

# change.

The background features a dark blue gradient with several wireframe pyramids in various colors (light blue, orange, green) and thin orange lines forming a large triangular shape on the right side.

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## Investor Presentation

For the half year ended 31 December 2021

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## Change Financial Limited

### ASX: CCA

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Change has the vision and capabilities to simplify payment experiences worldwide.

# Payments as a Service provider

## Vision

Simplifying payment experiences worldwide

## Ambition

To be a leading Payments as a Service provider through simple, flexible and fast to market technology

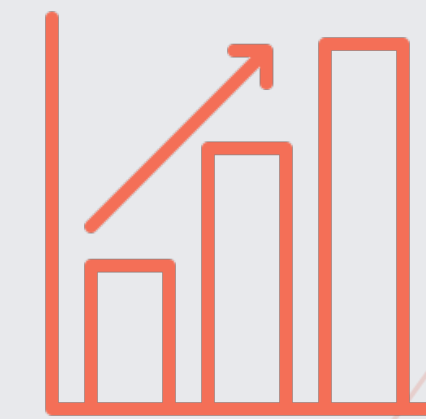
## Enablers

People

Products

Partnerships

## Priorities



Grow from the core



Perform with strong results



Excel through solutions



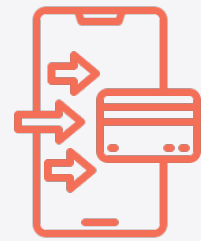
Differentiate in client experiences

# Delivering scalable payments solutions

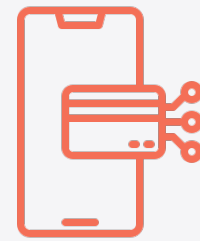
Payments solutions provider, driving innovation in the Banking as a Service ecosystem.

## Banking as a Service

### Payments as a Service



Issuing physical, digital and virtual prepaid, debit and credit cards

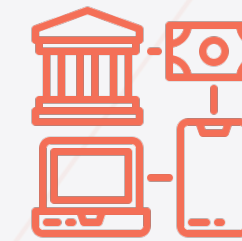


BNPL, Digital wallets, Apple Pay, Google Pay and Samsung Pay

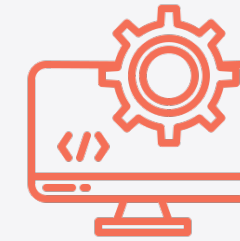


Transaction processing for major schemes Mastercard, VISA, Union Pay, JCB and AMEX

### Payment testing



Payment simulation



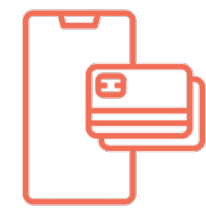
Testing automation



All network management and financial transactions

# Global fintech with local expertise

We have a diverse team of over 85 people with local knowledge to support our loyal and growing client base.



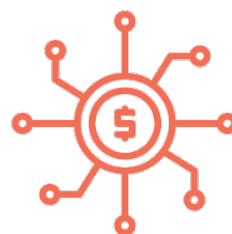
**16m+ cards**  
Scalable payments platform



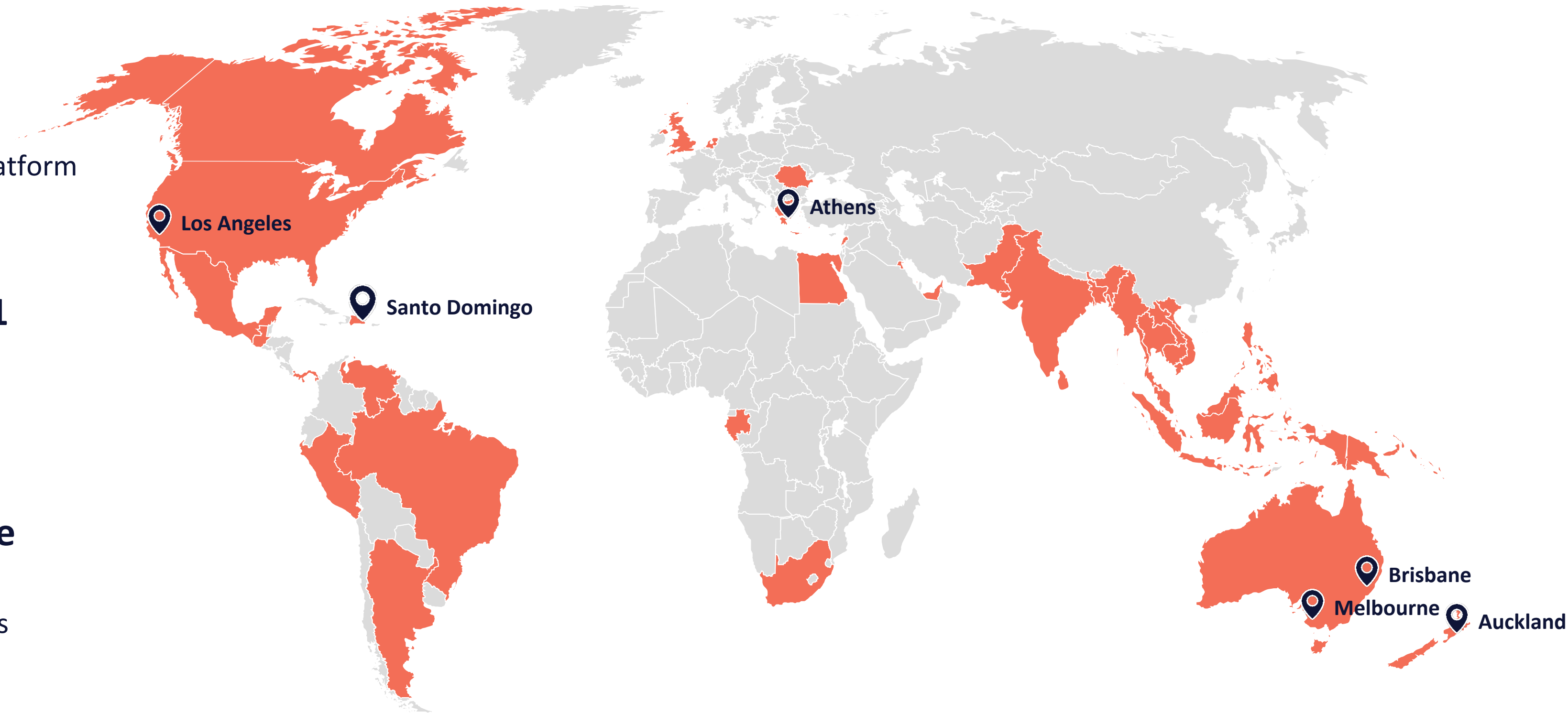
**147 Clients in 41 countries**  
Global footprint



**8+ years average tenure**  
Highly engaged clients



**Processing for the major schemes**



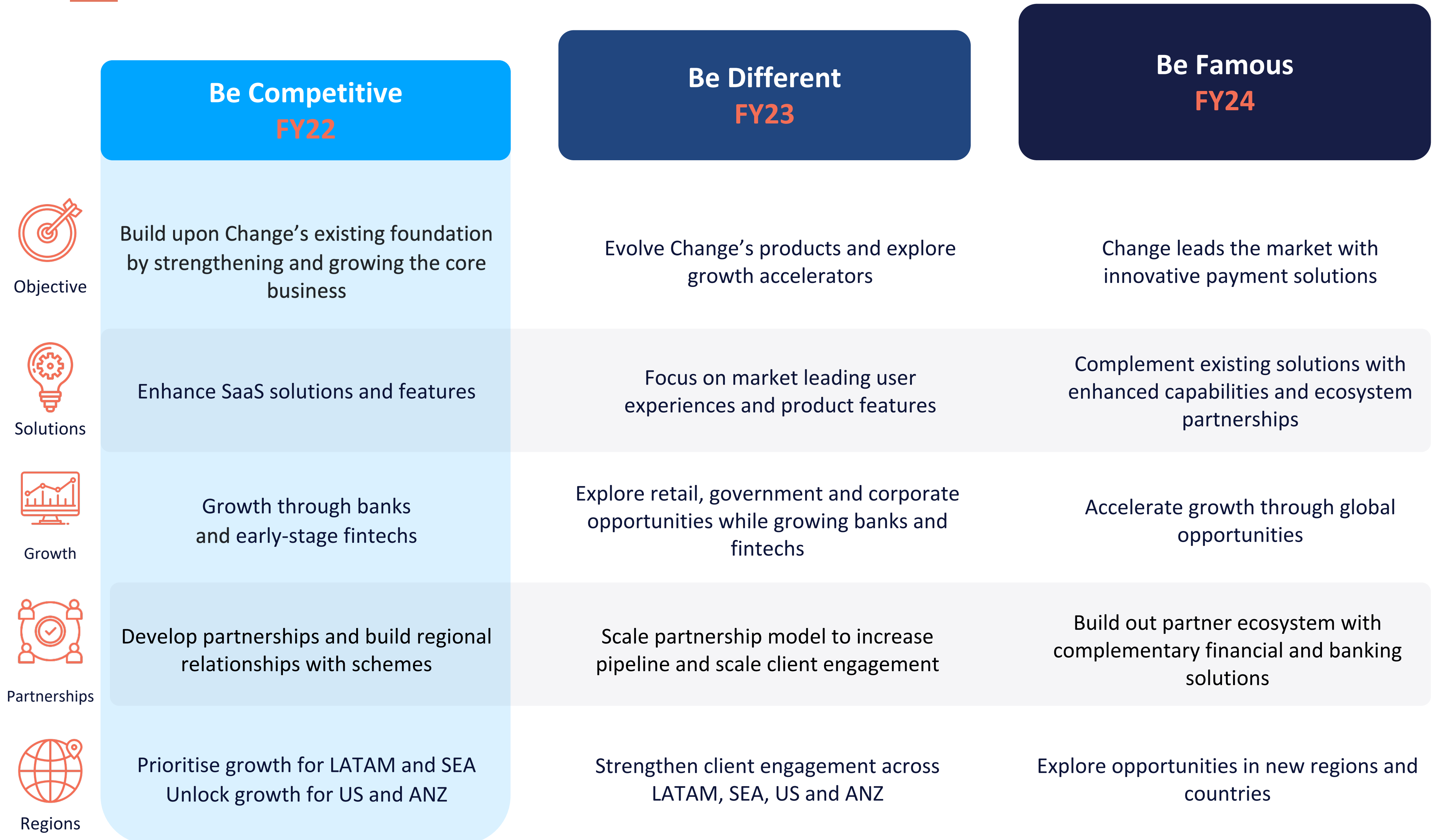
Our offices / staff



Our clients

# Core strategies to drive growth

Working with Deloitte, we analysed our products, capabilities and global market opportunities.



# Core strategies to drive growth

Our Be Competitive year is focussed on integration of our platforms, feature development, partnerships and customer growth.

## Be Competitive FY22



Objective

Build upon Change's existing foundation by strengthening and growing the core business



Solutions

Enhance SaaS solutions and features



Growth

Growth through banks and early-stage fintechs



Partnerships

Develop partnerships and build regional relationships with schemes



Regions

Prioritise growth for LATAM and SEA  
Unlock growth for US and ANZ

## Key Achievements – FY22 to date

- ✓ Significant investment in people and product
- ✓ Strengthened relationships with existing client base
- ✓ Increased our sales qualified leads by 222%
- ✓ Phase 2 of Vertexon platform build completed on time and within budget
- ✓ Vertexon Payments as a Service platform launched in Oceania
- ✓ PaySim API launched and beta testing completed with Big 4 Australian bank
- ✓ 5 of the top 10 digital payments companies<sup>1</sup> globally trust our services
- ✓ Evolving and enhancing our product suite to better cater for fintechs
- ✓ Secured a new US Payments as a Service client
- ✓ Partnered with a new US issuing bank
- ✓ Partnered with Mambu to deliver leading digital banking and payment capabilities
- ✓ Working closely with the schemes to enhance our product offering
- ✓ Built a highly experienced global business development team across our key markets
- ✓ Secured 11 new clients in our key focus markets

<sup>1</sup> <https://www.emergenresearch.com/blog/top-10-leading-digital-payment-companies-in-the-world>

Our Be Competitive year is focussed on integration of our platforms, feature development, partnerships and customer growth.

## FY22 Key deliverables for growth

### FY22 Q1-Q2

- ✓ Payment Card Industry PA-DSS Certification
- ✓ BDO Unibank Major Platform Upgrade
- ✓ Established Global Business Development team
- ✓ New US Issuing Bank Partnership

- ✓ New US Payments as a Service Client
- ✓ Board changes announced
- ✓ Vertexon SaaS Platform launch
- ✓ New Website Launch
- ✓ Vertexon Eventing
- ✓ PaySim API launch

### FY22 Q3-Q4

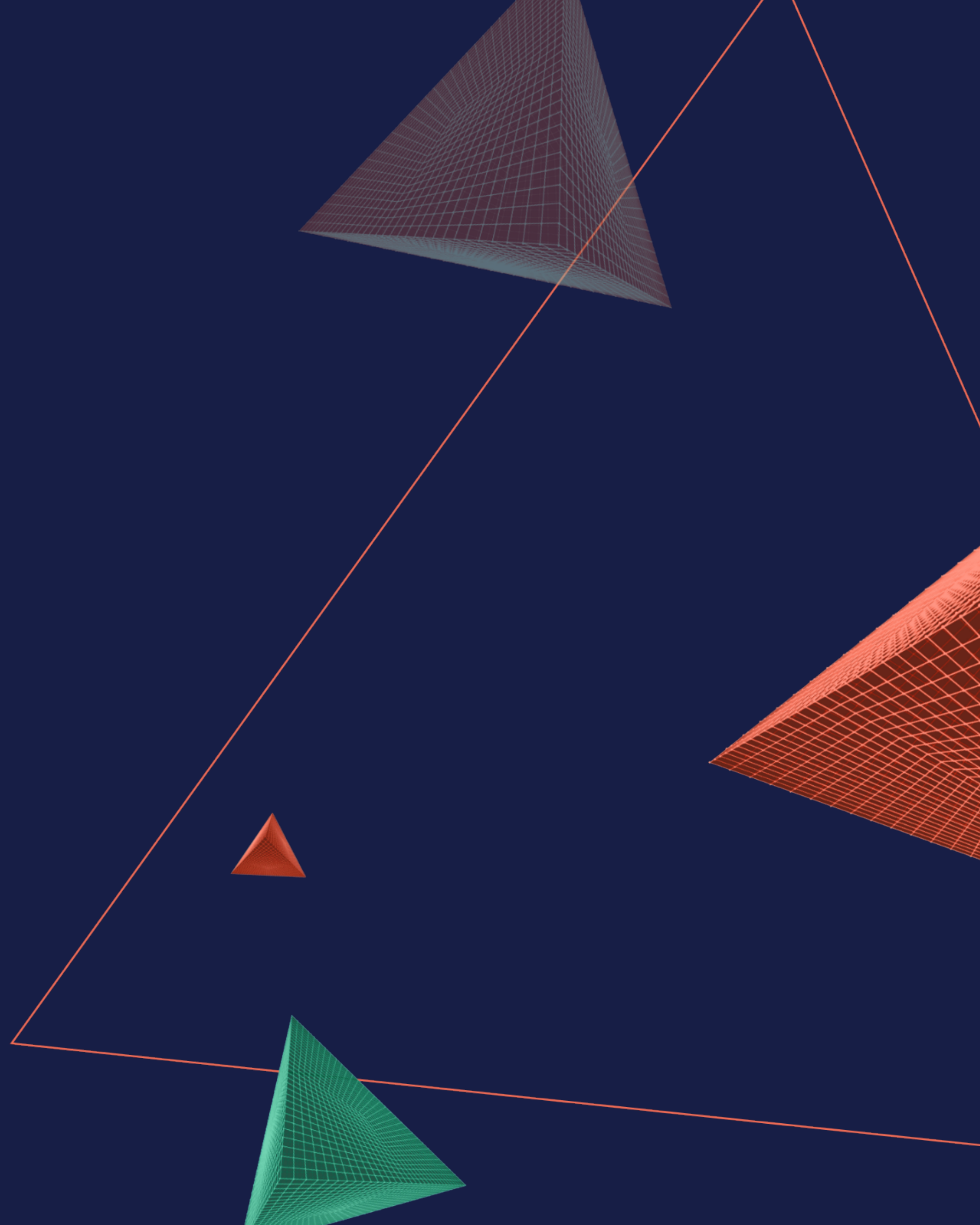
- ✓ Vertexon SaaS Platform launch in new region
- ✓ Vertexon Product Roadmap release
- ✓ PaySim Product Roadmap Release
- ▶ Axiom Bank issuing onboarding complete
- ▶ PaySim SaaS Launch
- ▶ First Vertexon SaaS Customer
- ▶ Partnership model enabled
- ▶ Enhanced Customer Support Model



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# H1 FY22 Results

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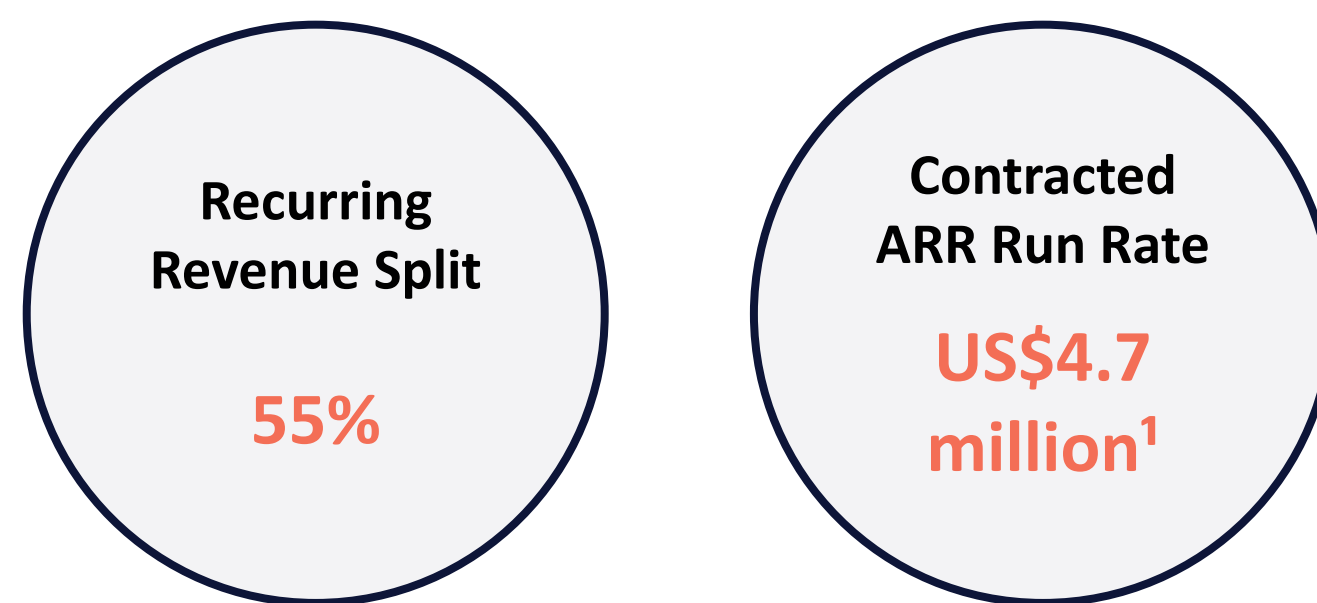


# Financial Performance

Continue to invest in the business to build a strong platform to drive future growth.

## Key Takeaways

- ▶ **Revenue** – strong increase in client interest and opportunities across both Vertexon and PaySim products. Geographically diverse client base provides a solid platform for future growth within our target geographies
- ▶ **Operating Expenses** – increased as the company continued to execute the Go-to-Market strategy to drive growth
- ▶ **Technology Investment** – significant investment in development as we deliver new software as a service (SaaS) solutions for our core products



Half Year to 31 December (US\$'000)	H1 2021	H1 2020 <sup>2</sup>	% Change
Revenue	3,769	2,140	76%
Operating Expenses	(5,461)	(3,366)	62%
EBITDA	(1,692)	(1,226)	38%
Depreciation & Amortisation	(528)	(184)	187%
Profit / (Loss) before Tax	(2,220)	(1,410)	57%
Income Tax (Expense) / Benefit	-	(189)	N/A
Profit / (Loss) from Operations	(2,220)	(1,599)	39%

<sup>1</sup>Run rate Contracted Annualised Recurring Revenue as at 31 December 2021

<sup>2</sup>Acquisition of the assets of Wirecard was effective 1 October 2020 and therefore only contributed for three months of the half year ended 31 December 2020

# Revenue Breakdown – H1 FY22

Diverse range of customers and product usage globally.

Expansive regional presence and a platform for future growth and expansion.

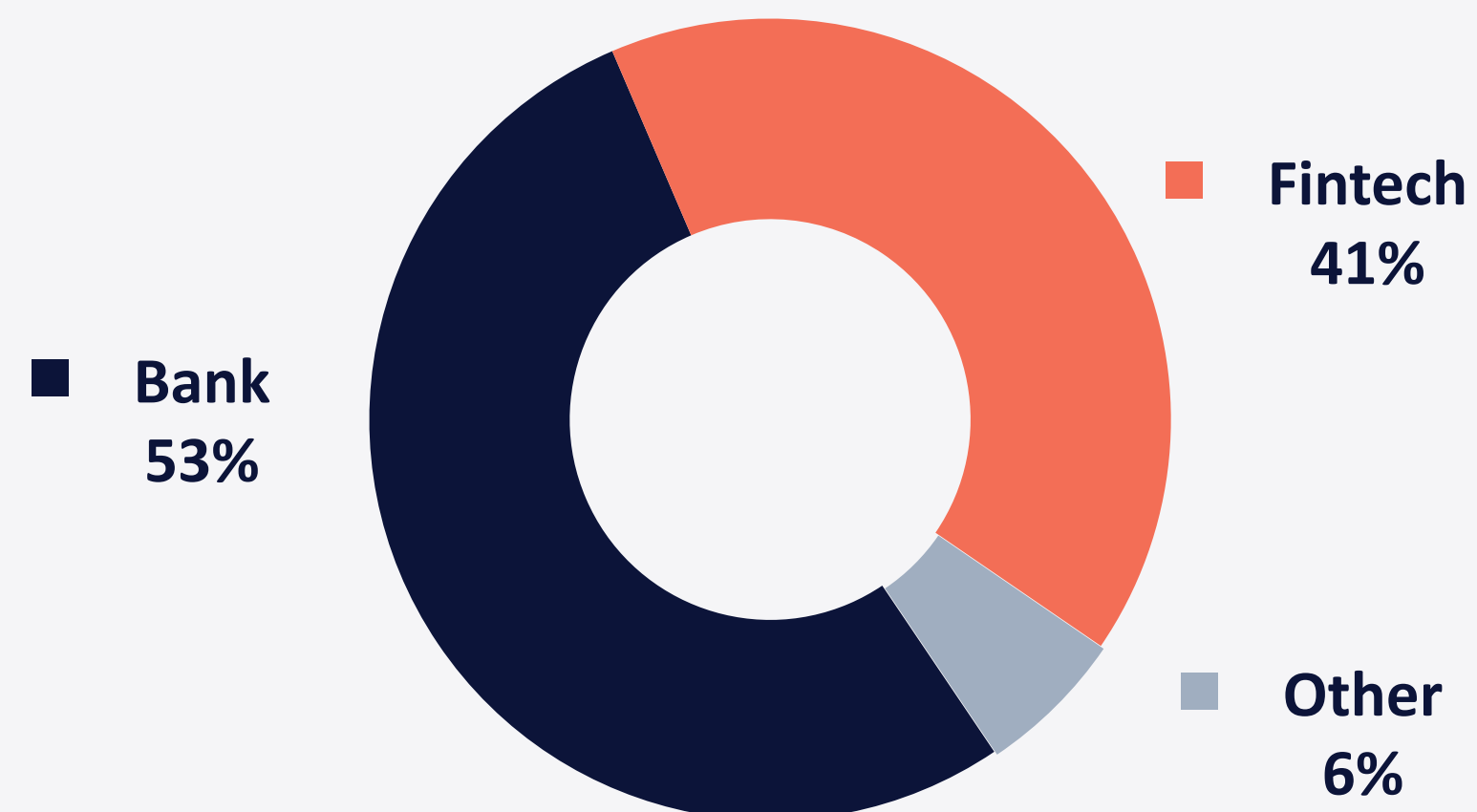
### Revenue by Product



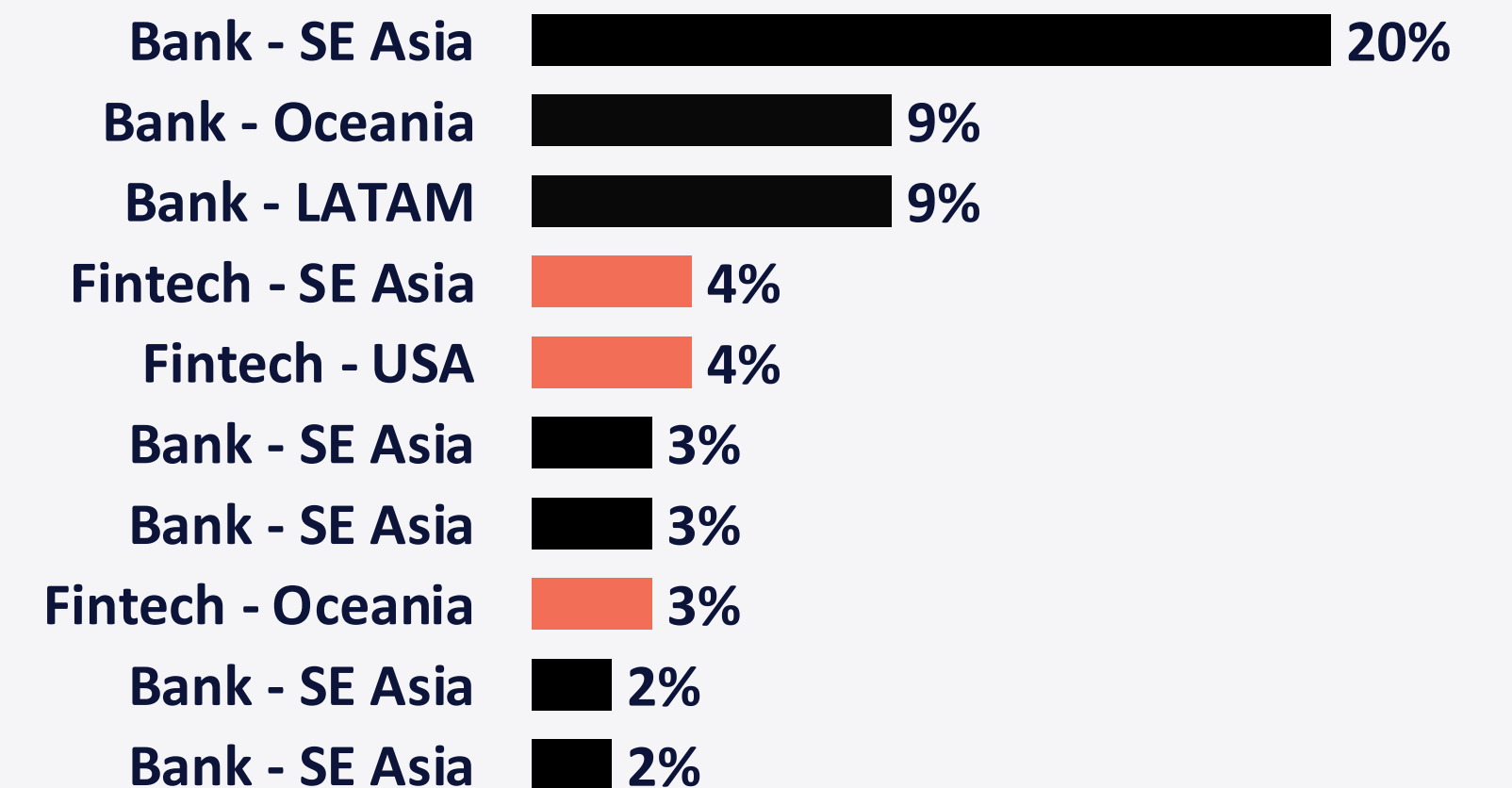
### Revenue by Region



### Revenue by Client Type



### Top 10 Customers by Revenue



# H1 FY22 Business Development Update

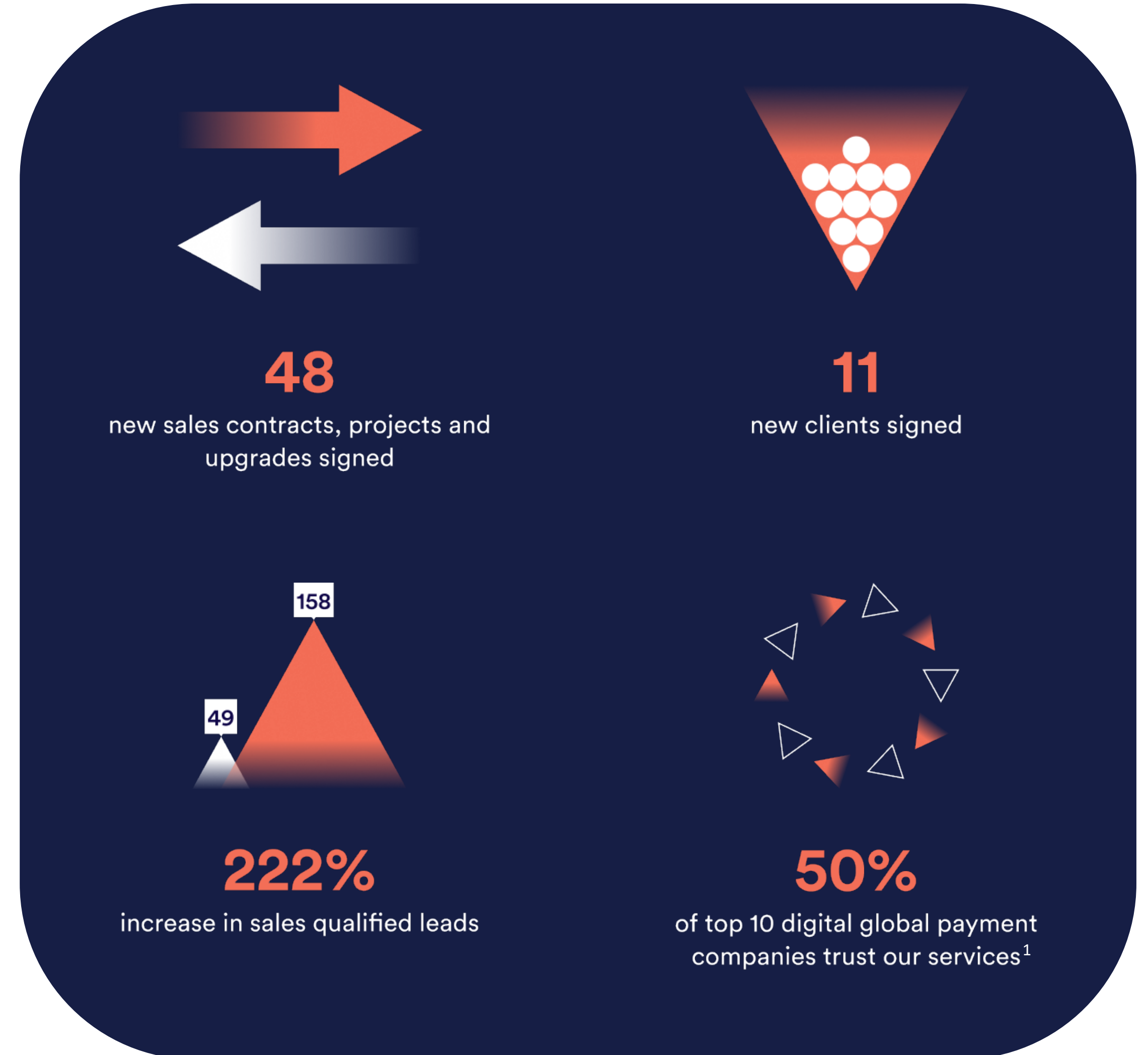
Business Development activities has delivered new customers and opportunities.

## Business Development Activities

- ▶ 48 opportunities were closed and won in H1 FY22
- ▶ US Payments as a Service Client secured - new US fintech Mastercard prepaid card program
- ▶ Significant growth in pipeline from 49 to 158 opportunities across both Vertexon and PaySim
- ▶ Strong interest in Vertexon SaaS solutions from new and existing clients that will drive ARR growth

## Strategic Activities

- ▶ Focus on strategic partnerships for growth
- ▶ Axiom bank onboarding in progress to be completed in Q3 FY22, strengthening our Mastercard Prepaid issuing capability in the US market
- ▶ Launch of new product brands and company website
- ▶ Release of product roadmaps for Vertexon and PaySim
- ▶ Marketing, PR and content strategy in place to increase market visibility and opportunities



<sup>1</sup> <https://www.emergenresearch.com/blog/top-10-leading-digital-payment-companies-in-the-world>

Change is building strategic partnerships to accelerate the roll out of its PaaS platform.

Mambu has 800 employees that support 200 customers in over 65 countries – including N26, BancoEstado, OakNorth, Raiffeisen Bank, ABN AMRO, Bank Islam and Orange Bank.

## Delivering market leading solutions



Core banking technology  
inc. savings, accounts and lending



Payments platform  
inc. cards, BNPL, Apple Pay

**= market leading  
digital banking  
and payment  
capabilities**

### Key Partnership Details

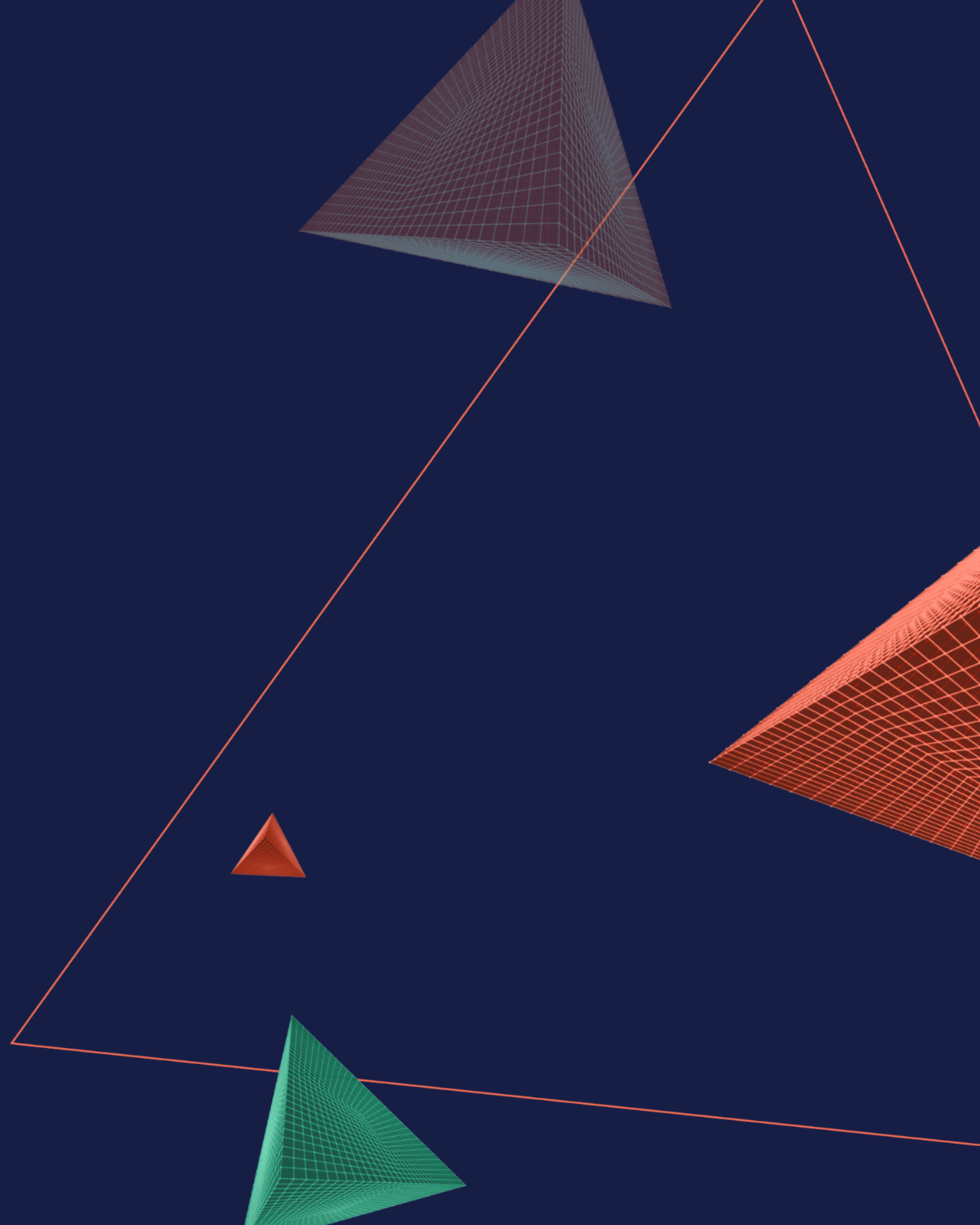
- ▶ Mambu is the cloud banking platform that fast-tracks the design and build of banking and financial offerings
- ▶ Partnership will see Change's Vertexon PaaS platform added to Mambu's application programming interface (API) driven cloud banking platform
- ▶ The companies will work together to make Change's payment simulation and testing solution, PaySim, available to all Mambu clients

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Thank you.

Get in touch

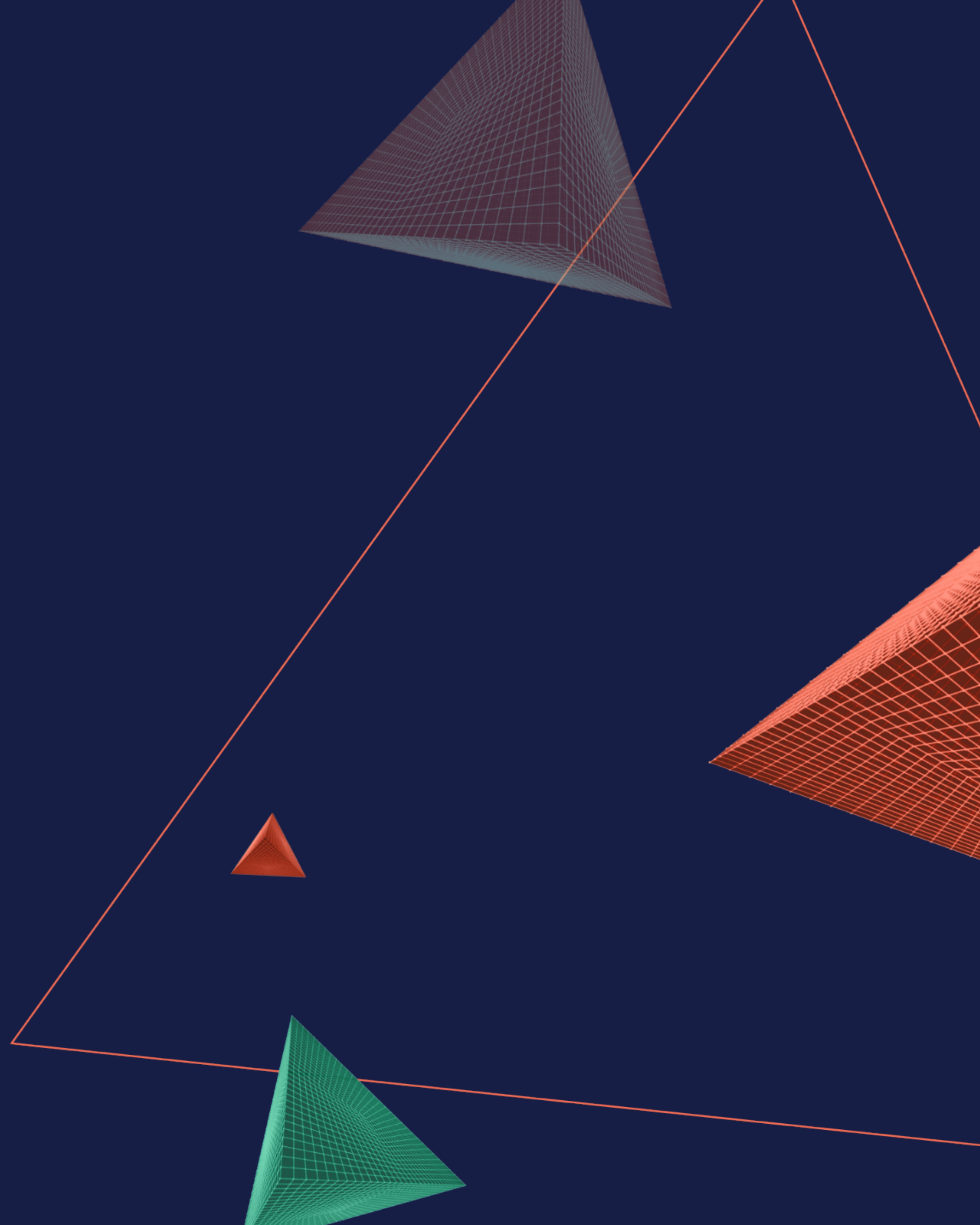
[investors@changefinancial.com](mailto:investors@changefinancial.com)



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# Appendix

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## Statement of Profit or Loss

Half Year to 31 December	2021 US\$	2020 US\$
Revenue & other income	3,768,536	2,139,794
Employee benefits expenses	(3,753,504)	(2,032,052)
Advertising & marketing expense	(222,933)	(16,207)
Program expense	(174,643)	(19,910)
Professional services & insurance expense	(514,373)	(244,929)
Consulting expense	(253,574)	(358,587)
Technology & hosting expense	(411,550)	(342,515)
Depreciation & amortisation expense	(528,271)	(184,487)
Business acquisition expense	-	(171,903)
Finance expense	(13,488)	(6,996)
Other expenses	(116,470)	(171,746)
<b>Profit (loss) before tax</b>	<b>(2,220,270)</b>	<b>(1,409,538)</b>
Income tax (expense) benefit	-	(188,975)
<b>Profit (loss) from operations</b>	<b>(2,220,270)</b>	<b>(1,598,513)</b>

- ▶ Increase in revenue and expenses for the half year ended 31 December 2021 relative to the prior period is reflective of the acquisition of the assets of Wirecard which occurred part way through the prior period (effective 1 October 2020)
- ▶ Expenses also increased as the company continued to execute the Go-to-Market strategy to drive growth – in particular, new senior leader hires, business development manager hires and marketing expenses



# Statement of Financial Position

Balance at	31 Dec 2021 US\$	30 Jun 2021 US\$
Cash and cash equivalents	1,564,098	4,019,001
Trade and other receivables	2,472,094	2,360,898
Contract assets	69,480	184,864
Current tax asset	64,766	-
Other current assets	318,821	183,339
<b>Total Current Assets</b>	<b>4,489,259</b>	<b>6,748,102</b>
Property, plant & equipment	394,372	460,953
Intangible assets	5,825,747	5,513,817
<b>Total Non-current Assets</b>	<b>6,220,119</b>	<b>5,974,770</b>
<b>Total Assets</b>	<b>10,709,378</b>	<b>12,722,872</b>
Trade & other payables	954,554	1,351,738
Provisions	1,185,677	1,035,100
Lease liability – current	219,067	297,380
Contract liabilities	3,322,053	2,714,047
<b>Total Current Liabilities</b>	<b>5,681,351</b>	<b>5,398,265</b>
Provisions	37,672	39,559
Lease liabilities – non-current	192,641	264,378
<b>Total Non-current Liabilities</b>	<b>230,313</b>	<b>303,937</b>
<b>Total Liabilities</b>	<b>5,911,664</b>	<b>5,702,202</b>
<b>Total Equity</b>	<b>4,797,714</b>	<b>7,020,670</b>

# Statement of Cash Flows

Half Year to 31 December	2021 US\$	2020 US\$
Receipts from customers	4,307,774	1,082,858
Payments to suppliers and employees	(5,761,800)	(3,377,325)
Interest received	-	5,439
Interest paid	(13,488)	(6,996)
Government grant programs	-	60,547
<b>Net cash used in operating activities</b>	<b>(1,467,514)</b>	<b>(2,235,477)</b>
Receipts from sublease (excluding interest received)	-	41,589
Payment for plant & equipment	(34,158)	(35,111)
Payment for software development	(745,861)	(160,119)
Business acquired	-	(4,492,416)
<b>Net cash used in investing activities</b>	<b>(780,019)</b>	<b>(4,646,057)</b>
Proceeds from share issue	-	8,358,600
Cost of funding	-	(606,588)
Payments of lease liabilities (excluding interest paid)	(140,682)	(86,542)
<b>Net cash (used in) / provided by financing activities</b>	<b>(140,682)</b>	<b>7,665,470</b>
<b>Net increase (decrease) in cash held</b>	<b>(2,388,215)</b>	<b>783,936</b>