

ASX ANNOUNCEMENT

31 July 2019

June 2019 Quarter Update

Investment Highlights

- Finalisation of Ivy Project divestment
- Continue to advance the build of the Company's core payments processor targeting launch by the end September of 2019

31 July 2019: Change Financial Limited (ASX: CCA) ("**Change Financial**" or "**the Company**"), is pleased to provide the following business update for the quarter ending June 2019.

Finalisation of Ivy Project Divestment

Ivy Investment: On 11 January 2019, the Company announced it had monetised its investment in the Ivy Project. During the quarter, the divestment of the Company's interest in the Ivy Project was finalised.

According to the final terms of the transaction, the Company agreed to transfer 117,000,000 Ivy tokens back to Ivy Koin LLC. The Company retains 13,000,000 Ivy tokens.

This concluded the Company's involvement with the Ivy Project.

Update on Development of Enterprise Solution

The cash proceeds will be used to support on-going working capital requirements to fund the completion of the Company's enterprise banking solution and payments processor business.

During the quarter the Company continued to finalise key work streams to enable the launch of the product. While progress has been slow and key risks remain we still

remain confident that the key components of the build will be completed by the end of September.

Key tasks during the quarter included; user acceptance testing, PCI certification, documentation and finalising commercial agreements with key partners.

Cash Flow

Cash at the end of the June 2019 quarter was approximately US\$1.5 million. All financial figures in the following Appendix 4C are denominated in US dollars, unless stated otherwise.

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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.

To learn more, please visit: www.changefinancial.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Change Financial Limited

ABN

34 150 762 351

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	103	645
1.2 Payments for		
(a) staff costs	(393)	(2,272)
(b) advertising and marketing	-	(170)
(c) other	(412)	(3,496)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(702)	(5,290)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) software	-	(82)
(b) payment for investment		
(c) physical non-current assets	-	(2)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	(84)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	3,167
3.2 Proceeds from issue of converting notes	-	1,185
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options		(192)
3.5 Proceeds from borrowings (Altor loan)	-	352
3.6 Repayment of borrowings (Altor loan)	-	(352)
3.7 Transaction costs related to loans and borrowings	-	(113)
3.8 Dividends paid		
3.9 Other – Distribution Received	1,300	1,300
3.10 Net cash from / (used in) financing activities	1,300	5,347

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	897	1,666
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(702)	(5,290)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	1,300	(84)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	5,347
4.5 Effect of movement in exchange rates on cash held	(27)	(171)
4.6 Cash and cash equivalents at end of quarter	1,468	1,468

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1 Bank balances	1,468	897
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,468	897

6. Payments to directors of the entity and their associates

- | | Current quarter
\$US'000 |
|--|-----------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 20 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

Item 6.1 comprises payments to the Directors

7. Payments to related entities of the entity and their associates

- | | Current quarter
\$US'000 |
|--|-----------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The facility in 8.3 is the Altor converting note facility as approved at the Extraordinary General Meeting on 12 February 2019. Details of that facility are included in the notice of meeting for that meeting.

9. Estimated cash outflows for next quarter	\$US'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	-
9.4 Leased assets	
9.5 Staff costs	(330)
9.6 Administration and corporate costs	
9.7 Other (provide details if material)	(412)
9.8 Total estimated cash outflows	(742)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

By Order of the Board
Adam Gallagher
Company Secretary
31 July 2019



Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.