



CHANGE FINANCIAL LIMITED

APPENDIX 4D – HALF YEAR REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Results

Half Year to 31 December	2018 US \$	2017 US \$	\$ Change	% Change
Revenue from ordinary activities	507,513	428,891	78,622	up 18%
Loss from ordinary activities	(4,275,612)	(5,314,631)	1,039,019	reduced 20%
Loss for the period attributable to members	(4,275,612)	(5,314,631)	1,039,019	reduced 20%
Basic EPS – cents per share (loss)	(5.4)	(7.4)	2.0	reduced 27%
Diluted EPS – cents per share (loss)	(5.4)	(7.4)	2.0	reduced 27%

Dividends

No dividend is proposed for the half year ending 31 December 2018 (2017: nil).

Commentary

The commentary on the results of the period is contained in the Review of Operations in the Directors Report in this half year report.

This half year report is presented in the United States currency.

This Half Year Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Change Financial Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This financial report covers the consolidated financial statements for the consolidated entity consisting of Change Financial Limited and its subsidiaries.

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DIRECTORS' REPORT

The Directors present their report together with the financial statements of Change Financial Limited (**Change Financial or Company**) consisting of Change Financial Limited and the entities it controlled at the end of or during the half year ended 31 December 2018 (**Group**).

Directors

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

Teresa Clarke
Ian Leijer
Ben Harrison (appointed 12 December 2018)
Harley Dalton (appointed 12 December 2018)
Peter Clare (resigned 31 August 2018)
Andrew Pipolo (resigned 30 September 2018)
Ashley Shilkin (resigned 12 December 2018)

Principal activities

The Group's principal continuing activity during the half year was providing mobile banking services through its consumer mobile business and development of its enterprise payments processor.

Review of Operations

Strategic Update

During the half year the Company finalised a strategic review of its businesses and as part of that process retained management consultant experts in the payments and digital financial services industry, Edgar Dunn & Company, to undertake the review.

Following the strategic review, the board concluded that it would focus on the Company's processor business, to monetise its investment in the Ivy Project and to reposition the mobile banking business model to one of developing the ChimpChange technology as a complementary service to the processing business and away from a business with a direct consumer interface based on interchange fee revenue.

While there remains significant risk and cost to the completion of the enterprise processor business, it offers a substantial opportunity given the size of the addressable market and the limited number of competitors. According to Edgar Dunn & Company, the market size in 2019 will be approximately \$50 billion, growing at a compound annual growth rate of over 60% per annum through to 2025.

Enterprise Processor Update

During the period, the Company successfully completed Mastercard's (NYSE:MA) third-party processor testing procedure and the Company's payments processing platform is now eligible for registration as a Mastercard third-party processor. There are currently less than 30 Mastercard-certified issuers in the US.

Once launched, the enterprise solution will provide turn-key services targeting more than 7,000 Federal Deposit Insurance Corporation (FDIC) banks, 5,500 credit unions and corporations in the US with innovative, cost-effective mobile banking services.

The Company looks forward to providing future updates on its progress and putting in place stronger strategic and commercial planning in order to extract value from the significant market opportunity.

Restructure

The key outcomes of the strategic review, as previously disclosed, were that the Company should focus on completing its enterprise solution, divest its non-core businesses, the Ivy Project and divest or restructure its mobile banking business (ChimpChange) to reduce costs in that business.

ChimpChange

After the end of the half year, on 21 January 2019, the Company announced it had restructured its mobile banking business involving significant costs savings. Change Financial had reached agreement with Central Bank of Kansas City (CBKC), that, in combination with other cost saving measures, will enable the Company to eliminate the losses that the Company had incurred in managing the ChimpChange program. As part of the agreement Change Financial has granted CBKC the right to license ChimpChange to other programs in the CBKC portfolio. In addition, the Company will be able to provide certain engineering and customer support functions to CBKC on a fee for service basis.

IVY Project

After the end of the half year, on 11 January 2019, the Company announced it had reached a conditional agreement to monetise its investment in the Ivy Project for cash proceeds of US\$1.5 million through the sale of its interests as well as a distribution of capital. The terms of the sale agreement entered into by Change Financial results in the Company selling its 33% equity stake to an American based company, Bazda LLC. In addition, but separate to the sale, the Company will receive a distribution of capital from Ivy Koin LLC. The Company's divestment of the Ivy Project together with the capital distribution, represent a significant return on investment. In October 2017, Change Financial announced its seed investment into the Ivy Project for a 33% equity interest in the blockchain project.

As part of its initial investment, Change Financial received 130 million Ivy tokens. The Company will retain its direct holding of 130 million Ivy tokens as part of the sale transaction to Bazda LLC.

The sale is subject to conditions which are customary for a transaction of this size and nature. Completion of the sale and payment of the distribution is expected to be received in the second half of FY2019.

Successful Capital Raising

During the period, Change Financial secured new funding from Altor Capital for up to A\$4 million.

Altor Capital has initially invested A\$2 million by way of an initial term loan facility ('Loan') that will be replaced by an issue of convertible notes ("Notes") following shareholder approval received at the EGM held on 12 February 2019.

In addition, if the Company requests and Altor Capital agrees, Altor Capital may subscribe for an additional A\$2 million of Notes. Further details on the Altor Capital Loan and Notes can be found in the notice materials for the EGM sent to shareholders on 14 January 2019.

Altor Capital is an alternative asset manager that has been a long-term supporter of the Company and was a major shareholder prior to the Company's IPO. Altor Capital is a director related entity of Ben Harrison and Harley Dalton.

The Company also concurrently undertook an entitlement offer to existing shareholders which closed on 13 February 2019. A total of A\$781,744 was raised net of fees and 13,307,812 ordinary shares were issued. This included a placement of 3,250,000 shortfall shares to professional and sophisticated investors.

Changes to the Board

During the period, the Company announced a number of key board changes.

Harley Dalton and Ben Harrison were appointed Directors of the Company while founder and former managing director, Ash Shilkin resigned from the board.

Altor Capital have been assisting the Company during the half year and following completion of due diligence made the decision to invest in the Company. Ben Harrison was formerly a director of the Company.

The board thanks Mr Shilkin who had a huge impact on shaping the vision for the Company, successfully launched ChimpChange mobile banking, and commenced the development of the Company's debit card processing business.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected the Group's operations, results or state of affairs, or may do so in subsequent financial periods except as set out in the Review of Operations above.

Likely developments and expected results of operations

Refer to the Review of Operations for further details.

Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2017/191, the amounts in the directors' report and the financial report have been rounded to the nearest dollar.

Dividends - Change Financial Limited

The Directors of Change Financial Limited do not recommend the payment of a dividend for the 6 months ending 31 Dec 2018 (2017: Nil).

Auditor's independence declaration

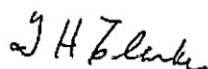
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

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 28 February 2019



Teresa Clarke
Chairperson

AUDITOR'S INDEPENDENCE DECLARATION



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Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2018, 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*.

This declaration is in respect of Change Financial Ltd and the entities it controlled during the period.

PITCHER PARTNERS

JASON EVANS
Partner

Brisbane, Queensland
28 February 2019

Ken Ogden
Nigel Fischer
Mark Nicholson

Peter Camenzuli
Jason Evans
Ian Jones

Kylie Lamprecht
Norman Thurecht
Brett Headrick

Warwick Face
Nigel Batters
Cole Wilkinson

Simon Chun
Jeremy Jones
Tom Splatt

James Field
Daniel Colwell

An Independent Queensland Partnership ABN 84 797 724 539
Liability limited by a scheme approved under Professional Standards Legislation
Pitcher Partners is an association of independent firms

Adelaide Brisbane Melbourne Newcastle Perth Sydney

 an independent member of
BAKER TILLY
INTERNATIONAL

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 12, 680 George Street,
Sydney NSW 2000

Its principal place of business is:

ChimpChange LLC
6922 Hollywood Boulevard, Ste 922,
Hollywood, CA 90028

The financial statements were authorised for issue by the Directors on 28 February 2019. 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 on our website under Investor Information: www.changefinancial.com.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the 6 months ending 31 December	Note	2018 US\$	2017 US\$
Revenue	2	507,513	428,891
Employee benefits expense		(1,066,006)	(1,755,087)
Advertising & marketing expenses		(170,247)	(1,532,073)
Program fees		(744,344)	(1,072,341)
Consulting expenses		(359,237)	(300,740)
Professional services & insurance		(606,356)	(353,481)
Technology hosting		(123,850)	(174,444)
Depreciation and amortisation		(161,766)	(327,171)
Impairment expense		(891,944)	-
Investment in associate – option cost		(250,000)	
Other expenses		(409,375)	(228,185)
Profit (loss) before tax		(4,275,612)	(5,314,631)
Income tax (expense) benefit		-	-
Profit (loss) for the period		(4,275,612)	(5,314,631)
Basic loss per share (US cents per share)	7	(5.4)	(7.4)
Diluted loss per share (US cents per share)	7	(5.4)	(7.4)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ending 31 December	2018	2017
	US\$	US\$
Loss of the period	(4,275,612)	(5,314,631)
Other comprehensive income		
<i>Items that may be reclassified to profit and loss</i>		
Exchange differences on translation of parent operations	(113,139)	(14,155)
Total comprehensive loss for the period	(4,388,751)	(5,328,786)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 Dec 2018 US\$	As at 30 June 2018 US\$
Current assets			
Cash		426,520	1,665,967
Other receivables		111,383	109,660
Other current assets		508	69,847
		538,411	1,845,474
Held for sale – investment in associate		99,999	-
Total current assets		638,410	1,845,474
Non-current assets			
Property, plant & equipment		68,435	86,341
Intangible assets	3	1,132	956,869
Investment in associate		-	99,999
Total non-current assets		69,567	1,143,209
TOTAL ASSETS		707,977	2,988,683
Current liabilities			
Trade and other payables		220,670	237,164
Provisions		120,340	192,363
Borrowings	4	80,967	-
Other current liabilities		73,149	262,466
Total current liabilities		495,126	691,993
NET ASSETS		212,851	2,296,690
Equity			
Contributed equity	5	29,036,399	26,607,205
Reserves	6	3,910,086	4,147,507
Retained earnings / (accumulated losses)		(32,733,634)	(28,458,022)
TOTAL EQUITY		212,851	2,296,690

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed Equity US\$	Reserves US\$	Retained Earnings US\$	Total Equity US\$
Balance at 1 July 2017	25,921,031	3,865,897	(19,410,053)	10,376,875
Profit (loss) for the year	-	-	(5,314,631)	(5,314,631)
Exchange differences on translation of the parent operation	-	(14,155)	-	(14,155)
Total comprehensive loss for the period	-	(14,155)	(5,314,631)	(5,328,786)
Transactions with owners in their capacity as owner				
Options issued	-	140,038	-	140,038
Contributions (net of costs)	553,018	-	-	553,018
Total	553,018	140,038	-	693,056
Balance at 31 December 2017	26,474,049	3,991,780	(24,724,684)	5,741,145
Balance at 1 July 2018	26,607,205	4,147,507	(28,458,022)	2,296,690
Profit (loss) for the year	-	-	(4,275,612)	(4,275,612)
Exchange differences on translation of the parent operation	-	(113,139)	-	(113,139)
Total comprehensive loss for the period	-	(113,139)	(4,275,612)	(4,388,751)
Transactions with owners in their capacity as owner				
Options issued (forfeited)	-	(124,282)	-	(124,282)
Contributions (net of costs)	2,429,194	-	-	2,429,194
Total	2,429,194	(124,282)	-	2,304,912
Balance at 31 December 2018	29,036,399	3,910,086	(32,733,634)	212,851

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ending 31 December	Notes	2018	2017
		US\$	US\$
Cash flow from operating activities			
Receipts from customers		533,641	412,881
Payments to suppliers and employees		(4,258,063)	(5,386,975)
Interest received		2,672	16,010
Net cash used in operating activities		(3,721,750)	(4,958,084)
Cash flow from investing activities			
Payment for property, plant & equipment		(2,281)	(9,825)
Payment for software development		(82,013)	(200,554)
Net cash used in investing activities		(84,294)	(210,379)
Proceeds from financing activities			
Proceeds from share issue		2,600,851	553,018
Cost of share issue		(171,657)	-
Proceeds from Altor funding		352,900	-
Costs of Altor funding		(112,638)	-
Net cash provided by financing activities		2,669,456	553,018
Net increase (decrease) in cash held		(1,136,588)	(4,615,445)
Reconciliation of cash			
Cash at the beginning of the period		1,665,967	9,467,512
Net increase (decrease) in cash held		(1,136,588)	(4,615,455)
Foreign exchange difference on cash holding		(102,859)	(16,385)
Cash and cash equivalents at end of half year		426,520	4,835,682

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

(a) Statement of Compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(b) Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. 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) Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the impact of accounting policies, Standards & Interpretations as noted below.

(d) Ongoing Operations

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

At 31 December 2018 the Group had net current assets of \$224,251 including \$426,520 of cash and cash equivalents but excluding the loan from Altor Capital of \$80,967 (net of facility costs) which following approval at the EGM on 12 February was repaid with the issue of A\$2 million in convertible notes to Altor Capital. For the six months ended 31 December 2018 the Group incurred an operating cash outflow of \$3,721,750 and a net loss for the period of \$4,275,612.

As set out in the Group's ASX announcements, the Company has undergone a restructure, including the sale of its interest in Ivy and undertaken a successful capital raising. As a result of these actions the Company has sufficient funds to meet its short-term objectives of launching its processor business in the 2019 calendar year.

However, the Company will require further capital in the next 12 months in order to develop that business before it is cash flow positive. This may include further funding from Altor Capital. Nevertheless, the Directors have concluded that raising additional capital is subject to material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Board will continue to monitor and pursue the development of fund raising opportunities and assess its commitment to ongoing expenditure requirements to achieve a sustainable business model.

The Directors believe that the company will be successful in carrying out its plans described above, therefore, these financial statements have been prepared on a going concern basis.

No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as going concerns.

(e) Comparatives

Where necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

(f) Adoption 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 including AASB 15 Revenue and AASB9 Financial Instruments. Adoption of these standards and interpretations had not resulted in any material changes to the Group's half year financial report.

2. Revenue

6 months to 31 December	2018	2017
	US\$	US\$
Revenue from services - over time	504,841	412,881
Interest revenue	2,672	16,010
Total Revenue	507,513	428,891

3. Intangible assets

	As at 31 Dec 2018	As at 30 Jun 2018
	US\$	US\$
Software development at cost	2,192,927	2,110,914
Accumulated amortisation	(1,300,983)	(1,155,177)
Impairment of software development	(891,944)	-
Subtotal – Software development at written down value	-	955,737
Patents, trademarks & licenses at cost	1,131	1,131
IvyKoin tokens at cost	1	1
Total Intangible Assets	1,132	956,869

Following the restructure of the Company the directors have reviewed the carrying value of the software development costs that have been capitalised. With the change in the business model for the consumer banking business, the Company will seek to generate license fee revenue from the use of this software in third party programs. In addition, the Company will market this application as a complementary service to its enterprise payments processing business. The timeframe for the generation of license fees and the quantum of those fees is uncertain and accordingly the directors have concluded that it is prudent to fully impair this software.

4. Current borrowings

	As at 31 Dec 2018 US\$	As at 30 Jun 2018 US\$
Loan from Altor Capital	352,900	-
Less: costs of Altor Funding	(271,933)	
Total Current borrowings	80,967	-

The loan from Altor Capital (an entity related to the directors Ben Harrison and Harley Dalton) represent the initial drawdown of A\$500,000 under a term loan facility of A\$2,000,000 (**Loan**). It is intended that this loan facility is replaced by an issue of convertible notes (**Notes**) of A\$2,000,000 which was subject to shareholder approval subsequently obtained at an Extraordinary General Meeting (EGM) on 12 February 2019.

The Notes are to be issued at a face value of A\$0.10 with a maturity of 36 months from the date of issue. The Loan and Notes are secured by a first ranking security over the Company's assets. The Notes have conversion price of \$0.10 or 75% of the 10-day VWAP of the Company's shares prior to conversion. A coupon of 10% per annum will be paid quarterly in arrears. The Company can elect to pay interest by way of cash or additional Notes. On maturity of the Notes convert to shares.

The costs of the Altor funding (which have been offset against the borrowing amount) include a facility fee of A\$110,000 including GST, 4 million options at an exercise price of A\$0.01 expiring 31 December 2020 valued at \$159,295 (using the Black Scholes options pricing model) and \$35,000 in transactions costs.

After the end of the half year a further A\$1,145,349 was drawn under this facility.

5. Issued capital

Share Capital

	As at 31 December 2018 US\$	As at 30 June 2018 US\$
79,599,362 fully paid ordinary shares ¹ (30 June 2018 73,564,879)	29,036,399	26,607,205

¹ This amount excludes 6,036,457 shares issued under the Loan Funded Share Plan (LFSP). These shares will be recognised in Share Capital when the loan advanced under the LFSP to acquire those shares is repaid. Total fully paid shares on issue at 31 December is 85,635,819.

Details of the increase in share capital is set out as follows:

	Number of Shares #	Value US\$
Opening balance	73,564,879	26,607,205
Share placement on 3 July 2018	6,034,383	2,600,851
Share placement fees	-	(171,657)
Balance as at 31 December 2018	79,599,262	29,036,399

On 18 February 2019 the Company issued 13,207,812 fully paid ordinary shares at \$0.06 per share under an Entitlement Offer to raise \$781,744, net of capital raising costs.

6. Reserves

	As at 31 Dec 2018 US\$	As at 31 Dec 2017 US\$
Share based payment reserve	3,896,550	4,020,832
Foreign currency translation reserve	13,536	126,675
Total reserves	3,910,086	4,147,507

7. Earnings per share

6 months to 31 December	2018 US\$	2017 US\$
Loss attributable to ordinary equity holders of Change Financial Limited	(4,275,612)	(5,314,631)
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted earnings per share	79,533,773	72,086,878

8. Events occurring after the reporting period

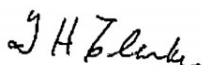
There were no events occurring after balance other than those set out in this financial report.

DIRECTORS DECLARATION

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 8 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards AASB 134 “Interim Financial Reporting” and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the group’s financial position as at 31 December 2018 and of its performance for the half 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; and

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



Teresa Clarke
Chairperson
28 February 2019

INDEPENDENT AUDITORS REVIEW REPORT



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Change Financial Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Change Financial Limited, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Change Financial Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ken Ogden
Nigel Fischer
Mark Nicholson

Peter Camenzuli
Jason Evans
Ian Jones

Kylie Lamprecht
Norman Thurecht
Brett Headrick

Warwick Face
Nigel Batters
Cole Wilkinson

Simon Chun
Jeremy Jones
Tom Splatt

James Field
Daniel Colwell

An Independent Queensland Partnership ABN 84 797 724 539
Liability limited by a scheme approved under Professional Standards Legislation
Pitcher Partners is an association of independent firms

Adelaide Brisbane Melbourne Newcastle Perth Sydney

 an independent member of
BAKER TILLY
INTERNATIONAL



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Change Financial Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1(d) in the financial report which states that the Group's ability to develop its processor business is dependent on the Group's ability to raise further funding. The matters set forth in Note 1(d) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
28 February 2019