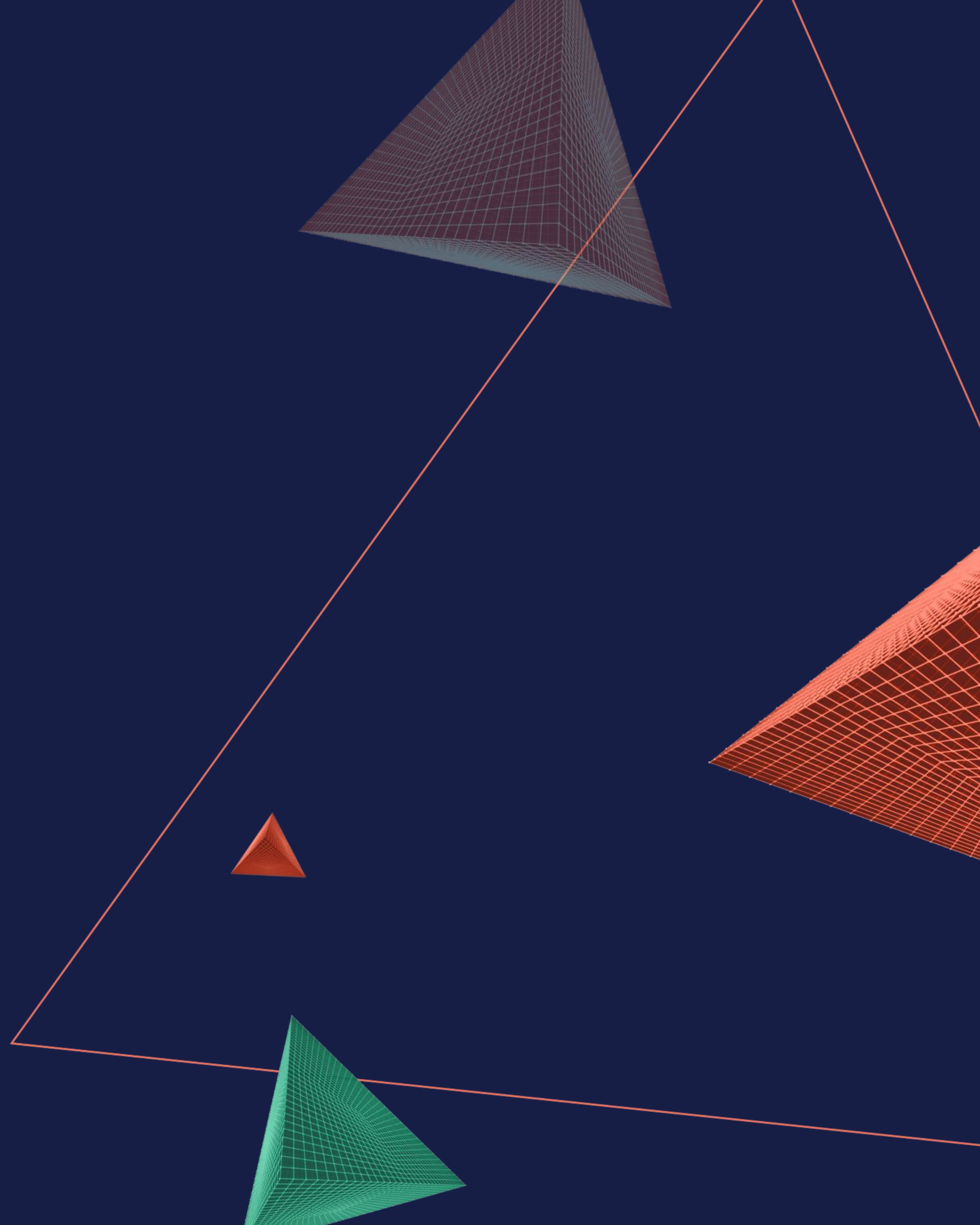


change.

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# H1 FY25 Investor Presentation

27 February 2025

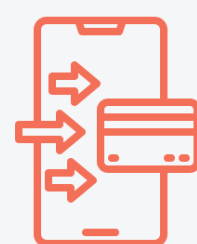


# Delivering innovative and scalable payments solutions

- ▶ Change leverages innovative and scalable technology to provide tailored payment solutions, card issuing and testing to 150+ banks & fintechs across 40+ countries
- ▶ Two core products in the banking & payments ecosystem – Vertexon & PaySim

## Banking as a Service

### Payments as a Service



Physical, digital  
& virtual card  
issuing



Transaction  
processing for all  
major card schemes

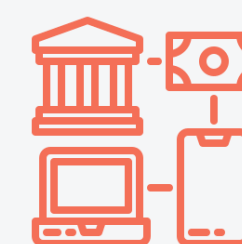


Digital payments  
(Apple, Google &  
Samsung Pay), BNPL

**80%**

of H1 FY25 Revenue

### Payment testing



Full payment  
simulation



ATM & POS  
emulation



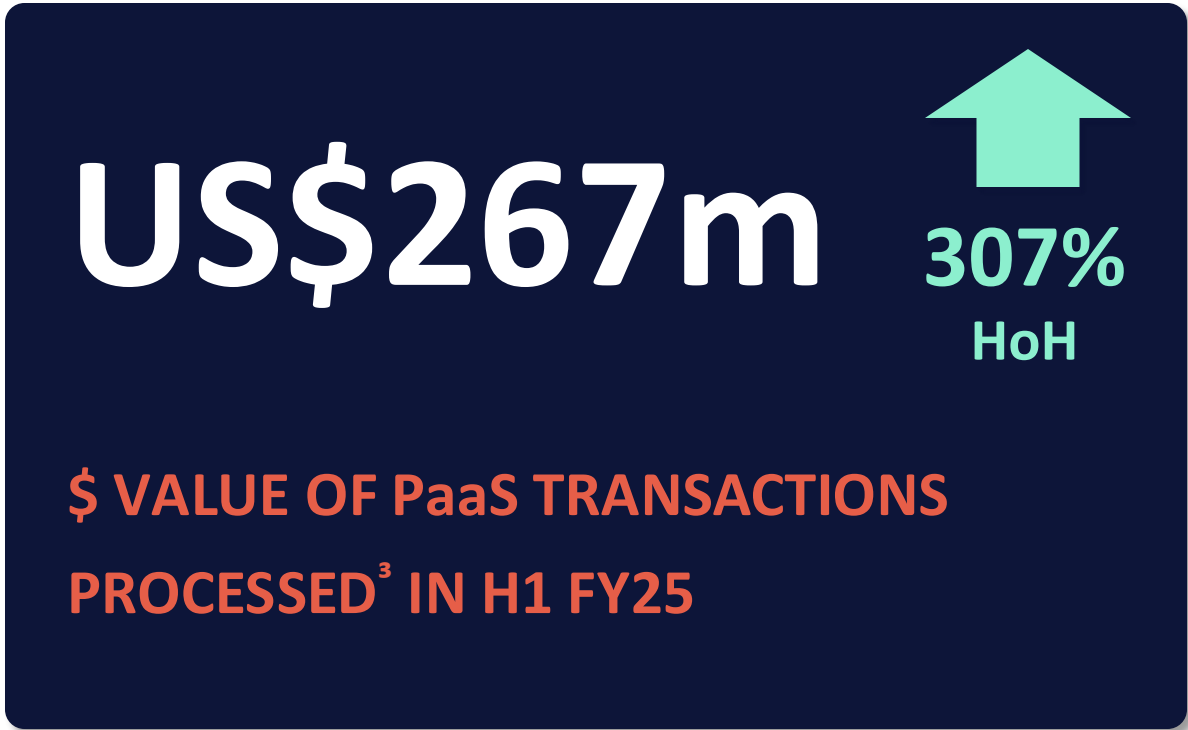
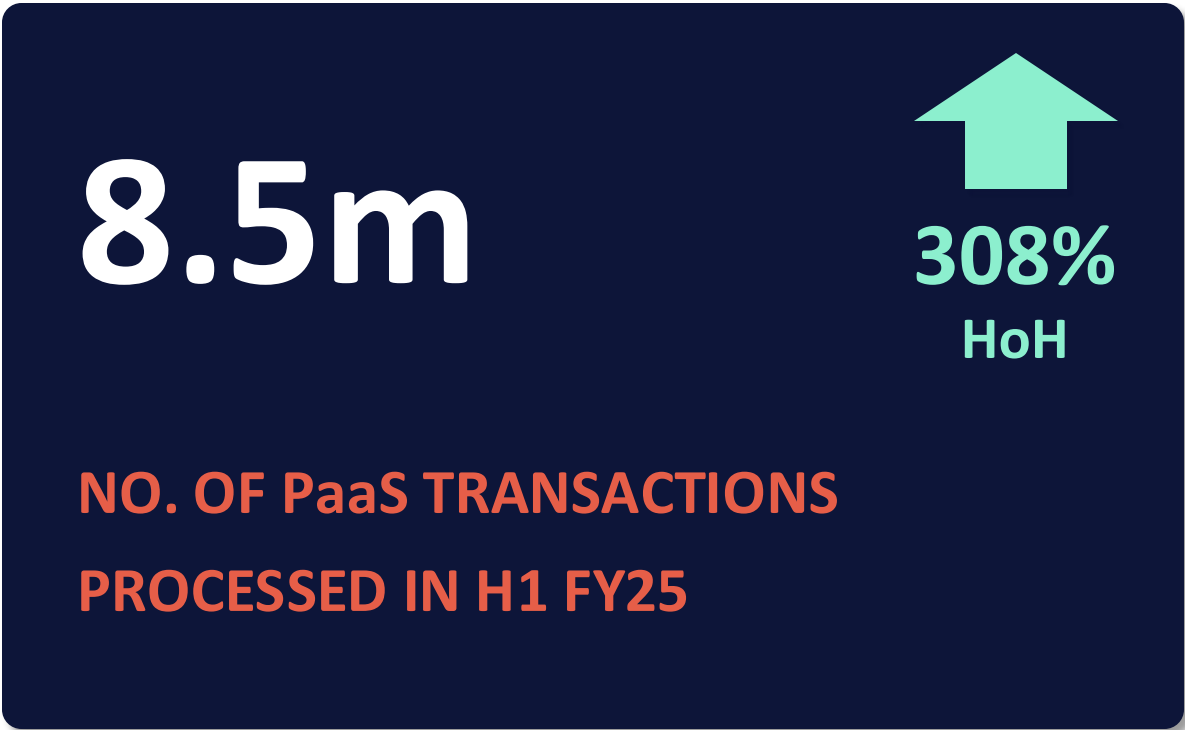
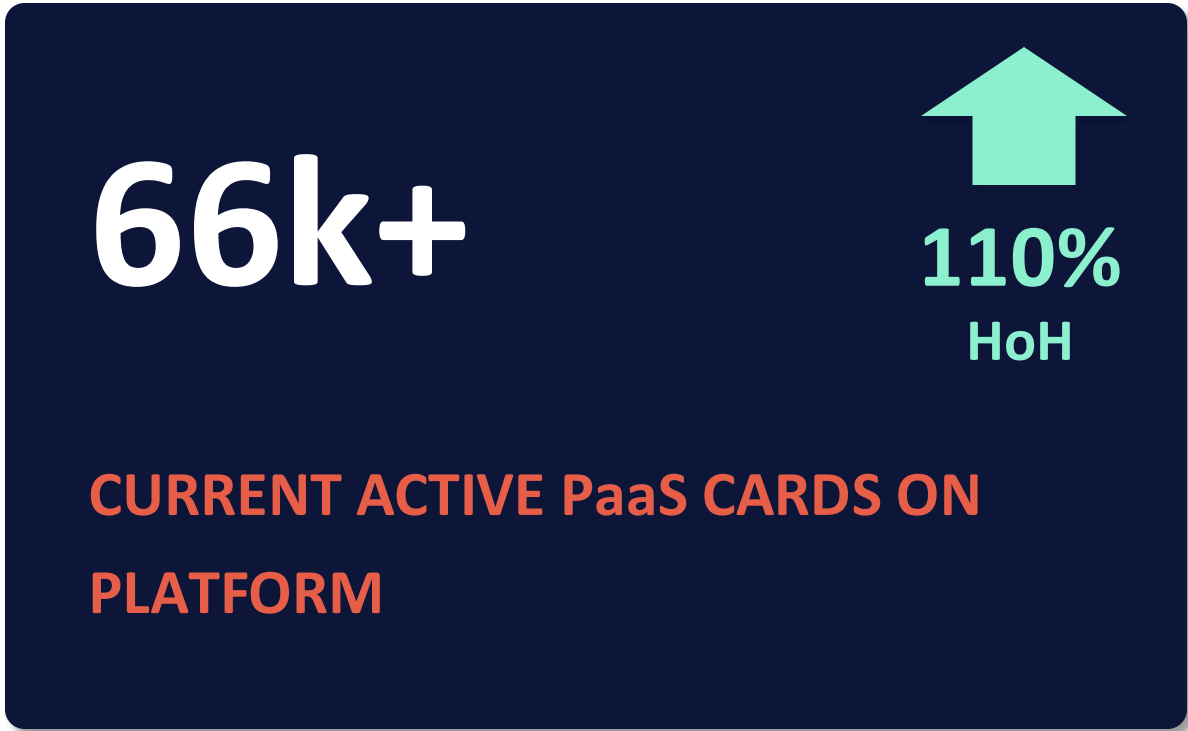
Visa, Mastercard,  
UnionPay, Amex, JCB  
validation

**20%**

of H1 FY25 Revenue

# Key Highlights

- ▶ New and existing PaaS clients driving significant growth in revenue
- ▶ New projects and licence wins across Vertexon On-Premises and PaySim clients



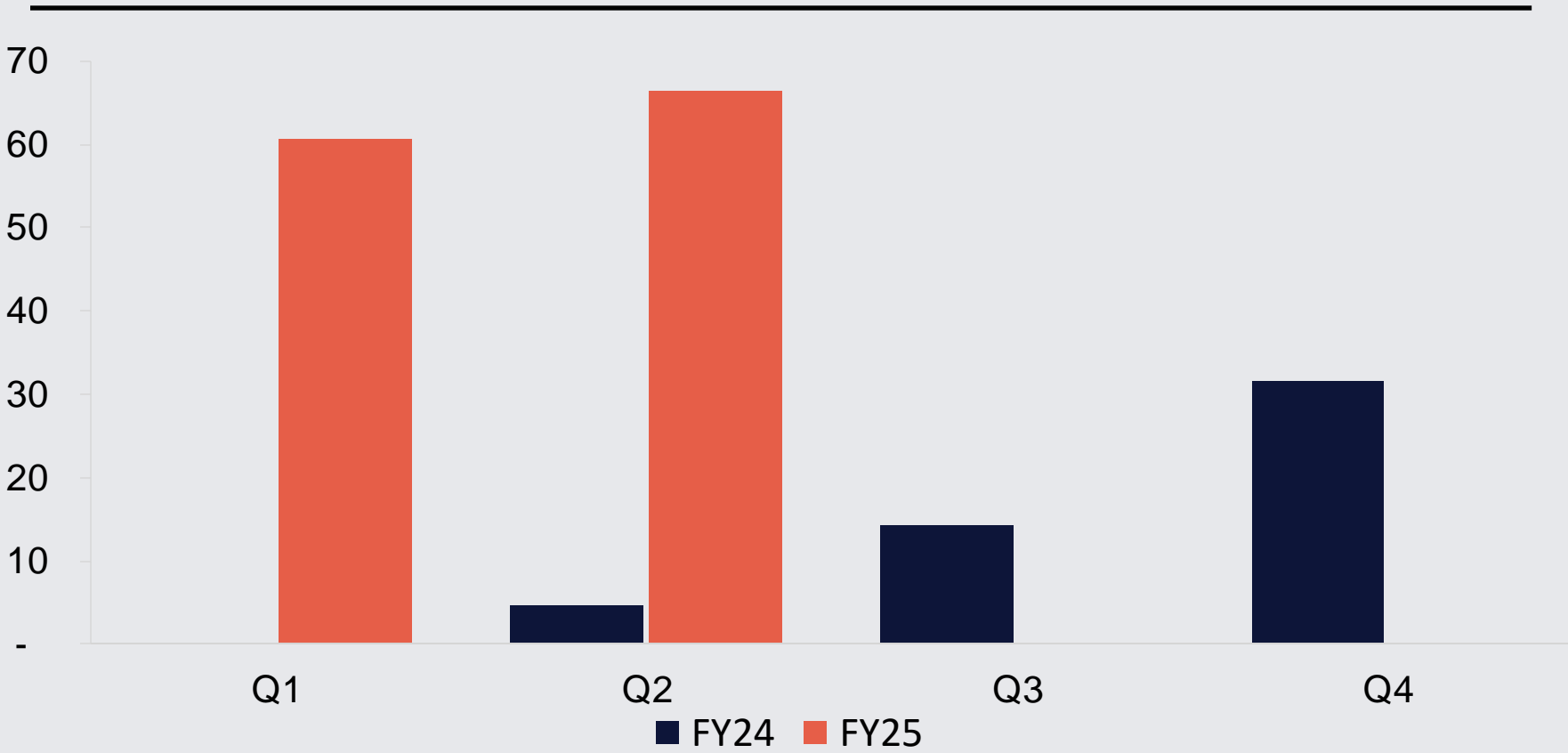
1. AUD/USD = 0.63, all AUD amounts are converted for representation purposes to assist the reader  
2. Includes Support & Maintenance and PaaS transaction fee revenue  
3. Transactions are denominated in local currencies and have been converted to USD, Change’s reporting currency, for reporting purposes  
PCP: Prior Corresponding Period, HoH: Half on Half

PaaS platform scaling  
with volumes increasing  
as cards migrate to  
Change

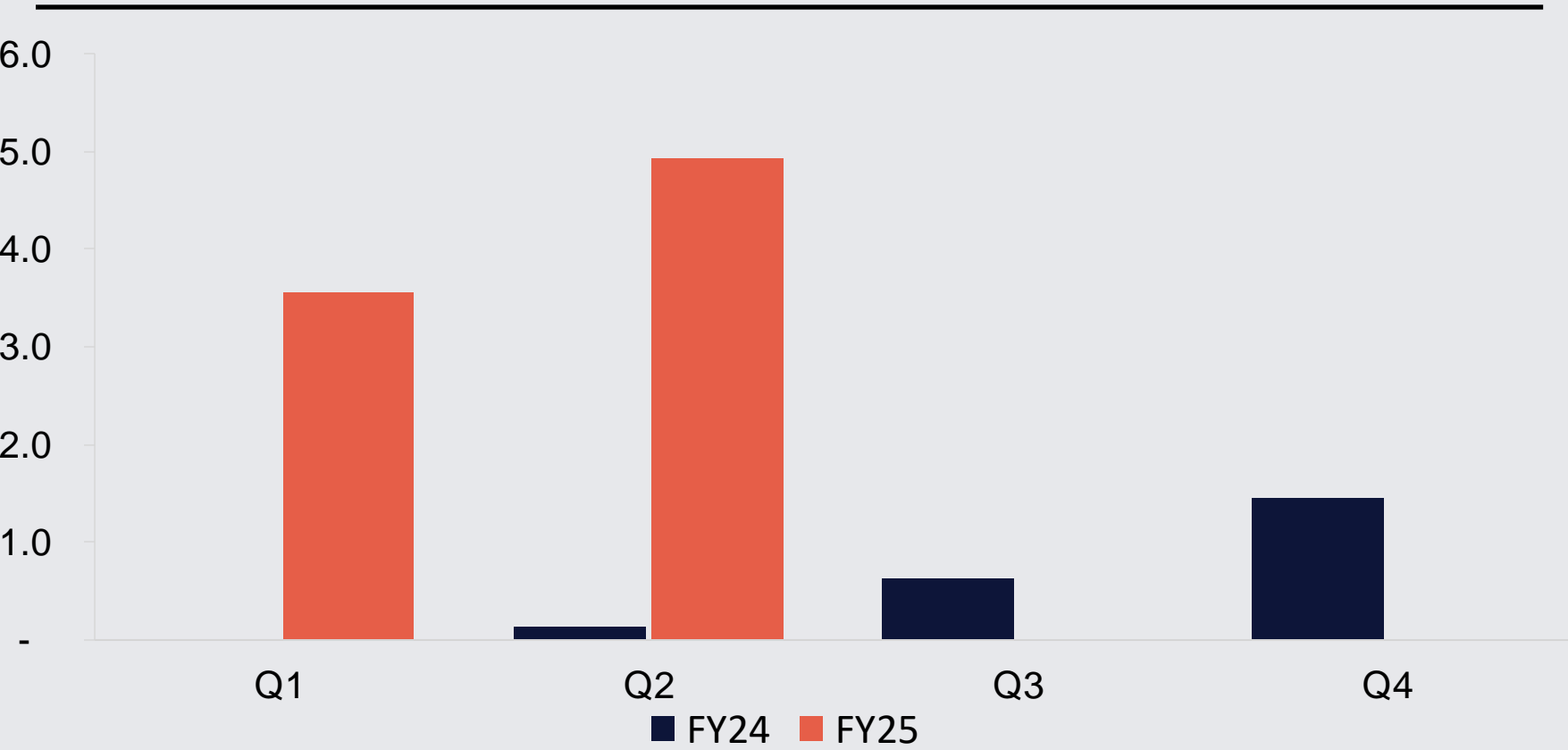
# Vertexon PaaS Metrics

- ▶ Vertexon PaaS platform fully live and operational in Australia & NZ
- ▶ Significant increase in active cards & transaction volumes during H1 FY25
- ▶ Processing and issuing at a run-rate volume of NZ\$1 billion per annum in New Zealand
- ▶ Change is now the largest non-bank issuer of debit cards in New Zealand

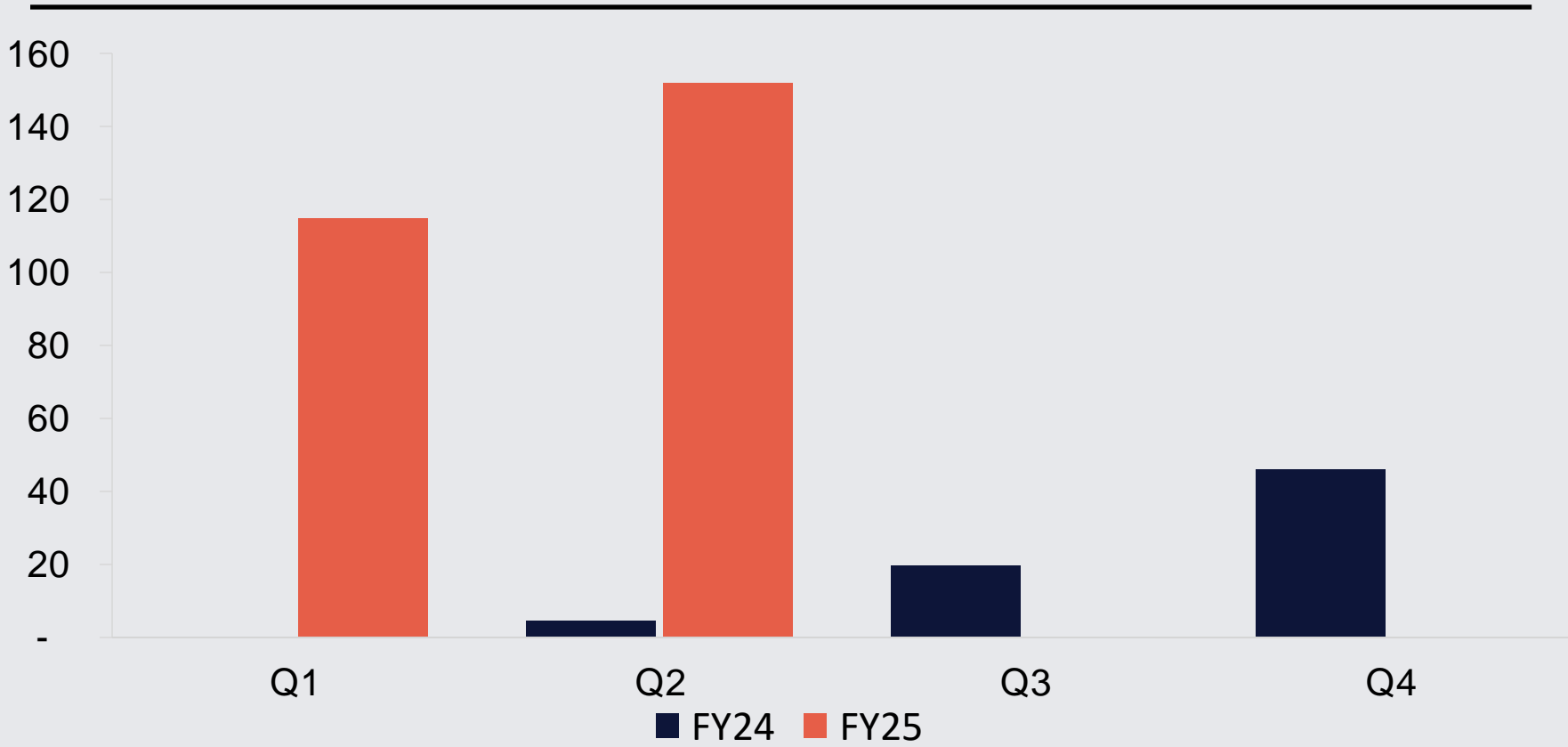
Active Cards (thousands)



Transactions Processed (millions)



Transaction Volumes (US\$m<sup>1</sup>)



1. Transactions are denominated in local currencies and have been converted to USD, Change's reporting currency, for reporting purposes  
Note: Change has exited the US market – metrics reported exclude all historical US cards and transactions





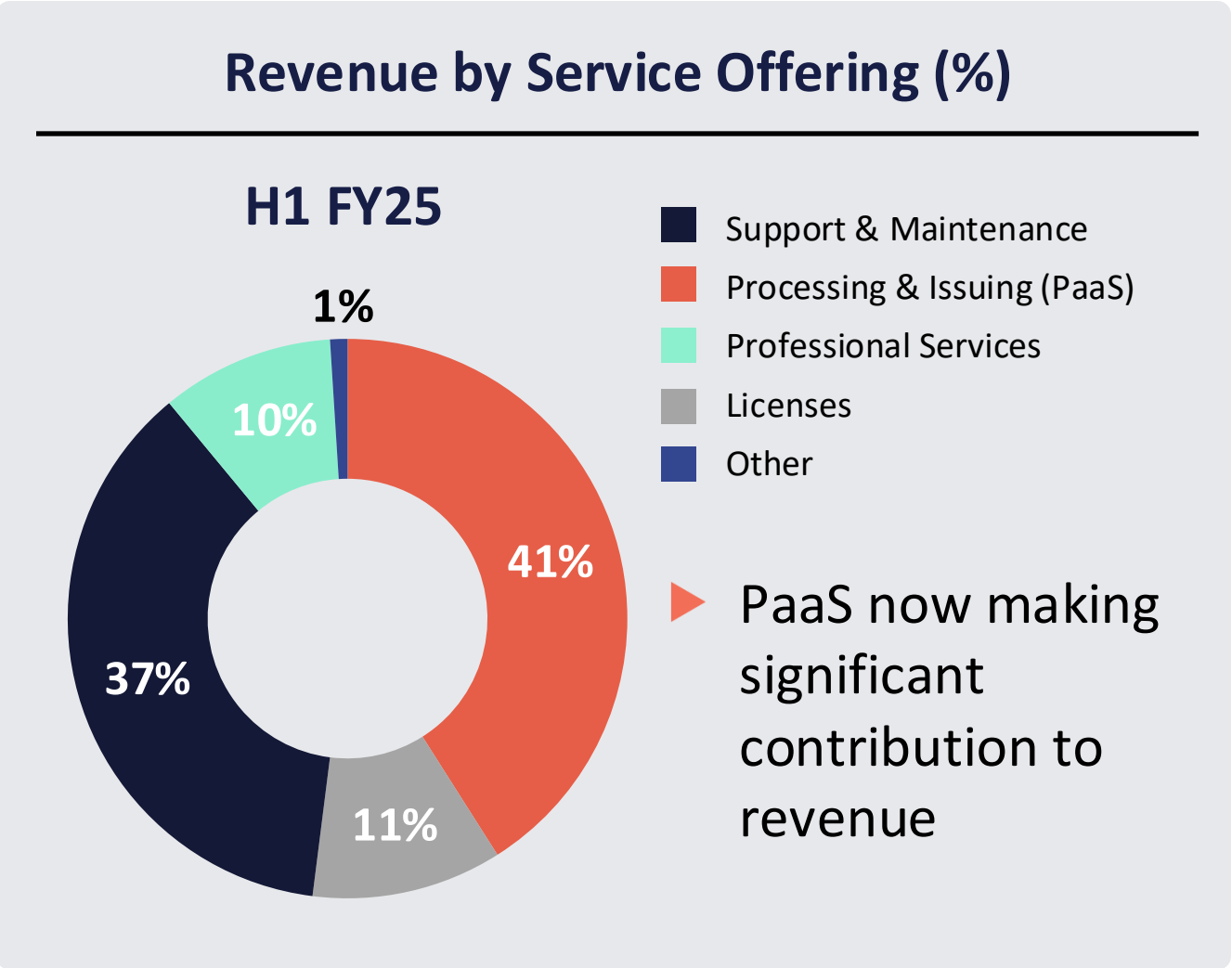
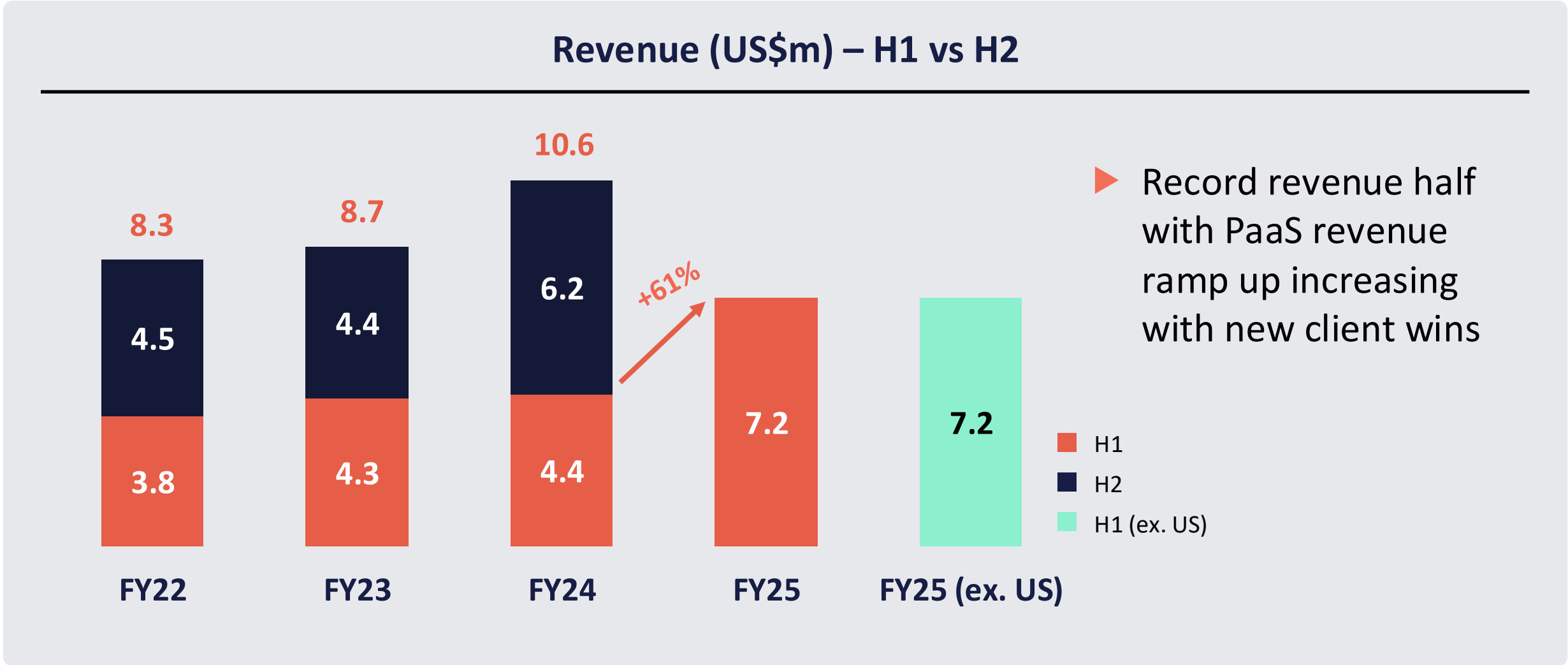
# H1 FY25 Financial Results

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Change is delivering on FY25 growth in excess of 30%

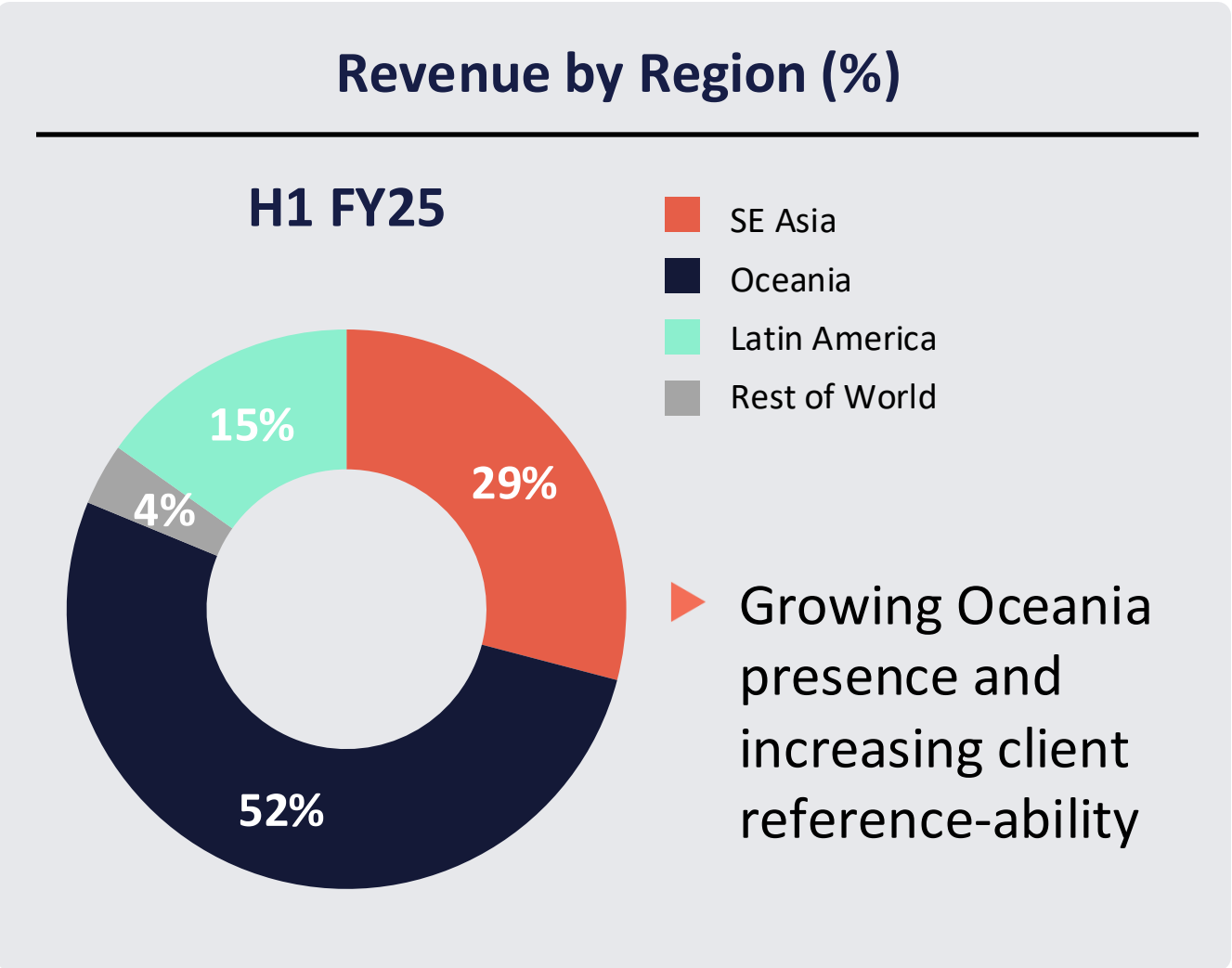
# Delivering strong revenue growth



► H1 FY25 PaaS revenue up 123% on H2 FY24

► 78% of H1 FY25 revenue from recurring revenue streams

Revenue Contribution (US\$m)	H1 FY24	H2 FY24	H1 FY25
PaaS (Recurring)	-	1.3	2.9
Support & Maintenance (Recurring)	2.5	2.5	2.7
Licence & Professional Services	1.7	2.4	1.5
Other	0.2	0.0	0.1
Total	4.4	6.2	7.2
% Recurring Revenue	56%	61%	78%



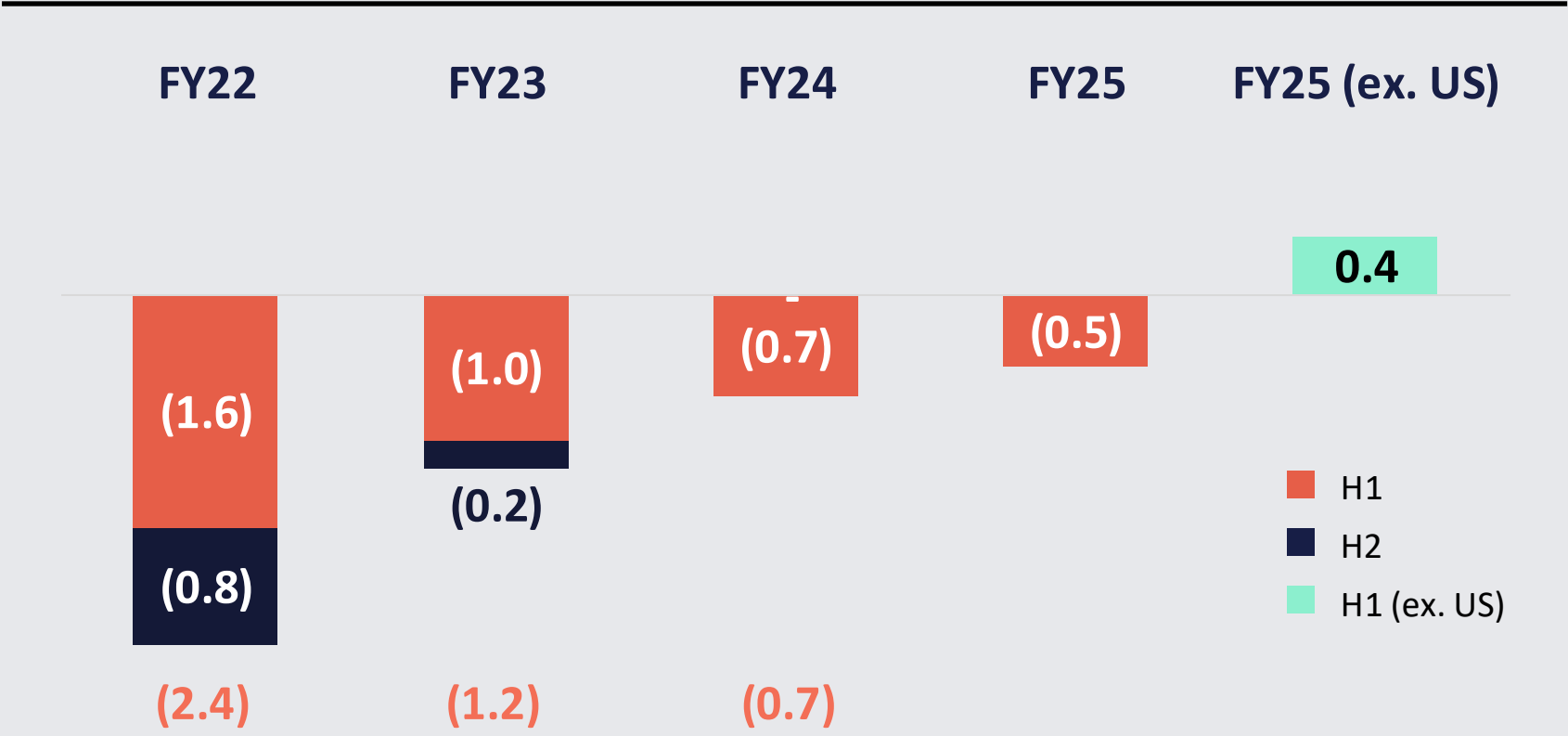
Material EBITDA  
improvement driven by  
revenue growth and  
stable fixed cost base

Profit & Loss

Profit & Loss Summary			
(US \$000's)	H1 FY24	H1 FY25	H1 FY25 (ex. US)
Revenue	4,472	7,193	7,162
COGS	(207)	(2,383)	(2,123)
Gross Profit	4,265	4,810	5,039
Employee expenses	(3,175)	(3,500)	(3,240)
Professional services & insurance	(552)	(515)	(479)
Technology & hosting	(696)	(559)	(470)
Other expenses	(507)	(729)	(513)
Operating Expenses	(4,930)	(5,303)	(4,702)
Underlying EBITDA	(732)	(469)	361
Share-based payments	(2)	(73)	(73)
EBITDA	(734)	(542)	288

- ▶ COGS are primarily scheme and connectivity fees which are attributable to Processing & Issuing
- ▶ H1 FY25 PaaS margin of 27% (ex. US operations), impacted by:
  - ▶ Heavy upfront client onboarding activities – scheme project and certification costs relating to digital pay enablement
  - ▶ Fixed COGS (i.e. minimum threshold / connectivity fees)
- ▶ Expect significant margin expansion in H2 and beyond as scale benefits begin to be realised

Underlying EBITDA (US\$m) – H1 vs H2



- ▶ H1 FY25 revenue of US\$7.2m (A\$11.4m), up 61% on pcip
  - ▶ Growth driven by increasing PaaS revenue
- ▶ Key roles for PaaS operations in place – ability to add significant volume and revenue whilst keeping fixed cost base relatively steady
- ▶ Technology and hosting cost decrease reflects completion of integration work with Mastercard & hosting rationalisation
- ▶ US wind down of operations now substantially complete – final transactions processed in late January 2025
  - ▶ Operating leverage will significantly increase from March 2025 onwards driving material improvement in EBITDA and cashflow
- ▶ H1 FY25 Underlying EBITDA (ex. US operations) of US\$0.4m (A\$0.6m)

Note: H1 FY24 & H1 FY25 Underlying EBITDA (respectively) excludes \$69k & \$49k of interest included as revenue and share-based payments included as an expense in the Appendix 4D statutory accounts

AUD/USD = 0.63 (A\$ amounts are converted for representation purposes to assist the reader)



# Balance Sheet

Balance Sheet		
(US \$000's)	Dec 24	Jun 24
Cash and cash equivalents	3,487	2,591
Client settlement funds	1,699	-
Trade and other receivables	2,447	2,056
Other current assets	323	749
<b>Current Assets</b>	<b>7,956</b>	<b>5,396</b>
Property, plant & equipment	391	232
Deferred tax asset	90	72
Intangible assets	6,634	6,745
Other non-current assets	892	499
<b>Non-Current Assets</b>	<b>8,007</b>	<b>7,548</b>
<b>Total Assets</b>	<b>15,963</b>	<b>12,944</b>
Trade and other payables	(2,843)	(1,905)
Provisions	(1,178)	(1,108)
Lease liabilities	(103)	(104)
Contract liabilities	(3,302)	(2,722)
Income tax liabilities	(404)	(155)
<b>Current Liabilities</b>	<b>(7,830)</b>	<b>(5,994)</b>
Provisions	(33)	(29)
Lease liabilities	(190)	(53)
Contract liabilities	(929)	(990)
<b>Non-Current Liabilities</b>	<b>(1,152)</b>	<b>(1,072)</b>
<b>Total Liabilities</b>	<b>(8,982)</b>	<b>(7,066)</b>
<b>Net Assets</b>	<b>6,981</b>	<b>5,878</b>

- ▶ Cash holdings of US\$3.5m (A\$5.6m)
  - ▶ Additional US\$0.9m (A\$1.4m) held in cash-backed security guarantees relating to card issuing activities
- ▶ Other non-current assets are security guarantee requirements of Change's scheme and processing partners to enable PaaS offering
- ▶ Intangibles represent the carrying value of software including capitalised development costs
- ▶ Trade and other payables includes scheme settlement payables of US\$1.7m (A\$2.7m) – matched by the corresponding client settlement funds asset
- ▶ Current contract liabilities (deferred income) of US\$3.3m (A\$5.2m) represents maintenance, service fees and project fees invoiced in advance of the service being provided – will be recognised as revenue over next 12 months as work is delivered
- ▶ Other non-current liabilities includes US\$1.0m incentive payment received in June 2023 from Mastercard
  - ▶ Will be progressively recognised as revenue in future periods as various transaction related milestones are achieved now that PaaS clients are live in Oceania

AUD/USD = 0.63 (A\$ amounts are converted for representation purposes to assist the reader)



Exiting the US operations will realise significant cost savings and operational efficiencies

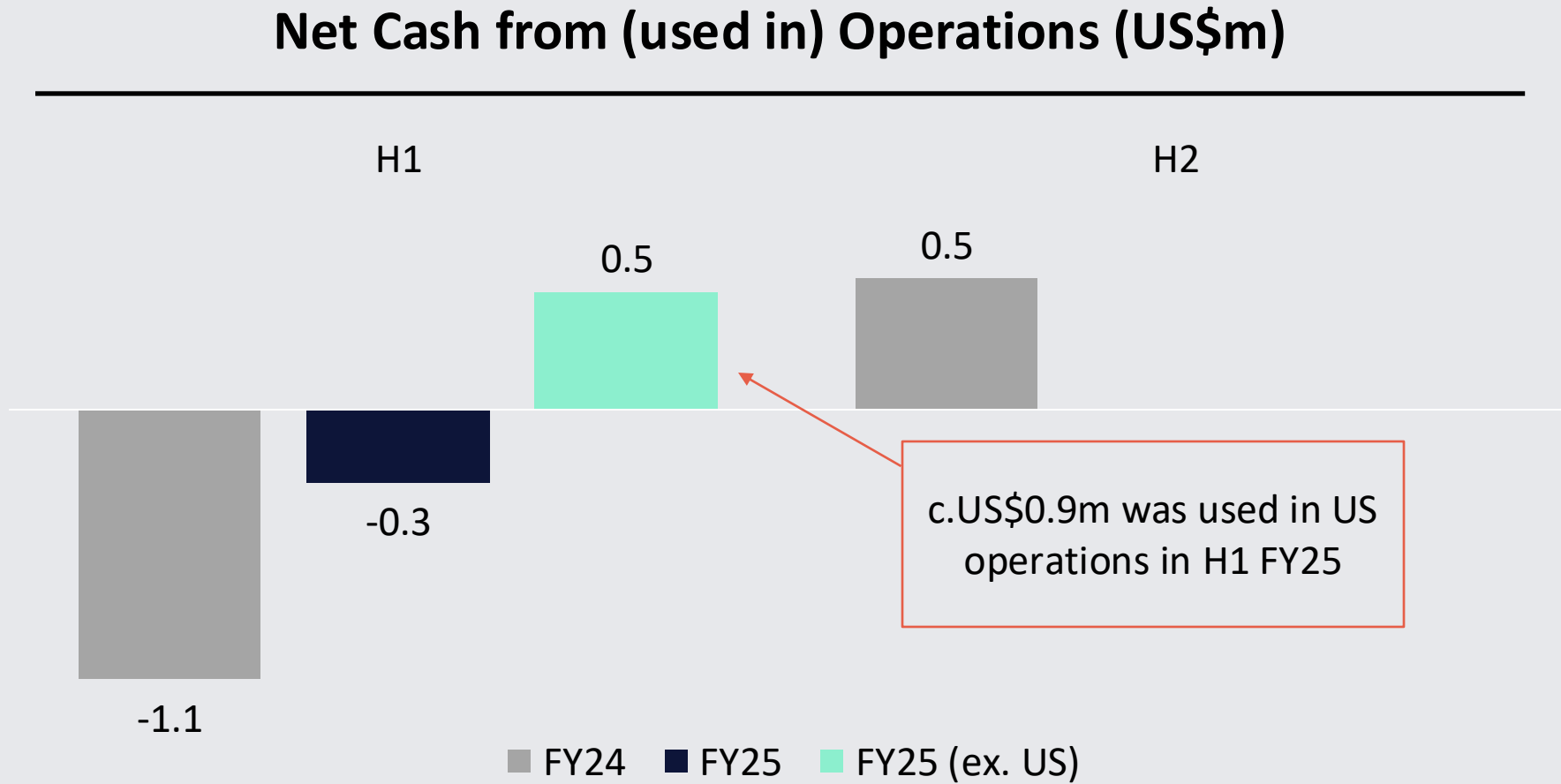
AUD/USD = 0.63 (A\$ amounts are converted for representation purposes to assist the reader)

Cashflow

Cashflow			
(US \$000's)	H1 FY24	H1 FY25	H1 FY25 (ex. US)
Receipts from customers	4,362	7,132	7,102
Payments to suppliers / employees	(5,421)	(7,448)	(6,578)
Other	8	23	24
Operating cash flow	(1,052)	(292)	548
Payment for plant & equipment	(20)	(44)	(44)
Investment in software	(994)	(770)	(770)
Receipts (payments) for security deposits	(162)	(416)	(416)
Investing cash flow	(1,176)	(1,230)	(1,230)
Proceeds from share issue	-	3,076	3,076
Cost of funding	-	(174)	(174)
Lease liabilities	(48)	(71)	(71)
Financing cash flow	(48)	2,832	2,832
Opening cash balance	5,351	2,591	2,591
Net increase (decrease) in cash held	(2,276)	1,309	2,149
FX adjustment	77	(413)	(413)
Closing Cash Balance	3,152	3,487	4,327

- H1 is typically a higher cash usage period relative to H2 – H2 operating cash outflow expected to significantly improve over H1
  - US costs (including one-off costs) substantially removed from March 2025 onwards – driving further cashflow improvement

- Cash receipts of US\$7.1m (A\$11.3m), up 64% on pcp
  - Growth in PaaS business driving increase and smoothing of cash receipts (clients invoiced monthly in arrears)
- Cash payments to suppliers / employees of US\$7.4m (A\$11.7m)
  - Increase primarily driven by transaction costs (COGS) relating to PaaS ramp up
- Software investment relates to capitalised software development
  - Moderated as expected with PaaS platform live
- Weakening AUD & NZD vs. USD resulted in reported cash balance for the half reducing by US\$0.4m (A\$0.6m)



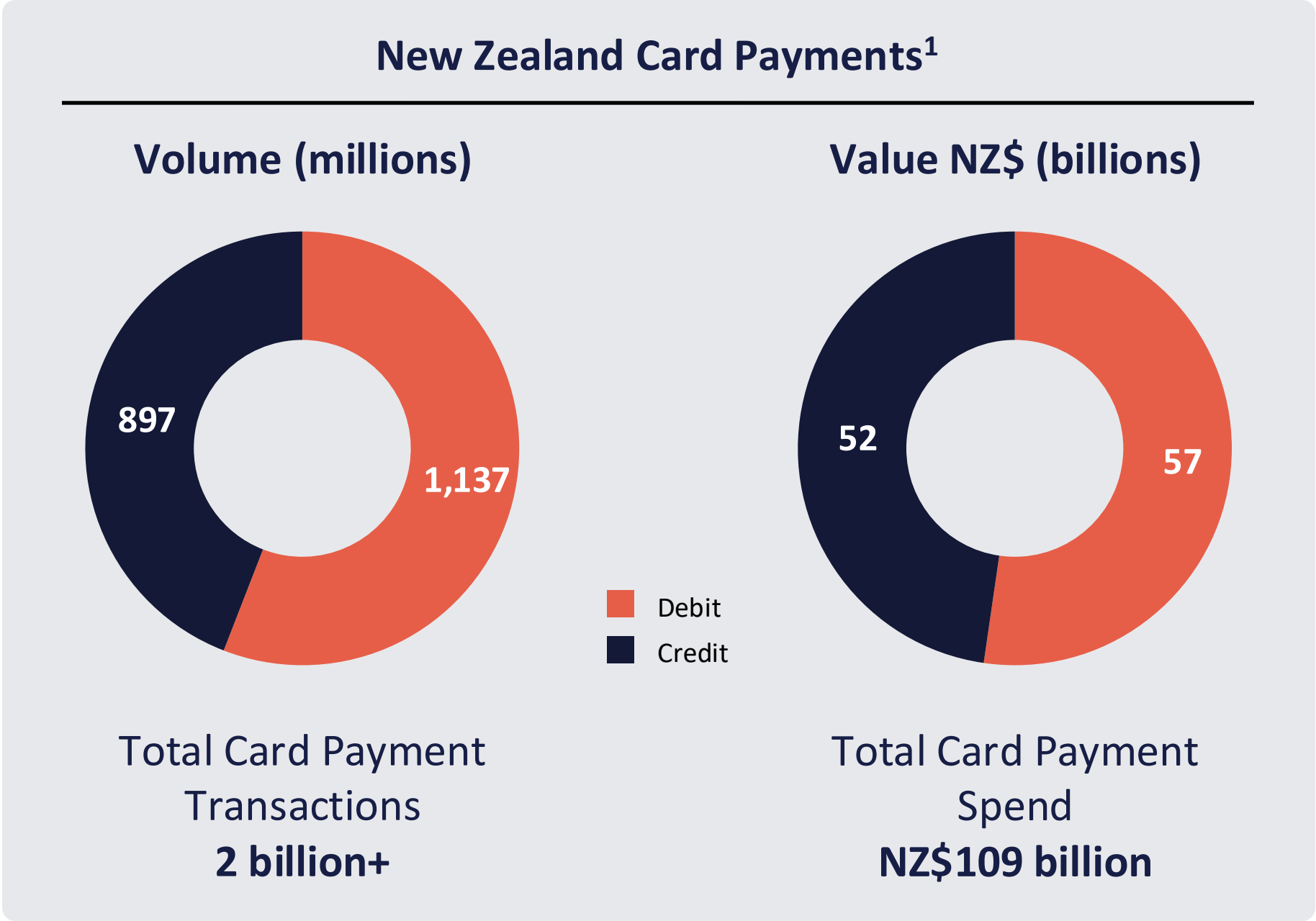
change.

# Market Opportunity & Outlook

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# Market Overview – New Zealand

- ▶ Banking in New Zealand is dominated by the Big 4 banks
  - ▶ 27 registered banks plus several credit unions & building societies
  - ▶ No payment aggregation services providers for smaller players & historically limited innovation outside the Big 4 Banks
  - ▶ Estimated that small financial institutions make up just less than 10% of the market<sup>1</sup>
- ▶ In addition to continuing to target the financial institution market segment, there are further opportunities in:
  - ▶ **Prepaid cards** – current clients include employee benefits provider & a prepaid gift card client signed in Q1 FY25
    - ▶ Further opportunities in insurance, gaming, government & healthcare sectors
  - ▶ **Debit card** – current client includes personal wealth management client with >500k members signed in Q2 FY25
    - ▶ Further opportunities include non-bank corporate lenders, embedded finance and other non-financial institutions



	change.	Annualised Run Rate	Market Share
Transaction Volume		c.19.4m	<1%
Transaction Value		c.NZ\$1.0b	<1%
▶ Change estimated debit market share <sup>2</sup> of small financial institutions is approx.15%			

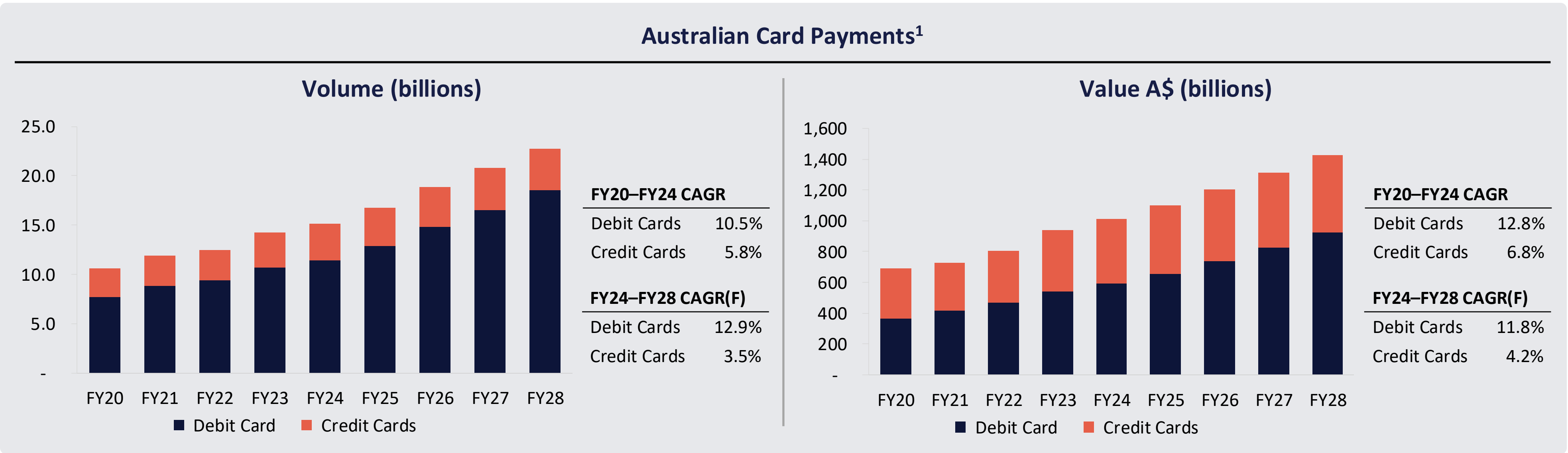
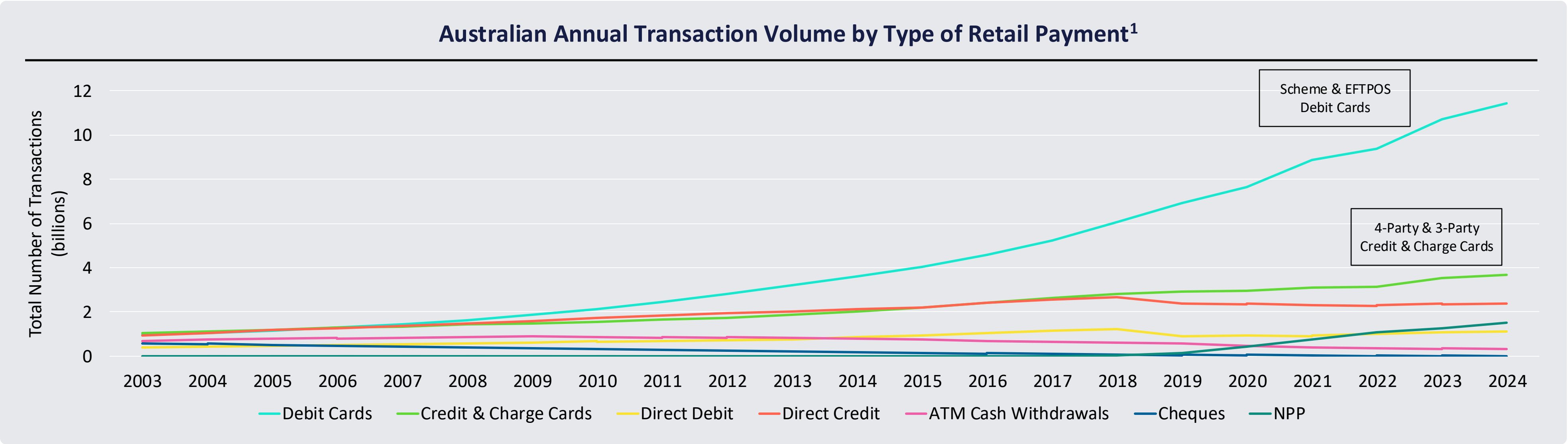
1. Sourced from The Initiatives Group, Market Sizing for Vertexon – Australia & New Zealand Report

2. Excludes ATM transactions processed by Change



# Market Overview – Australia

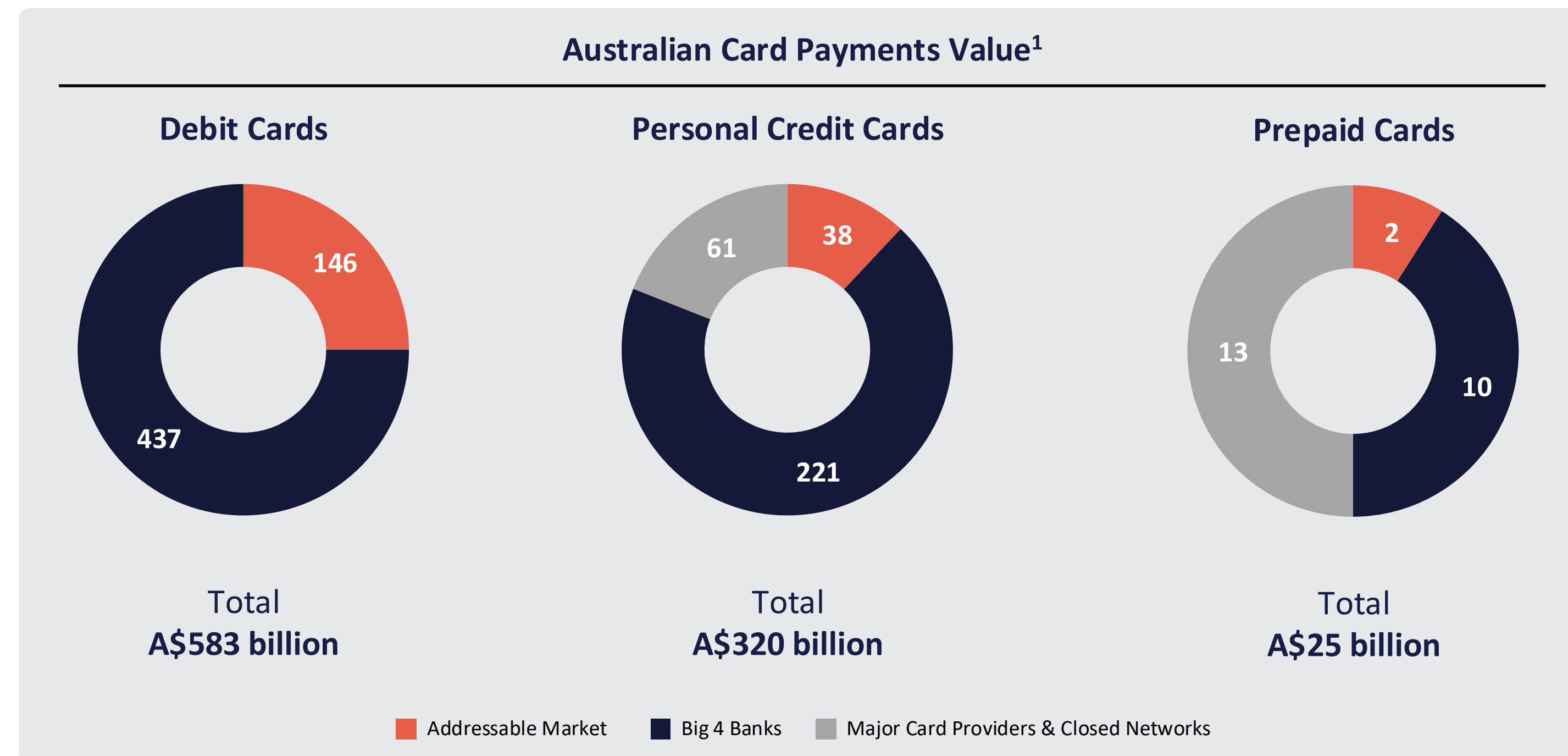
Card based payments  
now dominate  
transaction volume in  
Australia



1. Sourced from RBA Data & The Initiatives Group, Market Sizing for Vertexon – Australia & New Zealand Report. FY25-FY28 Forecasts

## Market Overview – Australia (cont.)

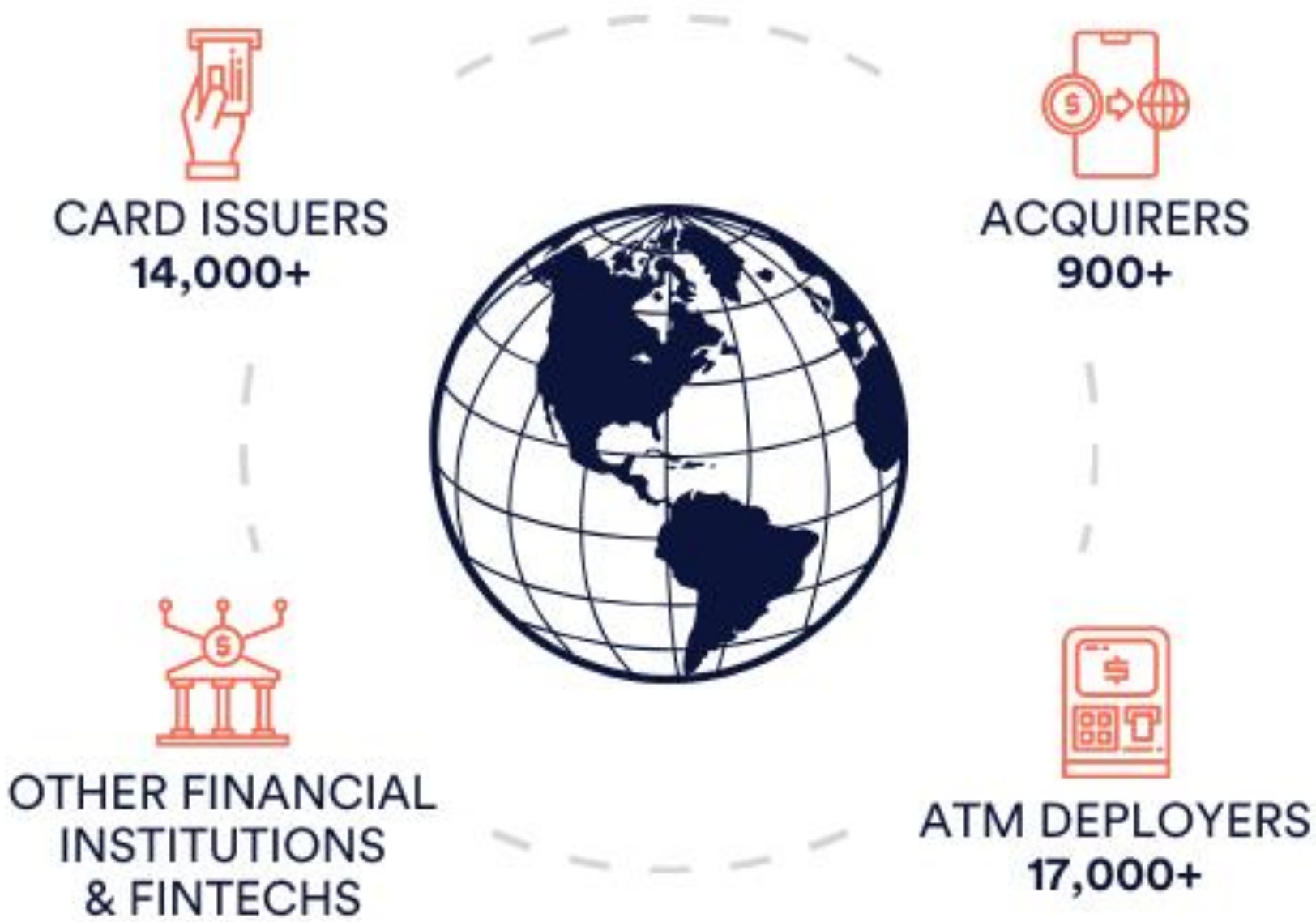
- ▶ Whilst the Big 4 banks have a significant position in the Australian card issuing market, there is a materially larger opportunity than in New Zealand
- ▶ Change is seeking to leverage the recent success in the NZ market to target the sizeable AU market
  - ▶ Small to medium sized financial institutions (e.g. credit unions, small banks and digital banks)
  - ▶ Non-bank lenders seeking to add card functionality, non-financial institutions and embedded finance opportunities
  - ▶ Credit cards (but not underwriting or providing credit)
  - ▶ White label prepaid card brands / issuers



1. Sourced from RBA Data & The Initiatives Group, Market Sizing for Vertexon – Australia & New Zealand Report. FY25-FY28 Forecasts

# PaySim Market Overview – Global

- ▶ Extremely powerful modular end-to-end payments testing and certification solution embedded into tier 1 banking and payments institutions globally
  - ▶ Core based on global messaging standard ISO8583
  - ▶ Default standard and benchmark for EFTPOS testing in Australia
- ▶ Global payment testing market is estimated to be extensive<sup>1</sup>
  - ▶ More than 32,000 potential clients (inc. card issuers, acquirers, ATM deployers, financial institutions & fintechs)
  - ▶ New license sales are typically in the low six-figure range
  - ▶ Multi billion-dollar global market opportunity
- ▶ Key focus & opportunities for growth:
  - ▶ **Partner / reseller network** – leverage existing partner network to drive sales and secure new partners / resellers
  - ▶ **Direct sales** – outbound direct client sales supported by marketing activities
  - ▶ **Cross sell / upsell** – upgrade existing clients to adopt more modules and deepen integration into client’s systems
  - ▶ **Product development** – new products and features to meet additional payments testing requirements



change.

Number of PaySim Clients	Market Share
-----------------------------	--------------

140+	<0.5%
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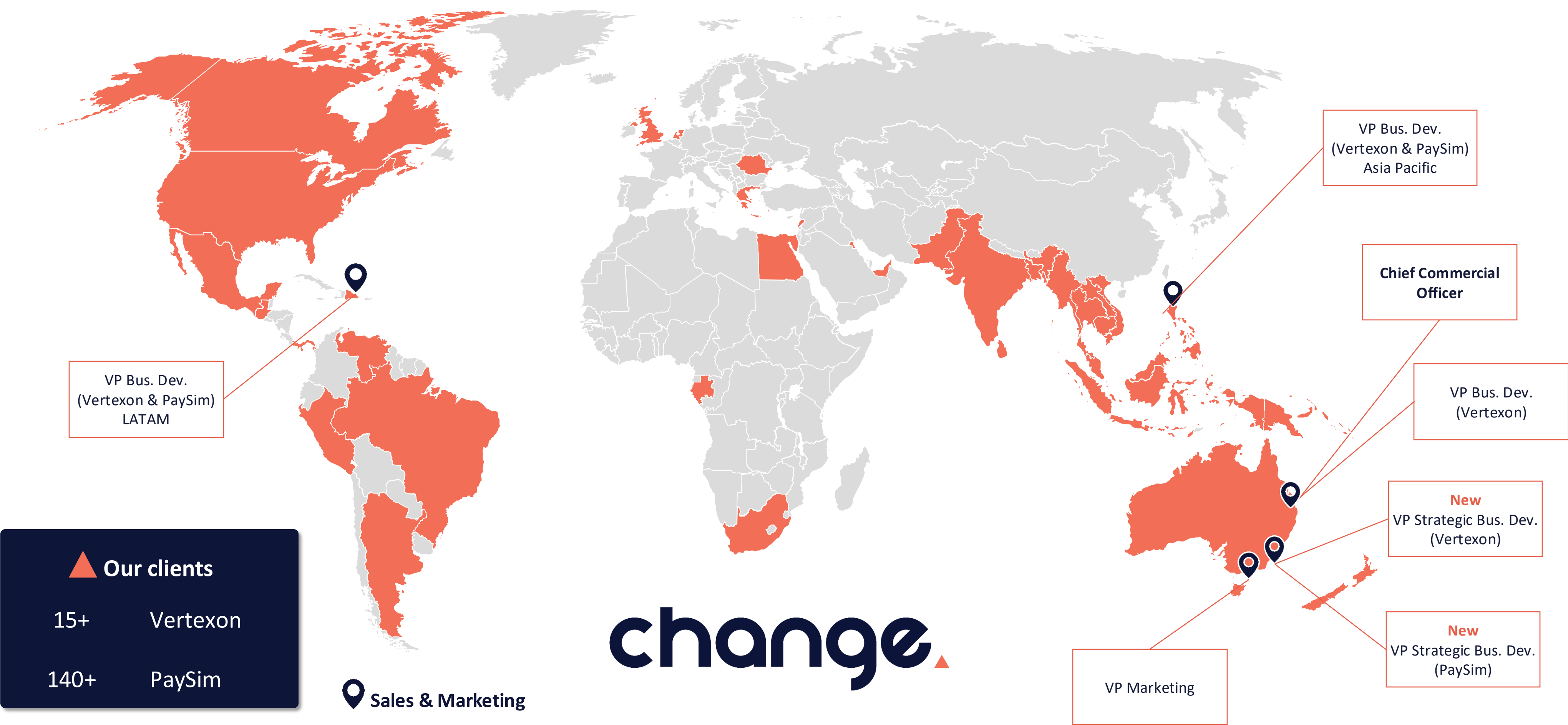
- ▶ PaySim is a powerful payments testing tool, ensuring seamless transactions before they go live, can be sold globally and supported from Change's existing office locations

1. Sourced from The Initiatives Group, PaySim Market Review Report



# Building the Commercial Team to Drive Growth

- ▶ Change has strengthened its sales team with the appointment of 2 x Strategic BDMs in Oceania (starting March 2025)
- ▶ New BDMs will be focused on outbound sales ‘hunting’ for Vertexon (Australia) and PaySim (Global) given the significant market opportunity



# Key Focus to Accelerate Growth & Scale

1

## New Client Acquisition

- ▶ Vertexon – new PaaS clients in core target markets
  - ▶ Platform live in Oceania – building reference-ability on the back of marquee NZ client wins
  - ▶ PaaS platform scaling which is driving improved operating leverage – processing >NZ\$1bn p.a. run rate in NZ
- ▶ PaySim – new licence sales
  - ▶ Completed external market scoping study – defines global opportunity, provides key product roadmap input, refines sales & marketing strategy to drive growth
- ▶ Leverage extensive partner network and establish new collaborations, including BIN sponsorship, to expand opportunities

2

## Cross Sell & Upsell

- ▶ Strong relationships with existing Vertexon and PaySim clients – actively managing to drive project work
- ▶ Continue journey with existing Vertexon On-Premises clients to migrate to PaaS
- ▶ Adding new features and functionality – e.g. roll out of Apple Pay & Google Pay to PaaS clients
- ▶ PaySim modernisation program (UX/UI improvements) to improve sales prospects

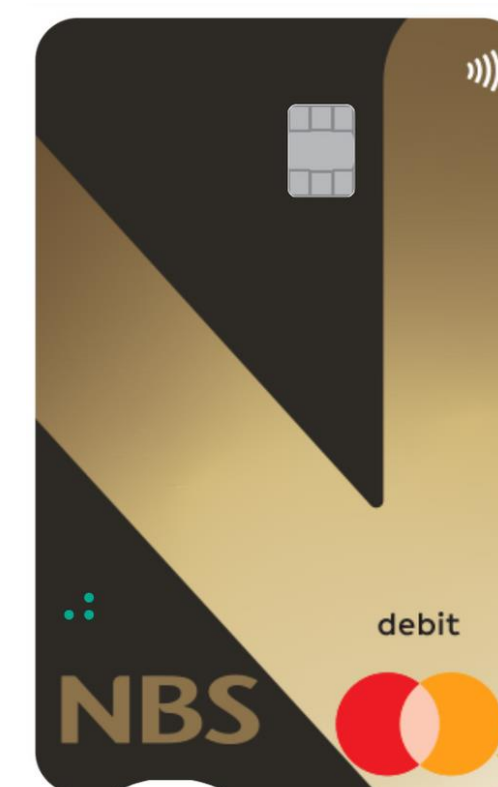
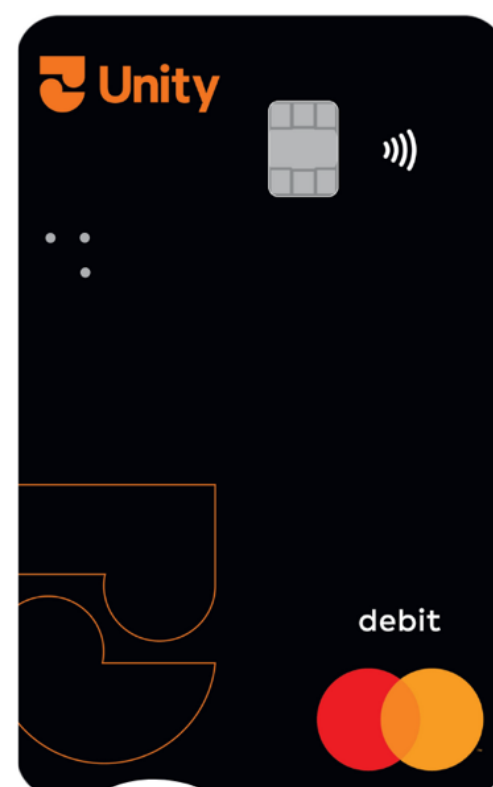
3

## Inorganic Growth

- ▶ Explore inorganic opportunities that complement strategy and organic growth – drive increasing growth and profitability

## Outlook

- ▶ Change is delivering on FY25 growth and financial targets
- ▶ Targeting FY25 revenue growth in excess of 30% - **ON TRACK**
  - ▶ Underpinned by significant portion of 'recurring' revenue – PaaS and Support & Maintenance (78% of H1 FY25 revenue)
  - ▶ Focused on building the sales pipeline and winning new deals, particularly in Oceania and SE Asia, to deliver sustained revenue growth over the coming quarters
- ▶ Increasing operating leverage – targeting maiden EBITDA positive result in FY25 - **ON TRACK**
  - ▶ Scale PaaS platform in Oceania to drive margin improvement – replicate NZ success in Australia
  - ▶ Exit from loss-making US operations will drive material improvement in EBITDA and cashflow – will also enable Change to concentrate on the large PaaS market opportunity in Oceania





With strong foundations in place, Change is focussed on delivering profitable growth

## Investment Highlights

### Building Blocks In Place



- ▶ All regulatory and licensing requirements for card issuing via Vertexon in NZ & AU in place
- ▶ Australian Financial Services Licence in AU & Financial Service Provider in NZ
- ▶ Strong relationship with Mastercard

### Growth & Scale Focus



- ▶ Targeting to deliver revenue growth in excess of 30% and maiden EBITDA positive result in FY25
- ▶ H1 FY25 revenue of US\$7.2m (A\$11.4m)
- ▶ Contracted PaaS revenue building
- ▶ Material cost base reduction in H2 FY25 as exit loss making US operations

### Marquee Customers



- ▶ Strong validation of PaaS platform with several financial institution and fintech clients in Oceania
- ▶ Long-term relationship with two of the largest banks in the Philippines
- ▶ 5 of the top 10 digital payment companies globally use PaySim for payments testing<sup>1</sup>

### Product Offering



- ▶ Vertexon: leading card management system for processing & issuing
- ▶ PaySim: default standard for eftpos testing in Australia. All participants must use PaySim to validate their technology and systems

### Long-term Contracts



- ▶ Longer term client relationships with initial contract terms typically 3-5 years
- ▶ Given critical nature of service provided, challenging to switch from Vertexon

### Market Tailwinds

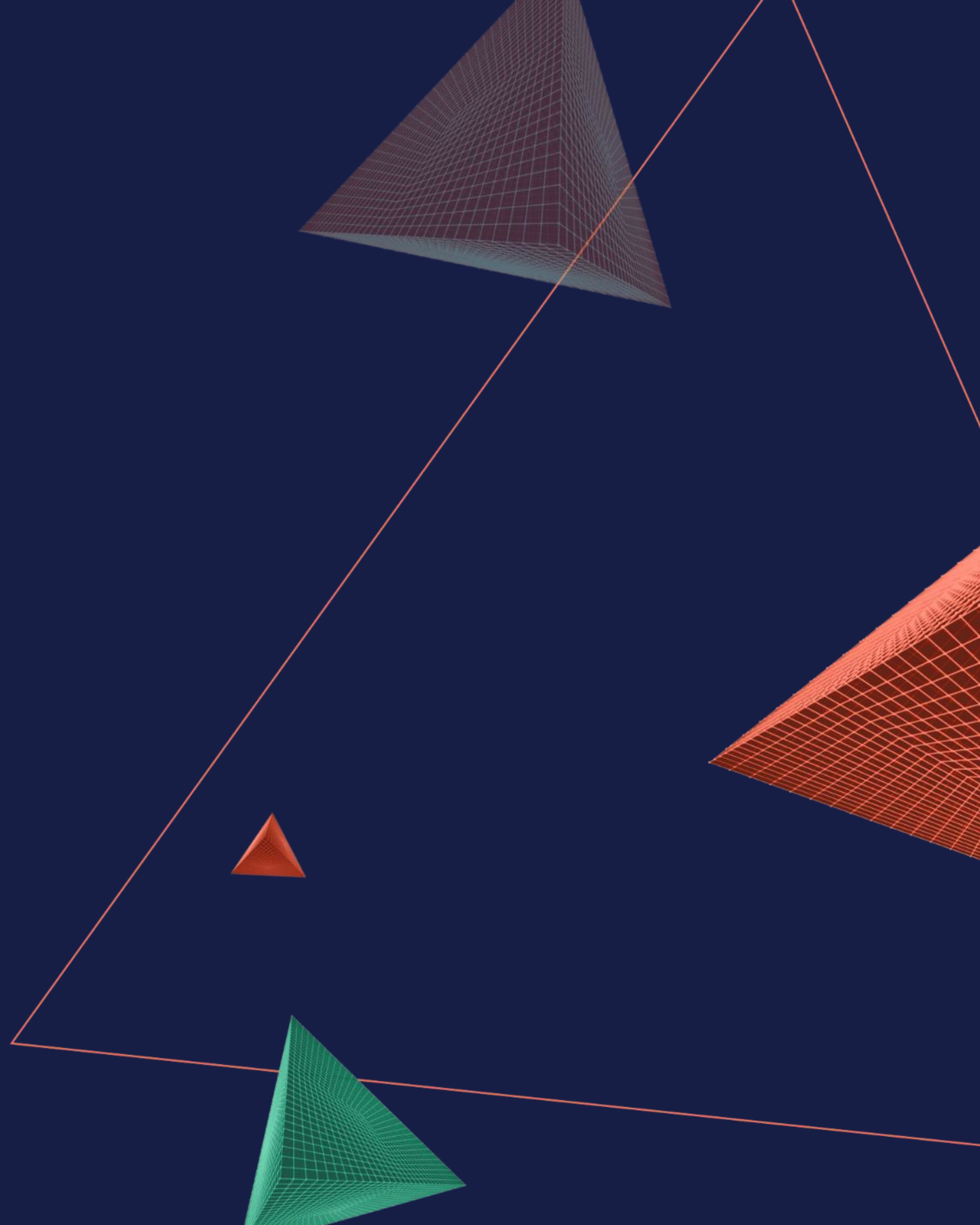


- ▶ Continued move towards digital payments as cash usage declines
- ▶ High barriers to entry to become card issuer with extensive regulatory and licensing requirements providing a strong moat for Change

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# Appendix

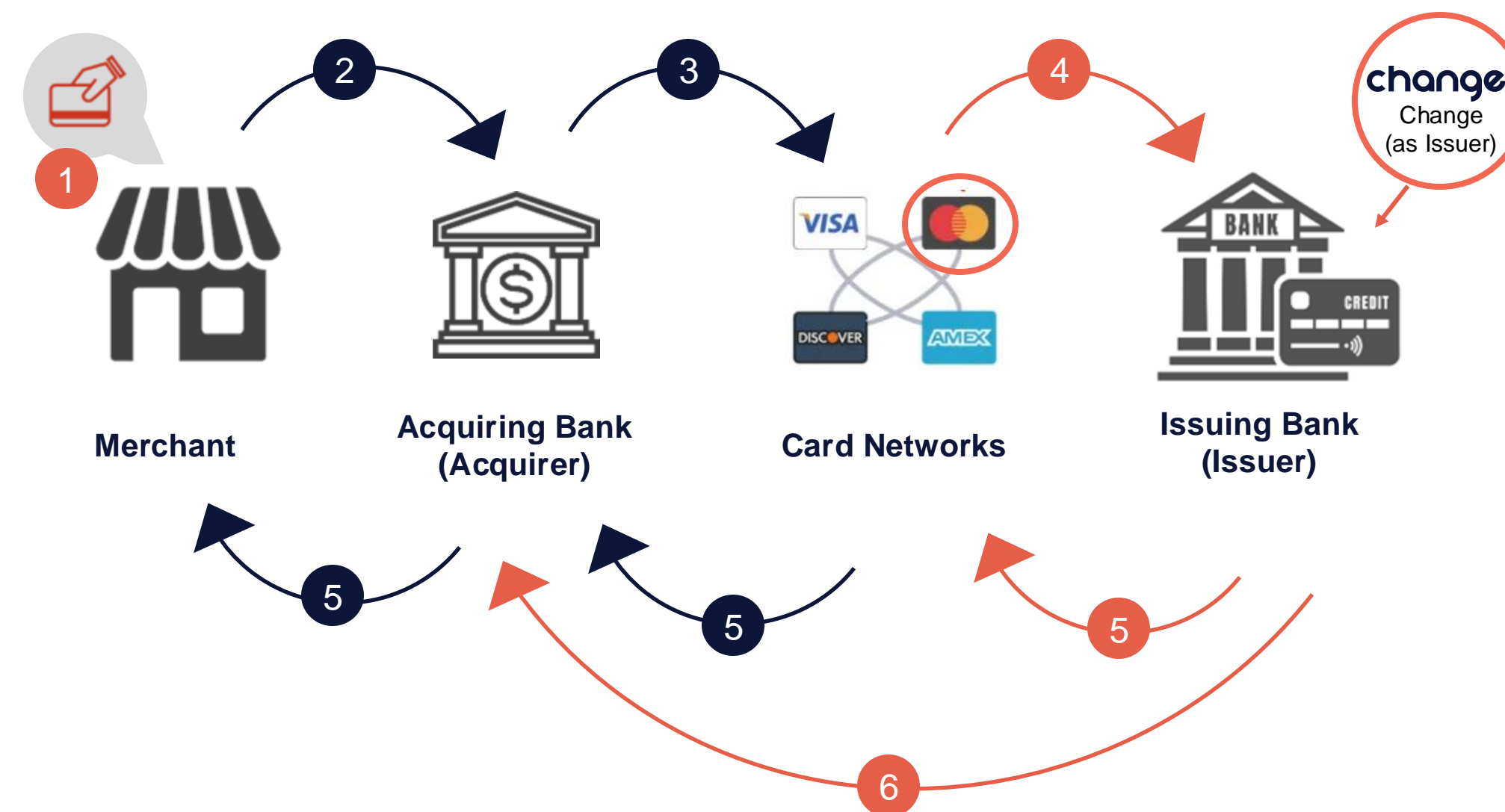
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Change's role in the payments process depends on the region, client type and services provided

## Vertexon in the payments process

- **Processing:** An Issuer (Change's client) using the Vertexon Platform (**technology only**) to manage their cards – client is the Issuer and cards can be issued on any card network supported by Vertexon
- **Processing & Issuing (P&I):** A client using the Vertexon Platform (**technology**) to manage their cards with Change as Issuer (**regulatory & licence**) – **Change** is the Issuer and cards are issued on the **Mastercard Network**







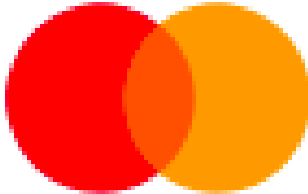


- Processing:** Customer pays with card (all card networks supported) & purchases goods/services from merchant
  - P&I:** Customer pays with a **Change** issued **Mastercard** & purchases goods/services from a merchant
- Payment authenticated – the merchant point-of-sale system captures the customer's account information & securely sends it to the acquirer (i.e. merchant's bank)
- Transaction submitted – merchant acquirer asks card network to get authorisation from the issuer (i.e. customer's bank)
- Processing:** Authorisation requested – card network submits transaction to issuer for authorisation
  - P&I:** Authorisation requested – card network submits transaction to **Change** (as Issuer) for authorisation
- Processing:** Authorisation response – using Vertexon Platform issuer authorises the transaction and routes the response back via the card network and acquirer
  - P&I:** Authorisation response - using the Vertexon Platform **Change** (as Issuer) authorises the transaction and routes the response back via the card network and acquirer
- Processing:** Settlement – card network debits the issuer and pays the acquirer who in turn makes payment to the merchant
  - P&I:** Settlement – card network (**Mastercard**) debits the issuer (**Change**) and pays the acquirer who in turn makes payment to the merchant



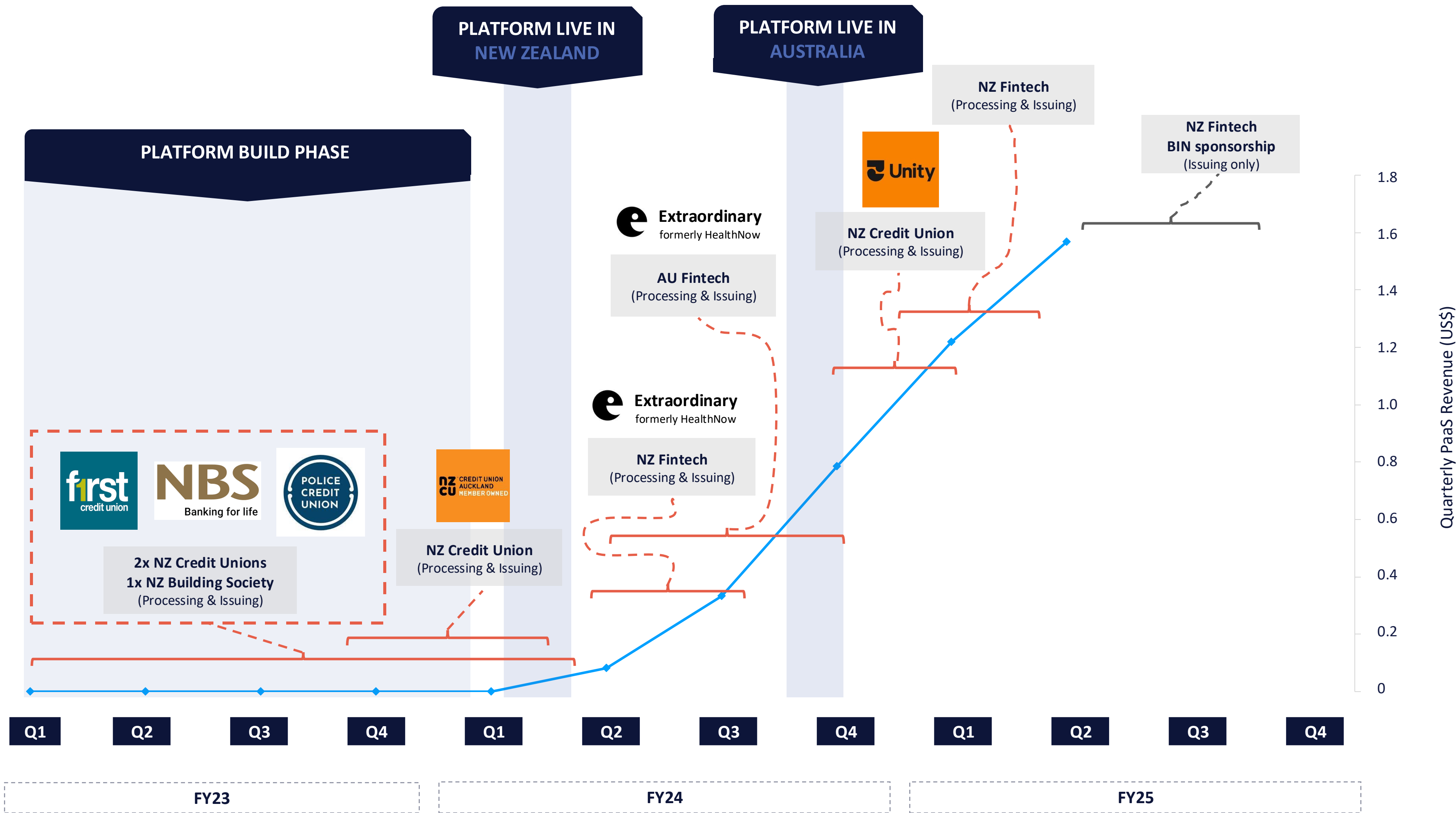
Vertexon offering can be tailored by client to offer services that best suit client and end customer needs

# Vertexon product offering

	Processing	Processing & Issuing
Overview	<ul style="list-style-type: none"><li>• Provide core technology to enable card issuing and management including:<ul style="list-style-type: none"><li>○ Transaction processing</li><li>○ Card management</li><li>○ Fraud monitoring</li><li>○ Digital and virtual cards</li><li>○ BNPL functionality</li></ul></li><li>• Platform offers innovative processing capabilities to rival the major banks in a capital efficient manager (Change responsible for PCI DSS compliance, hosting etc)</li><li>• <b>Client</b> responsible for card issuing – client holds the necessary scheme and regulatory licences</li></ul>	<ul style="list-style-type: none"><li>• Provide Processing capability + the following key card Issuing capabilities:<ul style="list-style-type: none"><li>○ Card design and production</li><li>○ Card issuing</li><li>○ AML / CTF</li><li>○ Settlement and reconciliation</li><li>○ KYC &amp; Onboarding</li></ul></li><li>• <b>Change</b> responsible for card issuing – Change holds the necessary scheme (Mastercard) and regulatory licences (i.e. AFSL in Australia, FSP in NZ)</li></ul>
Cards Supported	<ul style="list-style-type: none"><li>• Prepaid, Debit and Credit</li></ul>	<ul style="list-style-type: none"><li>• Prepaid and Debit</li></ul>
Target Clients	<ul style="list-style-type: none"><li>• Banks &amp; financial institutions</li><li>• Large entities with direct issuing capability</li><li>• Migration of key existing Vertexon On-Premises clients</li></ul>	<ul style="list-style-type: none"><li>• Mid / Small banks &amp; financial institutions incl. credit unions</li><li>• Fintechs and corporates</li><li>• BIN sponsorship</li></ul>
Regions	<ul style="list-style-type: none"><li>• Global - processing does not require scheme or regulatory licences</li></ul>	<ul style="list-style-type: none"><li>• Australia and New Zealand</li></ul>
Supported Schemes	<div></div>	<div></div>

Program launch  
timelines reducing  
given PaaS platform  
fully live and  
operational

# Reducing launch timelines and accelerating PaaS Growth



Software facilitates remote testing without the need for physical devices such as ATMs & POS terminals

# PaySim: critical payments infrastructure testing tool

- ▶ **Simulates the full transaction lifecycle**, enabling banks & fintechs to complete end-to-end testing of their payment platforms, processes & scheme rule compliance
- ▶ Enables financial institutions to **test their payment systems** to meet the reliability & performance expectations of their customers

Growth Strategy	Licence Model			SaaS Model	
	Licences	Additional Modules	Maintenance	Monthly Subscription	Key benefits of SaaS solution for client
Description	New licence sales to new clients	New licence sales for additional features	c.20% p.a. of licence & module sales	All in monthly subscription fee	<ul style="list-style-type: none"><li>▶ Reduced capex</li><li>▶ Access to new features &amp; updates as they are released</li><li>▶ API &amp; cloud focused solution (improves scalability)</li></ul>
Revenue type	One-off upfront	One-off upfront	Recurring	Recurring	
Target clients	New banks, financial institutions & fintechs	Existing clients	-	New banks, financial institutions & fintechs	
Primary sales channels	Partnerships (e.g. EFTPOS mandate), resellers & direct	Direct & retargeted marketing	-	Partnerships (e.g. EFTPOS mandate), resellers & direct	



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