

18 February 2021

ASX Listings Compliance
Attn: Ms Maria Clemente
20 Bridge Street
Sydney NSW 2000

Via email

Dear Ms Clemente,

RE: Response to ASX query

Change Financial Limited ('**Change**' or the '**Company**') here provides its responses to the ASX queries in relation to the recent trading observed in the Company's securities.

The Company provides the following responses to the queries:

1. No, the Company is not aware of any information that has not been announced to the market that a reasonable person would expect to have a material impact on the price and volume of the Company's securities.
2. Not applicable
3. The Company acknowledges that the price increase was from a low of \$0.11 to a high of \$0.18 but notes that Change Financial has had similar and even greater changes in price and increased volumes following release of the announcement in September 2020 relating to a recent acquisition elevating the Company to a global FinTech player offering its scalable Banking as a Service (BaaS) platform to more than 120 customers in 36 countries.

Change considers that the following released information may have a bearing on the increase in price and trading volume observed:

- (a) As announced on 11 September 2020, Change entered into an agreement to acquire the assets of Wirecard NZ & Australia effective 1 October 2020. Following the final consideration adjustments, the effective consideration was reduced to NZ\$6.83 million. The acquisition was limited to the assets of the Wirecard business, including customers, staff, technology and outstanding invoices owed by customers. As such, other than staff leave balances, no liabilities were inherited by Change. All other potential liabilities were ring fenced in the entities currently in liquidation.
- (b) Change released its Appendix 4C - December 2020 Quarterly Report together with a Quarterly Activities Report on 28 January 2021, which provided an update on its business activities for the three months to December 2020, including:
 - a. First full quarter financial contribution from the recent acquisition
 - b. Newly acquired business contributed US\$0.58 million (A\$0.75 million) EBITDA (30% margin) for the quarter
 - c. Group revenue for the quarter was US\$2.13 million (A\$2.77 million)
 - d. Business development activities in full swing with customers retained from the acquisition and multiple new customers signed to the platform
 - e. New contract wins of US\$1.43 million (A\$1.86 million) total contract value signed with new and existing customers during the quarter
 - f. Assessment of a number of technologies post acquisition with investment commitment made by Board to develop and commercialise new technologies. The Company is still reviewing a range of technologies it has acquired and looks forwards to updating shareholders with the outcome upon completion. Technologies include a number of flexible payment solutions that enhance Change's existing global BaaS Platform.
 - g. At the end of December 2020, the Company's cash position was US\$4.19 million (A\$5.44 million)

- h. Since the acquisition, the Company has worked diligently with its customers to secure existing business and lay the foundation for new business. Total invoicing during the quarter was US\$2.87 million (A\$3.73 million) including agreed fees invoiced in advance for project work and annual maintenance fees
 - i. At the end of December 2020, outstanding invoices owed by customers to Change totalled approximately US\$3.50 million (A\$4.55 million)
- (c) The COVID-19 pandemic has given rise to increased market and community awareness of the importance of BaaS platforms, technologies and cashless payments which appears to be contributing to the recent re-rating of the FinTech sector.
- (d) A number of FinTech companies in the Company's peer group in Australia and globally have had significant share price appreciations in recent months.
- CCA is focused on the continued development of its own business as a BaaS platform with card issuing and payments in the global payments sector.
4. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. The Company's responses to the questions above have been authorised and approved by the Board of Directors.

Please contact me if you require any further information.

Yours sincerely,

Adam Gallagher
Company Secretary

Authorised for release by the board of Change Financial Limited.

For more information, please contact:

Email: investors@changefinancial.com
Web: www.changefinancial.com



18 February 2021

Reference: 31074

Mr Adam Gallagher
Change Financial Limited
Company Secretary

By email: adam.gallagher@changefinancial.com

Dear Mr Gallagher

Change Financial Limited ('CCA'): Price - Query

ASX refers to the following:

- A. The change in the price of CCA's securities from a low of \$0.11 to a high of \$0.18 today.
- B. The significant increase in the volume of CCA's securities traded from 17 February 2021 to 18 February 2021.

Request for information

In light of this, ASX asks CCA to respond separately to each of the following questions and requests for information:

- 1. Is CCA aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
- 2. If the answer to question 1 is "yes".
 - (a) Is CCA relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in CCA's securities would suggest to ASX that such information may have ceased to be confidential and therefore CCA may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- 3. If the answer to question 1 is "no", is there any other explanation that CCA may have for the recent trading in its securities?
- 4. Please confirm that CCA is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 5. Please confirm that CCA's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CCA with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:30 PM AEDT Thursday, 18 February 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall

within the exceptions mentioned in Listing Rule 3.1A, CCA's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CCA to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in CCA's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CCA's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CCA's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CCA's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Maria Clemente
Adviser, Listings Compliance (Sydney)