



ASX ANNOUNCEMENT

1 April 2020

Capital Raising and Strategic Investor Update

Investment Highlights

- Central Bank of Kansas City (**CBKC**) via its affiliate CPx Holdings, L.L.C. (**CPx**) to make initial investment of A\$0.4 million (US\$0.25 million)
- CPx and Change have also signed a non-binding term sheet where CPx can invest up to a further A\$4.6 million (US\$2.75 million) subject to certain conditions
- CBKC agrees to integrate Change's payments and card processing platform (**Platform**) with its CPX open-API platform
- Entitlement Offer to raise up to approximately A\$5 million

1 April 2020: Change Financial Limited (ASX: CCA) (**Change** or the **Company**) is pleased to provide the following update in relation to a major capital raising initiative and strategic investment from CPx, a subsidiary of Central Bancshares, Inc., parent of the Company's longtime bank partner, CBKC.

Capital Raising and Strategic Investment by CPx

The Company and CPx have entered into a Subscription Agreement whereby CPx has agreed to make an initial investment of approximately A\$0.4 million⁽¹⁾ (US\$0.25 million) in Change at the same issue price under a capital raising to existing shareholders. This investment is subject to Change successfully raising a minimum amount of A\$3.75 million under the capital raising, and Change and CBKC finalising a commercial agreement with Change to provide processing services to CBKC.

The capital raising will comprise a one (1) for one (1) entitlement offer at A\$0.05 per share to raise up to approximately A\$5 million (**Entitlement Offer**). The Entitlement Offer provides an opportunity for shareholders to invest in the next growth phase of the Company at a 33.9% discount to the recent 15-day Volume Weighted Average Price (VWAP) of Change's shares. Further details of the Entitlement Offer are provided below.

In addition, CPx and the Company have also signed a non-binding term sheet to negotiate and enter into a binding agreement, for CPx to make further investments in the Company of up to approximately A\$4.6 million⁽¹⁾ (US\$2.75 million) (**Further Investment**). This Further Investment will be at CPx's election and is subject to conditions, including but not limited to entry into definitive documentation, Company shareholder approval, CBKC obtaining U.S. financial regulatory approvals, a number of CBKC programs processing on Change's Platform, and completion of certain Change Platform milestones and requirements to CBKC's satisfaction.

¹ Dollar amounts based on an AUD to USD exchange rate of 0.60

The Company will convene an Extraordinary General Meeting in order to obtain shareholder approval for the Further Investment by CPx and notice of meeting materials detailing CPx's Further Investment will be distributed to shareholders in due course.

CBKC to integrate Change's new transaction processing capabilities

CBKC, through its Central Payments division, is the fastest-growing issuer of prepaid cards in America since 2015⁽²⁾. CBKC and Change have partnered to offer innovative payment products to the U.S. market since 2015 and were named "Best Mobile App" and the "Consumer Champion" by *PayBefore* in 2017.

Beginning immediately, CBKC and Change will negotiate to integrate Change as a payments and card processor available inside Central Payments Xchange™ (CPX), Central's open-API, bank-as-a-service platform. Once the integration is complete, the Change Platform will be available as a payments and card processing option for all CBKC clients. The first CBKC-issued program to launch on the Change Platform will be the UpChange program, slated for launch in early April 2020.

Trent Sorbe, President of Central Payments and a Director at CBKC, commented on the announcement: "We are thrilled to be making this strategic investment in Change and strengthening our longstanding partnership. We expect that the platform alignment created by integrating the Change Platform with our CPX open-API platform will be attractive to fintechs and established companies looking for a single point of access to the payments ecosystem."

Entitlement Offer Summary

Change proposes to undertake a non-renounceable entitlement offer to eligible shareholders, on the basis of one (1) new fully paid ordinary share (**New Shares**) for every one (1) existing share held, at an issue price of A\$0.05 per share, to raise approximately A\$5 million (**Entitlement Offer**).

Assuming no existing options on issue in the Company are exercised, approximately 102,518,631 New Shares will be offered under the Entitlement Offer. The Entitlement Offer will be available to shareholders with registered addresses in Australia, New Zealand or Hong Kong who are recorded on the register as holding shares on 8 April 2020 (**Record Date**). New Shares issued pursuant to the Entitlement Offer will rank equally with all shares on issue.

Change does not require shareholder approval in relation to the Entitlement Offer. The Company is preparing and proposes to lodge an offer document (**Offer Document**) with ASX on 3 April 2020 in relation to the Entitlement Offer. The Entitlement Offer made under the Offer Document is an offer to Eligible Shareholders of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 708AA of the Corporations Act. The Offer Document will be despatched to Eligible Shareholders on 14 April 2020.

The New Shares will be offered in accordance with the indicative timetable presented below:

Event	Date
Announcement of issue (including Appendix 3B information)	1 April 2020
Lodgement of Offer Document with ASX	3 April 2020
Notices to security holders	3 April 2020

² Source: The Nilson Report Annual Survey of Prepaid Card Issuers, 2015 - 2018

Event	Date
Shares commence trading on an ex entitlement basis	7 April 2020
Record Date for the Offer	8 April 2020
Offer Document and Entitlement and Acceptance Form despatched to Shareholders	14 April 2020
Opening Date of Offer	14 April 2020
Closing Date of Offer	30 April 2020
Advise ASX of any shortfall	4 May 2020
Despatch of holding statements for New Shares	7 May 2020
Commencement of trading of New Shares on ASX	11 May 2020

All dates are subject to change and accordingly are indicative only. The Company reserves the right, subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend the indicative timetable and in particular, to extend the closing date or to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the date of allotment and issue of New Shares.

Option Holders

Holders of options are advised that eligibility for participation in the Company's Entitlement Offer is only available to holders of fully paid ordinary shares, as there are no participating rights or entitlements inherent in the options themselves. Accordingly, holders of options may only participate in the Entitlement Offer following the exercise of their options.

Option holders have the ability to exercise their options prior to the Record Date (being 8 April 2020) which will entitle them to participate in the Entitlement Offer. The relevant paperwork for the exercise of options can be obtained from the Company Secretary, Mr Adam Gallagher (investors@changefinancial.com).

However, option holders should note that, at the time of writing, the Company's current share price is well below any option exercise price.

An Appendix 3B notifying the proposed issue of the New Shares is attached to this announcement.

Authorised for release by Ben Harrison, Director.

For more information, please contact:

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About Change Financial

Change Financial Limited (ASX: CCA) is a US-focused fintech company developing innovative and scalable payments technology to provide solutions for businesses and financial institutions. Change Financial is building a Mastercard registered enterprise payments and card processor.

To learn more, please visit: www.changefinancial.com