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The background is a dark blue gradient. It features several abstract geometric elements: a large orange wireframe pyramid in the upper left, a smaller orange wireframe pyramid in the upper right, and a green wireframe pyramid in the lower right. Thin orange lines connect the vertices of these pyramids, creating a network of lines across the page.

# change.

**Q3 FY25**  
QUARTERLY UPDATE  
AND APPENDIX 4C

29 April 2025

## March 2025 Quarterly Update and Appendix 4C

### Q3 FY25 Highlights

- Customer receipts of US\$3.8m (A\$5.9m<sup>1</sup>), up 50% on prior corresponding period (**pcp**)
- Q3 FY25 revenue of US\$3.9m (A\$6.1m), up 30% on pcp
  - Record revenue quarter
  - 74% of FY25 YTD revenue from recurring revenue streams<sup>2</sup>
- FY25 YTD revenue (unaudited) of US\$11.1m (A\$17.3m), up 48% on pcp
- PaaS revenue continuing to scale – a key factor in driving future revenue and cashflow
  - 69k+ active cards on Vertexon PaaS platform (generating revenue), up 386% on pcp
- Q3 FY25 Underlying EBITDA<sup>3</sup> (unaudited) of US\$0.4m (A\$0.6m)
  - US\$0.6m (A\$0.9m) excluding US operations costs – US wind down substantially complete, driving a material improvement in financial performance from H2 FY25
- Confident in achieving FY25 financial targets
  - Revenue growth of more than 30%
  - Maiden Underlying EBITDA positive result
- New Vertexon PaaS client signed in Australia and new project and licence sales secured with existing Vertexon On-Premises and new PaySim clients
- Cash holdings of US\$3.2m (A\$5.0m) with no debt as at 31 March 2025 – excludes additional cash backed security guarantees of US\$0.9m (A\$1.4m)

### Investor Webinar Registration

Tuesday, 29 April 2025 at 10:30am Brisbane/Sydney time (AEST)

[Click here to register](#) (or see link on page 7)

**29 April 2025 Change Financial Limited (ASX: CCA) (Change or the Company)** is pleased to release an update on the Company's business activities along with the Appendix 4C for the quarter ended 31 March 2025 (**Q3 FY25, Q3** or the **Quarter**).

**Change CEO Tony Sheehan** commented, "During the Quarter, we continued to grow revenue and scale our operations, delivering a record revenue result. Building on our strong and growing presence in NZ, we are excited to have signed our first BIN sponsorship client in Australia – a global payments company headquartered in Europe offering digital wallets and wearables. Pleasingly, we also saw increased sales activity for PaySim as we actively pursue the significant global market opportunity.

"At the end of Q3, we have substantially completed the wind down of US operations. As such, expenses have started to reduce, with a further material reduction expected in Q4. Exiting the US is delivering improved operational efficiency as we focus on profitable revenue growth.

"Following our record Q3 revenue result, we are confident we will achieve our FY25 financial targets of revenue growth in excess of 30% and a maiden Underlying EBITDA positive year."

<sup>1</sup> AUD/USD = 0.64, all AUD amounts are converted for representation purposes to assist the reader

<sup>2</sup> Includes Support & Maintenance and PaaS transaction fee revenue

<sup>3</sup> Excludes interest included as revenue and share-based payments included as an expense in statutory accounts

## Business Activities

### Growth in Processing and Issuing

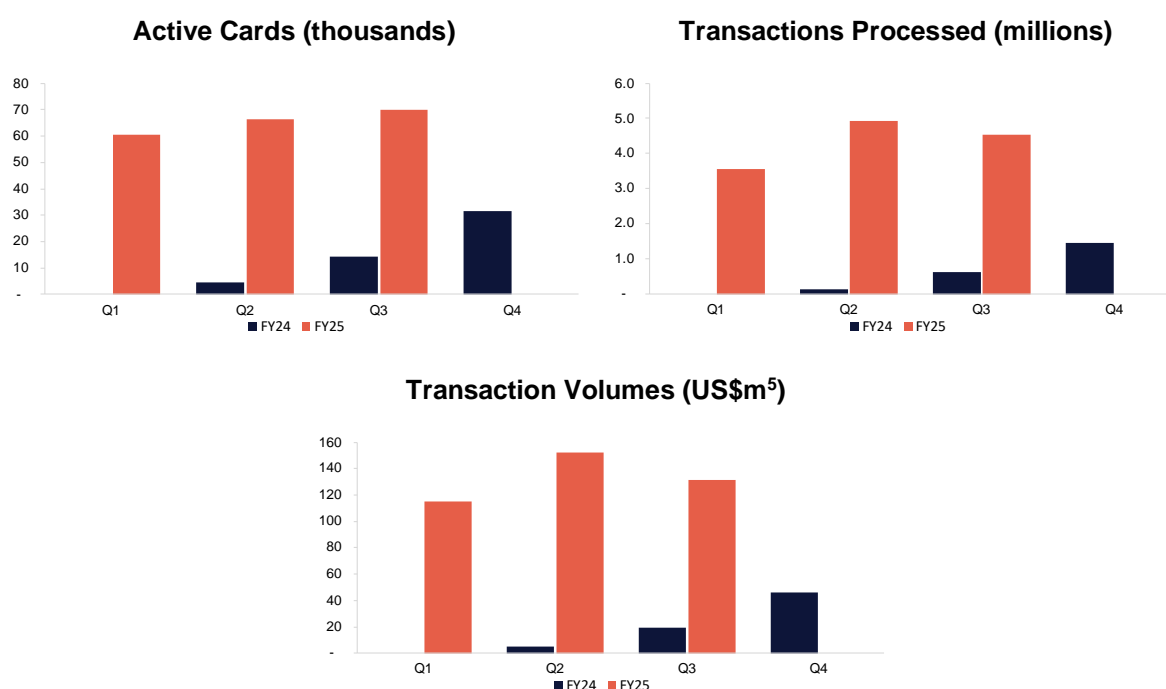
The number of active cards on Change's Vertexon PaaS platform increased to 69,000+ during the Quarter, up 5% quarter on quarter (**QoQ**) and 386% on pcp. The NZ fintech client Change secured in Q2 has been successfully testing live transactions in Q3 and is on track to issue first cards in Q4. Change is now processing and issuing at a run-rate volume of NZ\$1 billion per annum in NZ.

The metrics presented below are for Australia and NZ relating to Change's Vertexon PaaS offering<sup>4</sup>. Transactional revenues will continue to scale up with further growth from existing clients and the onboarding of new clients.

Transaction volume and count were lower in Q3 relative to Q2 primarily due to:

- Seasonality effects from Black Friday, Boxing Day and other sales events and holiday period during Q2; and
- Significant movement in FX rates from the beginning of Q2 causing reporting/translation impact on transaction volumes.

### Vertexon PaaS Metrics



### PaaS Sales

During Q3, Change secured a new fintech PaaS client – a global payments company providing digital wallets, wearables and prepaid cards in over 100 countries – to launch their offering in Australia. Change will provide BIN sponsorship for the client – a key function which includes scheme access, licensing, legal, compliance and treasury operations to enable card issuing.

Australia is a new market for the client which is targeting to have first cards issued in H1 FY26. Change will receive one-off fees for implementation with transactional and volume-related revenues beginning following the issue of first cards.

<sup>4</sup> Vertexon On-Premises client metrics are not reported given the limited correlation between card and transaction volumes and resulting revenue. All US metrics have been excluded.

<sup>5</sup> Transactions are denominated in local currencies and have been converted to USD, Change's reporting currency, for reporting purposes

Change has also signed a partnership agreement with a second global processor to support the client's launch. This agreement paves the way for increased customer acquisition working with the global processor to provide faster go-to-market timelines for clients looking to scale their card programs in Oceania.

### **Professional Services and Licence Sales**

Change sold several new Vertexon and PaySim licences in Q3 while continuing to deliver on existing professional services contracts. The new licence sales generated one-off revenue during the Quarter (see financial update below) with related maintenance revenue to be earned over future periods. In addition, new projects and professional services work secured will generate additional revenue as the clients continue to expand their product offering in future quarters.

During the Quarter there were three new PaySim licence sales to global payments companies and two upsells to existing clients for additional modules. With the recent appointment of a new VP Strategic Business Development Manager for PaySim, there is a strong focus on driving new sales and upsells as Change pursues the significant global market opportunity.

The strong market adoption of a credit card product for a strategic On-Premises client in SE Asia continued with an additional 40,000+ new cardholders added in Q3. This brings the total number of cardholders to over 140,000. The client is currently launching an additional product targeting a broader customer segment, with expectations for similar adoption rates upon launch in Q4 FY25. The agreement with the client contains tiered pricing whereby Change earns incremental licence as well as associated support and maintenance fees based on cardholder numbers.

### **US Operations Update**

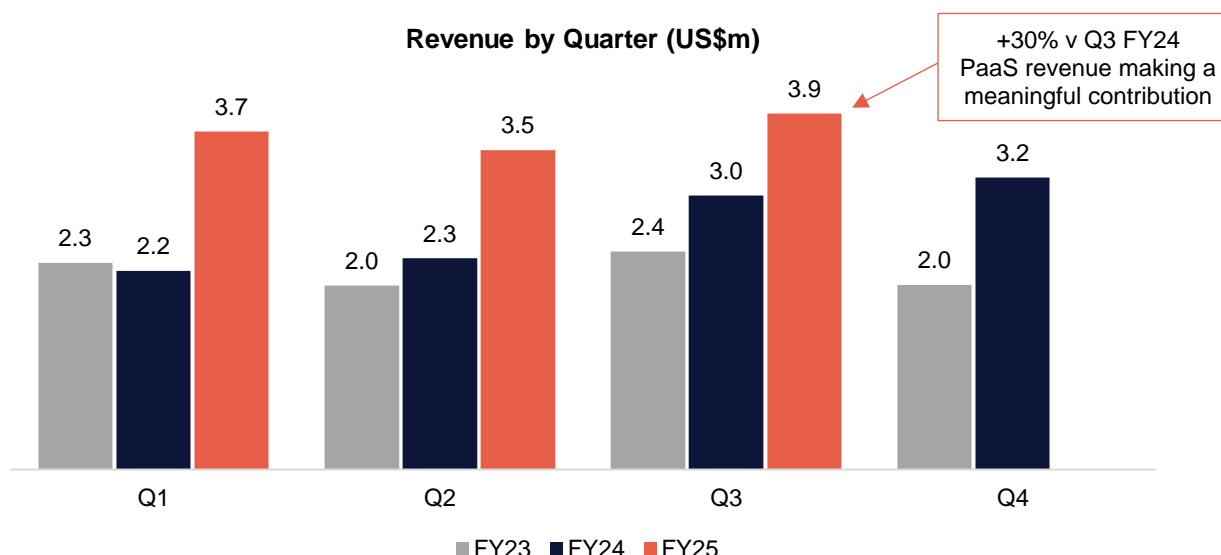
As announced on 26 November 2024, Change made the strategic decision to withdraw from the US market, given the broader regulatory challenges in the region that had negatively impacted the Company's US operations. Substantial progress has been made on winding down US operations, with the last transaction processed in January 2025.

Whilst there have been some one-off exit costs realised in Q2 and Q3 FY25, as expected the Company is seeing a material reduction in operating costs exiting Q3 FY25. All US staff finished with the business during the Quarter and a material reduction in ongoing costs will be evident in Q4. Upon completion of the exit from the US, there will be an immaterial impact on overall revenue (FY24 US revenue: US\$70k) but a significant reduction in operating costs (FY24: US\$1.6m). As such, Change's operating leverage will significantly increase, driving material improvement in EBITDA and cashflow.

## Financial Update

Change delivered Q3 FY25 revenue of US\$3.9m (A\$6.1m<sup>6</sup>), a record revenue quarter for the Company and up 30% on prior corresponding period (**pcp**). This growth was primarily driven by increasing PaaS revenue whilst the Company continued to deliver one-off licence sales and professional services revenue. The nature of licence sales and project work revenue can be cyclical and will fluctuate quarter to quarter – for FY25 YTD Change is delivering one-off revenue in line with expectations and previous years.

FY25 YTD revenue (unaudited) totalled US\$11.1m (A\$17.3m), up 48% on pcp.



With PaaS revenues continuing to increase, Change is building a strong foundation of recurring revenue. For FY25 YTD, approximately 74% of revenue was derived from recurring income streams (Support & Maintenance and PaaS transaction fees) with 26% from project and licence income (i.e. non-recurring income). The proportion of recurring income (as a percentage of total revenue) is expected to continue to increase over time driven particularly by growth in the Company's PaaS offering.

Revenue Contribution (US\$m)	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
PaaS (Recurring)	0.5	0.8	1.2	1.6	1.5
Support & Maintenance (Recurring)	1.2	1.2	1.3	1.3	1.3
Licence & Professional Services	1.3	1.1	1.1	0.5	1.1
Other	0.0	0.1	0.1	0.1	0.0
<b>Total</b>	<b>3.0</b>	<b>3.2</b>	<b>3.7</b>	<b>3.5</b>	<b>3.9</b>
<b>% Recurring Revenue</b>	<b>53%</b>	<b>64%</b>	<b>69%</b>	<b>83%</b>	<b>70%</b>

The Company delivered Q3 FY25 Underlying EBITDA (unaudited) of US\$0.4m (A\$0.6m). The wind down of US operations is now substantially complete, driving a material improvement in financial performance from H2 FY25. Excluding the US operating costs from the quarter, Underlying EBITDA (unaudited) was US\$0.6m (A\$0.9m).

Cash receipts from customers totalled US\$3.8m (A\$5.9m), up 50% on pcp. This increase relative to pcp is primarily driven from PaaS revenue.

Cash payments for operating activities (excluding income tax and interest) totalled US\$3.7m (A\$5.8m), up approximately 59% on pcp. Staff costs, which comprised approximately 37% of cash payments for

<sup>6</sup> AUD/USD = 0.64

operating activities (excluding income tax and interest), were up 3% on pcp. Given Change has the team in place to enable significant further scale in PaaS volumes and to onboard new clients, staff costs are expected to grow only modestly relative to new revenue growth into the future.

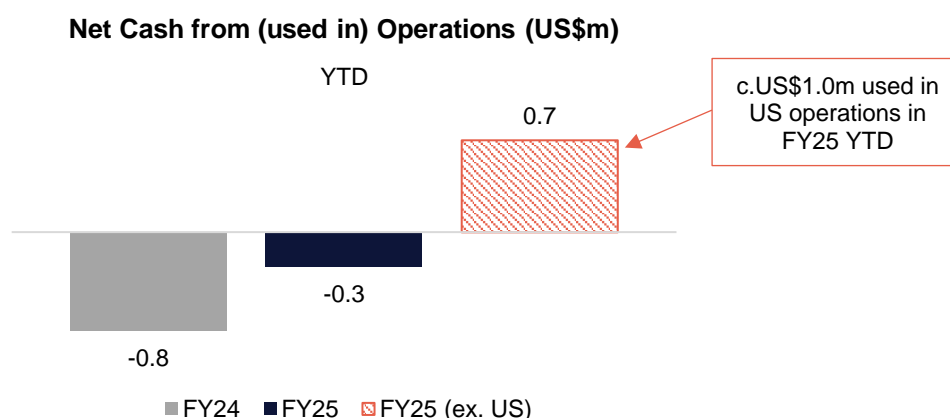
The material increase in administration and corporate costs (US\$1.7m in Q3 FY25 vs. US\$0.2m Q3 FY24) primarily relate to:

- Transaction costs for NZ PaaS clients as volumes increased materially; and
- Significant movements in Change funds used to settle obligations with the schemes in Q3 FY24 prior to the implementation of the automated direct debit process in Q1 FY25. With the direct debit process in place, Change funds are no longer used for settlement which reduces fluctuations in cash movements.

Whilst Change's cash flows from operating activities fluctuate materially on a quarter-to-quarter basis, the net cash used in FY25 YTD is materially lower than the prior year as receipts from customers were significantly higher as PaaS revenue continued to scale whilst the fixed cost base remained stable.

The Company's withdrawal from the US is already having a positive impact on cash flows following completion of the wind down of operations. Costs have reduced in Q3 as expected and will significantly reduce again in Q4.

The illustrative impact from the strategic decision to withdraw from the US on the Company's operating cash flows for FY25 YTD is outlined below (excludes cost of US operations for the entire period).



Change's cash position at the end of the Quarter was US\$3.2m (A\$5.0m), with an additional US\$0.9m (A\$1.4m) held in cash backed security guarantees which are required to support the Vertexon PaaS Platform. The Company has no debt facilities in place.

Whilst the Company reports in USD, the majority of cash held by the business is in AUD and NZD to align with the denomination of the majority of the cost base. During Q3 FY25, the AUD and NZD were relatively stable against the USD. As such, the reported cash balance in USD was not significantly effected by FX rates as detailed in Section 4.5 of the Appendix 4C.

## Outlook

Following the record Q3 revenue result, underpinned by 74% of revenue from recurring income streams, the Company is confident of delivering revenue growth in excess of 30%, and a maiden Underlying EBITDA positive result in FY25.

Change is focussed on building the sales pipeline, winning new deals, particularly in Oceania and SE Asia, and driving operational efficiencies to deliver top and bottom-line growth over the coming quarters.

The Board and management team will continue to employ prudent capital management measures, and exiting the US operations is already increasing Change's operating leverage and will drive further EBITDA margin expansion and overall profitability in H2 FY25 and beyond.



## Webinar Invitation - Investors and Analysts

Investors are invited to join a live webinar and Q&A hosted by Change CEO, Tony Sheehan and Executive Director, Tom Russell on **Tuesday, 29 April 2025 at 10:30am Brisbane/Sydney time (AEST)**.

Please register ahead of time via the following link:  
[https://us06web.zoom.us/webinar/register/WN\\_4kssjiKVRgKhIPWV1dVwww](https://us06web.zoom.us/webinar/register/WN_4kssjiKVRgKhIPWV1dVwww)

Once the registration form is completed, investors will receive a confirmation email with details on how to access the webinar.

Investors can submit questions prior to the webinar to [investors@changefinancial.com](mailto:investors@changefinancial.com) or do so via the Q&A function on Zoom.

## Other Disclosures

The majority of Change's revenue is derived in USD, whilst most operating costs are currently incurred in AUD and NZD. As such, the Company benefits from a strengthening USD relative to the AUD and NZD. Additionally, whilst the Company reports in USD, the majority of cash held by the business is in AUD and NZD to align with the denomination of the majority of the cost base. As a result of this dynamic, the USD reported figures will be subject to foreign exchange rate fluctuations during the reporting periods (refer accompanying Appendix 4C). All AUD amounts are converted for representation purposes to assist the reader.

Payments to related parties of the entity and their associates are detailed in Section 6 of the Appendix 4C relate to the directors' fees and other related party fees paid during the Quarter.

All financial figures in the following Appendix 4C are denominated in US dollars unless stated otherwise.

*Authorised for release by the board of Change Financial Limited.*

## About Change Financial

Change Financial Limited (ASX: CCA) (Change) is a global fintech, leveraging innovative and scalable technology to provide tailored payment solutions, card issuing and testing to banks and fintechs. Change's technology is used by 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](http://www.changefinancial.com)

### For more information, please contact:

**Tony Sheehan**  
CEO  
Change Financial Limited  
[investors@changefinancial.com](mailto:investors@changefinancial.com)

**Tom Russell**  
Executive Director  
Change Financial Limited  
[investors@changefinancial.com](mailto:investors@changefinancial.com)



## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Change Financial Limited

**ABN**

34 150 762 351

**Quarter ended ("current quarter")**

31 March 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (9 months) \$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,788	10,921
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(588)	(1,895)
(c) advertising and marketing	(37)	(157)
(d) leased assets	(39)	(109)
(e) staff costs	(1,379)	(4,527)
(f) administration and corporate costs	(1,685)	(4,559)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	75
1.5 Interest and other costs of finance paid	(2)	(16)
1.6 Income taxes paid	-	(12)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>84</b>	<b>(279)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(8)	(35)
(j) investments	-	-
(k) intellectual property	(367)	(1,153)
(l) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other:		
	(a) funding collateral for transactional business and lease guarantees	(27)	(443)
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(402)</b>	<b>(1,631)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,076
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(174)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>2,902</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,487	2,591
4.2	Net cash from / (used in) operating activities (item 1.9 above)	84	(279)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(402)	(1,631)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,902
4.5	Effect of movement in exchange rates on cash held	27	(387)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,196</b>	<b>3,196</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	3,196	3,487
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,196</b>	<b>3,487</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	83
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	84
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,196
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	<b>Total available funding (item 8.2 + item 8.3)</b>	<b>3,196</b>
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2025.....

Authorised by: the Board.....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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