

30 June 2016

ASX Announcement

ChimpChange commences trading on the ASX

Digital banking provider ChimpChange Limited (ASX: CCA, “the Company”) will commence trading on the Australian Securities Exchange (ASX) today at 12pm after it successfully raised \$15 million as part of an initial public offer.

The successful issue of 18.75 million shares at \$0.80 per share was raised at an indicative market capitalisation of \$50.8 million.

ChimpChange seeks to change the way people bank by offering an innovative, feature-rich digital banking alternative to high-cost, rigid retail bank accounts. Its platform provides all of the functionality customers expect of a traditional bank with the addition of new features free of charge or at low cost.

“The Board believes that listing on the ASX will allow more Australian investors to share in the Company’s growth,” said founder and Managing Director Ash Shilkin.

“On behalf of the Board, I look forward to sharing this exciting step in the Company’s future with you.”

An established player in an attractive market

ChimpChange provides mobile digital banking to anyone who needs an easy, cheap and reliable way to manage their money. The Company has gained significant early traction with customers among the connected generation who live a mobile, social, and on-demand lifestyle.

The Company has developed the product to appeal to all banking customers, but has created most features with a particular focus on the millennial (18 to 35 years) and broader unbanked demographic in the fragmented US banking market.

After launching in 2011 as a concept, ChimpChange went live with customers in August 2015 and had attracted more than 87,000 customers by 31 March 2016.

With more than 92 million American millennials entering their prime spending years — 30 to 40 per cent of whom are either underbanked or non-banked — ChimpChange is targeting a large and rapidly growing addressable market.

A strong position at the forefront of the digital banking revolution

ChimpChange is set to benefit from the digital disruption taking shape in the global retail banking and financial services landscape. Underserved, overcharged customers are increasingly defecting from the high cost and inflexible service models of traditional banks.

At the same time, branchless banking is gaining acceptance as security concerns subside and smartphone adoption boosts access to mobile solutions like the ChimpChange platform.

ChimpChange has initially targeted the US market because unlike Australia, US retail banking is highly fragmented, expensive and remains heavily reliant on cheque-based transactions.

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“The widely accepted cost of transferring money using banks or existing providers in the US is more than US\$10 per transaction, no matter how small. What’s more, traditional banks charge account-keeping fees that can top US\$25 per month,” said Mr Shilkin.

“Customers are increasingly demanding cost-effective, user-friendly, feature-rich online banking services. The ChimpChange platform does everything a regular bank does, and after more than four years of development, the Company’s product is ahead of the curve in terms of capability and is proving highly attractive to new customers.”

Strong partnerships with key businesses

Through the ChimpChange platform, customers can establish a transactional bank account and immediately make instant peer-to-peer transfers to anybody with a US mobile phone number. With a ChimpChange account and attaching debit MasterCard, customers can do all of their daily banking from a single app.

ChimpChange bank accounts are sponsored by the US Federal Deposit Insurance Corporation (FDIC)-insured Central Bank of Kansas City, and TransCard LLC provides the Company with payment processing infrastructure and services. The ChimpChange platform remains bank-agnostic and the Company is actively seeking banking partners to facilitate expansion into new international markets.

A proven, active and scalable monetisation model

ChimpChange is earning revenue and has achieved gross profitability as of the current quarter. The Company’s current fee model monetises through embedded interchange fees when customers spend on their ChimpChange debit MasterCard, withdrawal and balance inquiry fees outside ChimpChange’s 24,000 ATM network, and service fees relating to account inactivity, debit card replacement and requests for paper statements.

The Company expects to bolster the ChimpChange platform and drive a new level of engagement with several new frequently requested features, including but not limited to photo cheque deposit, foreign exchange transfer, bill payments through the BPAY service and user-friendly budgeting tools.

With financial and key metrics improving as the Company gains the benefits of scale, ChimpChange is poised to boost the value it adds to customers and shareholders by providing these and other features at appealing price points.

Talented board and management team

ChimpChange lists with a highly experienced board and management team with deep experience in banking, technology and risk.

Before commercialising ChimpChange, Founder and Managing Director Ash Shilkin served as Chief Financial Officer of CO2 Group Limited while the company grew from a market capitalisation of \$30 million to more than \$300 million. Chairman Peter Clare has more than 20 years’ experience in the banking industry, most recently as Chief Executive Officer of Westpac New Zealand Limited.

Chief Financial Officer Ian Leijer is a Chartered Accountant with more than 25 years’ experience in financial analysis and corporate transactions, including more than ten years as CFO and Company Secretary of formerly ASX-listed Avatar Industries Limited. Non-executive director Ben Harrison has more than 10 years’ experience advising and investing in mid-cap companies at public, private equity and venture capital level.

Chief Marketing Officer Nick Roberts has managed digital e-commerce and direct marketing for large global brands including Toshiba and Experian for more than 20 years. Most recently, he oversaw the successful launch of fintech app Acorns to more than 1 million members in its first year. Chief

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Operating Officer Clayton Fossett brings more than 10 years' experience in operations finance, digital strategy and legislative affairs at Yahoo, Deloitte and the US Securities and Exchange Commission.

Prior to the most recent capital raising, the Company had invested more than \$11 million into bringing the ChimpChange platform to market.

Proceeds of the fully underwritten public offer, managed by Moelis & Company and CCZ Statton Equities, will be applied primarily to business development, marketing and customer acquisition activities.

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About ChimpChange

ChimpChange Limited (ASX: CCA) is Australia's only listed digital banking platform. The company offers consumers secure, low-cost, feature-rich mobile money bank accounts.

Based in Los Angeles, California, ChimpChange delivers a better way to bank with an affordable, personalised, fun and frictionless user experience. All funds on deposit are held with a federally regulated FDIC-insured bank.

ChimpChange empowers customers to send instant mobile payments, make in-store/online purchases everywhere MasterCard is accepted, and do all their daily transactional banking from a single app.

ChimpChange Limited

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