



## ASX ANNOUNCEMENT

6 May 2020

### First Customer Launch and Capital Raising Update

#### Investment Highlights

- Launch of first customer in production on the Change Platform
- Resulting first revenues from Platform to be earned in the current quarter
- Pipeline of customers identified by CBKC to onboard to Change's Platform
- CBKC's Initial Investment of US\$250,000
  - Signed Master Processing Agreement satisfying condition precedent
  - Entitlement Offer commitments and applications of A\$3.9 million received to date. Entitlement Offer closes on Thursday, 7 May 2020.
- Entities associated with Directors Harley Dalton and Ben Harrison, and CEO Alastair Wilkie will apply for Shortfall Shares of A\$350,000 subject to shareholder approval

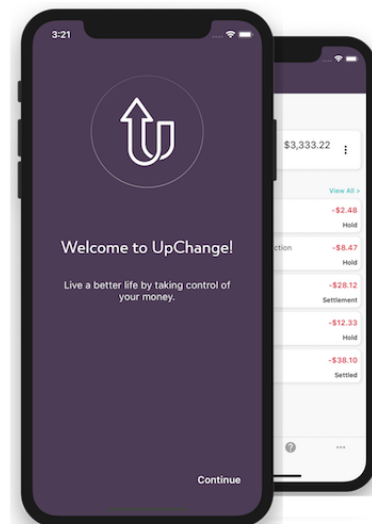
**6 May 2020:** Change Financial Limited (ASX: CCA) ("**Change**" or the "**Company**"), is pleased to provide the following update on the launch of its first Platform customer and current capital raising initiatives.

#### Launch of First Platform Customer

This week Change's sponsor bank, Central Bank of Kansas City (**CBKC**), approved the launch of the first Platform customer, UpChange, on Change's Platform. As previously announced beta testers have been swiping UpChange cards and transacting in the proceeding months ahead of a formal launch on Change's payments and card issuing platform (**Platform**) with CBKC acting as the sponsor bank. With the launch in production, UpChange customers will start receiving their UpChange Mastercard® branded cards in the mail in the next 2 weeks.

The Company will begin to earn first revenues from the Platform this quarter from UpChange customers transacting with their cards and the mobile app.

Alastair Wilkie, CEO of Change commented "The Change and CBKC teams have been focused for the last 6 months on launching the first customer, UpChange, on our Platform. The first card program to launch post our Mastercard registration and other certifications is a significant milestone for the business, a commitment that required intensive time and effort to achieve. Having UpChange live in production validates the Platform and proves our



commercialisation model. It also strengthens our partnership with CBKC and we look forward to contracting and onboarding new customers with CBKC this year and into the future."

### **Customer Pipeline**

The launch of UpChange marks the launch of the first customer on Change's Platform in partnership with CBKC. In addition, CBKC has also identified a number of new and existing customers to onboard to Change's Platform and will work with Change over the coming months to contract with those customers and start the onboarding process.

Trent Sorbe, President of Central Payments and a Director at CBKC, added: "Post the announcement of our strategic investment in Change we are excited to launch in production our first card and payments program on Change's Platform. We have identified a number of clients who are both new and existing customers of the bank who would benefit greatly by running their card and payments programs on Change's innovative and flexible technology Platform. We very much look forward to working closely with the Change team over the next 6 months to contract a pipeline of new customers to Change's Platform. We look forward to providing further updates together with Change as we progress."

### **Capital Raising Update**

As announced on 1 April 2020, the Company secured an Initial Investment from CBKC of US\$250,000 subject to certain conditions.

The Company is pleased to advise that with the signing of the Master Processing Agreement which sets out how Change will provide payments and card issuing services to CBKC it has satisfied this condition precedent of CBKC's Initial Investment. The Company has also successfully secured applications and commitments for a minimum of A\$3.75 million under the Entitlement Offer and on allotment of these shares, at the close of the Entitlement Offer, all conditions precedent of CBKC's Initial Investment will have been satisfied.

As part of the commitments received by the Company, entities associated with Directors Harley Dalton and Ben Harrison will subscribe for Shortfall Shares, in addition to taking up their full entitlements, subject to Shareholder approval. Mr Dalton and Mr Harrison's total investment subject to shareholder approval will be A\$300,000.

In addition, CEO of Change, Alastair Wilkie will subscribe for Shortfall Shares totaling A\$50,000 subject to shareholder approval.

The Company will convene an Extraordinary General Meeting in order to obtain shareholder approval for these parties' participation in the Shortfall Shares.

The Company reminds shareholders that the Closing Date of the Entitlement Offer has been extended to 7 May 2020. Eligible Shareholders who wish to take up their entitlement and apply for additional shares are able to download their Application Form and a copy of the Offer Booklet by going to [www.changefinancial.com](http://www.changefinancial.com) and clicking on "Entitlement Offer – Apply Here".

The Company looks forward to advising the final take up under the Entitlement Offer after the offer closes.

A significant part of the Company's operations are based in the US and as such the Company has participated in the US CARES Paycheck Protection Program (PPP) put in place to help during the COVID-19 pandemic. Funds of US\$230,000 to defray payroll and other allowable expenses have been obtained under this program, which is eligible to be forgiven if key criteria are met. The ability to quantify the forgiven allowance should be known by the September 2020 quarter 4C release.

### **Strategic Partnership with Central Bank of Kansas City (CBKC)**

For those shareholders who have not seen the video interview with Trent Sorbe, President of Central Payments and a Director at CBKC, and Alastair Wilkie, CEO of Change Financial released last week by Boardroom Media, a link to the interview is provided below. Trent and Alastair discuss further details of the working partnership the Company has with CBKC, Central Payments, Falls Fintech and their take on CBKC's investment in Change.

<https://www.boardroom.media/broadcast?eid=5ea631469b7f8f71a4887e55>

Authorised for release by Ben Harrison, Director

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### **About Change Financial**

Change Financial Limited (ASX: CCA) is a US-focused fintech company developing innovative and scalable payments technology to provide solutions for businesses and financial institutions. Change Financial is building a Mastercard registered enterprise payments and card processor. Change is the first Mastercard certified processor in the last 5 years and second in the last 20 years. To learn more, please visit: [www.changefinancial.com](http://www.changefinancial.com)

### **About Central Payments and Central Bank of Kansas City**

Central Payments operates as the payments division of Central Bank of Kansas City (CBKC) and is headquartered in Dell Rapids, South Dakota. The fastest growing U.S. prepaid card issuer since 2015<sup>1</sup>, Central Payments administers payment card and funds disbursement programs via retail, employer/payroll, and online outlets nationwide. CBKC is a 68-year-old family-owned bank located in the heart of Kansas City, Missouri and one of 135 financial institutions in the country certified by the U.S. Treasury as a Community Development Financial Institution. CBKC and Central Payments share the mission to provide high-quality financial products to consumers of modest means who historically have not enjoyed the benefits of affordable and accessible financial services. "Treat Each Customer's Balance as Though It's All They Have" guides our approach to product design, customer service, and affordability. Visit <https://www.central-payments.com/>, <https://www.fallsfintech.com/> or <https://www.centralbankkc.com/> for more information. Member FDIC.

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<sup>1</sup> Source: The Nilson Report, 2015 to 2018