



ASX ANNOUNCEMENT

1 August 2016

BUSINESS UPDATE AND APPENDIX 4C

INVESTMENT HIGHLIGHTS

- Strong positive customer growth experienced since ASX listing
- Executed on a number of key strategic initiatives that place ChimpChange on a solid foundation for the future
- Closed an oversubscribed A\$15 million capital raising and listed on ASX

ChimpChange Limited (ASX: CCA) ("ChimpChange" or the "Company") is pleased to provide the following update in relation to the June quarterly report and the strong customer growth experienced post completion of its ASX listing.

ChimpChange is a digital banking business based in Los Angeles, California, who focuses on delivering a better way to bank with an affordable, personalised, fun and frictionless user experience.

The Company listed on ASX on 30 June 2016 and has made significant progress since foundation in 2012, investing approximately US\$8.3 million (A\$11.0 million) in the development of its banking platform.

Business Update

During the June quarter the Company executed on a number of key strategic initiatives to position the Company for the future, these included:

- Raising A\$15 million (before costs) and listing on ASX;
- Transitioning to a new experienced and innovative sponsor bank; and
- Re-negotiating of transaction costs which resulted in a significant reduction in our cost of goods sold (COGS) and delivering a positive gross margin.

During the June quarter the Company's operational focus was on retaining existing customers through transition to our new sponsor bank and following relaunch (in mid June), commencing a highly targeted marketing campaign.

The Company is pleased to report that since the end of June we have acquired 6,000 new customers. This represents 7% growth in top line customer numbers, outperforming our initial acquisition targets for the month.

Furthermore, the Company has acquired these customers in line with its targeted acquisition cost of US\$25.

By utilising cohort analysis to better understand the usage patterns of best customers,

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our recent marketing campaign has been specifically targeting daily transactional bank account customers. Early indications have shown progress in attracting these higher value customers.

Since the relaunch, gross deposits from customers have shown positive growth week on week. Based on early data for the September quarter, the Company forecasts gross deposit volumes to exceed the previous quarter.

Managing Director and founder Ashley Shilkin commented "The Company is pleased with the strong early customer growth since listing and completion of the transition to our new sponsor bank. ChimpChange has worked tirelessly over the June quarter to execute on a number of key strategic initiatives that place the Company in a strong position financially. We are pleased that this hard work has been rewarded with strong customer growth in July. I look forward to continuing to execute on the Company's business objectives and update the market on our progress."

Quarterly Report

Net operating cash shows an outflow of US\$1.0 million (A\$1.3 million) for the June quarter. The main activity during this quarter has been the transition of customers to the new sponsor bank and developing new features.

Cash at the end of the June quarter was US\$10.90 million (A\$14.7 million).

All financial figures in the following Appendix 4C are denominated in U.S. dollars, unless stated otherwise. Where Australian dollars are referenced an exchange rate of A\$1:US\$0.75 has been used.

For more information, please contact:

Ashley Shilkin

Founder, Managing Director

Phone: +61 7 3212 6299

Email: investors@chimpchange.me

Web: www.chimpchange.me

Tim Dohrmann

Investors and Media

NWR Communications

Phone: +61 468 420 846

Email: tim@nwrcommunications.com.au

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 in the USA.

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.

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

ChimpChange Limited

ABN

34 150 762 351

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (12 months) \$US'000
1.1 Receipts from customers	35	177
1.2 Payments for (a) staff costs	(402)	(2,064)
(b) advertising and marketing	(91)	(713)
(c) other	(588)	(2,664)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net operating cash flows	(1,046)	(5,262)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$US'000	Year to date (12 months) \$US'000
1.8 Net operating cash flows (carried forward)	(1,046)	(5,262)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) software	(141)	(386)
(b) physical non-current assets	-	(24)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
Net investing cash flows	(141)	(410)
1.14 Total operating and investing cash flows	(1,187)	(5,672)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	11,139	17,006
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)	(771)	(1,190)
Net financing cash flows	10,368	15,816
Net increase (decrease) in cash held	9,181	10,144
1.21 Cash at beginning of quarter/year to date	1,723	753
1.22 Exchange rate adjustments to item 1.20	(12)	(5)
1.23 Cash at end of quarter	10,892	10,892

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.24	Aggregate amount of payments to the parties included in item 1.2	87
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	
	Item 1.24 comprises payments to the Directors including remuneration paid to the Managing Director.	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$US'000	Amount used \$US'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$US'000	Previous quarter \$US'000
4.1 Cash on hand and at bank	10,892	1,723
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	10,892	1,723

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

On behalf of the Board
 DP Cornish
 Company Secretary

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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