Change

Financial Limited

Investor Presentation

December 2018

ASX: CCA

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Change Financial Limited

is a US-focused, FinTech disrupting the way people, businesses and financial institutions transact through its range of innovative transactional services.

Consumer Banking

ChimpChange Mobile Banking

High growth consumer bank account offering with 180,000+ US banking customers (65% millennials).

Banking CIO Outlook TOP 10 MOBILE BANKING TECHNOLOGY SOLUTION PROVIDERS - 2018

Enterprise Platform

mastercard PROCESSOR

Building a PCI ("Payment Card Industry") compliant, registered Mastercard processor.

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

Blockchain

ivy

Investment in blockchain-based technology company

Equity in Ivy	Ivy Token Holding
33%	130 million

Strategic Update

- Change Financial recently completed a review of its business. Key outcomes are as follows:

1. Focus on completing the technology build of its enterprise banking platform. This platform will be targeting US banks, credit unions and corporations looking for an innovated payments processing solution.
2. Look to monetise its non-core businesses
    - ChimpChange: the Company has engaged a US investment bank to explore the sale
    - Ivy: reviewing a number of strategies to monetise its investment

- Following the strategic review, the Company is now undertaking a capital restructure
- The Company has secured a cornerstone investment from Altor Capital to support the build out of its core enterprise banking offering. The investment will be supported by an entitlement offer to existing shareholders.
- Key principles of Altor Capital, Harley Dalton and Ben Harrison (former director) are joining the board.

Processor & Enterprise Platform

Opportunity

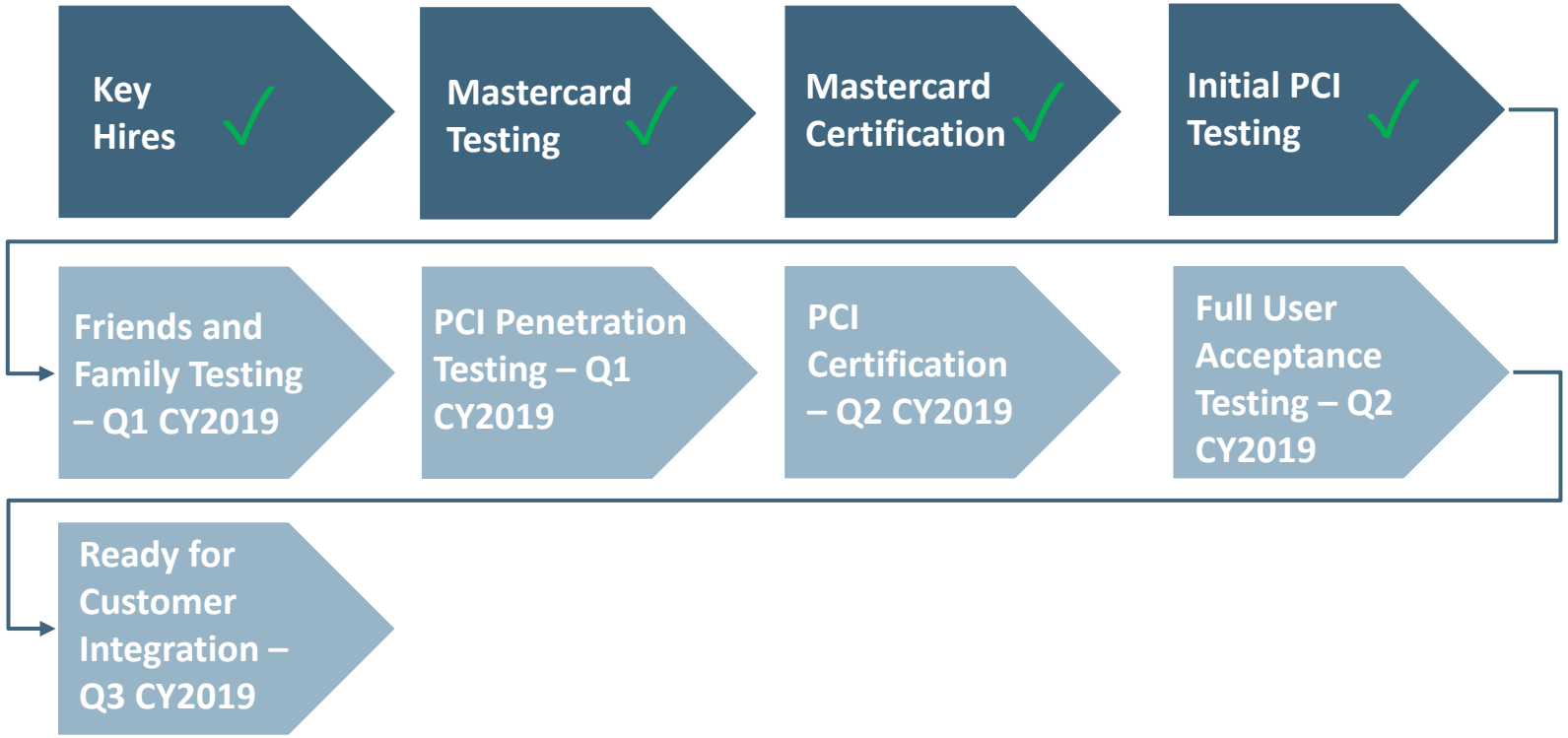
Cashless society driving huge growth	• Large industry – projected US$50 billion industry in 2019(1) • Industry growth projected at ~60% per annum to 2025(1,2)
Attractive business model	• High barriers to entry - less than 30 Mastercard certified issuers in USA • Recurring revenue • Operating margins average about 25%
Large customer base in the USA alone	• Large captive customer base with +7,000 FDIC banks in the US

Notes:
(1) Research provide by Edgar Dunn & Company as part of a strategic review of the Company.
(2) Assumes total addressable market of 132B transaction p.a. by 2025

Processor and Enterprise Background

- Change Financial was founded to change the way people move money and interact with their finances on a day to day basis
- In early 2015, the Company launched with a consumer bank account offering in the USA (“ChimpChange”) working with a banking partner and Mastercard processing partner
- Born out of frustration with the existing processing partner the Company made the strategic decision to build this capability in-house with assistance from its banking partner. This allowed for a more cost effective, technology centric and flexible platform
- Early into the technology build the Company realised the platform could be separately monetised as a stand alone enterprise solution
- While there has been significant time delays with the build the Company is focused on finalising the completion and commericalisation of the platform

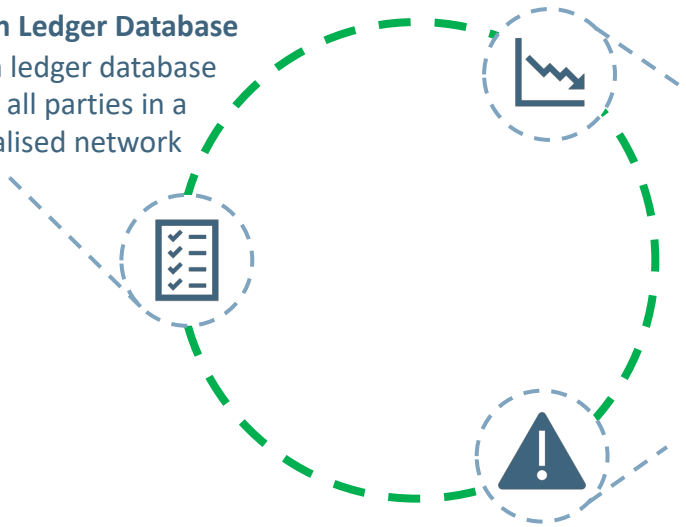
Progress Update



Note: The Company reserves the right to amend the dates above based on ongoing project development and consultation with new technology and development resources introduced to the project.

Our Technology Benefits

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



Secure Transaction Ledger Database
Secure transaction ledger database which is shared by all parties in a established, centralised network

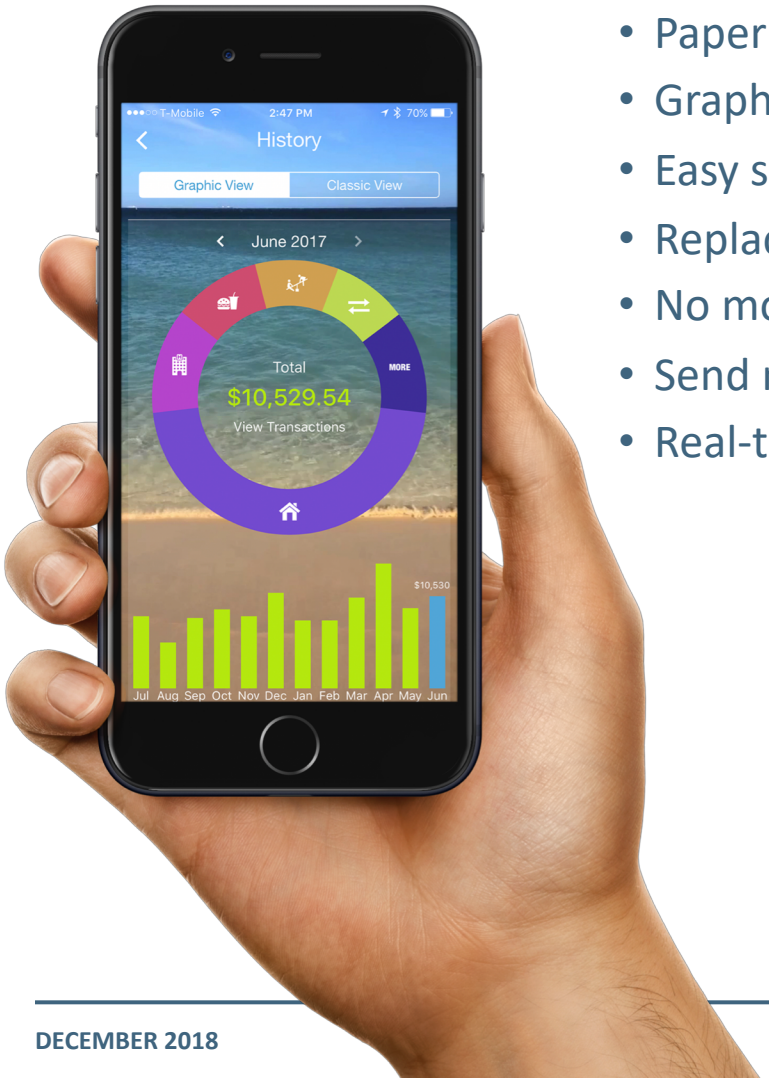
Cost Reduction
Reduction of infrastructure as well as transaction costs associated with contracting

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

ChimpChange Mobile Banking

ChimpChange

Award-winning consumer banking technology



- Paperless mobile account opening in 3 minutes
- Graphic view of transaction history
- Easy savings with automatic round ups
- Replacing branches with retail 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

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PAY 2017 AWARDS

Start Up of the Year
Best Mobile App
Consumer Champion

The Ivy Project

Overview of ivy

Ivy is a cryptocurrency with a significant point of difference and aims to bridge the gap between cryptocurrencies and financial institutions by embedding far more Know Your Customer (KYC) and Know Your Transaction (KYT) information into payments than incumbent payment networks.

Change Financial has a 33% equity interest in Ivy and hold 130 million Ivy tokens.

Why banks need Ivy

PROBLEM

Regulators are increasingly concerned with fraud, money laundering and proceeds of crime given the increasing scale of global payments and the lack of data associated with traditional payment systems and digital currencies.

SOLUTION

By embedding KYC and KYT data points directly into a transaction, Ivy's blockchain technology will provide regulatory comfort and provide access to large pools of global funds that would otherwise be unbankable.

Corporate Overview

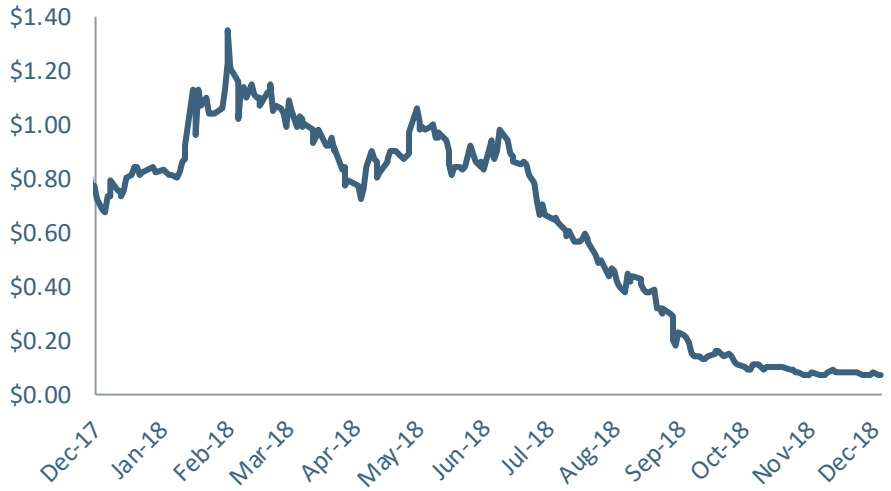
Corporate Overview

CAPITAL STRUCTURE

Share Price (ASX: CCA)[1]	A$0.076
Shares on Issue	85,635,819
Market Capitalisation[2]	A$6.5m US$4.7m

[1] as at 7 December 2018 (AEST)
[2] based on ASX last price and AUD/USD 0.73

12 MONTH HISTORICAL SHARE PRICE



SHAREHOLDERS

Ashley Shilkin	13.90%
Avatar Industries Pty Ltd	11.95%
Lemeurice Pty Ltd	3.58%
Bart Properties Pty Ltd	3.51%
Nareenen Pty Ltd	3.12%
Total Top 20	**49.31%**

BOARD

Teresa Clarke – Executive Chairman

Ian Leijer – Director

Ben Harrison – Director

Harley Dalton - Director

Company Recapitalisation

Raising capital under a funding package which includes a convertible note and entitlement offer to existing shareholders.

The funding package includes:

- An entitlement offer to existing Shareholders raising up to A$1 million; and
- A convertible note facility provided by Altor Capital of up to A$4 million.

About Altor Capital

Altor Capital is an alternative asset manager. Altor Capital has been a long term supporter of the Company and was a cornerstone shareholder prior to the Company's IPO.

Key principles of Altor Capital, Harley Dalton and Ben Harrison (former director) are joining the board.

Offer Details – Entitlement Offer

Entitlement Offer

- Entitlement Offer of 1 new ordinary shares for every 5 shares held to existing shareholders on or before the record date. Raising up to A$1.0 million at an issue price of A$0.06 per share
- Issue price represents a:
  - 21.1% discount to the last close price
  - 22.4% discount to the 10 day VWAP
  - 24.4% discount to the 30 day VWAP
  - 18.2% discount to the TERP
- Further details on the entitlement offer will be contained in an offer booklet dispatched to shareholders shortly

Offer Details – Altor Capital Facility

Facility Overview

- $2,000,000 with an option at Altor Capital's election to increase facility by an additional $2,000,000.
- Initial term loan (the "Loan") that will convert into Convertible Notes (the "Notes") on shareholder approval at EGM (notice materials to be dispatched shortly)
- **Issue Price:** A$0.10 per Note
- **Conversion:** The Notes have a conversion price of the lower of $0.10 per share or 75% of the 10-day VWAP of the Company's shares prior to conversion
- **Maturity:** 36 months from the date of issue of Notes
- **Security:** The Loan and Notes are secured by a first ranking security over the Company's assets
- **Coupon:** 10% p.a. paid quarterly in arrears. The Company can elect to pay interest by way of cash or additional Notes
- **Option Fee:** Facility fee of 4 million options at an exercise price of $0.01 expiring 31 December 2020
- **Facility Provider:** Altor Capital Management Pty Ltd

Indicative Timetable

Announcement of Capital Raising	12 December 2018
Drawdown of Altor Capital Facility	14 December 2018
Notice of Meeting Dispatch Date	21 December 2018
Record Date for Entitlement Offer (7:00pm AEDT)	28 December 2018
Entitlement Offer Opens	2 January 2019
EGM to approve conversion of Altor Capital Facility and Issue of Option Fee	21 January 2019
Convertible Notes Issued to Altor (Tranche 1)	31 January 2019
Entitlement Offer Closes	1 February 2019
Settlement of Entitlement Offer Shares	8 February 2019
Trading of Entitlement Offer Shares	11 January 2019

The Company reserves the right to vary the above timetable without notice.

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