



## ASX ANNOUNCEMENT

1 October 2020

# Completion of Strategic Acquisition

### Investment Highlights

- Completion of the acquisition of Wirecard NZ & Australia assets
- Pro-forma FY20 key financial metrics of the acquisition include:
  - A\$15.4 million revenue
  - A\$9.3 million is annual recurring revenue (ARR)
- Acquisition brings significant scale and growth through the addition of 120 customers, capability in +35 countries and a global workforce
- Blue chip client base including the big 4 Australian banks, major Australian supermarkets, Asian and South American banks and fintechs
- Process of assigning customer contracts to Change underway
- All required staff, including all senior Wirecard NZ and Australia staff, are now employed by Change as of 1 October 2020

**1 October 2020:** Change Financial Limited (ASX: CCA) ("**Change**" or the "**Company**"), is pleased to provide the following update on its strategic acquisition of Wirecard NZ and Australia.

### Strategic Acquisition

Change has now completed the acquisition of the business assets ("**Wirecard Business**") of Wirecard NZ Limited (administrators appointed) ("**Wirecard NZ**") and Wirecard Australia Pty Ltd (administrators appointed) ("**Wirecard Australia**") for a total cash consideration of A\$7.8 million<sup>(1)</sup>.

The Wirecard Business acquired by Change represents the Australian and New Zealand business assets of the vendors which provide innovative card management and payment platform solutions to banks and financial institutions as well as digital brands and fintechs. Wirecard Business's technology is active across more than 35 countries, with over 120 customers.

Pro-forma FY20<sup>(2,3)</sup> key financial metrics of the acquisition include:

- A\$15.4 million revenue
- A\$9.3 million is annual recurring revenue (ARR)<sup>(4,5)</sup>

In accordance with the acquisition agreement, Change has been working with the administrators to assign existing customer contracts from Wirecard.

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<sup>1</sup> Final Consideration will be adjusted for net working capital adjustments

<sup>2</sup> FY2020 based on pro-forma actuals based to 30 June 2020

<sup>3</sup> AUD/USD = 0.72

<sup>4</sup> Revenue on an accrual basis which includes combination of revenue received and revenue in advance

<sup>5</sup> FY20 numbers based on full 12-month contribution to 30 June 2020

Change is pleased to advise that it has started receiving signed assignment deeds and will continue to pursue these over the coming months. The Company, after discussions with the administrator, believes that there are no major impediments to securing customers under the assignment deeds.

Change also note importantly that Wirecard customers have continued to use the products and continued to pay invoices during the administration process.

The Company is also pleased to announce that all the required existing Wirecard employees have agreed to join Change Financial commencing today. This includes all senior employees that take responsibility for product, technology development and finance functions.

Completion of the acquisition allows Change to accelerate and focus on its growth strategy which includes:

- Upgrading the existing Platform with new features from acquisition – addressable market increases ten-fold with the addition of debit and credit card features
- On boarding of more than ten customers in the US over the next 12 months
- Upgrading of existing acquired customers to new card management software. Three customers have been identified to date with a further nine additional opportunities over the medium term
- Investing in sales and marketing which Change believes was significantly under-invested in historically.

## **Recent Media**

For those shareholders who have not seen the video interview with Alastair Wilkie, CEO of Change Financial, and Ben Harrison, Chairman of Change Financial released last week by Boardroom Media, a link to the interview is provided below. Alastair and Ben discuss further details of the acquisition and what it means for Change going forward.

<https://www.boardroom.media/broadcast?eid=5f64505090bf330019185081>

Authorised for release by Ben Harrison, Chairman.

## **For more information, please contact:**

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## **About Change Financial**

Change Financial Limited (ASX: CCA) is a global fintech developing innovative and scalable payments technology to provide solutions for businesses and financial institutions. Change Financial has built a global enterprise payments and card issuing platform. To learn more, please visit: [www.changefinancial.com](http://www.changefinancial.com)