

ChimpChange

2016 AGM Presentation

Our Value Propositions

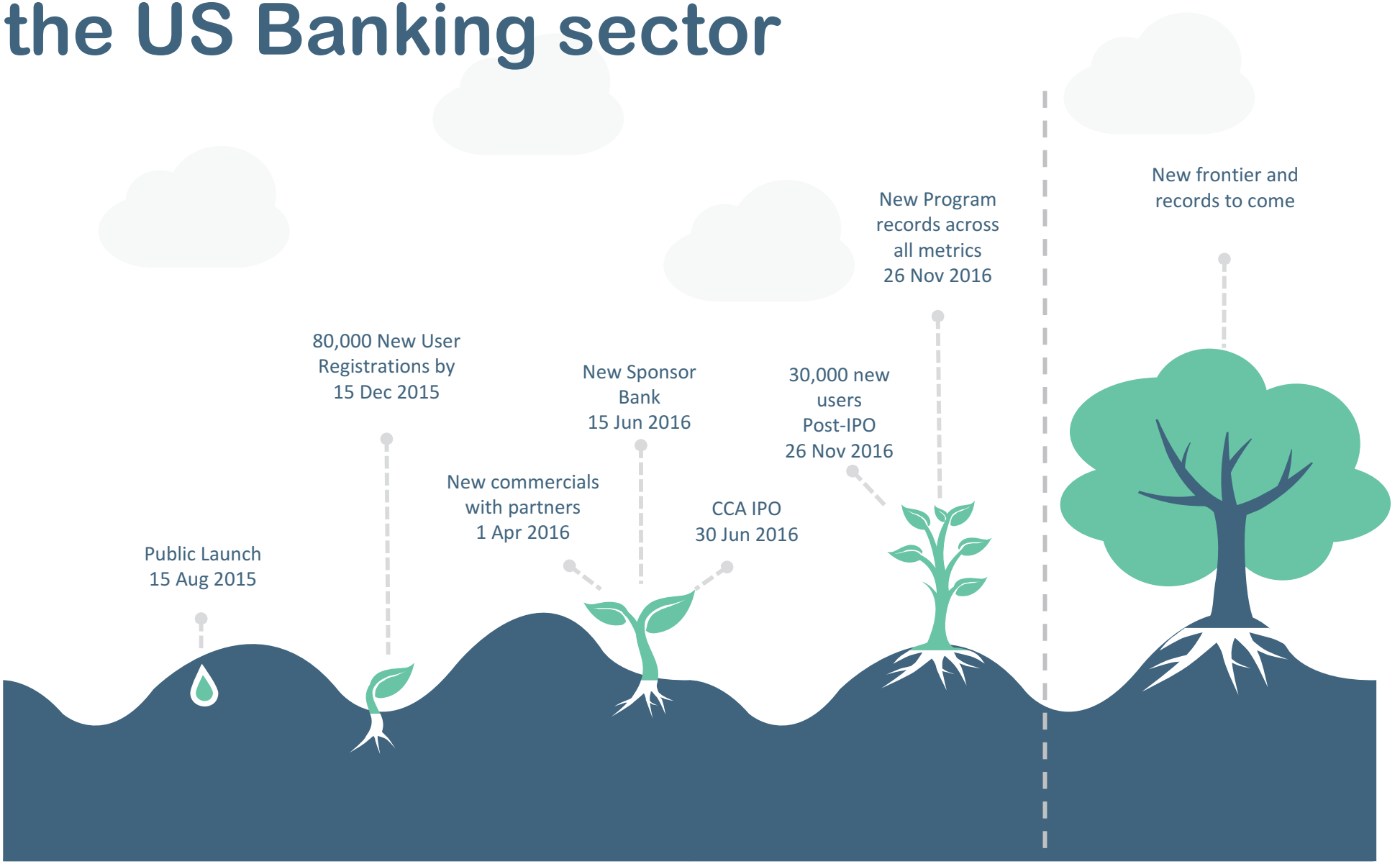
1. WE ARE FREE

- More than 50% of banking customers in the US are still paying monthly account and other fees.
- Monthly account keeping fees average between US$10 – US$25 when minimum balances / deposits are not met.
- Average US$260 per annum is paid in overdraft or insufficient funds fees alone.
- Estimated 67 million people find these fees too high, and leave the traditional banking system.
- We are positive gross margin when a customer spends US$50 per month on their card, without charging monthly fees.
- Open a free account from your home.

2. WE ARE BETTER THAN YOUR BANK

- We believe a bank account, as a minimum, should provide a free debit card, free ATM network, a cash load network, and great customer support.
- We auto-categorise all purchases to show you exactly where you are spending money.
- We present transaction history categorised visually, to really grasp where your money is going.
- Take a photo of a cheque for instant clearance into your ChimpChange account.
- Add notes to your purchases.
- Send money to friends for free.
- Save your round-ups (soon).

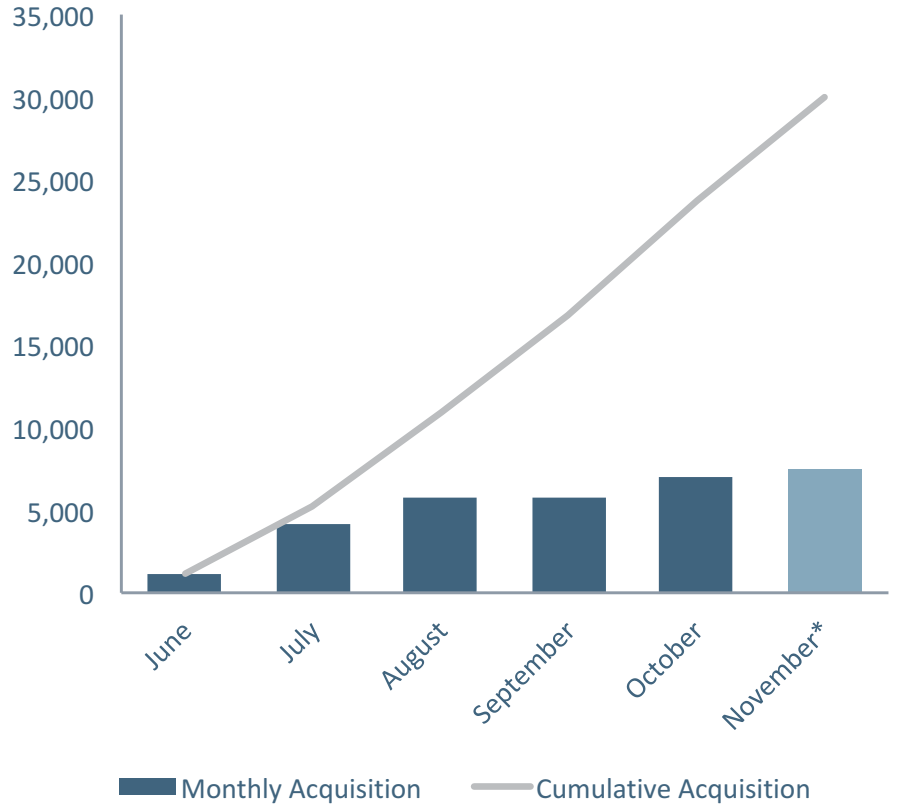
Our journey in disrupting the US Banking sector



Customer acquisitions since the IPO

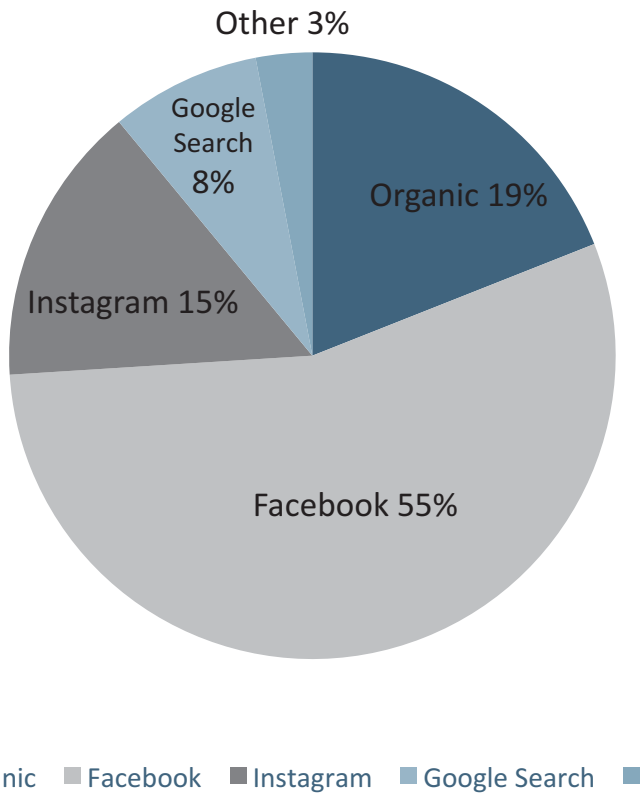
Since the IPO, marketing has been focused on targeting higher value customers

ACQUISITIONS SINCE IPO/RELAUNCH



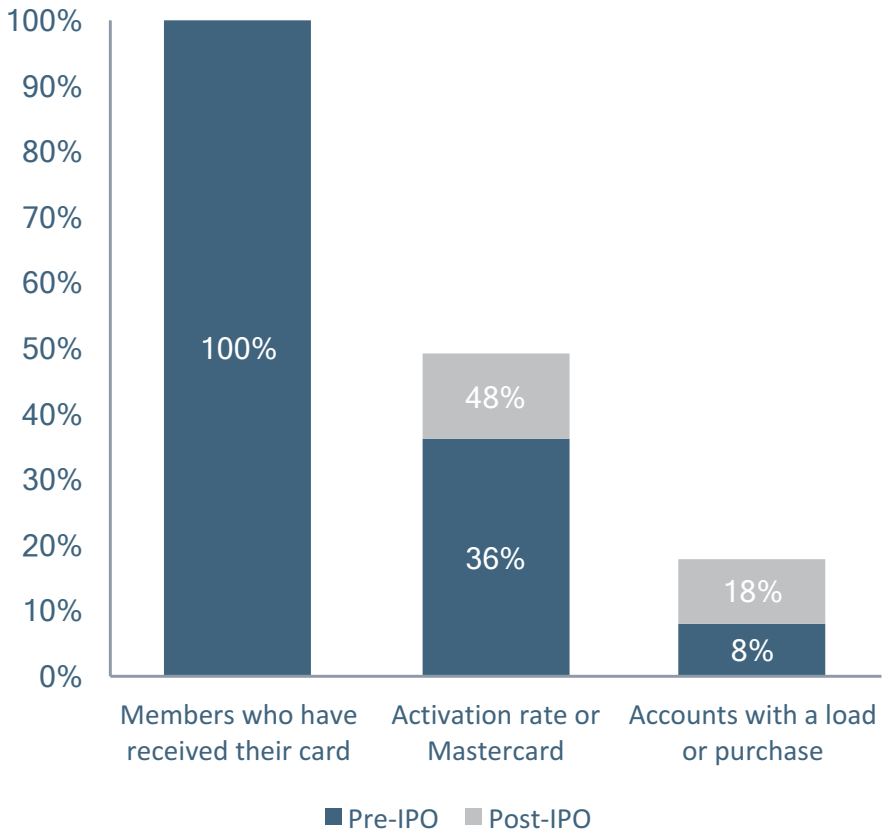
*Note: November month-to-date (MTD) as at 26 Nov 2016

USER ACQUISITION BY CHANNEL



Activating and engaging customers

CONVERSION WATERFALL



PROCESS IMPROVEMENTS MADE THROUGH:

- Targeting customers seeking a daily transactional banking account
- In-house card fulfillment with custom packaging
- Enhanced communications and messaging with existing users

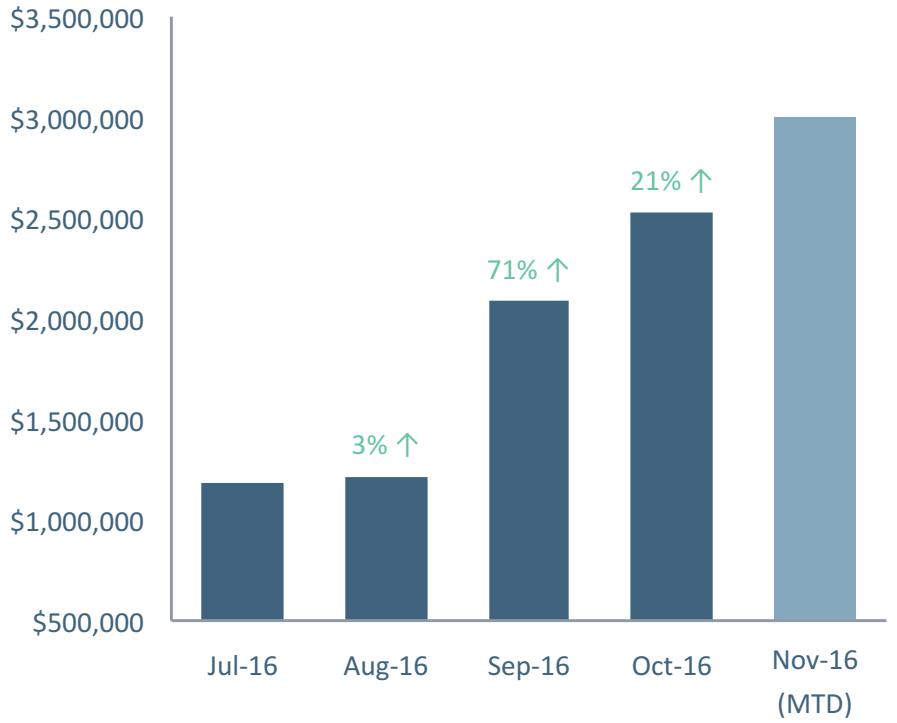
TODAY, OF 100 PEOPLE WHO HAVE RECEIVED THEIR CHIMPCHANGE MASTERCARD:

- 48 have activated their ChimpChange MasterCard
- 18 have made a purchase on their ChimpChange MasterCard

Stimulating activity in the user base

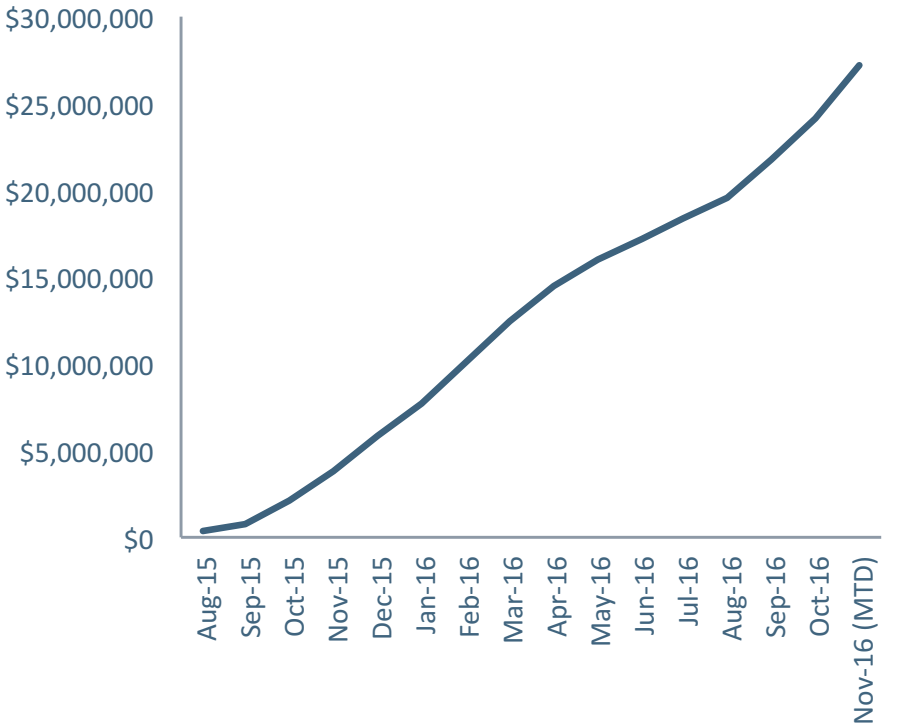
Since IPO we've grown key metrics month to month that drive the business

MONTHLY TTV



Note: November month-to-date (MTD) as at 26 Nov 2016

CUMULATIVE TTV SINCE LAUNCH

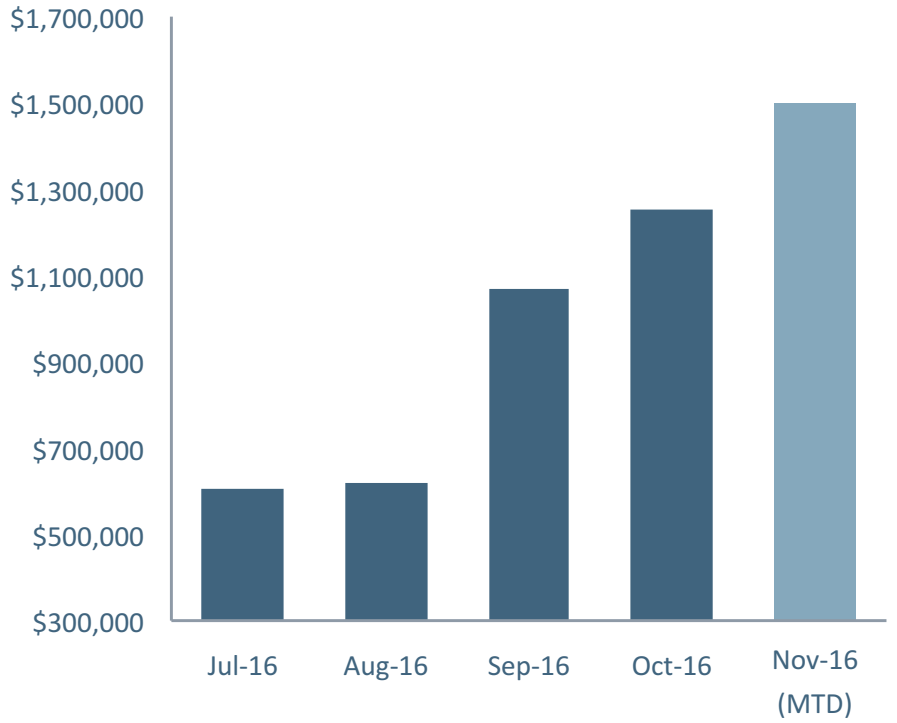


Note: November month-to-date (MTD) as at 26 Nov 2016

Stimulating activity in the user base

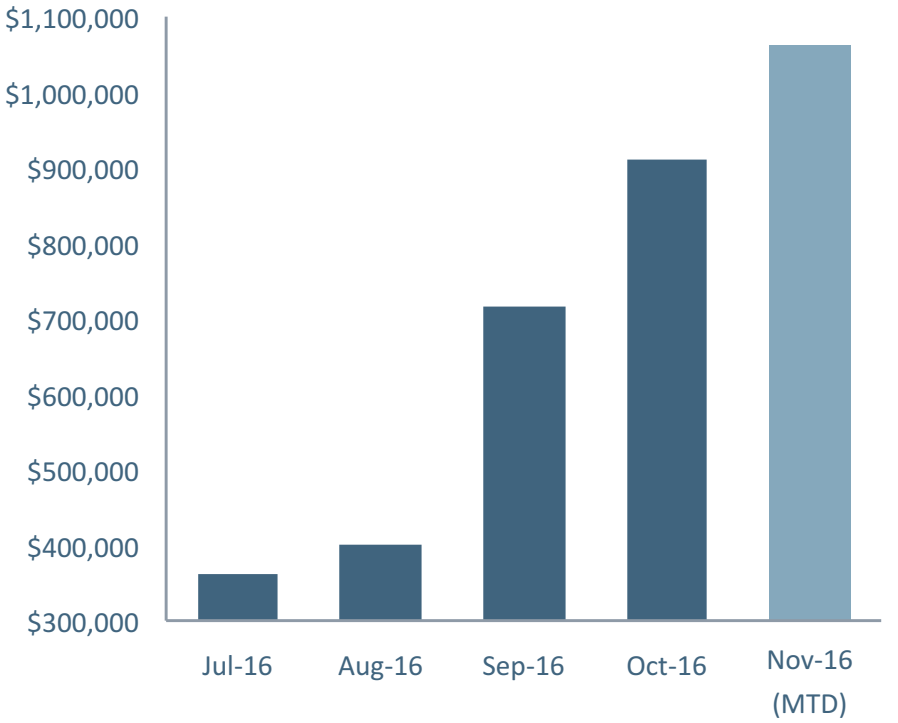
Since IPO we've added new channels to load funds onto customers' cards and made it easier to use our debit MasterCard at retailers

TOTAL DEPOSITS BY MONTH



Note: November month-to-date (MTD) as at 26 Nov 2016

TOTAL CUSTOMER CARD PURCHASES



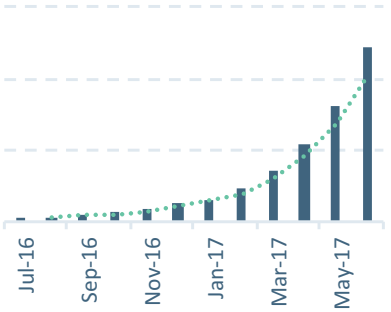
Note: November month-to-date (MTD) as at 26 Nov 2016

Here's how we are improving

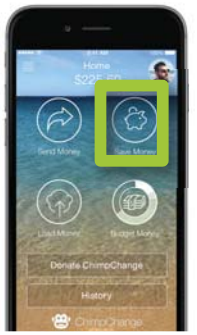
PROGRAM COMPARISON	@ FEB 2016	@ 26 Nov 2016	CHANGE
	PRE-IPO 	POST-IPO 	
User Targeting			
Acquisitions since launch/IPO (relaunch)	85,000	30,000	
User Engagement			
Activation Rate of Cardholders	36%	48%	33% ↑
Active Adoption Rate of Cardholders	8%	18%	125% ↑
User Activity			
Total Loads during month	US$1.15M	US$1.50M	30% ↑
Total MasterCard purchases during month	US$0.67M	US$1.06M	58% ↑
Total Interchange received during month	US$9,870	US$15,100 (est.)	53% ↑

Where we are going

Increasing TTV



Roll out of Savings Feature



Final roll-out of in-house spending insights and budgeting tools



Build in-house interbank transfer capabilities





Q&A

Thanks

from the whole team



28 November 2016

Operations Update

Young: Peter thank you. I am excited to share with everyone the progress we've made and the many areas of opportunity we have before us. It is great pleasure to see everyone again, and even greater pleasure to be presenting this operational update with Clayton Fossett our COO. For those not familiar with Clayton's background, he was the first employee that Ash brought on in 2014 and helped frame the company to where it is today. He is well established academically, Harvard undergrad and MBA, and has significant experience across banking, consulting, financial industry regulation and technology. Clayton was at Yahoo for 10 years in operations finance, where among other roles he led their global marketing analytics group for paid search, project managed the development of a new business line, and provided decision support for business owners managing businesses generating more than $1b in revenue annually.

Clayton: Thank you Young for that introduction. Hello everyone it is nice to finally meet many of you in person. As Young mentioned I joined the company two years ago. I was looking for an opportunity with an early stage company in the mobile space that was addressing an unmet need by disrupting a large and unclaimed market, and one where I believed my experience could quickly make a difference. I was inspired by Ash and his vision for ChimpChange. When I joined, our main assets were a working version of the app, an agreement with a payment processor, and a desire to build a great company. Since then we have secured agreements with issuing banks (twice), signed up more than 100,000 cardholders, created a strong brand voice, expanded the features we offer to cardholders, renegotiated key commercial terms, and built in-house software development and customer support teams.

*Slide 2

Our mission has been framed by our two pillars of providing: one, a better banking experience; and two, providing that experience as a free or low-cost alternative to traditional banks.

The incumbent banks' focus since the GFC seems to be around assessing fees on customers rather than on product innovation. This is due to the fact they have been striving to fill the revenue holes created by the enhanced regulatory scrutiny required by recent legislation, such as the Dodd-Frank Act. By focusing on ways to part their customers from their money rather than on driving value to their customers' lives, banks have alienated and disenchanted a large percentage of the population. From the beginning, our goal was to provide an alternative to those that are disenchanted with the brick and mortar incumbents, and get them to "cut the cord." Through our App interface, the banking experience for our users is feature rich with many things that their old banks didn't do, such as visualizing transactions and adding social media features. Many of the features that we offer today are founded on what our customers have told us that they would like in banking 2.0. We will continue to innovate by developing product features based in part on customer feedback and in part on direct or indirect revenue potential, and

thus enhance our value proposition to our users and create value for our shareholders.

The fee model employed by traditional banks has become one where the customer is charged for everything: sending money, over drafting, not maintaining minimum balances. To cement this point, I wanted to share some US banking industry statistics related to consumer banking fees:

1) More than 50% of banking customers in the US are still paying monthly account and other fees
2) On average customers paying overdraft fees are charged $260 per annum for overdraft or insufficient funds

These numbers may shock many of you. This is because the Australian banking sector has evolved faster than the US. The antiquated banking system in the US is driven by the numerous levels of regulation and oversight by overlapping State and Federal Regulatory authorities. As a banking customer, this antiquated system often pains me. As COO of ChimpChange, it makes me rejoice because it has resulted in an industry ripe for disruption. Our value prop here is simple - we are a free bank account with no monthly fees. The services we provide are either free or substantially more economical than the incumbent choices. We are changing the paradigm of the revenue model with retail banking customers.

*Slide 3

We've had an exciting journey to date to get these value props for our customers. When we went live in August of last year, our goal was to test the proof of concept. Truthfully, we were shocked at the viral growth in signups we were able to obtain in a short 4 months. We leveraged those successes to renegotiate the commercials with our partners in order to build a scalable business model. Prior to the renegotiations, we would have needed an average spend of more than $350 per user on the ChimpChange MasterCard to offset the partner costs for that user. Today, we are proud to say that about $50 of purchases made on the ChimpChange MasterCard covers partner costs. This dramatic reduction in spend required for profitability on a user basis was achieved in part through obtaining better terms and in part from in-sourcing many key functions, such as compliance, card fulfilment, and customer service roles. With a solid foundation our initial success brought us, we were humbled to be able to join the ASX and raise capital for the next leg of our growth. Since the IPO we've targeted high-value users and looked to drive the business towards our goals of adding additional functionality to our two pillars while generating value to our shareholders. I'll pass it over to Young to dive into some metrics since the IPO to expand upon how far we've come.

Young: Thanks Clayton. It is a tremendous honour to share with you the culmination of our efforts in getting the company to where it is today and into the direction we are headed. I want to expand upon the key metrics that we have disclosed in our releases in the past and give more colour to why we track these daily and why they are important in understanding where we are headed.

*slide 4

If you distil our business, it is a simple revenue model in that we need to attract a lot of users, get them to activate, load money, and then swipe on their MasterCard. Each swipe earns us interchange off the total purchase, and this rate is much higher

in the US than what you would see in Australia. The metrics I am sharing here help identify how successful we are in turning each user into interchange driving cardholder.

This first slide is fairly simple: it measures the number of users we have been able to attract since the IPO. As many of you may recall, Nick Roberts the CMO of Acorns fame joined our marketing team in February of this year. We tasked him with driving targeted customer acquisitions while improving capital efficiency. Based on Nick's experience in digital marketing, his method was test many channels and find the bulls-eye that would yield the best users at the lowest cost. We invested heavily in establishing "look-alike" campaigns on Facebook to advertise to people who shared demographic characteristics of our best users pre-IPO. What this campaign takes advantage of Facebook's marketing algorithms to identify the users that are most likely to sign up and become active users of ChimpChange. Since the IPO, we've attracted over 30,000 new users. As you can see, many of these customers came through the Facebook channel. The look-alike campaign continues to bear fruit as we continue to feed Facebook profiles of our best users each month, creating additional efficiencies over time. In addition, an even more impressive feat is that our marketing team has been able to attract nearly 1 out of 5 new users through organic word of mouth and branding. This feat is a testament to the success of driving the value proposition across the two pillars Clayton mentioned earlier.

*slide 5

After we've gotten a customer through the door and registered them through the App, our goal is to ensure they become active on the card. Two metrics we look at to measure our ability of engaging with our users is the activation % and adoption %. Activation means that after they a user receives their card, they call in or through the App activate the MasterCard. Adoption means that after the card is activated the customer is transacting through their ChimpChange account, whether it be a load or purchase. What this conversion waterfall helps visualize is our current state in getting users through activation and adoption. Today out of every 100 customers we acquire, 48 activate their MasterCard and then 18 end up making loads and purchases on the card. The percentages in dark blue represent what our best %'s were pre-IPO. As a point of reference the industry activation rate stands at approximately 30%. We feel that we have many tools in our arsenal to continue to improve upon these %'s.

The incremental gains you see from the height of our program Pre IPO and today were done through a culmination of changes:

- First and foremost is that with Nick on board, our targeting was specific to users that were seeking a lower-cost banking service. By attracting the right users to ChimpChange, our customer base as a whole began to behave differently.
- In addition, from an activation perspective, it was also ensuring that our users maintain their curiosity and excitement from when they sign up, to when they get the card. Many of our users weren't activating their cards because the non-descript white envelopes they were shipped in were being tossed with the junk mail. We brought in the card customization and fulfilment in-house. Today we package the cards in an envelope that stands out from other mail and represents our branding a bit more. Here is an example of what our card fulfilment package looked like pre-IPO. By

contrast, here is a sample of what the new fulfilment package looks like. It's distinctive, colourful and consistent with our brand voice. We are currently finalizing logistics to implement this new collateral, and expect to be shipping cards with it in the near future.

- Lastly, we've stepped up the ways in which we communicate with our customers. Being a purely mobile platform, we are utilizing push, text, and email to announce and remind the two pillars of our value proposition to each user. For example, we used all three channels to notify users of the ability to load checks into their ChimpChange accounts. This feature was something they had asked for and through these channels we ensured they were aware it was available. This led to re-activating customers that had been dormant while increasing the load and spend activity of active users. We feel that we are at just the tip of the iceberg in the ability to engage with our customers. Over the next few months, we will be enhancing automated messaging to users who are inactive for a certain number of days. Even if they don't log in to the app, we can automatically send a push notification and/or email to let them know why they should stay engaged.

We are extremely pleased with an 48% activation rate and 18% adoption rate but know we can improve even further.

*slide 6

Now that we've attracted users, got them to activate, and adopt the product, stimulating the usage of ChimpChange as their primary top of wallet card is our focus. As Clayton mentioned, our breakeven on these customers is that they need to swipe the card on average $50 per month. We are tremendously pleased with the progress we've made to date in stimulating the activity of the adopters and feel that we are just early in our innings in this regard. If you have followed our monthly releases, these are the charts and metrics we are sharing in order to help each shareholder understand the growth. Total Transaction Value or TTV represents the total movement of funds onto, within, and out of ChimpChange. This metric really helps us gauge user engagement and identify monetization points within the flow of funds. Since our public launch in August, we've consistently grown our cumulative TTV and are confident that we will continue grow these numbers going forward.

*slide 7

In order to get a bit more granular, we share our load and purchase metrics. We look at growing these metrics as essential to achieving our goals. Loads represent all funds coming into ChimpChange directly from employers, check loads, and Cash loads. Purchases are the most direct correlation of user activity and revenue to ChimpChange. Historically, from these purchases, we get approximately 1.4% blended interchange depending on the type of transaction and merchant the purchase was made.

*slide 8

Now that we've gone through our business model and described how we convert new users into revenue for the business, I wanted to share a snapshot of how we are improving relative to one of our strongest months pre-IPO. Our pre-IPO example that we have benchmarked is February 2016, which was exceptional in part because in the US, tax refund season kicks off in January and concludes in April. During this time,

we see an influx of additional funds into the program in the form of once-annual tax refunds. Comparing February 2016 to November 2016, you can see that In terms of activation, adoption, loads, MasterCard transactions and interchange we exceeded our best pre-IPO performance. We are also above targets on the number of users we were hoping to acquire at this time. These users that were acquired post IPO are more likely to activate and adopt, which results in strong transactional metrics leading to interchange for our business. One thing I'd like to note is that this success was achieved at nearly half the cost in half the time. As we continue to scale and add users and stimulate activity of the existing users, these volumes will grow tremendously and generate strong value to our shareholders. Now that we've gone through our fairly simple business model, I'd like to turn it back over to Clayton to walk you through what's next.

*slide 9

Clayton: thank you Young. In order to continue to expand upon the momentum and drive value to our users, here are some areas that we will be focusing on in the upcoming months.

- First and foremost, our goal will be to drive TTV as this represents engagement and stickiness within our consumers. This will be done by continuing to add users and expanding the ways in which they can utilize ChimpChange as their daily transactional account.
- One of the upcoming features we will be releasing is a round-up savings feature. This was made famous by Acorns to allow users to have transactions automatically rounded up to the nearest whole dollar, and then invest the round-up portion. We are taking a bit of a different approach and will be sharing with the market another innovation that will incorporate the round-up concept in a way that is consistent with our branding of being the online community bank.
- In the past month we released the spending insights tool, and we will continue to expand upon the personal financial management tools. We are building many of these tools in-house in order to be flexible to user needs and also to invest in IP in this space. In the US as in Australia, PFM tools are available in the market but not many of the incumbent banks are integrating these features with the daily bank account.
- Lastly, we are building out the internal capabilities to move money between banks. Historically this service has been provided by third parties, resulting in a lack of efficiency and higher cost, so we have decided to integrate and build within our app the money movement capabilities.

We are very excited in the momentum we've been able to achieve and are looking forward with excitement to sharing our progress with you in the upcoming months.