



ASX ANNOUNCEMENT  
31 January 2018

## Change Financial Achieves Record Growth & Invests in Blockchain in Transformational Q2 FY18

### Investment Highlights

#### Consumer division

- Record transaction volume growth of 17%, deposit growth up 18% and purchase growth up 16% Quarter over Quarter (“QoQ”)
- Record efficiency in the cost of acquiring customers (“CAC”) at an average of \$15.92
- Increased organic acquisition rate by 32.7% during the quarter

#### Enterprise division

- Neared completion of a global, cloud-based API for enterprise to launch in H1 CY18
- Pilot tested enterprise processing platform with first test cards printed
- Completed Memorandum of Understanding (“MoU”) with strategic development partner with networks to hundreds of US based banks
- Completed quantitative and qualitative brand development and selection for enterprise offering

#### Blockchain division

- 33% equity stake in the IvyKoin Project, an innovative blockchain and cryptocurrency for the \$1,250 trillion global payments market

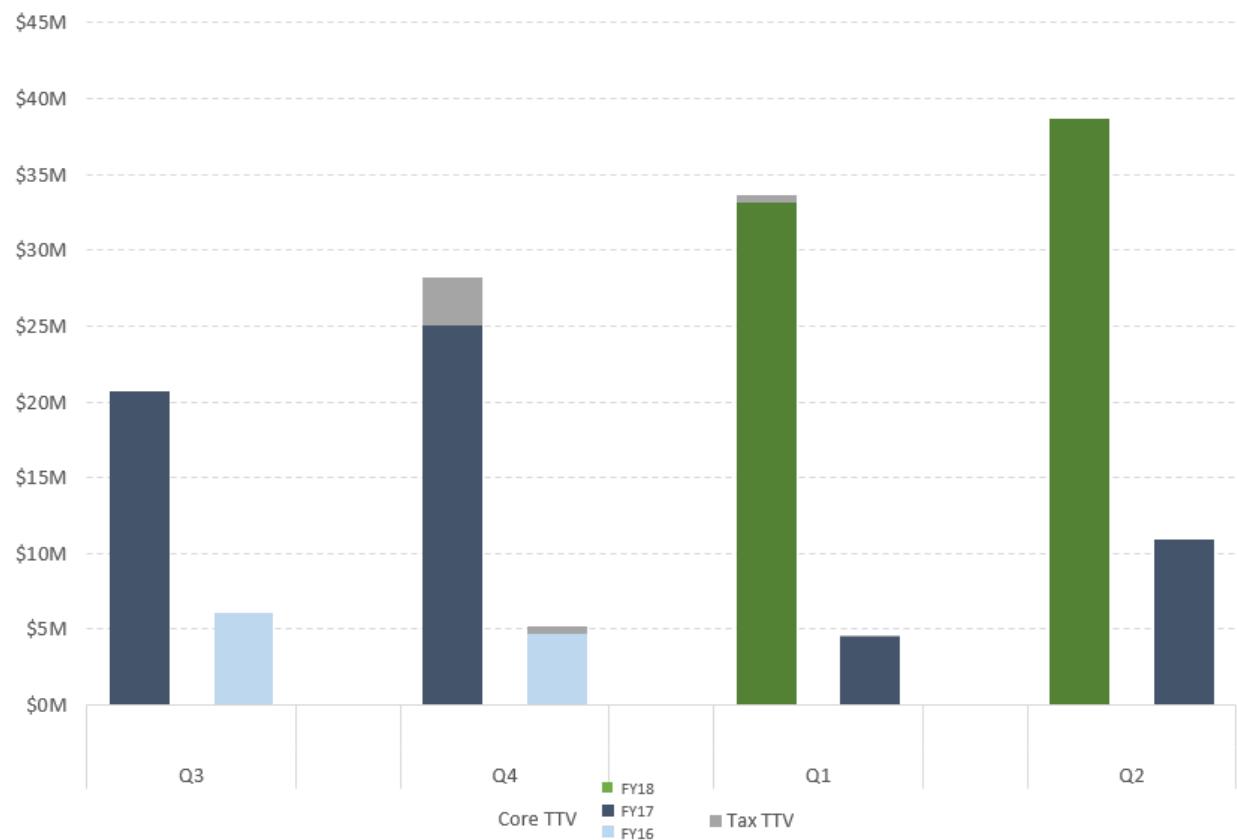
**31 January 2018:** US-based fintech, banking software, and blockchain investment company Change Financial Limited (ASX:CCA) (“Change Financial” or “the Company”) is pleased to present its quarterly report for the three months ending on 31 December 2017.

#### Consumer division

Change Financial achieved another successful quarter in December and continues to deliver strong growth across all areas of its Consumer division.

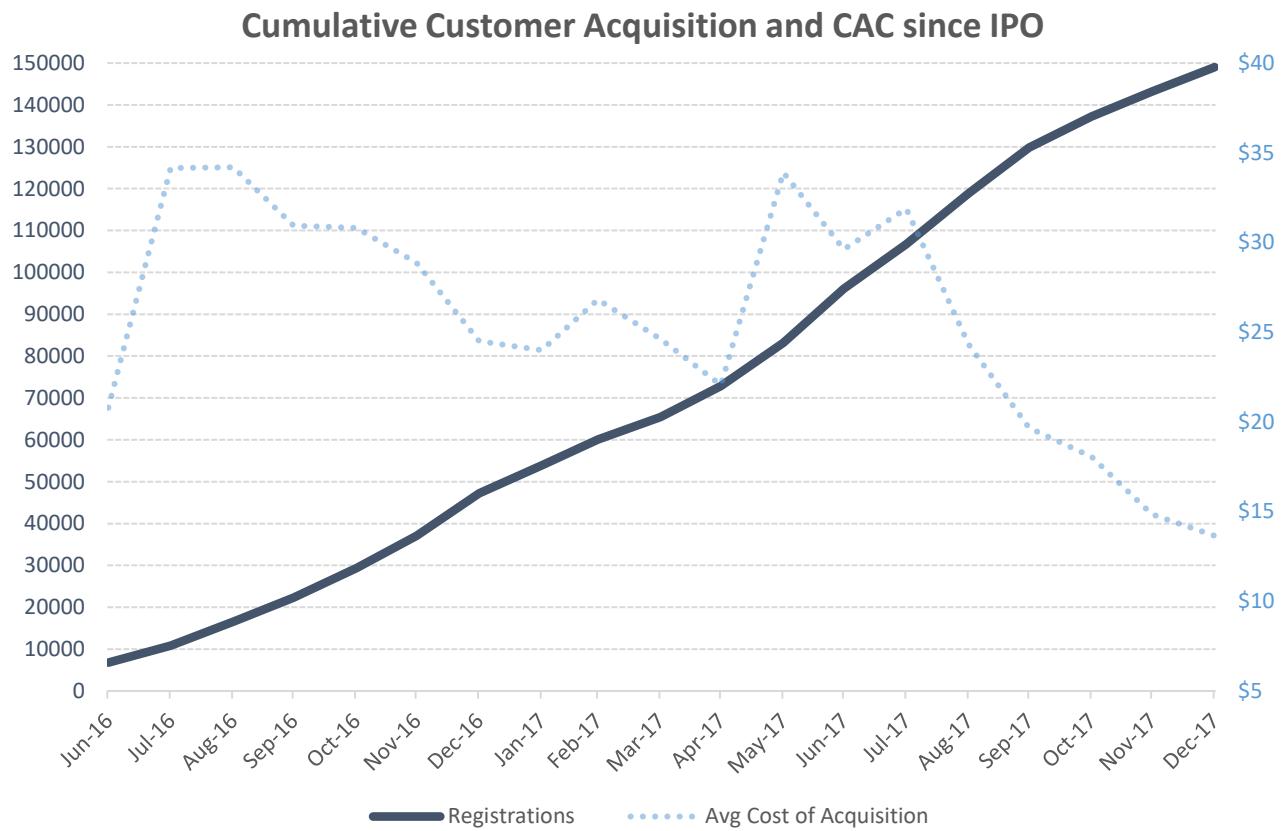
The Company is pleased to announce that the division’s millennial-focused ChimpChange mobile banking platform has set a record for transaction growth in Q2 FY18. Total Transaction Value (“TTV”) for the quarter was US\$38.6 million representing growth of 17% Quarter over Quarter (“QoQ”) and 267% from the Prior Comparable Period (“PCP”).

## Growth in TTV, QoQ Comparison



ChimpChange received US\$19.2 million in deposits over the quarter, representing QoQ growth of 18% and a PCP increase of 263%. Purchase growth increased, with purchases for Q2 FY18 at US\$13.3 million, a 16% and 261% growth for QoQ and PCP respectively. Investment efficiency also improved, with the cost of acquiring customers ("CAC") hitting record efficiency of US\$15.92 during the quarter and exiting December at under US\$13.

Organic acquisition rate increased 32.7% in Q2 FY18, and, similarly to the previous quarter, was bolstered by a record number of organic acquisitions and lower cost of acquiring customers.



Change Financial now has 150,000+ direct to consumer customers using its award-winning ChimpChange Mobile Banking platform and received customer deposits of more than US\$19.2 million during the December quarter.

#### Enterprise division

Change Financial is continuing to make large strides in the development of enterprise solutions. The Company is nearing completion of a core infrastructure built upon a globally scalable micro-services, cloud-based, API-driven infrastructure for enterprise which will be ready by H1 CY18. An enterprise processing platform which involves a partnership with Mastercard (NYSE:MA) is in the pilot testing phase with first test cards printed during the December quarter.

The Company has signed a Memorandum of Understanding (“MoU”) with a strategic business development partner that has connections to hundreds of US-based banks. Quantitative and qualitative brand development and selection for the new enterprise offering has also been completed.

#### Blockchain division

Change Financial made its first significant investment into blockchain technology during the December quarter. Blockchain is a digitised, distributed, public ledger of most cryptocurrency transactions and the technology that underpins top cryptocurrencies such as Bitcoin, Ethereum and Ripple.

Change Financial made the investment into this innovative blockchain and cryptocurrency technology to provide solutions for the US\$1,250 trillion global payments market.

In keeping with Change Financial's mission of creating better banking through innovative and leading technology, the Company invested in the Ivy Project, which is developing "IvyKoin", a cryptocurrency for business transactions including those over US\$10,000. IvyKoin will embed critical Know Your Transaction ("KYT") and Know Your Customer ("KYC") information into transactions. The Company acquired a 33% equity interest in the Ivy Project.

### Cash flow

Cash at the end of the December quarter was **US\$4.84 million** (A\$6.21 million<sup>1</sup>). All financial figures in the following Appendix 4C are denominated in US dollars, unless stated otherwise.

**Change Financial Managing Director, Ash Shilkin:** "We are very pleased with our results in the December quarter and the progress we are seeing across our three divisions. Our Consumer division continues to perform strongly with the ChimpChange banking platform seeing increased growth across key metrics. Last quarter we changed our name to reflect the evolution of the business and the addition of Enterprise and Blockchain products and investments. This quarter was a transformative one as we continued to develop these two divisions. Our enterprise solutions are now nearing completion and the Ivy Project's cryptocurrency is scheduled for release soon. We are continuing to seek additional opportunities to monetise our award-winning technology and look forward to seeing further growth in 2018 and beyond."

<sup>1</sup>Based on a Quarter-end USD/AUD of \$0.78

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## About Change Financial

Change Financial Limited (ASX:CCA, OTCQX:CNGFF) is a US-based award-winning fintech, banking software, and blockchain investment company consisting of three core business units: Consumer, Enterprise and Blockchain.

The Consumer unit is underpinned by ChimpChange, the Company's award-winning digital bank account and mobile app. ChimpChange makes free retail banking available to Americans who typically pay fees in order to have a bank account and provides money management tools to help its customers - the majority of which are millennials - make better financial decisions.

The Enterprise unit provides a turn-key, MasterCard certified Software-as-a-Service solution for US banks which is PCI compliant and capable of authorizing transactions.

The Blockchain unit pursues value-accretive investments in the burgeoning blockchain space. Change Financial has invested in ivyKoin, a blockchain-based cryptocurrency that comes embedded with significant Know Your Transaction ("KYT") and Know Your Customer ("KYC") information to encourage the use of cryptocurrency in traditional banks and financial institutions.

To learn more please visit: [www.changefinancial.com](http://www.changefinancial.com)