Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Change Financial Limited

ABN

34 150 762 351

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	The Company proposes to issue: 1. Unlisted convertible notes 2. Unlisted options 3. Fully paid ordinary shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1. Up to 40,300,000 unlisted convertible notes (includes allowance for convertible notes that may be issued for interest paid at time of convertible note issue) 2. 4,000,000 unlisted options 3. Up to 17,127,164 fully paid ordinary shares
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	1. The convertible notes have a conversion price of the lower of $0.10 or 75% of the 10-day VWAP of the Company's shares calculated for the 10-day period ending on the business day prior to the date a conversion notice is received by the Company. If not redeemed or converted earlier in accordance with the terms of

		the notes, the notes will automatically convert 3 years after the date of issue. 2. The options have an exercise price of $0.01 and expire on 31 December 2020. 2,000,000 options vest when Altor makes available $500,000 under the interim loan facility, the remaining 2,000,000 options vest upon shareholder approval of the issue of convertible notes. 3. Fully paid ordinary shares will be issued under the proposed rights issue at $0.06 per share.
4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	1. Any ordinary shares issued upon conversion of the convertible notes will on issue rank equally in all respects with the existing shares issued by the Company. 2. Any ordinary shares issued upon exercise of the options will on issue rank equally in all respects with the existing shares issued by the Company. 3. Shares issued as part of the right issue will rank equally in all respects with the shares currently on issue.
5	Issue price or consideration	1. Issue price of each convertible note: $0.10 2. Issue price of each option: Nil 3. Issue price of shares: $0.06
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The Company will use the funds raised from the proposed capital raising to fund the continual development of its enterprise banking solution. For further details, please refer to the Company's announcement titled 'Change Financial Undertakes Recapitalisation' released on 12 December 2018.

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A

7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	The proposed issue dates are as follows: 1. For the convertible notes: ~20,300,00 convertible notes will be issued around 29 January 2019 (i.e. 5 business days after the Company's shareholders approve the issue of the convertible notes – the EGM is expected to be held on 21 January 2019). The remaining notes will be issued if requested by the Company and agreed by Altor. 2. For the options: 11 December 2018 3. For the shares: Indicatively, 8 February 2019

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	Currently on issue: 85,635,819 shares Maximum number that may be issued under the proposed rights issue: 17,127,164 shares	Fully paid ordinary shares

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	1,500,000	Options ($0.40 @ 31-Dec-19)
		100,000	Options ($0.49 @ 20-Oct-19)
		100,000	Options ($0.49 @ 20-Oct-20)
		1,500,000	Options ($1.00 @ 31-Dec-18)
		1,000,000	Options ($1.50 @ 18-Apr-21)
		1,500,000	Options ($2.35 @ 18-Apr-21)
		1,120,000	Options ($1.00 @ 18-Apr-19)*
		1,500,000	Options ($1.00 @ 20-Apr-19)
		1,330,000	Options ($0.657 @ 31-Jan-20)*
		250,000	Options ($1.00 @ 30-Jun-20)
		750,000	Options ($0.92 @ 31-Jan-21)*

		Notes: 1. 600,000 Options ($1.00 @ 31-Dec-18) have been cancelled pursuant to the terms of the options. 2. 150,000 Options ($1.00 @ 18-Apr-19) have been cancelled pursuant to the terms of the options. 3. 120,000 Options ($0.657 @31-Jan-20) have been cancelled pursuant to the terms of the options. 4. 40,000 Options ($0.92 @ 31-Jan-21) have been cancelled pursuant to the terms of the options.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The convertible notes and options will not confer rights to any dividends, distributions or interest payments. The new shares issued under the proposed rights issue will have the same dividend entitlements as existing shares on issue.

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 new share for every 5 shares held on the record date
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	Indicatively, Fri, 28 December 2018
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number.

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	Indicatively, Friday, 1 February 2019

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Indicatively, Wednesday, 2 January 2019
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Indicatively, Friday, 21 December 2018
28	Date rights trading will begin (if applicable)	N/A – there will be no rights trading
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements *in full* through a broker?	N/A
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A

32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	Indicatively, 8 February 2019

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) ☐ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	
39	+Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	

42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)	Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date:12 December 2018
Company Secretary

Print name: Gillian Nairn