

12 February 2020

ASX Listings Compliance
Attn: Ms Maria Clemente
20 Bridge Street
Sydney NSW 2000

Via email

Dear Ms Clemente,

RE: Response to ASX query

Change Financial Limited (the **Company**) here provides its responses to the ASX queries in relation to the Appendix 4C quarterly report for the period ended 31 December 2019 lodged with the ASX Market Announcements Platform and released on 31 January 2020 (the 'Appendix 4C'). The Company provides the following responses to the queries:

1. Does CCA expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

The Company has finalised the development of its payments platform and is now moving into a commercialisation phase over the course of which revenues are expected to build. The Company has taken important steps towards commercialisation and revenue growth during the last quarter including the appointment of a CEO.

2. Has CCA taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes. As per the Quarterly Update released on Friday, 31 January 2020 the Company is currently in negotiations with a strategic investor with regard to an investment in the Company.

While pending and incomplete at this time, the Company expects this transaction to complete at which point it will be in a position to provide details of the arrangements to the market.

If for any reason these negotiations fail to conclude as expected, the Directors have alternative plans to access sufficient capital to continue operations and to meet the Company's business objectives.

3. Does CCA expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, following completion of the capital initiative referred to in the Quarterly Update, the Company is confident that it will have sufficient capital to allow the Company to continue its operations and to meet its business objectives.

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4. Please confirm that CCA is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1 and confirms that the commentary provided in the Quarterly Update is current as at today, and that there is no further material information to be disclosed at this time including with respect to its financial condition.

5. Please confirm that CCA's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CCA with delegated authority from the board to respond to ASX on disclosure matters.

The Company's responses to the questions above have been authorised and approved by the Board of Directors.

Please contact me if you require any further information.

Yours sincerely,

Adam Gallagher
Company Secretary

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7 February 2020

Reference: 13672

Mr Adam Gallagher
Company Secretary
Change Financial Limited

By email: adam.gallagher@envirosuite.com

Dear Mr Gallagher

Change Financial Limited ('CCA'): Appendix 4C Query

ASX refers to CCA's Appendix 4C quarterly report for the period ended 31 December 2019 lodged with the ASX Market Announcements Platform and released on 31 January 2020 (the 'Appendix 4C').

ASX notes that CCA has reported:

- negative net operating cash flows for the quarter of \$619,000;
- cash at the end of the quarter of \$923,000; and
- estimated cash outflows for the next quarter of \$675,000.

It is possible to conclude, based on the information in the Appendix 4C, that if CCA were to continue to expend cash at the rate indicated by the Appendix 4C, CCA may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks CCA to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does CCA expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has CCA taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does CCA expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that CCA is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that CCA's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CCA with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that CCA considers may be relevant to ASX forming an opinion on whether CCA is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT Wednesday, 12 February 2020**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CCA's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CCA's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to CCA's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CCA's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CCA's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Maria Clemente
Adviser, Listings Compliance (Sydney)