

**change.**



**Strategic Acquisition and Capital Raising  
September 2020**

**ASX: CCA**



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# Highlights

## Background

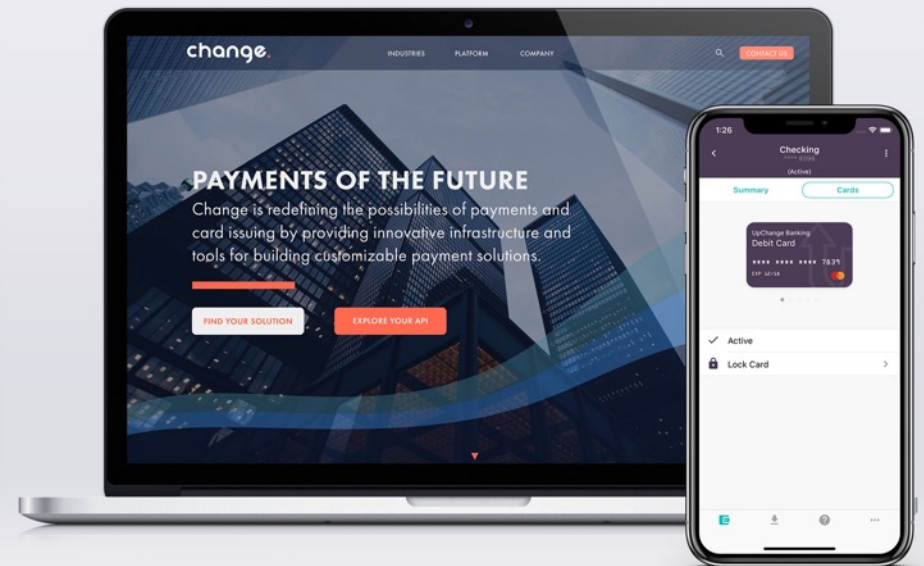
- Change is a US-based fintech listed on ASX (ASX: CCA) offering Banking as a Service (**BaaS**) technology
- Change operates its Platform in the US and is currently working to onboard a pipeline of US customers
- Signed binding agreement to acquire the assets of Wirecard NZ and Australia
- Transformational acquisition that accelerates Change into a leading global fintech player

## Transaction Highlights

- Leading Global BaaS Platform
- Annuity income and Blue-Chip Client Base
- FY20 Revenue of US\$11.1 million representing an acquisition multiple of 0.5x Revenue<sup>(1)</sup>
- Accelerates Feature Development
- Significant Scale and Growth
- Compliments strong existing management and technical team

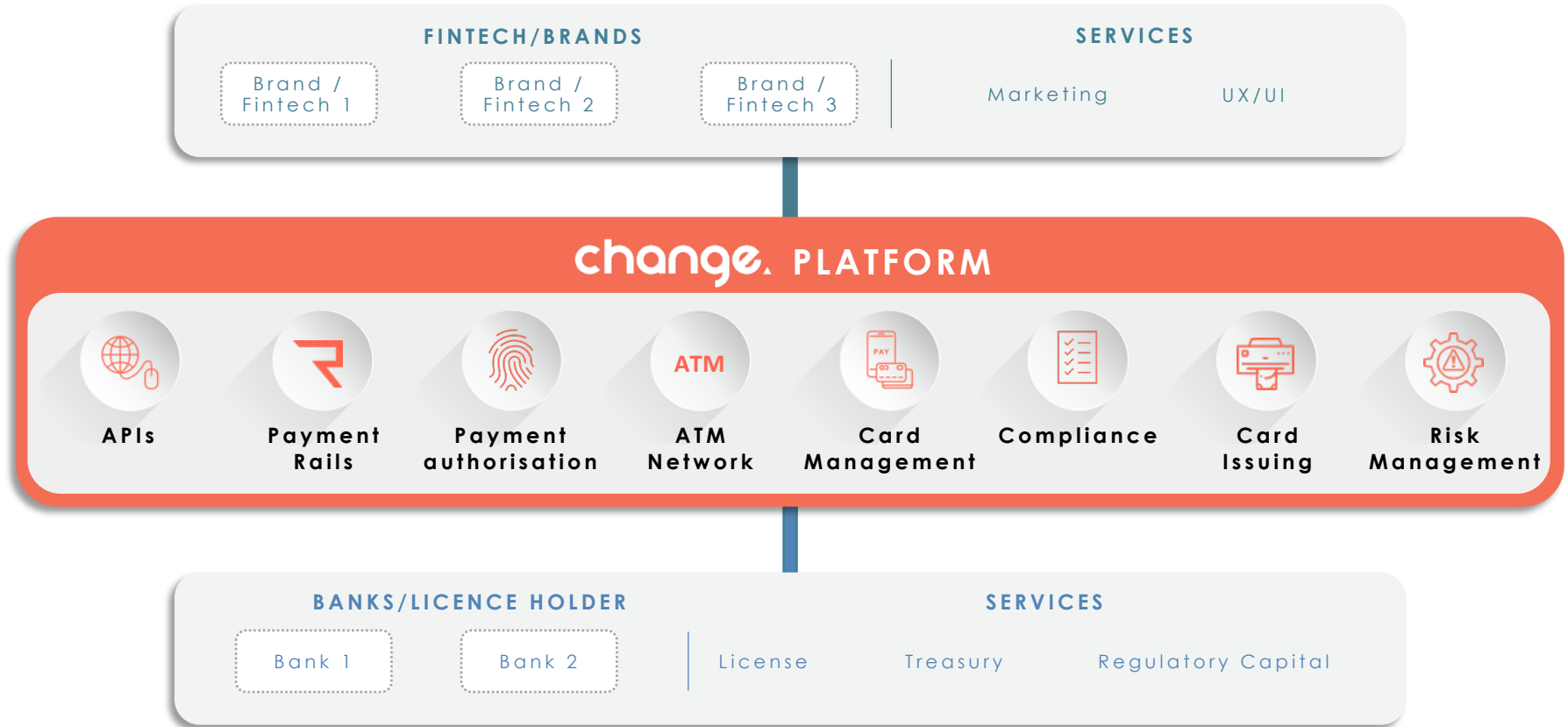


(1) FY2020 based on actuals based to 30 June 2020



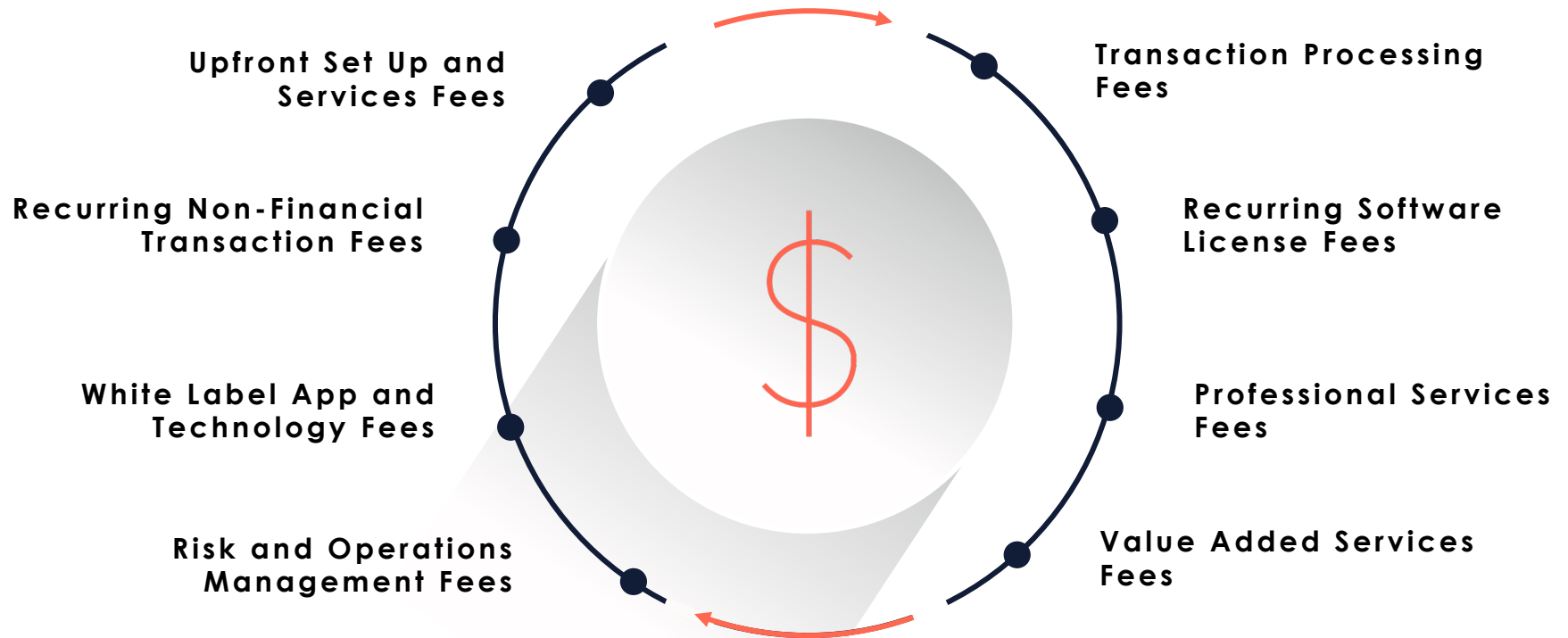
# Change Platform – where we fit in the banking ecosystem

Change is the critical infrastructure provider that connects existing licensed banks with modern API-driven brands (e.g. fintechs). This infrastructure layer is called Banking as a Service (**BaaS**).



# Platform Revenue Model

Customers have different requirements and revenue lines vary depending on payments and products. Change can earn revenue from its customers in the following ways:



# Strategic Acquisition

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# Transaction Overview

<b>Transaction Summary</b>	Change Financial Limited ( <b>Change</b> ) has signed a binding agreement to acquire the assets of Wirecard NZ and Australia ( <b>Wirecard</b> )
<b>Consideration</b>	Cash consideration of A\$7.8 million <sup>(1)</sup>
<b>Overview</b>	<ul style="list-style-type: none"> <li>Wirecard provides innovative card management and platform solutions. Customers include banks and financial institutions as well as digital brands and fintechs. Wirecard's technology is sold to over 120 customers, across more than 35 countries</li> <li>FY20 Revenue of US\$11.1 million representing an acquisition multiple of 0.5x Revenue<sup>(2)</sup></li> </ul>
<b>Strategic Rationale</b>	<ul style="list-style-type: none"> <li>Blue-Chip Client Base</li> <li>Annuity Income</li> <li>Product Development Acceleration</li> <li>New Partnerships and Relationships</li> <li>Profitable Business</li> <li>Geographical Reach</li> <li>Existing strong management team in place</li> </ul>
<b>Acquisition Funding</b>	<p>Cash consideration and costs will be funded via:</p> <ul style="list-style-type: none"> <li>a Placement of New Shares to professional and sophisticated investors raising approximately A\$6.4 million</li> <li>a Entitlement Offer to existing shareholders of A\$4.9 million</li> </ul>
<b>Timing and Conditions</b>	<p>Acquisition is subject to NZ regulatory notification            Expected completion date in early October</p>

(1) Final Consideration will be adjusted for net working capital adjustments at completion

(2) FY2020 based on actuals based to 30 June 2020



# Transaction Background

## The Acquisition...

In June, Wirecard NZ, and its wholly owned subsidiary Wirecard Australia, were placed into voluntary administration. McGrath Nicol was appointed as voluntary administrators of Wirecard NZ to sell its financial technology business (**Assets**).

Following an extensive due diligence and highly competitive sale process, Change Financial was selected as the preferred bidder for the Assets.

## The Business...

Wirecard provides innovative payment management and platform solutions. Customers include banks and financial institutions as well as fintechs. Its technology is sold to over 120 customers, across more than 35 countries.

Wirecard AG (parent company) originally acquired the assets from GFG in 2014. This business became Wirecard New Zealand & Australia.



+120 customers



+35 countries.

# Strategic Rationale

The acquisition delivers significant strategic and financial benefit to Change.



## Blue-Chip Client Base

+120 customers in +35 countries including the big 4 Australian banks, major Australian supermarkets, Asian and South American banks and fintechs.



## Partnerships/Relationships

Visa, AMEX, Diners, UnionPay and JCB partnerships will accelerate Change's initiatives (i) offer a 2<sup>nd</sup> card network in US; (ii) build bank relationships across regions.



## Accelerate Product Development

Established technology suite, solutions and processes will expand Change's Platform feature set and underlying IP value.



## EBITDA Positive

Brings forward revenue & strengthens Change's balance sheet to accelerate the platform commercialisation in the US<sup>(1)</sup>.



## Geographical Reach

Customer base, card network partnerships and banking relationships will lower entry costs in high growth regions: Asia, Latin America and Oceania.



## Income

Client base delivered recurring revenue of US\$6.7m in FY20.<sup>(2)(3)</sup>

(1) Results for Wirecard have been both normalised and subject to pro forma adjustments

(2) Revenue on an invoiced basis which includes combination of revenue received and revenue in advance

(3) FY20 numbers based on full 12-month contribution to 30 June 2020

# Acquisition adds Significant Scale and Growth



**+120 Customers**

Pre-acquisition: 1 customer and partner<sup>(1)</sup>



**+36 Countries**

Pre-acquisition: 1 country



**US\$11.1M Revenue<sup>(2)</sup>**

Pre-acquisition: NA<sup>(1)</sup>



**Global Workforce**

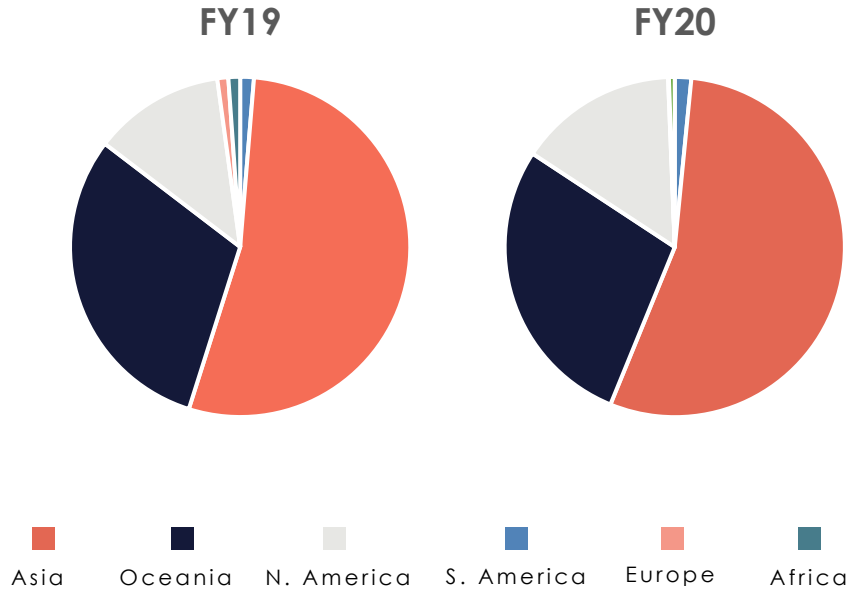
Los Angeles, Brisbane, Melbourne, Auckland, Santo Domingo

Pre-acquisition: Los Angeles, Brisbane

# Financial Snapshot – Post Acquisition

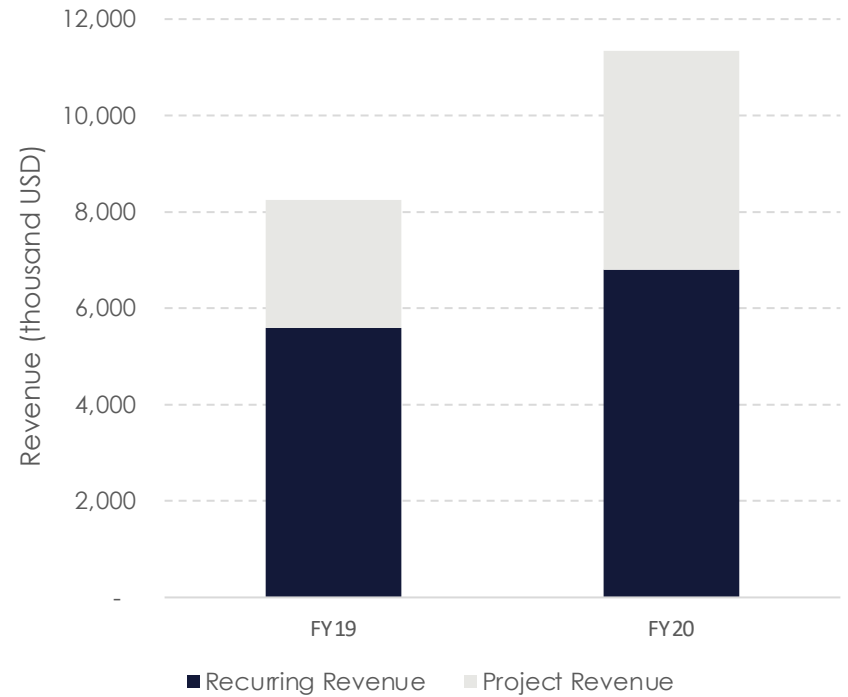
## A diversified revenue mix

across Asia, Americas and Asia Pacific



## A quality revenue mix

between recurring revenue and one-off fees



(1) Revenue on an invoiced basis which includes combination of revenue received and revenue in advance

(2) FY20 numbers based on full 12-month contribution to 30 June 2020

# Growth Strategy

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Upgrading current existing Platform with new features from acquisition – addressable market increases x10 with addition of debit and credit card features



On boarding of +10 customers in the US over next 12 months



Upgrade of existing acquired customers to new card management software. 3 customers identified with a further ~9 additional opportunities over medium term



Investing in sales and marketing which has been significantly under invested by previous owners

# Acquisition Accelerates Development Pipeline

Pre-Acquisition



Post-Acquisition<sup>(1)</sup>



Features

BaaS • Mobile Solution  
Prepaid Cards • APIs  
Data Insights • Dynamic Controls

BaaS • APIs • Mobile Solution

Data Insights • Dynamic Controls • **Multi-Currency**  
Prepaid Cards • **Debit Cards** • **Credit Cards**  
**EMV** • **Virtual Cards**



Currencies



+ many others



Card Networks



VISA

DISCOVER



(1) Change is acquiring features and functionalities that accelerate its development timeframe

# Core Proven Technology Platform



Acquired tech is built on same code base as Change Financial



Change can now process for credit, debit and prepaid cards



Virtual and combo-functionality cards



Full support for EMV and contactless functionality



Fully internationalised, multi-currency and multi-lingual platform



Opportunity to integrate solutions into existing Change Platform



# Corporate Overview & Capital Raising

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# Capital Raising Summary

<b>Overview</b>	The Company is launching a capital raising to raise up to A\$11.3 million
<b>Capital Raising Structure</b>	<ol style="list-style-type: none"><li>1. Placement raising A\$6.4 million</li><li>2. Two (2) for eleven (11) Entitlement Offer raising A\$4.9 million</li></ol>
<b>Capital Raising Price</b>	Placement and Entitlement Offer priced at A\$0.095 per new share
<b>Pricing / Discounts</b>	Issue price represents a: <ul style="list-style-type: none"><li>• 17.4% discount to last close price of A\$0.115</li><li>• 21.3% discount to the 15-day VWAP of A\$0.121</li><li>• 23.8% discount to the 3-month VWAP of \$0.125</li></ul>
<b>Joint Lead Managers</b>	Altor Advisory Partners and Canaccord Genuity
<b>Use of Funds</b>	The capital raising will provide funds to: <ul style="list-style-type: none"><li>• Acquisition consideration</li><li>• Working capital</li><li>• Costs of the acquisition and capital raising</li></ul>

# Indicative Timetable



## Placement, Entitlement Offer and Acquisition

Trading halt commences	Tuesday, 8 September 2020
Transaction & Capital Raising Announcement - Trading Recommences	Friday, 11 September 2020
Ex date	Tuesday, 15 September 2020
Entitlement Offer Record Date	7pm Wednesday, 16 September 2020
Settlement of Placement Shares	Thursday, 17 September 2020
Offer Document sent to Eligible Shareholders and Offer Opens	Monday, 21 September 2020
Entitlement Offer Closes	5pm Wednesday, 30 September 2020
Trading of Entitlement Offer Shares	Wednesday, 7 October 2020
Acquisition Settlement	Early October 2020

<sup>1</sup> The Company may vary the timetable without notice and all dates and times are subject to change

# Corporate Overview

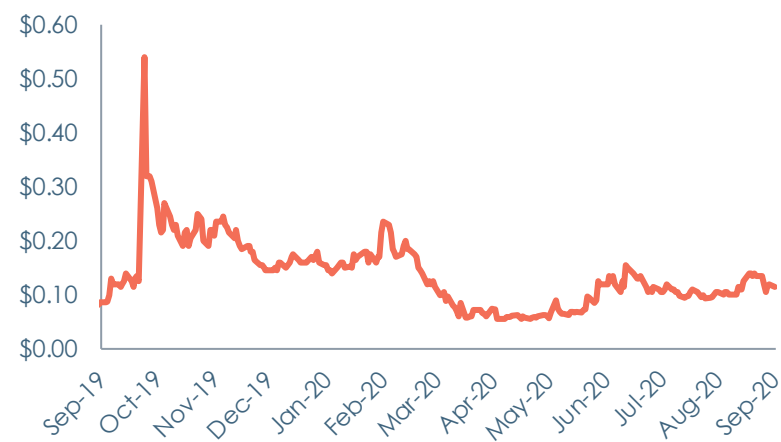
## Capital Structure

Last Share price (ASX: CCA) <sup>1</sup>	A\$0.115
Existing Shares on issue	284 million
New Shares issued as part of Capital Raising	119 million
Total Shares on issue following Capital Raising	403 million
Market capitalisation following Capital Raising <sup>2</sup>	A\$38.3 million

<sup>1</sup> as at 7 September 2020

<sup>2</sup> based on the capital raising price of A\$0.095 per share

## Share Price History



## Shareholders

Top 20 Shareholders	38.4%
CPX HOLDINGS, L.L.C. (CBKC)	2.9%
Board and Management	5.6%

# Executive Team



**Alastair Wilkie**  
CEO

Alastair, an experienced executive in the financial services industry focussed on banking and payments with a background in information technology and business development. He has over twenty-five years' experience in senior leadership roles in Australia, Europe and North America.

He is the Founder and Chairman of a number of private companies driving digital disruption in the financial services industry. He was formerly COO of ASX listed EML Payments and was Executive General Manager at Indue, an Approved Deposit taking Institution providing aggregated banking services to the Australian Payment System.



**Clayton Fossett**  
COO

Clayton has more than 20 years experience in fintech, financial services, technology and consulting. He has been COO at Change Financial from the Company's startup days and has been instrumental in the Company's journey building and launching its payments and card issuing platform. Over his tenure Clayton has directly managed and forged partnerships with issuing banks, Mastercard, and other networks and key industry service providers.

Clayton holds AB and MBA degrees from Harvard University.



**Vinnie D'Alessandro**  
CTO

Vinnie D'Alessandro has over 20 years of technology experience across various operational, architecture, strategy and management roles. His industry experience includes; financial services, aged care, energy, gaming, retail, tourism, construction and not-for-profit.

Previously, Vinnie was Head of Technology at Silver Chef(ASX:SIV) where his team delivered a world leading automated credit decisioning platform and along with a 3-year technology rejuvenation program. Vinnie's transformational efforts were recognised by being named as one of Australia's top digital chiefs in the CIO50 awards for 2017 and 2018.

He is also a co-founder of several technology startups including Gifting Owl (Tourism) and Umbrella Solutions (Aged Care).



**Greg Johnson**  
EVP Relationship and Service Delivery

Greg has over 10 years experience in the prepaid financial services industry. Throughout his career, Greg has worked with issuing banks, program managers and payment processors and has extensive experience implementing and managing dozens of successful card programs. Greg was responsible for managing strategic implementation and client relationships at one of the largest prepaid issuing banks in the US and oversaw significant growth during his time as VP of Card Operations at a successful prepaid program manager.

# Board of Directors



**Ben Harrison**  
Chairman

Ben Harrison has worked in the corporate finance team at a leading corporate advisory firm where he was involved in a number of high profile capital market and M&A transactions in the resources and industrial sectors. Prior to this Ben worked as an equities analyst. He has executed over \$2.0 billion in capital market Engagements and \$5.5 billion of public M&A Engagements.

Ben commenced his career as a project manager for an international engineering consulting firm, working on a number of large infrastructure projects in Australia and Southeast Asia.

Ben has significant experience in project management, financial analysis, primary and secondary market transactions and M&A.

He is Chief Investment Officer of Altor Capital where he has broad experience in private equity and direct investments and is involved at board and management level in investee companies.

Ben holds a Bachelor of Science and a Master of Applied Finance and Investment.



**Harley Dalton**  
Director

Harley has over 20 years' experience in investments and the funds management industry. His key background and capabilities include leadership, strategy, negotiation and operational management. He has been actively involved in taking a number of business to publicly listed status in the Australian share market, providing capital raising, structuring, debt, equity; and board composition advice in this process.

Harley was the founder, director and CEO of Dalton Nicol Reid up to 2014, one of Australia's leading and recognised Australian Equities fund managers. He grew the business from start up to circa AUD \$1 billion in assets under management prior to his exit. Dalton Nicol Reid manages money on behalf of retail, wholesale and institutional clients both domestically and internationally.

Prior to founding Dalton Nicol Reid, Harley worked for Hartley Poynton Stockbroking.

Harley has a Bachelor of Science from Griffith University, a Graduate Diploma in Applied Finance and Investment and is a member of The Australian Institute of Company Directors.



**Ian Leijer**  
Finance Director

Ian is a Chartered Accountant with over 25 years' experience in financial analysis, corporate transactions, business strategy and business management. He was CFO and Company Secretary for over 10 years of former ASX listed company Avatar Industries Limited which operated globally in a number of diverse industries including mining services, electronics distribution, fabrication of building products and printing. Ian started his career with Price Waterhouse specializing in corporate transactions and valuations before joining a boutique investment bank.

Ian currently works with a number of entities on business analysis, capital raising (debt & equity) and general management. Ian also holds a Bachelor of Economics from the University of Sydney, Australia.

# Financial Snapshot – Post Acquisition

## Pro-Forma Profit & Loss

US\$'000

Revenue and other income	11,112
Employee benefits expenses	(6,564)
Advertising & marketing expenses	(50)
Program management costs	(126)
Professional services & insurance	(749)
Consulting fees	(512)
Technology & hosting expenses	(1,555)
Other expenses	(986)
<b>EBITDA</b>	<b>570</b>
Depreciation & amortisation expense	(1,106)
Impairment	-
Finance costs	(337)
Foreign exchange gain/(loss)	(282)
<b>Profit (loss) before income tax expense</b>	<b>(1,156)</b>
Income tax expense	(28)
<b>Profit (loss) from continuing operations</b>	<b>(1,184)</b>

## Pro-Forma Balance Sheet

US\$'000

Cash	4,947
Current Receivables	3,077
Right of Use Asset - Current	270
Other Current Assets	481
<b>Current Assets</b>	<b>8,775</b>
Software Development	2,938
Right of Use Asset - Non-Current	189
Goodwill	2,210
<b>Non-Current Assets</b>	<b>5,338</b>
<b>Total Assets</b>	<b>14,114</b>
Accounts Payable	(421)
Employee Liabilities	(729)
Income in Advance	(2,199)
Lease Liability - Current	(261)
Other Current Liabilities	(322)
<b>Current Liabilities</b>	<b>(3,932)</b>
Lease Liability – Non-Current	(179)
<b>Non-Current Liabilities</b>	<b>(179)</b>
<b>Total Liabilities</b>	<b>(4,112)</b>
<b>Net Assets</b>	<b>10,002</b>
Share Capital	42,444
Reserves	4,267
Retained Earnings	(36,709)
<b>Total Equity</b>	<b>10,002</b>

(1) USD / NZD 0.67

(2) The above tables present the aggregation of the financial performance of Change and Wirecard for the 12 months from July 2019 to June 2020.

(3) FY20 financials are unaudited for Wirecard and audited for Change

(4) Results for Wirecard have been adjusted and normalised to reflect pro-forma financial statements

# Appendix



# Platform Revenue Model

Customers are all different and revenue lines vary depending on the customer's payments and product offering. Change can earn revenue from its customers in the following ways:

<b>Set Up and Services</b>	Customers are charged one-time set-up fees to onboard to Change's Platform (e.g. Bank Identification Number set up, program parameter set up, card design and production set up). Platform and Systems Maintenance fees along with Customer Technical Support are chargeable recurrent services.
<b>Processing Fees</b>	Change's Platform provides the payments infrastructure and a connection to the global payment rails. Every time a customer's end user transacts utilising Change's Platform, Change earns a fee from its customer (e.g. payment authorisation, funds transfers, API calls, card loads).
<b>Non-Financial Transactions</b>	Change's Platform provides a number of services beyond processing payments and charges fees for these (e.g. card printing and production, SMS, XML and email messaging/notifications, record updates).
<b>Platform Recurring Software License Fees</b>	Change provides its customers with dashboards and data insights to manage and run their payments products (e.g. customer support portals, program management dashboard and reporting tools with real-time data and access). Fees are charged on a monthly recurring revenue basis per customer and user over the life of a long-term contract.
<b>White Label App and Technology Fees</b>	Change has developed a consumer facing mobile app that customers are able to white label for their end users running on the Change Platform (e.g. banks wanting to offer their customers a mobile solution). Fees are charged on a monthly recurring revenue basis over the life of a long-term contract.
<b>Risk and Operations Management</b>	The Change Platform includes Decision Intelligence (DI) solution, a real-time authorization decisioning solution to approve genuine transactions. Change also monitors and executes recurrent security risk processes including Office of Foreign Assets Control (OFAC) along with key functions such as disputes and chargebacks. These Risk Management Solutions attract ongoing fees.
<b>Professional Services</b>	Change charges customers for business analysis, custom engineering development and issue investigation (e.g. a customer may want to offer a new payment product to their end user that requires modification to Change's Platform).
<b>Value added Services</b>	Customer support services provided directly or through third parties, including telephone and online access to customer support agents and Interactive Voice Response (IVR) technology.



# Industry Drivers



## Legacy issues



- Legacy providers have antiquated technology and commoditized offerings.
- Expensive, large and slow moving existing issuer processors.
- Lack of flexibility with slow development and long implementation times reliant on third-parties.
- Consolidation in the industry has led to fewer options for customers.

## Current operating landscape



- Increasing regulatory and compliance requirements and complexity.
- Rising risks to data privacy and incidents of card fraud.
- Financial service providers face increased competition for new payment products.

## Evolving market



- Changing consumer spending patterns and behaviours.
- Consumer preference for prepaid and debit cards.
- Prepaid and debit cards are less profitable for issuers than credit cards.
- Social media and digital disruption of consumer interactions.
- Consumers demand mobile payments and innovative new financial products.



# Market Opportunity

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## Cashless society driving significant growth

- Number of US debit and prepaid transactions projected to hit 132 billion p.a. by 2025<sup>(1)</sup>
- Addressable market transaction volume growth projected at approx. 60% per annum to 2025<sup>(1)</sup>

## Attractive business model

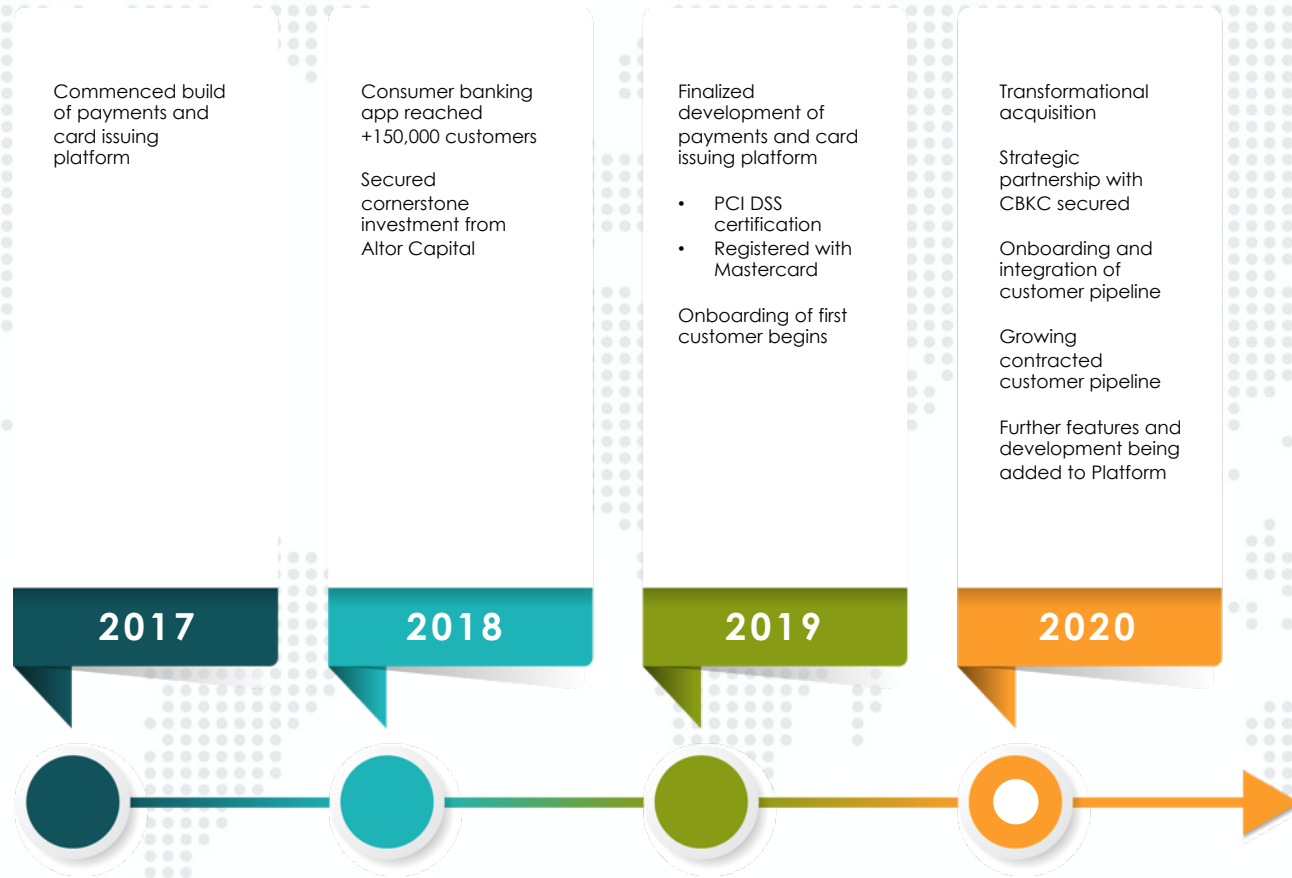
- High barriers to entry - less than 30 Mastercard certified issuers in US
- Change is the first Mastercard certified issuer processor in the last 5 years and second in the last 20 years
- Recurring and scalable revenues

## Large customer base in the US alone

- Many innovative players in the financial services arena looking for disruptive payments technology
- Large captive customer base with +7,000 FDIC banks and +6,000 credit unions in the US

(1) Edgar Dunn & Company

# Timeline



# Our Benefits

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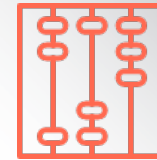
## Designed For The Future

A modern payments and card issuing platform allowing delivery of innovative new financial products and services.



## Speed To Market

Fully integrated infrastructure and partnerships improving time to market.



## Flexibility and Control

Providing the management and control to implement and modify your payment and card products.

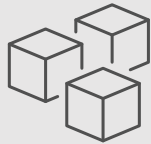
# Industry Agnostic Solution

Change's Platform can power payment and card solutions across a wide range of industries.



# Our Technology

# change.



## Microservices Architecture

Scale up operations with limited incremental spend

Modular design to isolate functionality and services



## Cloud Based

Built on AWS and latest technologies

Increased efficiency and cost savings



## API Driven

Intuitive, accessible and self-service platform

Easily integrated with partner systems



## Audit Framework

Audit trail and event-based architecture

Enhanced transaction monitoring and compliance benefits



## Global & Scalable

Easily adaptable application for new markets

Automatic scalability of services and data centers

# Platform Benefits

Change's innovative payments and card issuing platform includes the following features:



## Banking as a Service

White-labelled banking application that allows companies to offer innovative mobile banking applications under their own brand.



## Mobile Solution

Award-winning consumer banking technology including features such as paperless mobile account opening and innovative money management tools.



## Program Dashboard

Manage payment programs in real-time and configure program and account settings such as transaction limits and fees charged on an individual customer level.



## API Connectivity

Built for connecting digital assets that improve time to roll out new programs and features while building infrastructure to improve productivity.



## Data Insights & Dynamic Controls

Access to data rich information and real-time payment and authorization controls allowing real-time insights that support day-to-day operations and drive growth.



## Mastercard Processor

Payment processing capability built on Mastercard's new network gateway (MNGS). Leverages the best of Mastercard's evolving technology advancements.

# Innovative Payments and Card Issuing

Change is redefining the possibilities of payments and card issuing. Providing innovative infrastructure and tools for building customizable solutions via open APIs, our platform has been designed for companies who want to control their offering of payment products to their customers.



## Innovative

Change's APIs provide the tools for companies to design, build and implement new payment solutions without legacy issuer processors.



## Agile

Customer's needs are constantly evolving. Change's platform allows rapid deployment of new card programs and payment solutions.



## Access

Gain a new level of control to implement and modify payment and card products. Set customer business rules.



## Personalize

Change enables customization of parameters in real-time to control the flow and processing of funds. Configure payment and card experiences.



## Business Intelligence

Provides a solution that is data driven and allows real-time analytics on customer and merchant behavior.



## Mobile Solution

Award-winning consumer banking technology including features such as paperless mobile account opening and innovative money management tools.



# Key Risks

This section discusses some of the key risks associated with any investment in Change, which may affect the value of Change shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Change. Before investing in Change, you should be aware that an investment in Change has a number of risks, which are specific to Change and some of which relate to listed securities generally, and all of which are beyond the control of Change.

The risks detailed below may change after the date of this document and other risks relevant to the Company and its subsidiaries (the Group) and the Shares may emerge which may have an adverse impact on the Group and the price of the Shares. In particular, investors should note that the unprecedented uncertainties and risks created by the COVID-19 pandemic could materially change the Group's risk profile at any point after the date of this presentation and adversely impact the financial position and prospects of the Group in the future.

Before investing in Shares in the Company, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Change (such as that available on the websites of Change and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

The risks set out in this section are not exhaustive. Other risks may materially affect the future performance of the Group and the price of the Shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect Change's business.

## Acquisition Risks

Topic	Summary
Information provided by the Wirecard Entities and the Administrators	Change undertook a due diligence process in respect of the Wirecard Assets Entities, which relied in part on the review of information concerning the Wirecard Assets, business and corporate structure of the Wirecard Entities, which was provided to Change by the Administrators of the Vendors. Despite making reasonable efforts, Change has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Change has prepared (and made assumptions in the preparation of) the financial information relating to the Wirecard Assets included in this Presentation from information provided by the Vendors. Change is unable to verify the accuracy, reliability or completeness of all of this information. If any of the data or information provided to and relied upon by Change in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position of Change following the acquisition of the Wirecard Assets may be materially different to the financial position and performance expected by Change and reflected in this Presentation.

# Key Risks (cont.)

Topic	Summary
	<p>Furthermore, there is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Acquisition. A material adverse issue that was not identified prior to entry into the Acquisition could have an adverse impact on the financial performance or operations of Change. As is usual in the conduct of acquisitions, the due diligence process undertaken by Change identified a number of risks associated with the Acquisition, which Change had to evaluate and manage. The mechanisms used by Change to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by Change may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated or unforeseen, and hence they may have a material adverse impact on Change's operations, earnings and financial position.</p>
Future earnings may not be as expected	<p>The Acquisition may consume a large amount of management time and attention, and the Acquisition may fail to meet strategic objectives, or achieve expected financial and operational performance.</p> <p>Change has undertaken financial and business analysis of the Wirecard Assets in order to determine its attractiveness to Change and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by Change, draw conclusions and forecasts that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by the Wirecard Assets are different than those anticipated, or any unforeseen difficulties emerge in integrating the operations of, or the timing of receipt of regulatory approvals for the Acquisition do not align with Change's assumptions, there is a risk that the profitability and future earnings of the operations of Change may differ (including in a materially adverse way) from the performance as described in this Presentation.</p>
Change may not successfully integrate the Wirecard Assets	<p>The integration of a business of the size and nature of the Wirecard Assets carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. The success of the Acquisition, and the ability to realise the expected benefits of the Acquisition outlined in this Presentation, is dependent on the effective and timely integration of the Wirecard Assets and business alongside Change's business following completion of the Acquisition. A failure to fully integrate the operations of the Wirecard Assets, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of Change.</p>
Change will assume Wirecard's historical liabilities	<p>Following completion of the Acquisition, Change will be responsible for certain outstanding liabilities that Wirecard had incurred prior to the Acquisition that are to be acquired by Change under the Acquisition in respect of the Wirecard Assets, which may be greater than expected, for which insurance may not be available, and for which Change may not have post-Acquisition recourse under the agreement for the Acquisition and which may result in Change being liable for fines and penalties or subject to other sanctions. Such liabilities may include unregistered security interests or other encumbrances over some of the Wirecard Assets.</p> <p>Such liabilities may adversely affect the financial performance or position of Change and even put at risk the group's capacity to carry on its business, either at all or in one or more of the geographic regions in which the group currently operates, and may be more costly than expected to remedy.</p>

# Key Risks (cont.)

Topic	Summary
<p>The financial capacity of, and recourse to, the Vendors of the Wirecard Assets may be limited and there is counterparty and contractual risk</p>	<p>The ability of Change to achieve its stated objectives will depend on the performance by the parties of their obligations under the agreements for, and related to, the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for Change to approach a court to seek a legal remedy, which can be expensive and time consuming.</p> <p>Furthermore, if a warranty, indemnity or other claim was made by Change against the Vendors of the Wirecard Assets under the agreement for the Acquisition, there is a risk that such claim may be contested or that funds may not be available to meet the claim in its entirety. Further, while part of the purchase price will be held in escrow in accordance with the terms of the Acquisition, there can be no guarantee as to the on-going financial capacity of the Vendors of the Wirecard Assets. Any inability to recover amounts claimed under the agreement for the Acquisition could materially adversely affect Change's financial position and performance.</p>
<p>The Acquisition may not complete</p>	<p>If any of the conditions precedent are not satisfied or waived or take longer than anticipated to satisfy, completion of the Acquisition may be deferred or delayed, or may not occur on the current terms or at all. There is no guarantee that Change will obtain all necessary approvals to complete the Acquisition within any particular timeframe, or at all, or that such approvals will be granted on terms that are acceptable to Change or on an unconditional basis.</p> <p>If the Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise), Change will need to consider alternative uses for the proceeds of the Entitlement Offer and Placement, or ways to return such proceeds to shareholders. If completion of the Acquisition is delayed, Change may incur additional costs and it may take longer than anticipated for Change to realise the benefits of the Acquisition. Any failure to complete, or delay in completing, the Acquisition and/or any action required to be taken to return capital raised to shareholders may have a material adverse effect on Change's financial position and performance.</p>
<p>Arrangement with key suppliers and customers</p>	<p>Certain supplier and customer contracts in respect of the Wirecard Assets that form part of the Acquisition will need to be assigned to Change.</p> <p>Any termination or non-renewal, or renewal on less favourable terms, of a material supplier or customer contract, or any failure to assign such a material supplier or customer contract to Change, could materially adversely affect Change's financial position and prospects.</p>
<p>Acquisition accounting</p>	<p>Change is required to undertake an assessment of the fair value of the tangible and intangible assets acquired as well as the actual and contingent liabilities of the Wirecard Assets at the date of the Acquisition. Accounting standards provide twelve months from completion for this assessment to be finalised. The outcome of this assessment could give rise to different values being applied than those used in the pro-forma financial information contained in this Presentation. Such an outcome will impact the values of assets and liabilities reported in the consolidated balance sheet by Change. There will also be differences in the depreciation and amortisation charges recognised in the consolidated profit or loss account which may impact reported profit before tax and net profit after tax.</p>

# Key Risks (cont.)

Topic	Summary
COVID-19 Risk	<p>The global economic outlook is facing uncertainty due to the current COVID-19 (novel Coronavirus) pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets.</p> <p>While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.</p> <p>Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.</p>

## Business Risks

While the risks set out in this section are stated to relate to Change and its business, investors should consider that these risks will also apply to Wirecard and its business, which Change will own following completion of the Acquisition.

Topic	Summary
Change relies on the effective performance of IT infrastructure	Technology is the key enabler of Change's services. Change and its clients are dependent on the effective performance, reliability and availability of Change's technology platforms, software, third party data centres and communications systems. Change may fail to successfully achieve the required development of its technology and systems to meet clients' needs, match competitors or meet regulatory requirements, which may, in turn, adversely affect its operations, relationship with clients, financial performance and financial condition.
Change's or a third party's information technology systems may fail or be subject to attack	Change relies on its information technology systems to perform key functions critical to its ability to service its customers by providing its payment solutions. In addition, Change relies on information technology systems provided by third party technology vendors such as banking and payment processing systems owned and operated by third parties, for example, point of sale devices, for the validation of payments, processing and settlement of payments. The use of information technology and the effectiveness of Change's proprietary technology platforms are critical to Change's ability to deliver services to its clients and to continue to grow its business.

# Key Risks (cont.)

Topic	Summary
	<p>Change relies on its information technology systems to perform key functions critical to its ability to service its customers by providing its payment solutions. In addition, Change relies on information technology systems provided by third party technology vendors such as banking and payment processing systems owned and operated by third parties, for example, point of sale devices, for the validation of payments, processing and settlement of payments. The use of information technology and the effectiveness of Change's proprietary technology platforms are critical to Change's ability to deliver services to its clients and to continue to grow its business.</p> <p>By their nature, Change's information technology systems, as well as those provided by third party technology vendors, are vulnerable to damage, interruption or failure from a number of sources, including limitations in processing increasing transaction volumes, natural disasters, power losses, computer systems failures, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data and similar events, computer viruses, penetration by hackers seeking to disrupt operations or misappropriate information and other breaches of security. It is possible that the measures taken by Change or relevant third parties to protect its proprietary information and the private information of its clients may not be sufficient to prevent unauthorised access to, or disclosure of, sensitive financial, proprietary or personal information. Furthermore, Change's reliance on third parties and their systems to provide key services decreases its control over the delivery of these services and the quality and reliability of the services provided.</p> <p>Any damage or interruption to, or failure of, Change's information systems or those provided by third party technology vendors could significantly curtail, directly and indirectly, Change's ability to conduct its business and generate revenue and could result in significant costs being incurred, for example to rebuild systems, respond to regulatory inquiries or actions, pay damages, or take other remedial steps with respect to third parties. Further, accidental or deliberate security breaches or other unauthorised access to, or disclosure of, Change's or a third party technology vendor's information technology systems or customer data may subject Change to reputational damage, a loss of confidence in the products and services it provides, claims by customers, loss of customers, a disruption to services, legal action and regulatory scrutiny.</p>
<p>Change may not be issued with, or lose or breach, a licence, certification or accreditation</p>	<p>Change is required to hold various licences, registrations, certifications or accreditations to operate its business such as an PCI DSS. Any lapse in, or revocation of, Change's licences, registrations, certifications or accreditations could adversely affect Change's operations and financial results. Furthermore, Change may not be issued with the licences, certifications or accreditations necessary to conduct its business. To the extent that Change's customer contracts include termination rights due to loss of accreditation, registration or licence, or other adverse regulatory findings, there may be flow-on contractual effects or regulatory difficulties affecting Change's businesses.</p>
<p>Change may fail to attract and retain key personnel</p>	<p>A key driver of Change's performance is the recruitment and retention of effective and qualified employees. Change faces risks of loss of key management personnel, loss of other key employees, delay in finding suitable replacements for lost personnel and the inability to find suitably qualified personnel to meet Change's business needs as it grows. If any of these risks were to materialise, they could have a material adverse impact on Change's business, financial performance and financial condition.</p>
<p>Change's intangible assets may be impaired</p>	<p>Change has a material amount of intangible assets on its balance sheet relating to goodwill and identifiable intangible assets such as client contracts and relationships, software and licences. Under Australian Accounting Standards, goodwill and indefinite life intangible assets must be regularly tested for impairment. If impaired, Change would need to write down the value of its intangible assets, which would result in an expense in the income statement, thereby potentially materially impacting Change's financial condition and reported earnings.</p>

# Key Risks (cont.)

Topic	Summary
Change's reputation may be damaged	Change's brand and reputation is important in attracting and retaining clients. There is a risk that Change's brand and reputation may be tarnished by incidents such as negative publicity, a data security breach or a one-off unforeseen events that negatively impacts Change's operations. The occurrence of any such incidents may lead to client loss and the failure to attract new clients, which, in turn, may have an adverse impact on Change's financial performance.
Change may be involved in disputes or litigation	Change may in the ordinary course of business become involved in litigation and disputes, for example with its suppliers or clients. Any such litigation or dispute could involve significant economic costs and damage to relationships with suppliers, clients and/or other stakeholders. If Change is involved in any litigation or disputes or protracted settlement negotiations in relation to that litigation or dispute, this may disrupt Change's business operations, cause Change to incur significant legal costs, and may divert management's attention away from the daily operations of the business. Any such outcomes may have an adverse impact on Change's business, reputation and financial condition and financial performance.
Change may infringe a third party's intellectual property rights	Change may receive notices from third parties claiming infringement of their intellectual property rights and/or breach of its agreements with them, including from its competitors in the industries it which it operates. Such claims may require protracted negotiation, including litigation, to resolve, or the payment of monetary damages or the satisfaction of indemnification obligations in the agreements with suppliers. In addition, such claims may increase as Change continues to acquire new businesses and enter new markets. In such cases, if a determination was made that Change had infringed such third-party rights, Change's business and financial condition may be adversely affected.
Competition risk	Change is one of a number of fintech companies that operate in the payment industry. Although Change will undertake all reasonable due diligence in its business decisions and operations, Change will have no influence or control over the activities or actions of its competitors, which may positively or negatively affect the operating and financial performance of Change's business.
Exchange rate risk	A number of Change's commercial arrangements are based on US dollars. Accordingly, the revenues, earnings, costs, expenses, assets and liabilities of Change may be exposed adversely to exchange rate fluctuation.
Business risk	There are risks inherent in doing business, such as unexpected changes in regulatory requirements, longer payment cycles, problems in collecting receivables, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact the success of Change's operations.
Insurance	Change maintains insurance within ranges of coverage it believes to be consistent with industry practice and having regard to the nature of the activities undertaken by it. No assurance, however, can be given that Change will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

# Key Risks (cont.)

Topic	Summary
Equity underwriting risk	<p>Change has entered into an underwriting agreement under which the Underwriters have agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement. Prior to settlement of the Entitlement Offer, there are certain events which, if they were to occur, may affect the Underwriters' obligations to underwrite the Entitlement Offer. If certain conditions are not satisfied or certain events occur under the underwriting agreement, the Underwriters may terminate the agreement which may require Change to search for alternative financing. The ability of the Underwriters to terminate the underwriting agreement in respect of some events (including breach of the underwriting agreement by Change, market disruption or regulatory action) will depend (amongst other things) on whether the event has or is likely to have a material adverse effect on the success, settlement or marketing of the Offer, or could reasonably be expected to give rise to a contravention by, or liability for, the Underwriters under applicable law. If the underwriting agreement is terminated for any reason,</p> <p>then Change may not receive the full amount of the proceeds expected under the Offer, its financial position might change and it might need to take other steps to raise capital or to fund the</p> <p>Acquisition.</p>

## General Investment Risks

Topic	Summary
There are risks associated with an investment in shares	<p>There are general risks associated with investments in equity capital such as Change shares. The trading price of Change shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors that may affect the market price of shares include:</p> <ul style="list-style-type: none"><li>• general movements in Australian and international stock markets;</li><li>• investor sentiment;</li><li>• Australian and international economic conditions and outlooks;</li><li>• changes in interest rates and the rate of inflation;</li><li>• changes in government legislation and policies, in particular taxation laws;</li><li>• announcement of new technologies;</li><li>• geo-political instability, including international hostilities and acts of terrorism;</li><li>• demand for and supply of Change shares;</li><li>• announcements and results of competitors; and</li><li>• analyst reports.</li></ul>

# Key Risks (cont.)

Topic	Summary
	<p>No assurance can be given that the New Shares will trade at or above the Offer Price or that there will be an active market in Change shares. None of Change, its directors or any other person guarantees the performance of the New Shares.</p> <p>The operational and financial performance and position of Change and Change's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.</p>
Risk of dilution	Investors who do not participate in the Entitlement Offer and the Placement, or do not take up all of their entitlement under the Entitlement Offer, will have their percentage security holding in Change diluted by not participating to the full extent in the Entitlement Offer and the Placement. Investors may also have their investment diluted by future capital raisings by Change. Change may issue new shares to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest in Change. Change will only raise equity if it believes that the benefit to investors of conducting the capital raising is greater than the short-term detriment caused by the potential dilution associated with a capital raising.
There may be changes in accounting standards	There may be changes in accounting standards. This may affect the reported earnings of Change and its financial position from time to time. There are multiple pending, or recently adopted, changes to accounting standards that may impact Change, including those governing leases (adopted on 1 July 2019). Change has previously and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.
Adverse changes to tax laws may occur	Future changes in taxation laws in jurisdictions in which Change operates, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in Change shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Change operates, may impact the future tax liabilities of Change.



# Foreign Jurisdictions



## **Ineligible Shareholders**

The Capital Raising is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to, Ineligible Shareholders, and where the Presentation has been dispatched to Ineligible Shareholders, the Presentation is provided for information purposes only.

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## **New Zealand**

New Shares are not being offered under the Capital Raising Offer to the public within New Zealand, other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*. This Presentation is not an investment statement or prospectus under New Zealand law and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain, and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*.

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