

Change

Financial Limited

PAY 2017 AWARDS

Startup of the Year
Best Mobile App
Consumer Champion

# Investor Update

## October 2017

ASX: CCA

OTCQX: CNGFF

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# Change Financial Limited

## Change Financial is an award winning FinTech banking software provider

### Consumer Banking

**ChimpChange Mobile Banking**

Change Financial's flagship digital consumer bank account.
High growth
130k US banking customers
65% millennials
Award winning software

### Enterprise SaaS

**Enterprise Mobile Banking Program**

Provide turn-key award winning mobile banking to serve banks without a mobile strategy.

**SaaS Mastercard Processing**

Mastercard certified, PCI compliant, global processor.
Authenticate transactions for banks.


PAY 2017
AWARDS
Startup of the Year
Best Mobile App
Consumer Champion
Change your banking,
change your life.
T-Mobile LTE
2:45 pm
65%
Total Balance
$4,299.86
Load Money
Spending
$4,074.44
Send Money
Round Ups
$225.42
Accounts
Settings
ChimpChange
ChimpChange
debit
7890
5412 7512 3456
12/20
VALUED CARDHOLDER
ChimpChange
Mobile Banking

# Our Value Proposition

## Capitalizing on outdated model and evolving landscape

### 1. WE ARE FREE

**Traditional U.S. banking customers**

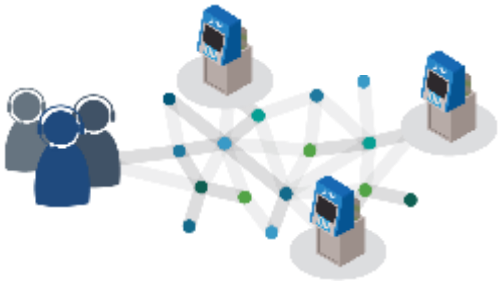
**>50%**
Banking customers still pay monthly account and other fees

**$10-$25/mo.**
Account maintenance fees when minimum balances/deposits aren't met

**~$260/yr.**
Paid in overdraft or insufficient funds fees

**~67M**
People upset with high fees and willing to leave their bank

### 2. WE ARE BETTER THAN YOUR BANK



**FREE**
Account, debit card, ATM network, automatic round ups, savings account and great customer support

**Aesthetically Friendly**
Beautiful visuals showing transaction history, auto-categorized purchases, notes, and more

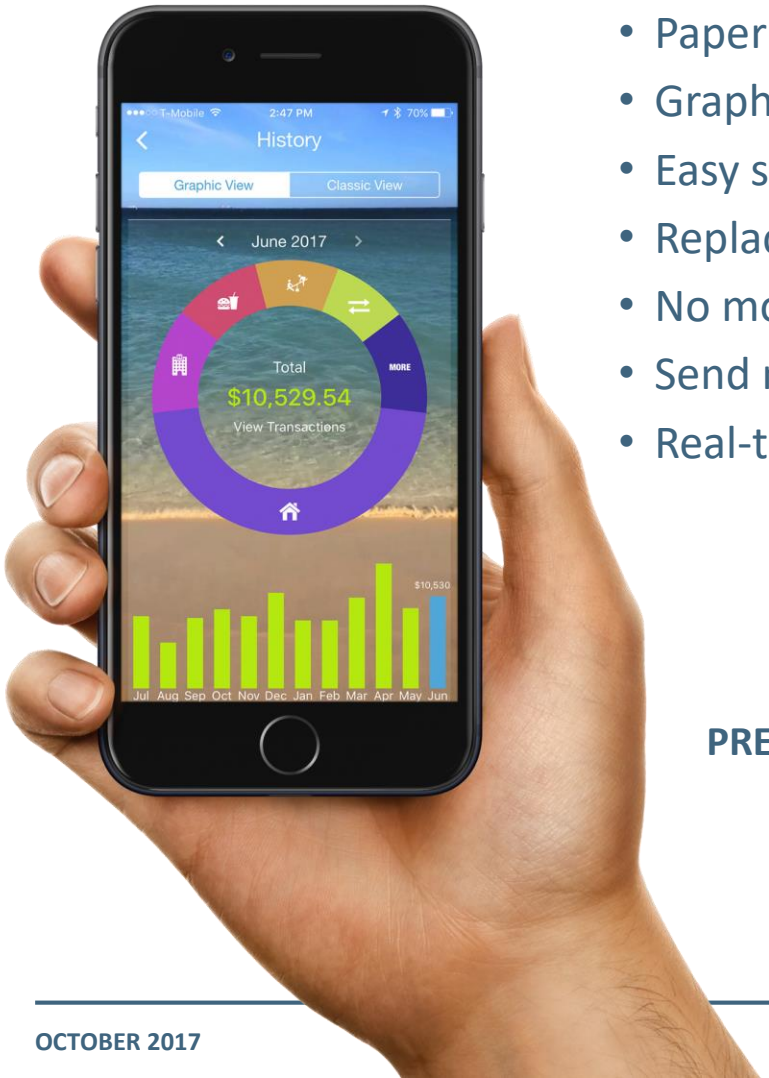




**Modern UI**
Instant cheque clearing with your smartphone's camera, send money to friends free, and PFM tools

# ChimpChange

## Award wining consumer banking technology




- Paperless mobile account opening in 3 minutes
- Graphic view of transaction history
- Easy savings with automatic round ups
- Replacing branches with retails stores
- No more standing in line or high fees to cash cheques
- Send money in real-time to anyone, anywhere, anytime
- Real-time alerts with push notifications

PAY 2017 AWARDS

**Start Up of the Year**
**Best Mobile App**
**Consumer Champion**

**PREVIOUS WINNERS**

GObank

H&R BLOCK®

NETSPEND

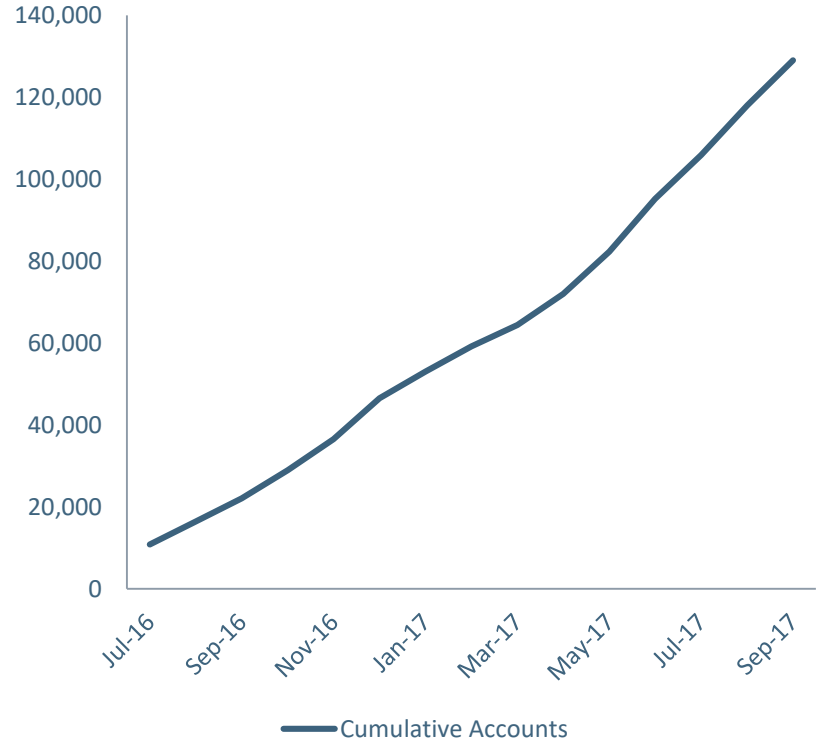
AMERICAN EXPRESS

# Targeted customer acquisition

## Attracting high-value customers lowers acquisition costs

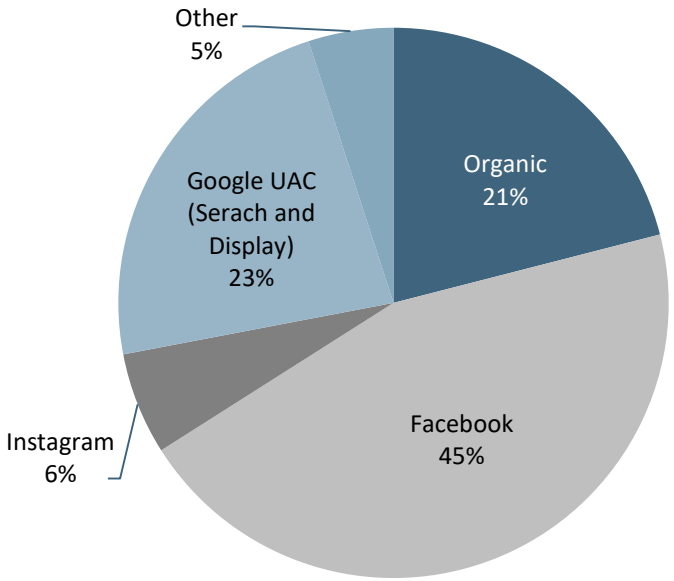
Marketing has been focused on targeting high value customers and optimizing for efficiency resulting in lower cost of customer acquisition

### CUSTOMER ACCOUNTS




Note: Excludes customers on the platform without a registered debit card

### CUSTOMER ACQUISITION CHANNELS

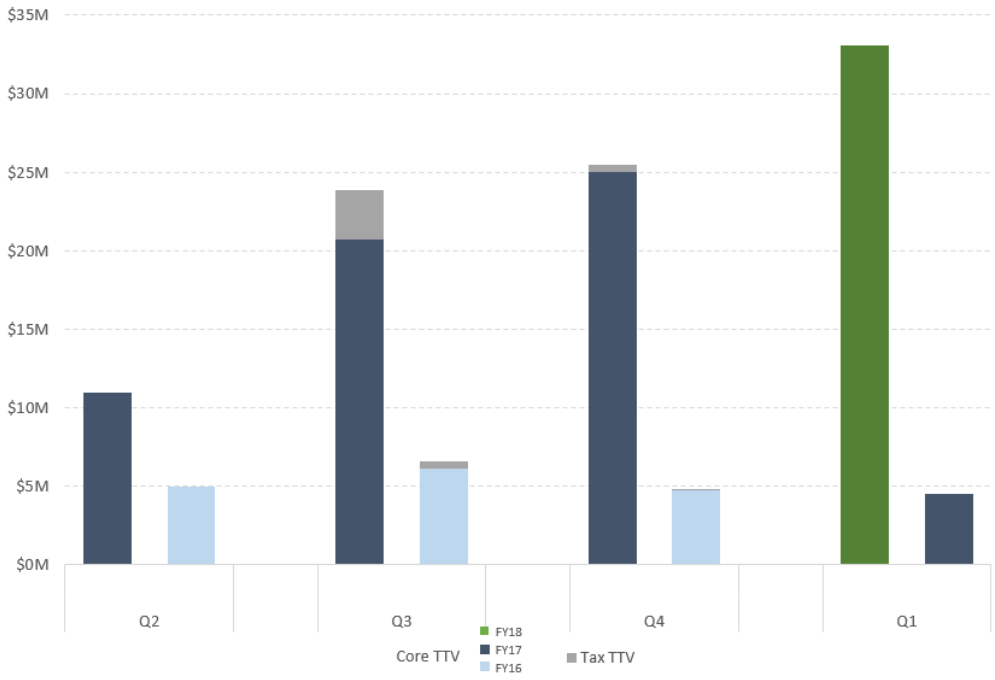



Facebook, Instagram, Google UAC and Other are paid media channels.
Organic accounts for all other registrations that are not from paid media channels.

# Stimulating activity in the customer base

## Improving Total Transactional Volume (TTV)

### TTV (USD) QUARTER OVER QUARTER COMPARISON




### MONETISATION

| | | |
|---|---|---|
| | Interchange | 1%-2% |
| ATM | Out-of-network ATM withdrawals | US$1.95 |
| | Cheque deposits | 1% |

**END OF Q1 FY18** **US$150M** Annualised TTV → Driving → **US$1.0M** Annualised Gross Revenue

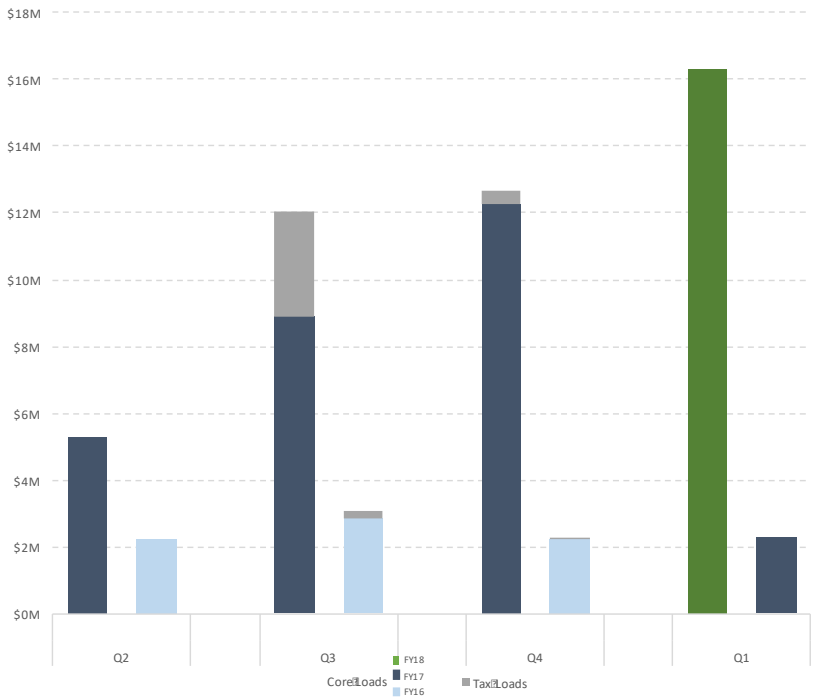
# Stimulating activity in the customer base

## Improving deposit process improves customer usage

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

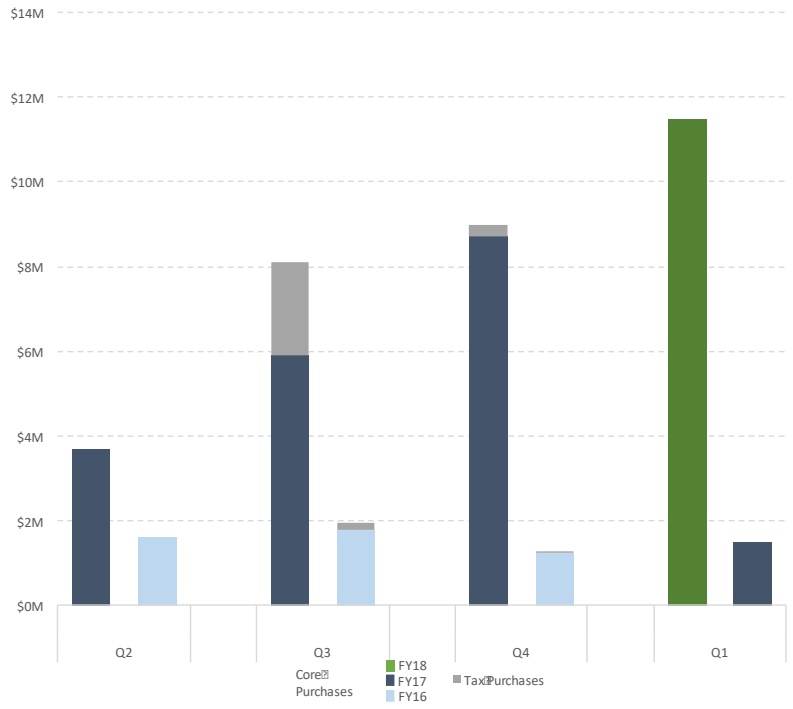
### TOTAL CUSTOMER DEPOSITS (USD)

FY18 TO DATE OVER FY16/FY17




### TOTAL CUSTOMER CARD PURCHASES (USD)

FY18 TO DATE OVER FY16/FY17




Enterprise
SaaS

# Why are we building a processor

**Consumer Banking**

- Gross Margin increasing from 30% to approximately 60%

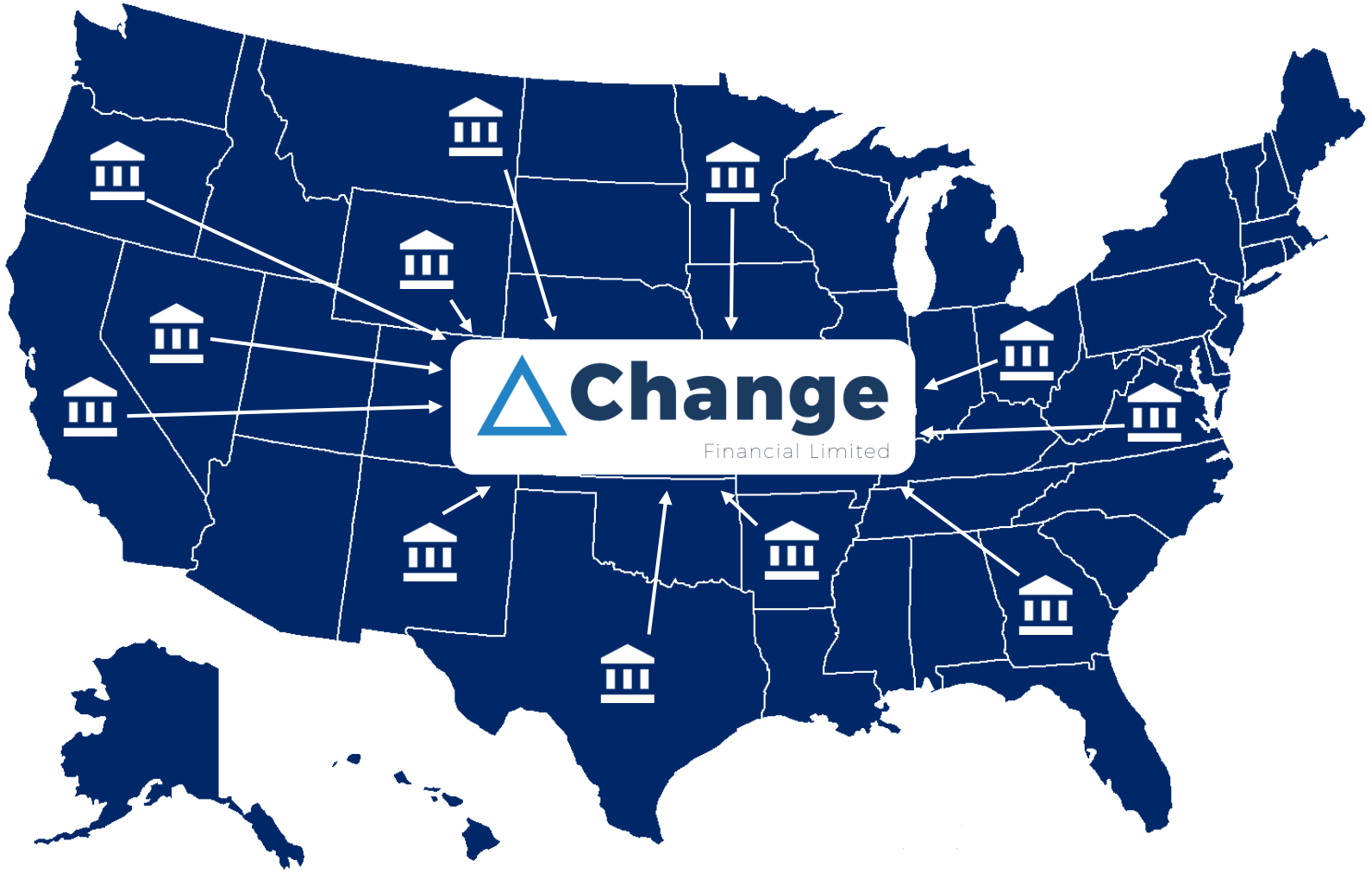
**Enterprise SaaS (Software as a Service) Banking**

- Target 7,000 FDIC banks in the US with a more innovate offering
- High revenue business

**Innovation and Competitive Advantage**

- ✓ Superior fraud detection and prevention
- ✓ Customer specific card limits (e.g. which stores the card works at)
- ✓ Electronic cards
- ✓ ApplePay, SamsungPay and AndroidPay integrations
- ✓ Customized card packaging

# SaaS Roadmap






# Outstanding Banking Software

# We Have Best-in-Class Technology

| Microservices Architecture | Cloud Based | API Driven | Blockchain Framework | Global & Scalable |
|---|---|---|---|---|
| • Automatically scalable with incremental spend<br>• Better fault isolation – limit bugs to single module | • Superior security and manageability<br>• Increased efficiency and cost savings | • Intuitive, accessible structure<br>• Easily integrated with outside systems | • Irrefutable audit trail<br>• AML benefits | • Ease of application in new regions |



## Pioneers of Microservices Technology

amazon

Google

NETFLIX

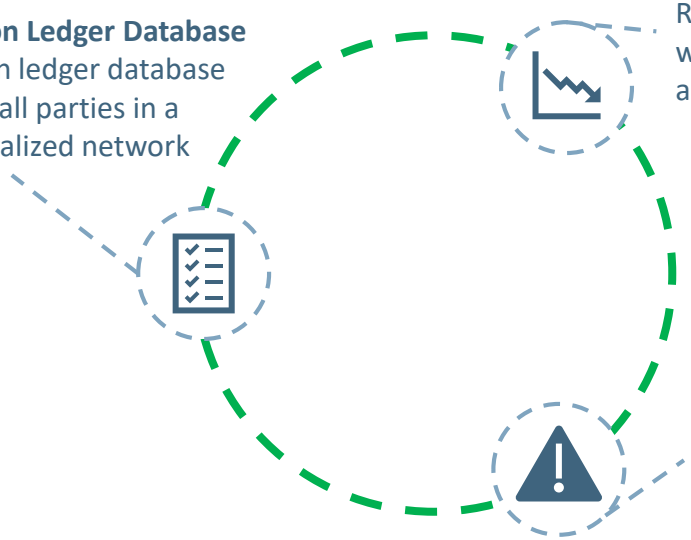
ebay

UBER

# Our Software is Underpinned by Blockchain Technology

**Key Blockchain Benefits**

- Irrefutable Audit Trail
- KYC Benefits
- AML Benefits
- Enhanced Transaction Reviewing System



**Secure Transaction Ledger Database**
Secure transaction ledger database which is share by all parties in a established, centralized network

**Cost Reduction**
Reduction of infrastructure as well as transaction costs associated with contracting

**Eliminates Error Handling**
Eliminates error handling and reconciliation; provides a real time track and trace audit trail

**BANKS STARTING TO TAKE BLOCKCHAIN TECHNOLOGY SERIOUSLY, BUT WILL MOVE SLOWLY…**

| Cost Reduction | Increased Efficiency | Superior Technology | Faster Time to Market |
|---|---|---|---|

# We are investing in the future

Since IPO in June 2016 we have been investing in technology that will drive future growth for the Company.

**IPO (June 2016)** ⟹ **Jan 2018**

| Consumer Banking | Enterprise SaaS |
|---|---|
| 130,000 customers<br>65% millennials<br>US$150m annualised TTV<br>US$1.0m annualised revenue | Mastercard certified payment processor nearing completion |



**US$5.3M**
**Marketing**



**US$2.2M**
**R&D / Engineering**



**US$1.2M**
**R&D / Engineering**


The Team

# Management



**Clayton Fossett - COO**
Tech and Finance executive with more than 25 years' experience. Former Yahoo! Director and with previous roles at First Boston and Deloitte. Holds AB and MBA degrees from Harvard University.



**Nick Roberts - CMO**
Former CMO of Acorns, a highly successful FinTech company, he helped attract more than 1 million members in its first year. 20 years of digital marketing experience.



**Young Lee - CFO**
Former Senior Manager at Deloitte in New York (10 years) focusing on the financial services industry specializing in financial optimization strategies. CPA holding a Macc and a Bachelor of Economics from the University of Michigan.



**Tom Russell - VP Product & Operations**
Tom has extensive corporate finance and experience with a focus on growth and venture companies in the technology and FinTech sectors. He holds a Bachelor of Commerce and Bachelor of Economics.



**Muhammad Tahir - VP Engineering**
Muhammad holds a Masters in Computer Science and has over 12 years of experience developing enterprise level software applications and managing engineering teams.



**James Park - VP Operations**
Former management experience at Zenefits, Homesuite and Deloitte in operations, product, and customer support. James holds a Bachelor of Science from the University of Michigan.

# Board



**Ash Shilkin – Managing Director**
Former CFO of CO2 Australia, an ASX listed company he helped grow to a market capitalization of more than $300 million. He holds a Masters of Commercial Law and Bachelor of Commerce.



**Peter Clare - Chairman**
Former Chief Executive Officer of Westpac New Zealand Limited from 2012 to 2014. Westpac Banking Corporation Limited 2008 to 2014. 20 years Executive banking experience.



**Andrew Pipolo - Director**
Former Australia and Japan Managing Director for PayPal. Under his leadership, PayPal Australia was the fastest-growing operation in the PayPal Group. Former Mastercard Head of eCommerce.



**Teresa Clarke – Director**
Former Managing Director at Goldman Sachs & Co (12 yrs), Harvard MBA & Harvard Law School graduate. Founder and CEO of Africa.com. Former member of President Obama's Advisory Council.



**Ian Leijer - Director**
Ian is a Chartered Accountant with over 25 years' experience in corporate finance, strategy and business management. He was previously CFO of former ASX listed company Avatar Industries.



**Ben Harrison - Director**
Ben has 10 years' experience advising and investing in companies. He previously worked for a leading mid cap corporate advisory house where he executed capital market and M&A transactions.


Corporate
Overview

# OTCQX – why we are doing this

On 2 October 2017 the Company's shares listed on the OTCQX under the stock code "CNGFF".

**BENEFITS OF A US DUAL LISTING STRUCTURE FOR CHANGE FINANCIAL INVESTORS:**

- Promote Change Financial's business to US investors and increase awareness in the stock;
- Diversify the shareholder base;
- Display the Company's stock in local USD currency (preferable for US investors); and
- Enhance the cross-border trading experience for brokers and investors by supporting broker and sell-side compliance.

The Company's shares will continue to trade on the ASX under the code "CCA".

# Corporate Overview

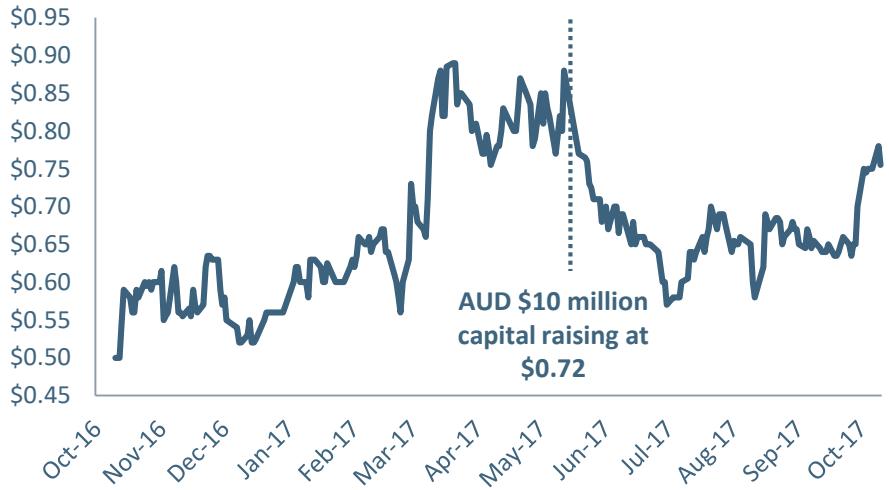
## CAPITAL STRUCTURE

| | |
|---|---|
| Share Price (as at 10 Oct 2017) | A$0.755 |
| Shares on Issue | 77,880,867 |
| Market Capitalization | US$46.5m |

Note: AUD/USD 0.79

**ASX: CCA** **OTCQX: CNGFF**

## 12 MONTH HISTORICAL SHARE PRICE




## SHAREHOLDERS

| | |
|---|---|
| Ashley Shilkin | 15.28% |
| Avatar Industries Pty Ltd | 13.24% |
| Acorn Capital Ltd | 6.73% |
| Bart Properties Pty Ltd | 3.92% |
| Nareenen Pty Ltd | 3.43% |
| **Total Top 20** | **55.06%** |

## BROKERS

Morgans

CCZ Statton Equities

## LEGAL

Wilson Sonsini Goodrich & Rosati

Baird Holm, LLP

HopgoodGanim Lawyers

# Change Financial

## Competitive Landscape

### Consumer Banking

ChimpChange Mobile Banking

SIMPLE — ACQUIRED $117 Million USD

BankMobile — ACQUIRED $175 Million USD

Zenbanx — ACQUIRED $100 Million USD

HOLVI — ACQUIRED Undisclosed Fee

Atom — Valuation US$320m

### Enterprise SaaS

Enterprise Mobile Banking Program & SaaS Mastercard Processing

Moven

TSYS — Market Cap US$12b

FIS — Market Cap US$30b

jh Banking

fiserv. — Market Cap US$26b