

Change Financial Limited

ACN 150 762 351



Offer Document

A non-renounceable pro rata entitlement offer to existing Shareholders of Change Financial Limited of 1 New Share for every 1 Share held at an Issue Price of A\$0.05 per New Share to raise up to approximately A\$5.14 million before costs of the Offer (Entitlement Offer)

The Entitlement Offer closes at **5:00pm (AEST)** on **Thursday, 30 April 2020**.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Offer Document is not a prospectus and does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares. The New Shares offered by this Offer Document should be considered speculative.

You should read this Offer Document in its entirety before deciding whether to accept the offer of New Shares. If you do not understand any part of this Offer Document or are in doubt as to what you should do, you should consult your stockbroker, accountant, financial or other professional adviser immediately.

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Important information

This Offer Document and the accompanying information (**Information**) have been prepared by Change Financial Limited ACN 150 762 351 (**Company**).

The Entitlement Offer to which this Information relates complies with the requirements of section 708AA of the Corporations Act as notionally modified by the ASIC Corporations Instruments 2016/73 and 2016/84. The Information is not a disclosure document for the purposes of Chapter 6D of the Corporations Act and has not been lodged with ASIC. The Company is offering the securities under this Offer Document without disclosure to investors under Chapter 6D of the Corporations Act pursuant to section 708AA of the Corporations Act. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Entitlement Offer.

This Offer Document is dated 3 April 2020 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of Chapter 2M of the Corporations Act, as they apply to the Company; and
- section 674 of the Corporations Act.

The Entitlement Offer is only made to those Shareholders who are Eligible Shareholders on the Record Date (being Shareholders who have a registered in Australia and New Zealand).

No excluded information

Other than as disclosed in this Offer Document, as at the date of this offer Document the Company is not aware of any excluded information of the kind which would

require disclosure in this Offer Document pursuant to subsections 708AA(8) and (9) of the Corporations Act.

The Information relates to a 1 for 1 non-renounceable Entitlement Offer to subscribe for New Shares at the Issue Price set out in this Offer Document, and as announced to ASX by the Company on 1 April 2020 (**Entitlement Offer**).

Terms used in this Offer Document are defined in the glossary in Section 5.

All dollar values are in Australian dollars (A\$).

Not investment or financial product advice

This Offer Document is not investment or financial product advice, does not purport to contain all the information that you may require in evaluating a possible acquisition of New Shares in the Company and has been prepared without taking into account the investment objectives, financial situation, tax position and needs of you or any particular investor.

Before deciding whether to apply for New Shares, you should conduct your own independent review, investigation and analysis of the Company and the New Shares in light of your personal circumstances (including financial and taxation issues). You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

Information about the Company

The Information included in this Offer Document provides information about the Company's activities current as at 3 April 2020. It is information in a summary form and does not purport to be complete. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements, the Company's annual report and full year statutory accounts for the year ended 30 June 2019 and the Company's other announcements to ASX available at www.asx.com.au.

Foreign jurisdictions

This Offer Document has been prepared to comply with the requirements of the laws of Australia, and does not, and is not intended to, constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Offer Document. No action has been taken to register the New Shares or otherwise permit an offering in any jurisdiction outside of Australia.

The Company has decided that it is unreasonable to make offers under the Entitlement Offer to Shareholders with registered addresses outside of Australia and New Zealand, having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Entitlement Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to, Shareholders having registered addresses outside of Australia and New Zealand.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand, other than to existing Shareholders of the Company with registered addresses

in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*. This Offer Document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This Offer Document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

See section 4.1 of this Offer Document for further details in relation to persons in other jurisdictions.

United States

This Offer Document may not be released or distributed in the United States. This Offer Document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Offer Document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Offer Document, making payment of the Application Money by BPAY® or applying for New Shares under the Creditor Conversion Facility in accordance with the instructions set out in this Offer Document and on the Entitlement and Acceptance Form.

The Offer Document is available in electronic form at <http://www.changefinancial.com>. If you wish to obtain a free copy of this Offer Document, please contact the Company at investors@changefinancial.com.

Governing law

The Entitlement Offer and the contracts formed on acceptance of your Application are governed by the law applicable in Queensland and each Shareholder who applies for New Shares submits to the jurisdiction of the courts of Queensland.

Future performance and forward looking statements

Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Document.

The forward looking statements in this Offer Document are based on the Company's current expectations about future events. Due care and attention has been taken in the preparation of forward looking statements.

Such forward looking statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Offer Document. There can be no assurance that actual outcomes will not differ materially from these statements.

This Offer Document details some important factors and risks that could cause the Company's actual results to differ from the forward looking statements in the Offer Document. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised section 3 of this Offer Document.

Past performance information given in this Information is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Disclaimer of representatives

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Document. Any information or representation that is not in this Offer Document may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, the Company and any other person do not warrant or guarantee the future performance of the Company or any return on any investment made pursuant to this Offer Document.

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Director's Letter

3 April 2020

Dear Shareholder

Change Financial Limited – non-renounceable pro-rata rights offer

On 1 April 2020, Change Financial Limited (**Change** or the **Company**) announced a capital raising comprising a strategic investment from its longstanding sponsor bank, Central Bank of Kansas City (**CBKC**) (via its affiliate CPx Holdings, L.L.C.) and a pro-rata non-renounceable entitlement offer. The offer is a non-renounceable pro rata entitlement offer to existing Shareholders of 1 New Share for every 1 Share held at an Issue Price of A\$0.05 per share (a discount of 33.9% to the 15-day VWAP prior to announcement) to raise approximately A\$5.14 million before costs of the Offer (**Entitlement Offer**).

The Company and CBKC have entered into a Subscription Agreement whereby CBKC has agreed to make an initial investment of approximately A\$0.4 million¹ (US\$0.25 million) in Change at the same issue price as the Entitlement Offer. 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.

In addition, CBKC and the Company have signed a non-binding term sheet to negotiate and enter into a binding agreement, for CBKC to make further investments in the Company of up to approximately A\$4.6 million¹ (US\$2.75 million) (**Further Investment**). This Further Investment will be at CBKC'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.

Subject to and immediately following closure of the Entitlement Offer in accordance with the timetable, the Company intends to convert all outstanding convertible notes on issue into fully paid ordinary shares as per the terms of those convertible notes.

Following completion of the Entitlement Offer, CBKC's investment and the conversion of the convertible notes the Company will be positioned to capitalise on a pipeline of customer opportunities available via CBKC.

The funds raised from the Entitlement Offer will primarily be used to; continue onboarding customers in partnership with CBKC, build out further features and functionality of Change's payments and card issuing platform, and grow the Company's business development capabilities. This Offer Document provides you with the opportunity to participate in the Entitlement Offer. The Entitlement Offer is being made to eligible shareholders on the Company's register as at 5:00pm (AEST) on 8 April 2020 (**Record Date**).

Eligible Shareholders may, in addition to their entitlement under the Entitlement Offer, apply for Additional Shares under the Shortfall Facility, subject to compliance with Chapter 6 of the Corporations Act and ASX Listing Rules. Applications for Additional Shares will be satisfied out of any New Shares for which applications have not been received from eligible shareholders before the closing date of the Entitlement Offer. Further information regarding the application process for Additional Shares is provided in this Offer Document. Eligible Shareholders who are also creditors of the Company may elect to apply

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

all or part of any amount owing to you to subscribe for New Shares under the Creditor Conversion Facility. The Creditor Conversion Facility is described in more detail in Section 2.7.

The Entitlement Offer is not underwritten.

This Offer Document contains important information concerning your potential participation in the Entitlement Offer, including:

- the key terms of the Entitlement Offer;
- instructions on 'how to participate' should you choose to do so; and
- a personalised Entitlement and Acceptance Form which details your right to apply for New Shares, to be completed in accordance with the instructions provided.

To participate in the Entitlement Offer, you must ensure that applications for New Shares are received in accordance with the Entitlement and Acceptance Form, or notification of conversion under the Creditor Conversion Facility, on or before **5:00pm (AEST) on 30 April 2020 (Closing Date)**.

If you have any doubt as to whether you should participate in the Entitlement Offer, you should consult your stockbroker, accountant, financial or other professional adviser.

On behalf of your Directors, I encourage you to consider this investment opportunity by reading all the information set out in this Entitlement Offer and thank you for your ongoing support of the Company.

Yours faithfully,



Ben Harrison
Director

Entitlement Offer at a glance

Summary of Entitlement Offer

Issue Price per New Share	A\$0.05 (5 cents)
Entitlement	1 New Share for every 1 Share held at 5:00pm (AEST) on the Record Date
Discount to the VWAP on the 15 trading days prior to announcement	33.9%
Maximum number of New Shares to be issued under the Entitlement Offer²	102,843,631
Amount to be raised	Up to approximately A\$5.14 million (before costs of the Entitlement Offer and subject to the Creditor Conversion Facility)

Key dates

Announcement of the Entitlement Offer, investor presentation and Appendix 3B	1 April 2020
Lodgement of cleansing notice and Offer Document with ASX	3 April 2020
Ex Date (date on which Shares trade without Entitlements attached)	7 April 2020
Record Date to determine Entitlements	5:00 pm (AEST) 8 April 2020
Offer Document and Entitlement and Acceptance Form despatched	15 April 2020
Opening date of the Entitlement Offer	
Closing Date – last date for lodgement of Entitlement and Acceptance Forms and Application Money	5:00 pm (AEST) 30 April 2020
Trading of New Shares commences on a deferred settlement basis	1 May 2020
ASX notified of Shortfall	4 May 2020
Issue of New Shares	5 May 2020
Last day for entity to lodge Appendix 2A with ASX applying for quotation of the New Shares	7 May 2020
Despatch of statements for New Shares	7 May 2020

² This assumes no Options are exercised prior to the Record Date.

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Normal trading of New Shares expected to commence on ASX 11 May 2020

These dates are indicative only and may be subject to change. Subject to the Corporations Act and the Listing Rules, the Company reserves the right to vary the timetable without prior notice including by extending the Closing Date or closing the Entitlement Offer early. The Company also reserves the right not to proceed with the whole or part of the Entitlement Offer at any time prior to allotment. In that event, Application Money will be returned without interest. See section 2.12 of this Offer Document for further details.

Enquiries

If you have any questions about this Offer Document or your Entitlement Offer and Acceptance Form please contact the Company's share registry, Link Market Services Limited, 1300 494 861 (within Australia) or +61 1300 494 861 (outside Australia).

General enquiries in relation to the Company or the Entitlements Offer can be made to the Company Secretary, Adam Gallagher by telephone on +61 428 130 447 at any time between 8:30am and 5:00pm (AEST) on any business day from the Opening Date until the Closing Date, or consult your stockbroker, account or other professional advisor.

If you are beneficially entitled to Shares and those Shares are held on your behalf by a nominee or custodian, you should direct your enquiries to your nominee or custodian.

1 Details of the Entitlement Offer

1.1 The Entitlement Offer

Eligible Shareholders are invited to participate in a non-renounceable pro-rata Entitlement Offer of up to 102,843,631 New Shares. The Entitlement Offer will be conducted on the basis of 1 New Share for every 1 Share held at 5:00pm (AEST) on the Record Date, at an Issue Price of A\$0.05 per New Share, payable in full on Application.

Fractional Entitlements to New Shares will be rounded down to the nearest whole New Share.

Your Entitlement to subscribe for New Shares is calculated as at the Record Date and is shown on your personalised Entitlement and Acceptance Form which accompanies this Offer Document.

Eligible Shareholders who apply for 100% of their Entitlement are able to apply for Additional Shares to be issued from any Shortfall at the issue Price, subject to compliance with Chapter 6 of the Corporations Act and Listing Rules. The Shortfall Facility is described in Section 1.6.

The Entitlement Offer is non-renounceable, which means that if you do not accept all or part of your Entitlements, you will not be able to trade your Entitlements and they will lapse.

New Shares will rank equally in all respects with existing Shares. Full details of the rights and liabilities attaching to the Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during business hours.

The Entitlement Offer is being undertaken by the Company under section 708AA of the Corporations Act without a prospectus.

1.2 Issue Price

The Issue Price is A\$0.05 for each New Share and is payable in full upon Application.

The Issue Price represents a discount of 33.9% to the VWAP of Shares on the 15 trading days prior to announcement (being the last day Shares were traded on ASX before the Entitlement Offer was announced) of A\$0.0756.

The highest and lowest market price of Shares on ASX during the 3 months prior to announcement is A\$0.26 on 10 February 2020 and A\$0.056 on 19 March 2020 respectively.

1.3 Purpose of the Entitlement Offer

The funds raised from the Entitlement Offer will primarily be used to :

- Continue onboarding customers in partnership with CBKC;
- Build out further features and functionality of Change's Platform;
- Reduction of balances owed to entitled creditors; and
- Grow the Company's business development capabilities.

However, in the event that circumstances change or other better opportunities arise, the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

The Entitlement Offer is being extended to Eligible Shareholders only.

Eligible Shareholders are those holders of Shares who:

- For personal use only
- are registered as a holder of Shares as at **5:00 pm (AEST)** on 8 April 2020 (the **Record Date**);
 - have a registered address in Australia or New Zealand;
 - are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

See section 4.1 for more details.

1.4 Minimum subscription

There is no minimum subscription under the Entitlement Offer.

1.5 Opening and Closing Date for applications

The Entitlement Offer opens for acceptances on 15 April 2020 and all Entitlement and Acceptance Forms and payments of Application Money must be received by no later than 5:00pm (AEST) on 30 April 2020, subject to the Directors being able to vary the Closing Date and in accordance with the Corporations Act and the Listing Rules.

1.6 Applying for Additional Shares under the Shortfall Facility

Any New Shares not subscribed for by Eligible Shareholders pursuant to their Entitlements will become available as Shortfall under the Shortfall facility (**Shortfall Facility**).

The Shortfall Facility is a separate offer pursuant to this Offer Document. The issue price of any Additional Shares offered pursuant to the Shortfall Facility will be A\$0.05, which is the Issue Price at which the Entitlement Offer has been made to Eligible Shareholders.

Eligible Shareholders who apply for their entitlement in full may apply for additional New Shares (**Additional Shares**), regardless of the size of their present holding, by specifying the total amount of New Shares they wish to apply for (including the Additional Shares) on their Entitlement and Acceptance Form.

Additional Shares will be issued under the Shortfall Facility at the absolute discretion of the Company and its Directors, and as such there is no guarantee regarding the number of Additional Shares (if any) that will be available to Eligible Shareholders under the Shortfall Facility. This will also depend on the extent to which Shareholders take up their Entitlement. If all Shareholders take up their entitlement then there will be no Additional Shares available under the Shortfall Facility. The Company will have no liability to any Applicant who receives less than the number of Additional Shares they applied for under the Shortfall Facility.

The Company reserves the right to scale back any Applications for Additional Shares under the Shortfall Facility. If this occurs, Applications will be returned (without interest) to the extent of the scaled back.

It is an express term of the Entitlement Offer that Applicants for Additional Shares will be bound to accept a lesser number of Additional Shares allocated to them than applied for. If you do not receive any or all of the Additional Shares you applied for, any excess Application Monies will be returned to you without interest.

Decisions regarding the operation of the Shortfall Facility will be made by the Board in its absolute discretion.

In the event that there is a further Shortfall in subscriptions under the Entitlement Offer following the issuance of the Additional Shares under the Shortfall Facility, the Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to allocate any further Shortfall of New Shares in their absolute discretion and to conduct a placement of the remaining Shortfall to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall, hold a relevant interest of more than 20% of all the Shares in the Company after this issue. Any Shortfall will be issued within three months after the Closing Date at an Issue Price being not less than the Issue Price, and further reserves the right to engage one or more brokers to act as lead manager(s) to the placement.

1.7 Allotment of New Shares and ASX quotation

It is expected that allotment of the New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares will be allotted by no later than **5:00 pm (AEST) on 5 May 2020** and holding statements despatched shortly after. However, if the Closing Date is extended, the dates for allotment and despatch may also be extended. It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

No allotment of New Shares will be made until permission is granted for their quotation by ASX. Should the New Shares not be granted official quotation on the ASX within three months after the date of this Offer Document, none of the New Shares offered under this Offer Document will be issued and all acceptance money will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

2 How to participate

2.1 Read the Offer Document

Read the whole of this Offer Document including the Announcement, the Entitlement and Acceptance Form and other information made available

The Entitlement Offer is not being made under a disclosure document or prospectus. Accordingly, it is important for Shareholders to read and understand the publicly available information on the Company and the Entitlement Offer prior to accepting their Entitlements.

2.2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant, financial or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. In particular, please refer to section 3 of this Offer Document ('Risk factors'), which describes some of the key risks in relation to an investment in the Company.

2.3 What you may do – choices available

The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form. If you are an Eligible Shareholder you may:

Option	Further information
Take up your Entitlements in full or in part	Section 2.4
Take up your Entitlements in full and apply for Additional Shares under the Shortfall Facility	Section 2.5
Allow some or all of your Entitlements to lapse	Section 2.9

2.4 If you wish to accept your Entitlements in full or in part

Either:

- Complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up in accordance with the instructions on that form. Return your completed Entitlement and Acceptance Form in the enclosed reply paid envelope, together with the Application Money at A\$0.05 for each New Share to the Share Registry at the address set out in section 2.8 of this Offer Document (subject to the operation of the Creditor Conversion Facility, which is described in Section 2.7). It must be received by no later than **5:00pm (AEST) on 30 April 2020**

OR:

- Make a payment of A\$0.05 for each New Share you wish to apply for by BPAY® in accordance with the instructions on the Entitlement and Acceptance Form (subject to the operation of the Creditor Conversion Facility, which is described in Section 2.7) by no later than **5:00pm (AEST) on 30 April 2020**.

2.5 If you wish to accept your Entitlements in full and apply for Additional Shares

Either:

- Complete the Entitlement and Acceptance Form for your full Entitlement of New Shares and the Additional Shares you wish to apply for in accordance with the instructions on that form. Return your completed Entitlement and Acceptance Form in the enclosed reply paid envelope, together with the Application Money at \$0.05 for each New Share to the Share Registry at the address set out in section 2.8 of this Offer Document (subject to the operation of the Creditor Conversion Facility, which is described in Section 2.7). It must be received by no later than **5:00pm (AEST) on 30 April 2020**

OR:

- Make a payment of A\$0.05 for each New Share you wish to apply for by BPAY® in accordance with the instructions on the Entitlement and Acceptance Form (subject to the operation of the Creditor Conversion Facility, which is described in Section 2.7) by no later than **5:00pm (AEST) on 30 April 2020**

The Shortfall Facility will be conducted in the manner set out in Section 1.6.

2.6 Payment for New Shares

The issue price of A\$0.05 per New Share is payable in full on Application.

All payments are to be made in Australian currency by cheque, bank draft or money order drawn on and payable at any Australian bank or by BPAY® (subject to the operation of the Creditor Conversion Facility, which is described in Section 2.7).

Cheques, bank drafts and money orders should be made payable to "**Change Financial Limited**" and crossed "Not Negotiable".

Applicants are asked not to forward cash. Receipts for payments will not be issued.

BPAY® payments should be made in accordance with the instructions on the Entitlement and Acceptance Form using the BPAY® Biller Code and unique Customer Reference Number shown on the form. You are not required to return the Entitlement and Acceptance Form if you use BPAY® to pay the Application Money.

If you have multiple holdings you will receive multiple BPAY® reference numbers. To ensure you receive your Entitlements you must use the customer reference number shown on each personalised Entitlement and Acceptance Form.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received **by 5:00pm (AEST) on 30 April 2020**.

Application Money will be held in trust in a subscription account until allotment. Any interest earned on Application Money will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their Applications for New Shares under this Offer Document.

2.7 Creditor Conversion Facility

If, in addition to being an Eligible Shareholder under the Entitlement Offer, you are also a creditor of the Company, you may elect to take up your Entitlement by means of the conversion of some or all of the existing debt owed to you by the Company. The conversion will be undertaken on a dollar for dollar basis at the Issue Price, and, in the case of any fractional Entitlements, the number of New Shares arising from the conversion of the debt shall be rounded up to the nearest whole number. The election to settle the Application Money owing in respect of your Entitlement by conversion of an existing debt, is provided for on the Entitlement and Acceptance Form.

For clarity, the Creditor Conversion Facility does not enable any creditor Shareholders to take up more New Shares under the Offer than if the facility was not available.

2.8 Address details and enquiries

Completed Entitlement and Acceptance Forms (including payment of Application Money) should be forwarded to the Company's Share Registry by mail in the enclosed prepaid envelope or delivered to the following addresses:

By mail:

Change Financial Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Further details on how to lodge your Entitlement and Acceptance Form can be found on the reverse side of the Entitlement and Acceptance Form.

If you have any questions about this Offer Document or your Entitlement Offer and Acceptance Form please contact the Company's share registry, Link Market Services Limited, 1300 494 861 (within Australia) or +61 1300 494 861 (outside Australia).

General enquiries in relation to the Company or the Entitlements Offer can be made to the Company Secretary by telephone on +61 428 130 447 at any time between 8:30am and 5:00pm (AEST) on any business day until the Closing Date, or consult your stockbroker, account or other professional advisor.

If you are beneficially entitled to Shares and those Shares are held on your behalf by a nominee or custodian, you should direct your enquiries to your nominee or custodian.

2.9 If you do not wish to accept all or any part of your Entitlements

To the extent you do not accept all or part of your Entitlements, they will lapse. As the Entitlement Offer is non-renounceable, your Entitlements are not tradeable on ASX or otherwise transferable or able to be sold.

Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up. Shareholders who do not take up their Entitlements in full will have their proportionate interest in the Company.

2.10 Consequences of accepting all or part of your Entitlements

A completed and lodged Entitlement and Acceptance Form, or a payment through BPAY® constitutes a binding offer by you to acquire New Shares on the terms and conditions set out

in this Offer Document and, once lodged or paid, cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding on you.

If an Application is not completed or submitted correctly it may still be treated as a valid Application for New Shares. The Company's decision on whether to treat an Application as valid and how to construe, amend, complete or submit the Application is final. By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you:

- (a) agree to be bound by the terms of this Offer Document and the provisions of the Company's constitution;
- (b) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (d) declare that you are not associated (as that term is defined in sections 12 and 16 of the Corporations Act) with any existing Shareholder of the Company;
- (e) if you are an individual, declare that you are over 18 years of age;
- (f) declare that you have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (g) acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY®, you may not withdraw it except as allowed by law;
- (h) agree to apply for, and be issued with up to, the number of New Shares that you apply for and for which you have either:
 - (i) submitted payment of any Application Monies via cheque, bank draft or BPAY®, at the Issue Price of A\$0.05 per New Share; or
 - (ii) if you are also a creditor of the Company, applied for New Shares under the Creditor Conversion Facility;
- (i) authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (j) declare that you are the current registered holder(s) of the Shares in your name at the Record Date;
- (k) acknowledge that the information contained in this Offer Document is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (l) acknowledge, represent and warrant that the law of any other place does not prohibit you from being given this Offer Document or making an application for New Shares; and
- (m) acknowledge, represent and warrant that you are an Eligible Shareholder and have read and understood this Offer Document and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements, contained in this Offer Document and the Entitlement and Acceptance Form.

2.11 When will you receive your New Shares?

It is expected that allotment of the New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares will be allotted on or before 5 May 2020 and holding statements posted shortly after. However, if the Closing Date is extended, the date for allotment and posting may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX.

It is the responsibility of each Applicant applying for New Shares to confirm their holding before trading in those New Shares. Any person who sells New Shares before receiving confirmation of their holding in the form of the confirmation statement will do so at their own risk. The Company and the Share Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in New Shares before receiving their confirmation statement.

2.12 Withdrawal of Entitlements Offer

The Directors may at any time decide to withdraw this Offer Document and the offers made under the Entitlement Offer, in which case the Company will return all Application Money (without interest) as soon as practicable.

3 Risk factors

Prior to deciding whether to apply for New Shares under the Entitlement Offer, Eligible Shareholders should read this Offer Document in its entirety and review all announcements made to the ASX in order to gain an understanding of the Company, its activities, operations, financial position and prospects. The risks included in this section are specific to the Company and its operations and are not exhaustive.

As the risks described in this section may impact upon the Company's future performance, the Company and its Directors have taken steps to safeguard the Company from, and to mitigate the Company's exposure, to these risks.

The risk factors listed below are not exhaustive of the risks faced by the Company or by investors in the Company. Potential investors should also have regard to the Company's prior publications and announcements.

3.1 Risks associated with the Company

Conditions for further CBKC investment – As announced to ASX on 1 April 2020 the Company entered into a non-binding term sheet with CBKC to invest up to a further US\$2.75 million in the Company (**Further Investment**). The Further Investment is subject to various conditions and approvals, including but not limited to US Regulatory Approval (detailed below) entry into definitive documentation as terms and conditions satisfactory to each party and Company shareholder approval under the ASX Listing Rules and otherwise (**Investment Conditions**). If the Investment Conditions are not satisfied or waived (where capable of waiver) the Further Investment will not proceed which may put the Company at financial risk by reducing the Company's ability to access the further capital proposed as part of the Further Investment. Information in relation to the Further Investment will be provided to shareholders in a notice of meeting ahead of a general meeting of the Company.

U.S. Regulatory Approval – to make the Further Investment in the Company CBKC is required to get approval from the U.S. Federal Reserve. If the U.S. Federal Reserve doesn't give approval for CBKC to make the Further Investment, CBKC and the Company will not be able to proceed with the Further Investment.

COVID-19: The occurrence of the COVID-19 pandemic has resulted in significant market uncertainty in global equity, currency, finance, trade and commodity markets. The effects of this pandemic are far reaching and uncertain outcomes may impact the timing and viability of the CBKC Further Investment and the Company's operations generally. Global financial markets have been severely impacted by this pandemic and such impacts may affect the ability of the Company to raise equity and debt.

The Federal Government announced in the last week of March 2020 that all Foreign Investment Review Board (**FIRB**) applications will be subject to an extended review process and this may result in FIRB applications taking up to 6 months to be processed.

As set out in Section 4.3 below, the Company has agreed with November 2019 Notes holders that their November 2019 Notes will be converted on or about the Closing Date in accordance with various Notices of Conversion issued by November 2019 Note holders to the Company, subject to the satisfaction of certain conditions, including completion of the Entitlement Offer. If required, the Company intends to seek Shareholder approval for the conversion of the balance of the November 2019 Notes, in accordance with the Listing Rules. If the Shareholder approval for the conversion of the November 2019 Notes is not obtained,

the, Notes will remain a promissory note accruing interest and otherwise subject to redemption and or conversion in accordance with their terms.

Insurance - the Company has taken out insurance to cover its current business operations. However, the Company's insurance policies, in some circumstances may not provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Dependence on key personnel – the Company is reliant upon its key management personnel. The loss of the services of certain personnel could have an adverse effect on the Company, as it may not be able to recruit replacements for the key personnel within a short time frame.

Existing business risks - The Company's businesses and the processing business is an early stage venture, whose path to market is inherently risky. The Company cannot guarantee its future earnings, does not expect to declare any dividends in the foreseeable future, and cannot provide a guaranteed level of return to investors. The Company continues to be subject to the risks which have previously affected its business and the development of its technology and businesses.

3.2 General risks

The business activities of the Company are subject to various general economic and investment risks that may impact on the future performance of the Company. These risk factors include, but are not limited to those summarised below.

Taxation and government regulations - changes in taxation and government legislation in a range of areas (for example, the Corporations Act, accounting standards and taxation law) can have a significant influence on the outlook for companies and the returns to investors.

Investment in capital markets - as with all stock market investments, there are risks associated with an investment in the Company. Securities listed on the stock market, can experienced price and volume fluctuations that may be unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance. The price of Shares might trade below or above the Offer Price for the New Shares.

Accounting standards - Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**). Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in the Company's financial statements.

General economic risks - the operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters.

3.3 Risks associated with the Entitlement Offer

There are certain risks associated with participating or not participating in the Entitlement Offer, including:

Entitlement Offer funding success - The proposed Entitlement Offer is not underwritten and so there is no assurance that the funds sought will be raised under the Entitlement Offer. If the

Entitlement Offer does not proceed or raises less than expected, this may prejudice the capacity to develop and commercialise the Company's processing business, which may expedite the need for further capital raisings and / or undermine the Company's financial prospects.

Dilution - your Shareholding in the Company may be diluted as a result of not taking up your full Entitlements; and

Alternative funding - if the Company is unable to successfully complete the Entitlement Offer, it will have to consider alternative funding options, which may or may not be available on acceptable terms or may result in dilution to Shareholders.

4 Other important information

4.1 Overseas and Ineligible Shareholders

Ineligible Shareholders

The Company has decided it is unreasonable to make offers under the Entitlement Offer to Ineligible Shareholders having regard to:

- (a) the cost of complying with legal and regulatory requirements outside Australia and New Zealand;
- (b) the number of Ineligible Shareholders; and
- (c) the number and value of New Shares which could be offered to Ineligible Shareholders.

Accordingly, the Entitlement Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to, Ineligible Shareholders, and where the Offer Document has been dispatched to Ineligible Shareholders, the Offer Document is provided for information purposes only.

General restrictions

This Offer Document and accompanying Entitlement and Acceptance Form do not constitute an offer outside Australia and New Zealand, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the New Shares, or to otherwise permit an offering of New Shares outside Australia and New Zealand. The New Shares may not be offered in a jurisdiction outside Australia and New Zealand.

New Zealand

New Shares are not being offered under the Entitlement Offer to the public within New Zealand, other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*. This Offer Document is not an investment statement or prospectus under New Zealand law and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain, and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*.

United States

This Offer Document and the accompanying Entitlement and Acceptance Form may not be released or distributed in the United States.

This Offer Document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Offer Document have not been, and will not be, registered under the *US Securities Act of 1933* and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the *US Securities Act* and applicable US state securities laws.

4.2 Directors Entitlements

Each of the Directors have either a direct and/or indirect interest in Shares. Set out below is a table summarising the Entitlement of these Directors and their associates and how they intend

to treat their Entitlement. No Director will be utilising the Creditor Conversion Facility under the Entitlement Offer.

Director	Shares	Entitlement	Intentions
Ian Leijer	3,072,529	3,072,529	Take up Entitlement in part or in full
Ben Harrison	60,335	60,335	Take up Entitlement in part or in full
Harley Dalton	402,235	402,235	Take up Entitlement in part or in full
Teresa Clarke	Nil	N/A	N/A

4.3 Conversion of Convertible Notes

The issue and subsequent conversion of the Tranche 1 Notes were approved by Shareholders at the Company's Extraordinary General Meeting held on 12 February 2019. The Tranche 1 Notes will be converted after the Closing Date in accordance with the notice of conversion issued by the Tranche 1 Noteholder to the Company.

The Company has agreed with November 2019 Notes holders that their November 2019 Notes will be converted after the Closing Date in accordance with various Notices of Conversion issued by November 2019 Note holders to the Company, subject to the satisfaction of certain conditions, including completion of the Entitlement Offer. The Company intends to convert all the November 2019 Notes holders, and will seek Shareholder approval (as required) for the conversion into Shares, in accordance with the Listing Rules.

4.4 Effect of the Offer on the control of the Company

Any effect of the Entitlement Offer on the control of the Company will depend upon the extent to which Shareholders take up their Entitlements, and the extent to which Shares available under the Shortfall Facility (if any) is placed. The following information is provided to Shareholders:

- (a) If all Shareholders as at the Record Date take up their full Entitlements under the offer, the Entitlement Offer will have no effect on the control of the Company.
- (b) If some Shareholders do not take up their Entitlements (whether because they are Ineligible Shareholders or otherwise), their interest in the Company will be diluted. The interest of Shareholders who only take up part of their Entitlements will also be diluted, but to a lesser extent.
- (c) If there is a Shortfall, Eligible Shareholders who subscribe for Additional Shares may increase their proportionate holding, but no Shareholder will, following the Entitlement Offer and allocation of any Additional Shares issued under the Shortfall Facility, obtain voting power in excess of 19.99%.

The effects of the Entitlement Offer on the Company's capital structure are shown below. The example below also includes the effect on the Company's capital structure of the convertible notes if conversion is approved by shareholders.

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	Shares	% of Expanded Shares on Issue
Ordinary Shares on issue at the date of the Offer Document	102,843,631	36.24%
Maximum number of New Shares under the Entitlement Offer ¹	102,843,631	36.24%
Shares issued under Tranche 1 Note Conversion ²	45,348,044	15.98%
Shares issued under November 2019 Note Conversion ³	24,377,652	8.59%
Shares issued under CBKC Initial Investment ⁴	8,333,333	2.94%
Total following Entitlement Offer, Conversion of Convertible Notes and CBKC Investment	283,746,291⁵	100%

1. Assumes Entitlement Offer is fully subscribed at an issue price of A\$0.05 per Share.
2. Assumes the Tranche 1 Notes convert at A\$0.05 per share on or about the close of the Offer or otherwise in accordance with the Notice of Conversion. The Tranche 1 Notes will be converted after the Closing Date of this Offer and otherwise in accordance with the Notice of Conversion issued by the Tranche 1 Noteholder to the Company – details of the Tranche 1 - Notice of Conversion are contained in Section 4.3.
3. Assumes November 2019 Notes convert at A\$0.05 per share on or about the close of the Offer or otherwise in accordance with the Notice of Conversion. The Company has received Notices of Conversion for November 2019 Notes which will be converted after the Closing Date of this Offer and otherwise in accordance with various Notices of Conversion issued by November 2019 Noteholders to the Company – details of the November 2019 - Notices of Conversion are contained in Section 4.3.
4. Does not include the CBKC Further Investment which is the subject of a non-binding term sheet and various conditions including definitive documentation and US and Australian regulatory approval – see the Director's Letter and the ASX announcement dated 1 April 2020 for further details.
5. Assumes no Options on issue are exercised.

Under the Creditor Conversion Facility, an Eligible Shareholder may elect to take up their Entitlement by means of the conversion of some or all of the existing debt owed to them by the Company. The conversion will be undertaken on a dollar for dollar basis at the Issue Price, and in the case of any fractional entitlements, the number of New Shares arising from the conversion of the debt shall be rounded up to the nearest whole number.

As the Creditor Conversion Facility does not enable any creditor Eligible Shareholder to take up more New Shares under the Entitlement Offer than if the facility was not available, the Creditor Conversion Facility will have no effect on the capital structure of the Company.

The Company currently has one substantial shareholder:

Shareholder	Relevant Interest	% of issued capital
Mr Ashley Shilkin ATF 18 Decimals Family Trust	7,720,581 Shares	7.51%

Acceptance by the substantial shareholder of its Entitlement under the Offer will affect the control of the Company.

4.5 Rights attaching to New Shares

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Company's constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

4.6 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Entitlements cannot be traded on ASX or any other exchange, nor can they be privately transferred.

4.7 Taxation consequences

The taxation consequences of any investment in New Shares will depend upon your particular circumstances.

Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

4.8 Privacy

The information about Applicants included on the Entitlement and Acceptance Form is used for the purposes of processing the Entitlement and Acceptance Form and to administer the Applicant's holding of New Shares. By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Share Registry and the Company's related bodies corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act requires the Company to include information about each Shareholder (including name, address and details of the Shares held) in the Register. The information contained in the Register must remain there even if that person ceases to be a Shareholder. Information contained in the Register is also used to facilitate payments and corporate communications (including the Company's financial results, annual reports and other information that the Company wishes to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. A fee may be charged for access. You can request access to your personal information by telephoning or writing to the Share Registry using the contact details below.

By mail:

Change Financial Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

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4.9 Directors statements

This Offer Document is issued by Change Financial Limited. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Change Financial Limited by:



Ben Harrison

Director

5 Glossary

Additional Shares	The meaning given in Section 1.6
Altor	Altor Capital Management Pty Ltd
Announcement	The ASX announcement relating to the Entitlement Offer, as announced by the Company on 1 April 2020.
Applicant	A person who makes an Application
Application	An application to subscribe for New Shares under this Offer Document
Application Money	Money payable by Applicants in respect of Applications
ASIC	The Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as applicable
Board	The Board of Directors of the Company
Closing Date	30 April 2020
Company	Change Financial Limited ACN 150 762 351
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Creditor Conversion Facility	The facility described in section 2.7 under which Eligible Shareholders who are also creditors of the Company may elect to take up their Entitlement by means of conversion of some or all of the existing debt owed to them by the Company
Director	A director of the Company
EGM	Extraordinary General Meeting to be held on 12 February 2019
Eligible Shareholder	A Shareholder as at 5:00pm (AEST) on the Record Date and who is not an Ineligible Shareholder
Entitlement Offer	The non-renounceable pro-rata rights offer of 1 New Share for each 1 Share registered and entitled to participate at 5:00pm (AEST) on the Record Date at the Issue Price
Entitlements	The entitlement to 1 New Share for every 1 Share held at 5:00pm (AEST) the Record Date as shown on the Entitlement and Acceptance Form

Entitlement and Acceptance Form	The Entitlement and Acceptance Form accompanying this Offer Document
Ineligible Shareholder	A Shareholder with an address in the Register outside Australia or New Zealand as at 5:00pm (AEST) on the Record Date.
Information	The Offer Document and the accompanying information
Issue Price	A\$0.05 per New Share
Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time
New Shares	Shares offered under Entitlement Offer
Offer Document	This offer document dated 3 April 2020
Opening Date	15 April 2020
Option	An option to acquire a Share
Record Date	5:00pm on 8 April 2020
Register	The register of Shareholders required to be kept under the Corporations Act
Share	A fully paid ordinary share in the Company
Share Registry	Link Market Services
Shareholder	A holder of Shares
Shortfall	The number of New Shares offered under the Entitlement Offer for which Applications have not been received from Eligible Shareholders before the Closing Date
Shortfall Facility	The meaning given in Section 1.6

Corporate Directory

Directors

Ben Harrison

Ian Leijer

Harley Dalton

Teresa Clarke

Company Secretary

Adam Gallagher

Registered Office

Level 11, 82 Eagle Street,
Brisbane QLD 4000

Share Registry

Link Market Services
Level 21, 10 Eagle Street,
Brisbane QLD 4000

Website

<http://www.changefinancial.com>