ASX ANNOUNCEMENT

12 September 2016

CHIMPCHANGE CONTINUES STRONG CUSTOMER GROWTH

INVESTMENT HIGHLIGHTS

- Strong customer acquisition in August, up 42% compared to July
- Early signs in September are for continued growth in customer acquisition along with improvement in other fundamental metrics
- ChimpChange forms innovation subsidiary to foster product development and drive customer growth

ChimpChange Limited (ASX: CCA) ("ChimpChange" or the "Company") is pleased to provide the following update on business development.

ChimpChange is a digital banking business based in Los Angeles, California, who focuses on delivering a better way to bank with an affordable, personalised, fun and frictionless user experience.

Continued strong customer growth

The Company is pleased to announce continued strong customer growth over the month of August.

During August, ChimpChange acquired 5,700 customers, an increase of 42% on July account openings.

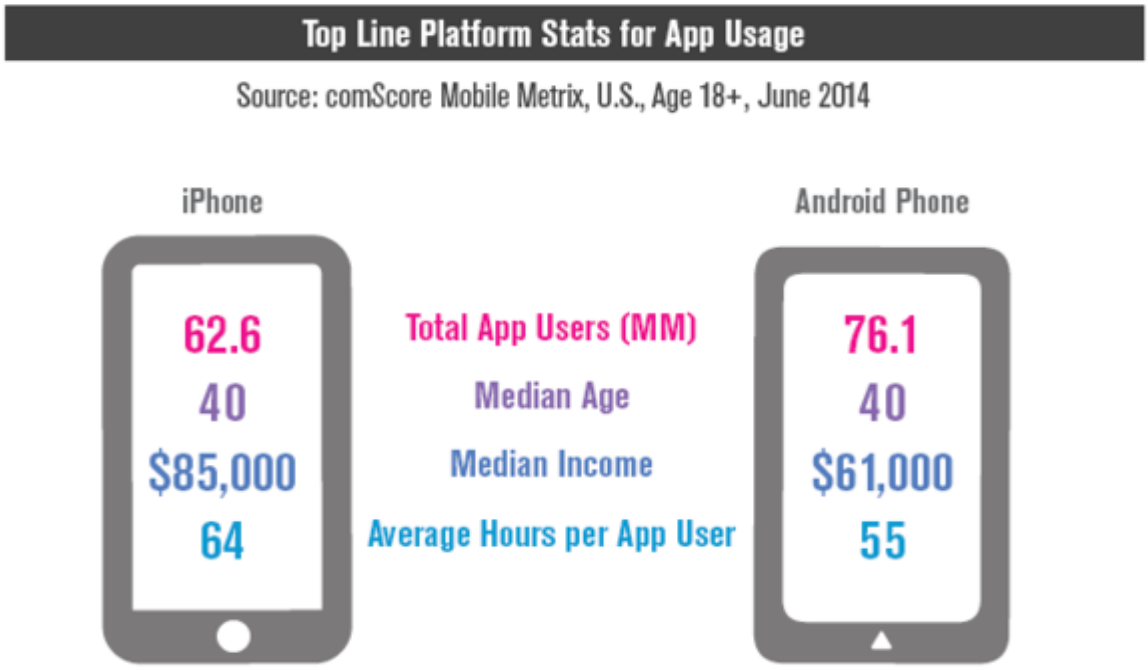
"This increase in customer acquisition means ChimpChange has now created more than 100,000 customer accounts on its digital banking platform as at the date of this announcement" said ChimpChange Founder and Managing Director Ashley Shilkin.

The majority of new ChimpChange customers continue to come from the millennial demographic (age 18 – 35), representing approximately 70% of the customers acquired during the month. The Company continues to acquire more customers from California than from any other state in the USA.

Over the last 12 months, the Company has seen an increasing proportion of customers subscribing on iPhones as opposed to Android devices. During the prior corresponding period (the first quarter of FY16), approximately 23% of new ChimpChange customers had an iPhone. By August 2016, this figure had risen closer to 43%.

This is significant because the US iPhone population represents a higher-income cohort as shown in the following chart from the comScore Mobile Metrix study.

In examining trends on ChimpChange users' mobile platform, the Company notes evidence that iPhone users are depositing and spending more than their Android counterparts.



Pleasingly, the Company has also made significant improvements in activation rates of new customers. ChimpChange anticipates continued improvement in activation rates as the Company implements a number of upcoming initiatives. This development should yield a higher base of active users and increase total transaction volume ("TTV").

Deposit growth: positive response to new cheque load features

Following the successful launch of the ChimpChange cheque deposit feature on July 11th, the Company has noted cheque deposit's share of the funds deposit mix (as a proportion of total funds deposited into ChimpChange accounts) increase over time.

The cheque deposit feature enables customers to take a photo of a cheque using their smartphone through the ChimpChange App and facilitates the deposit of that cheque into their ChimpChange account. ChimpChange receives a 1% fee for instant clearing of the cheque which allows immediate access to the funds on customers' ChimpChange Debit MasterCard.

Mobile cheque loads represented approximately 1% of total deposits for the month of July 2016. By August, mobile cheque loads had risen to approximately 5% of total deposits.

A significant majority of cheque loaders are opting to pay a fee for immediate access to their funds, in line with the Company's expectations.

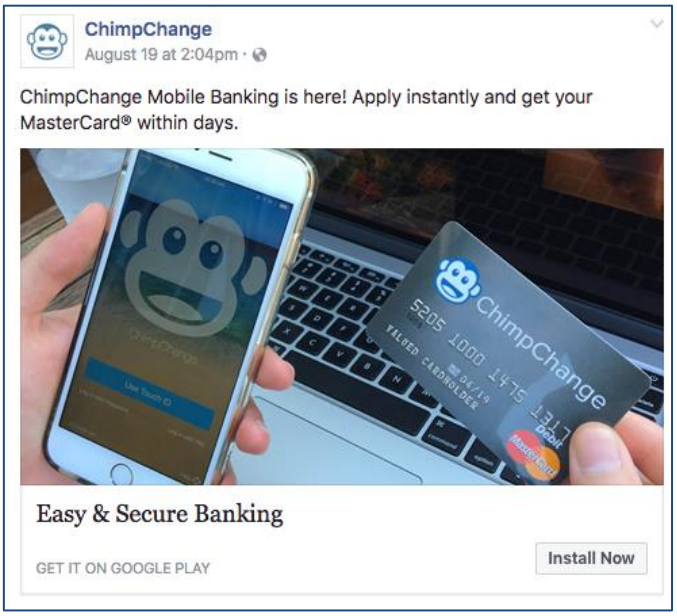
While it is too early to draw definitive conclusions, the Company continues to be impressed not only by the weekly growth in amounts deposited (via the cheque load feature), but also by the increase in average cheque size. The Company notes that the proportion of cheque loads to total deposits may remain consistent on the basis that direct deposit and cash deposits should continue to grow month to month. The Company looks forward to monitoring this trend and providing investors with more meaningful insights on this in the coming months.

Marketing Update

Over the last month, the Company has focused its customer acquisition efforts on a number of marketing channels. Facebook marketing accounted for 50% of acquisitions, Instagram 19% and Google 10%.

ChimpChange continues to believe that the Company will become more efficient while scaling its customer growth over time. The Company attributes this to the fact that organic acquisition grew to 21% of total August customer growth. This is a positive indicator that word-of-mouth referrals and brand recognition are driving organic customer growth. The Company expects this to help optimise ChimpChange's targeted cost of acquisition which remains in line with targets.

The Company has recently launched new advertising that focuses on simple, 'user generated content' images and messaging. The Company designed the new ads to look and feel as if a friend had posted them to the social feeds. These ads have contributed to the Company's recent customer acquisition growth at higher efficiency rates, and ChimpChange expects to continue scaling through these channels.



ChimpChange is pleased to announce that Malek Khulusi recently joined the Company as Marketing Manager. ChimpChange hired Malek from Dollar Shave Club, an e-commerce start-up based in Los Angeles. Unilever recently acquired Dollar Shave Club for US$1 billion.

Malek is an experienced user acquisition expert, specialising in the social advertising that was instrumental to the success of Dollar Shave Club. Today, Malek works closely with Chief Marketing Officer Nick Roberts to optimise user acquisition, enhance retention among existing users, and drive social media advertising campaigns for ChimpChange.

Establishment of innovation company

ChimpChange has recently established a wholly owned innovation subsidiary.

This company, called Change Labs, will look to partner with leading strategic companies to develop cutting-edge financial technology that can be deployed into the ChimpChange digital banking platform to assist with driving customer acquisition. We look forward to keeping shareholders updated on these initiatives over the long term.

Outlook

ChimpChange's outlook remains very positive. The Company has already seen a material increase in customer acquisition as well as record deposit rates since IPO (assisted by the cheque load product) during the first week of September.

We will aim to deliver on the following targets by the end of December quarter 2016:

1. Launching two new product features; and
2. Acquiring an additional 25,000 new customers;

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About ChimpChange

ChimpChange Limited (ASX: CCA) is Australia's only listed digital banking platform. The Company offers consumers secure, low-cost, feature-rich mobile money bank accounts.

Based in Los Angeles, California, ChimpChange delivers a better way to bank with an affordable, personalised, fun and frictionless user experience. All funds on deposit are held with a federally regulated FDIC-insured bank in the USA.

ChimpChange empowers customers to send instant mobile payments, make in-store/online purchases everywhere MasterCard is accepted, and do all their daily transactional banking from a single app.