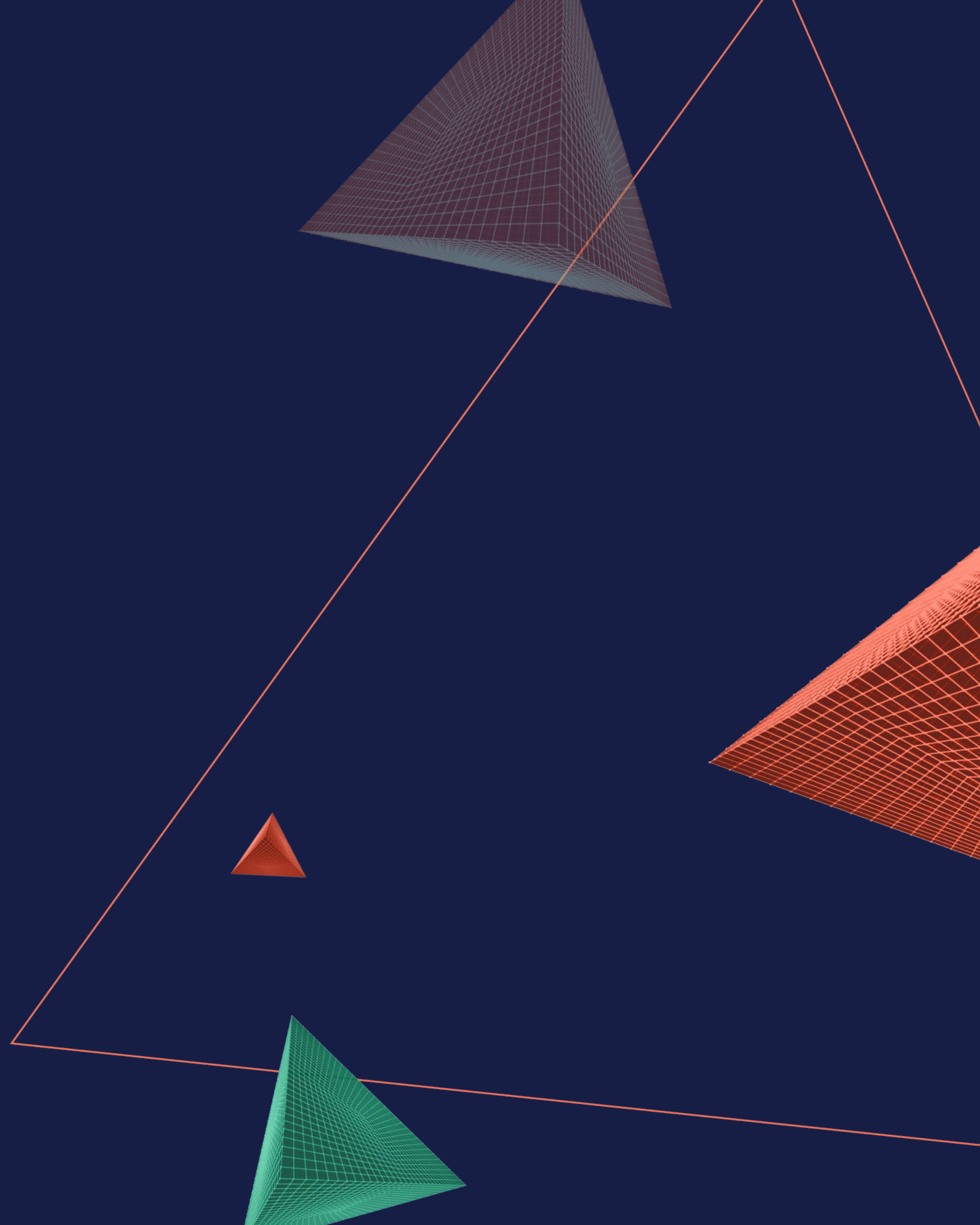


change.

Q2 FY24 Investor Presentation

31 January 2024

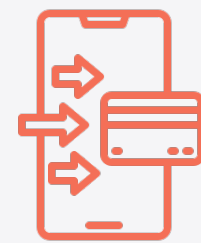


Delivering innovative and scalable payments solutions

- ▶ Change leverages innovative and scalable technology to provide tailored payment solutions, card issuing and testing to 150+ banks & fintechs across 40+ countries
- ▶ Two core products in the banking & payments ecosystem – Vertexon & PaySim

Banking as a Service

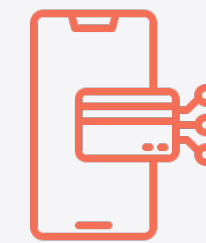
Payments as a Service



Physical & virtual card issuing



Transaction processing for all major card schemes

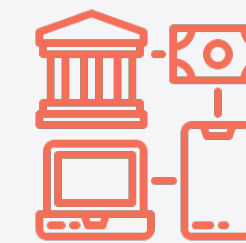


Digital payments (Apple, Google & Samsung Pay), BNPL

67%

of H1 FY24 Revenue

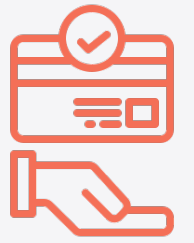
Payment testing



Full payment simulation



ATM & POS emulation



Visa, Mastercard, UnionPay, Amex, JCB validation

33%

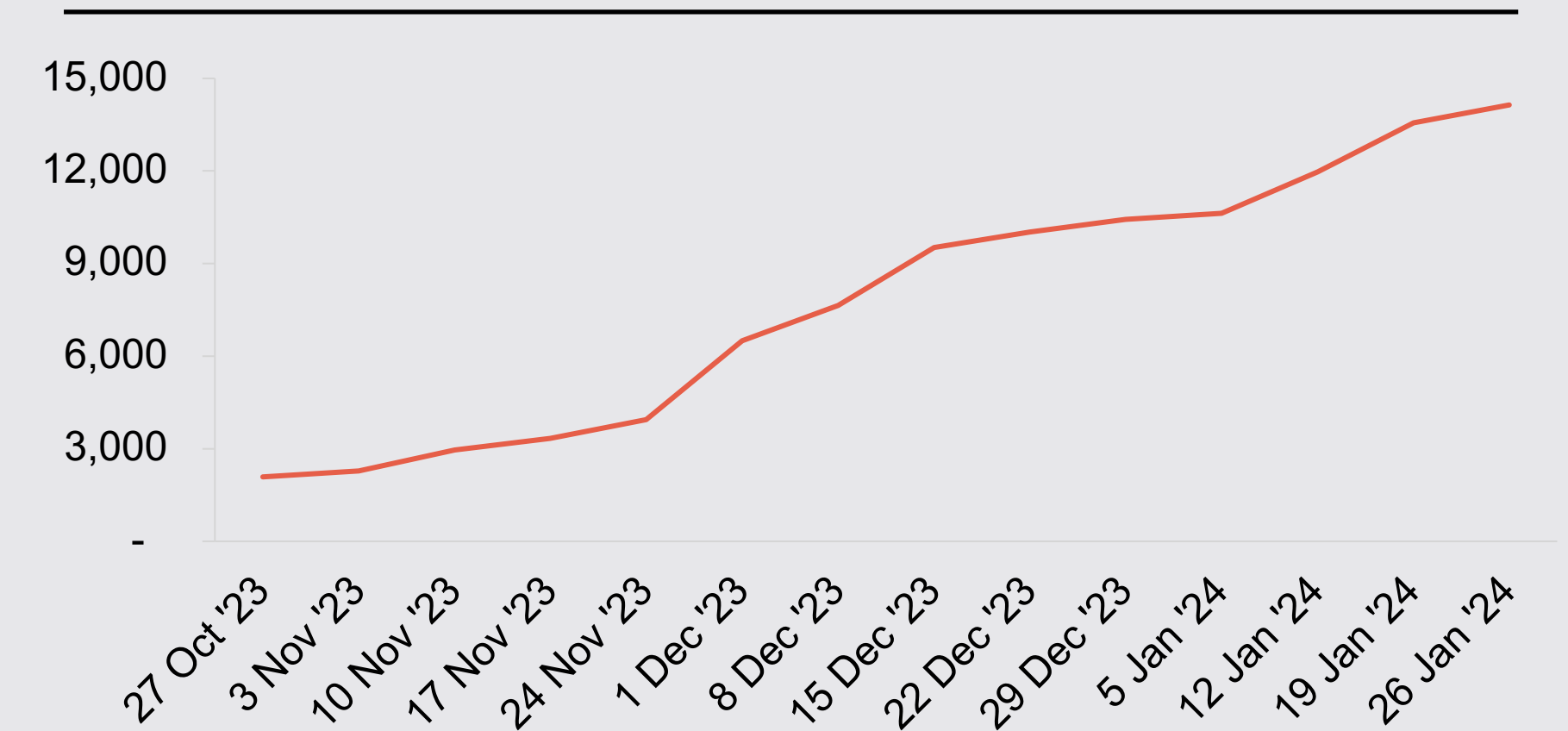
of H1 FY24 Revenue

Vertexon PaaS Metrics

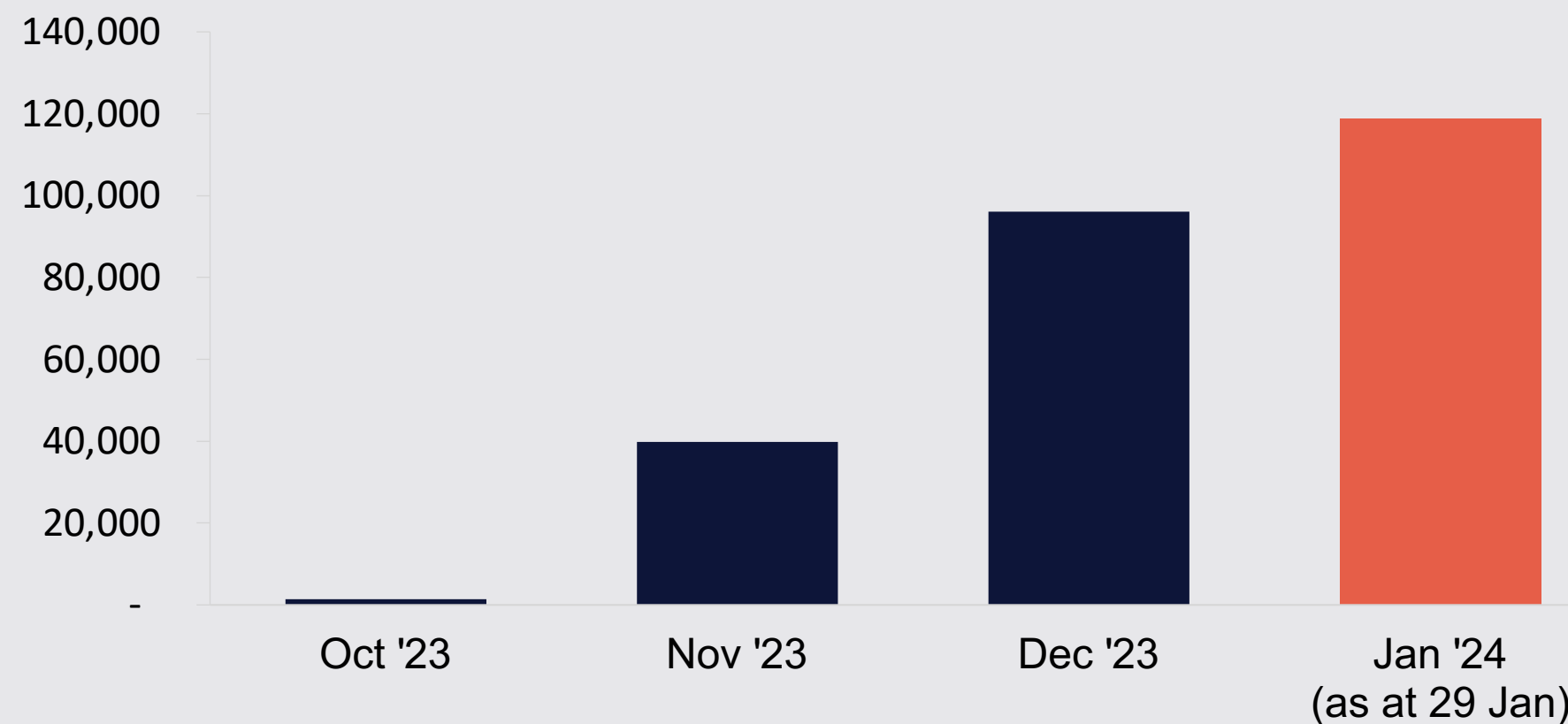
After a significant period of investment, Change now has live clients processing and issuing on the Vertexon PaaS platform

- ▶ Significant progress migrating NZ financial institution clients and cards to Change
- ▶ Key milestone and driver of early growth in PaaS metrics
- ▶ Auckland Credit Union and Police Credit Union have completed migration of all debit cards to Change
 - ▶ Remaining clients expected to continue migrating cards throughout FY24
- ▶ PaaS clients Rolling Thunder and PlutusM now with live cards issued in the US

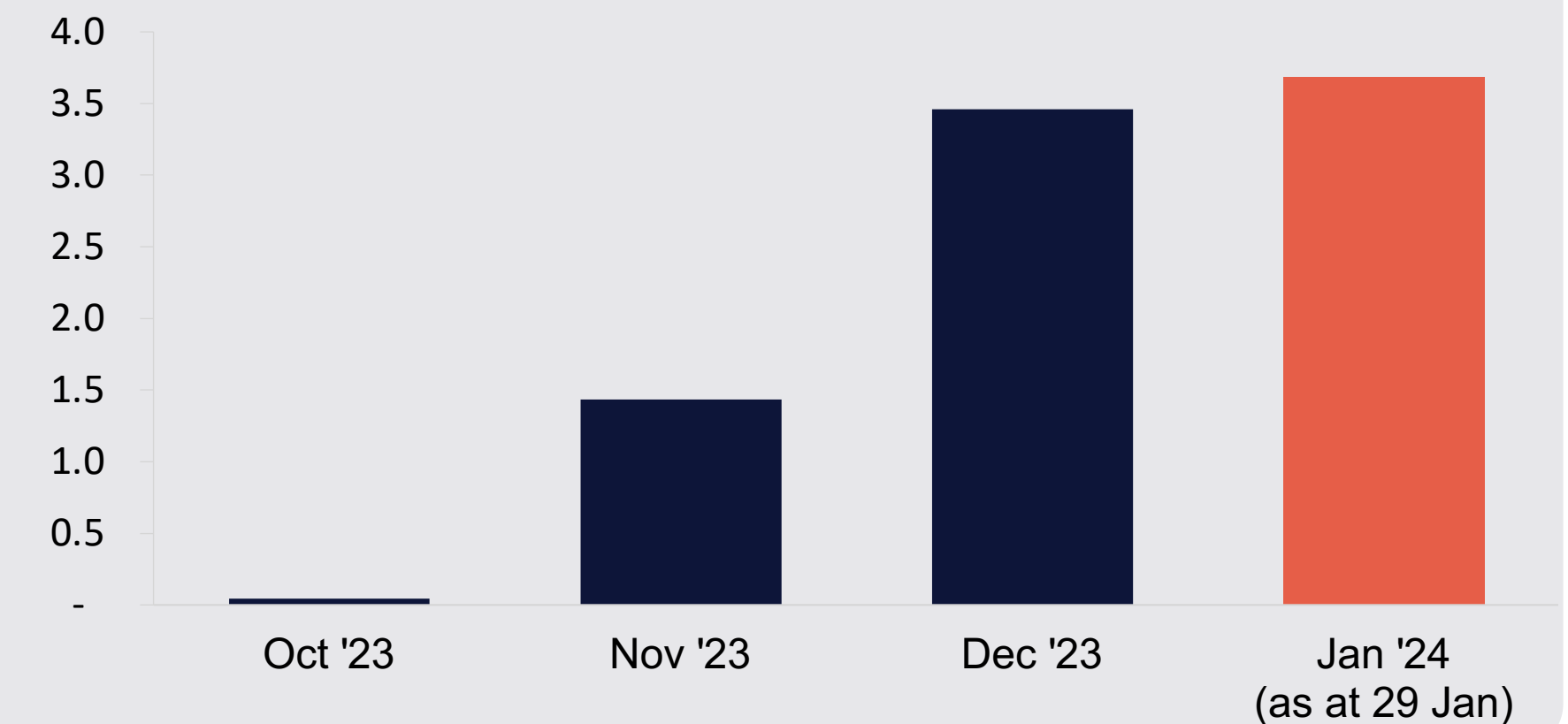
Total Cards on Issue



Monthly Transactions Processed



Monthly Transaction Volumes (US\$m¹)



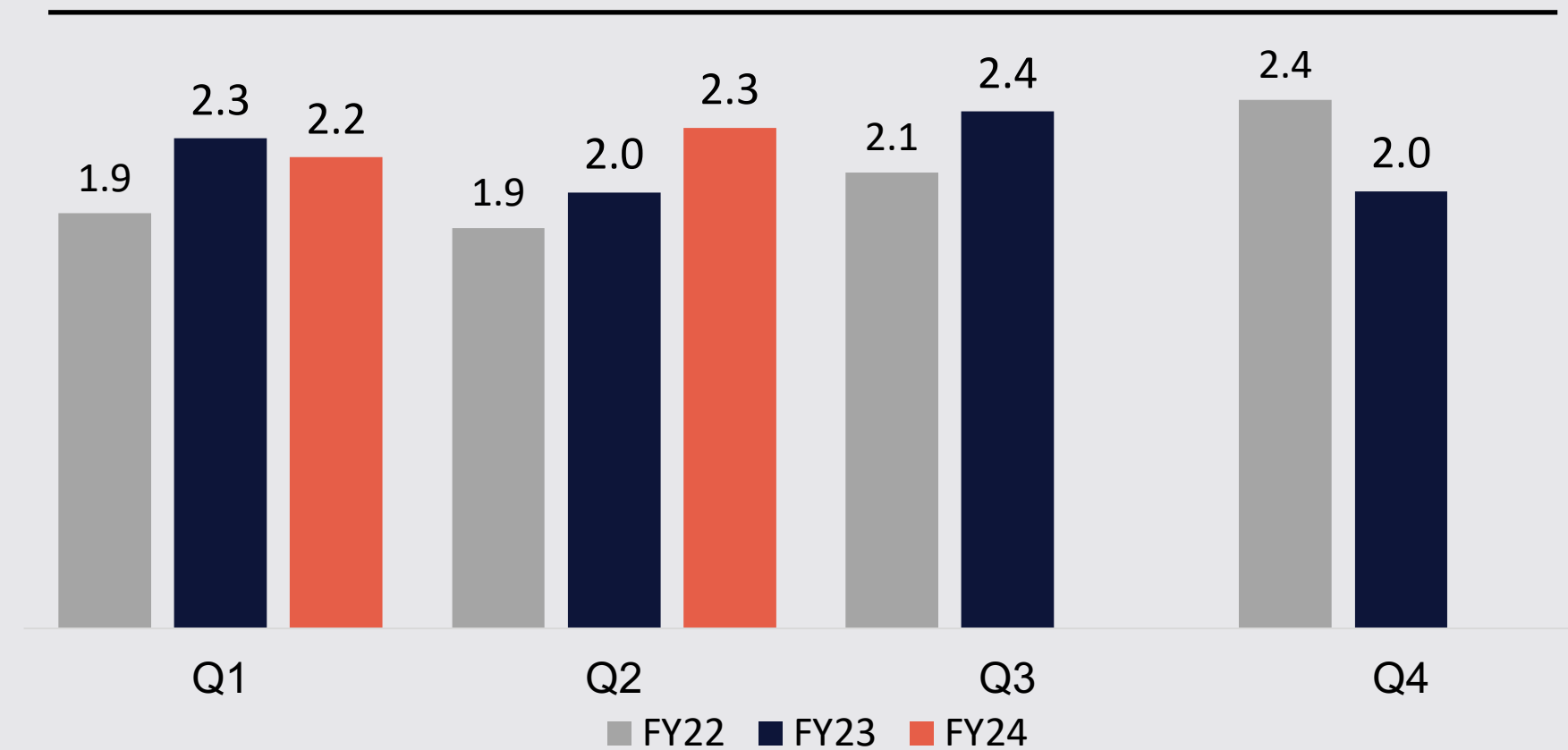
1. Transactions are denominated in local currencies and have been converted to USD, Change's reporting currency, for reporting purposes
The Company intends to report quarterly data going forward

Financial Update – Q2 FY24

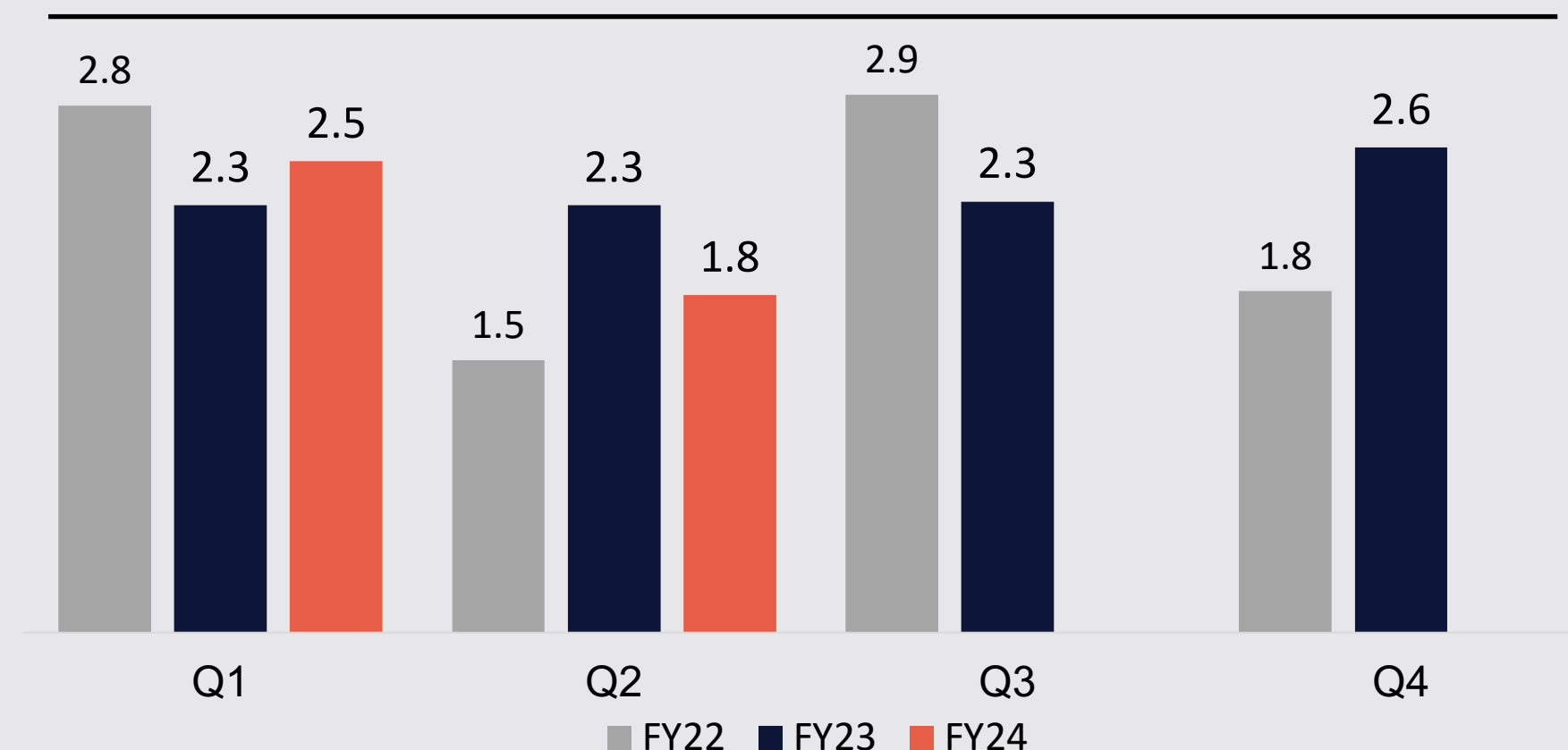
Have commenced generating PaaS revenue which is anticipated to materially increase in the coming months

- ▶ Q2 FY24 revenue of US\$2.3m (A\$3.5m¹), up 14.8% pcp
 - ▶ Driven by increased licence sales, professional services revenue and, to a lesser extent, early PaaS revenue
 - ▶ PaaS clients are expected to make a meaningful contribution to revenue in H2 FY24
- ▶ Cash receipts of US\$1.8m (A\$2.7m), down 21% on pcp
 - ▶ Decrease primarily attributable to delayed invoicing of several key clients (due to client processes) – invoices issued in early January with payment expected to be received in Q3
- ▶ Cash payments for operating activities (excluding income tax and interest) of US\$3.1m (A\$4.7m), up 13% on pcp
 - ▶ Slight increase in staff costs to ensure operational readiness for card issuing
 - ▶ Material increase in admin & corporate costs due to: scheme costs associated with PaaS platform go-live; NZ PaaS transaction costs, partial settlement funding (which Change has been reimbursed for)
- ▶ Cash holdings of US\$3.2m (A\$4.8m)
 - ▶ Additional US\$0.5m (A\$0.8m) held in cash-backed security guarantees relating to card issuing activities
- ▶ H1 is typically a higher cash usage period relative to H2 – H2 operating cash outflow expected to be a material improvement over H1

Revenue by Quarter (US\$m)



Cash Receipts by Quarter (US\$m)



1. AUD/USD = 0.66

Delivering on Key Milestones

1

Shared Success & Growth

- ▶ Transition NZ card programs to Change which will drive transactional revenue growth – **IN PROGRESS**
 - ▶ **14,000+ cards issued** to PaaS clients with migrations expected to continue throughout FY24
- ▶ Onboard US clients – **IN PROGRESS**
 - ▶ Rolling Thunder’s Latin Pay and PlutusM – have been issued live cards
- ▶ Drive new client wins by leveraging Vertexon and PaySim technology and partner ecosystem – **ONGOING FY24 FOCUS**
 - ▶ **Q2 New Vetexon Client Wins:** HealthNow (AU), advanced stages of scoping a significant project with an existing on-premise client to expand their product partnership with Change (SE Asia)
 - ▶ **Q2 New PaySim Client Wins:** new licence sale to a LATAM POS provider plus two additional module sales



Delivering on Key Milestones (cont.)

2

Operational Excellence

- ▶ Achieve go-live for NZ EFTPOS acceptance – **COMPLETE**
- ▶ Strengthen core operations and capabilities – compliance, security, fraud & transaction monitoring – **COMPLETE**
 - ▶ Now well positioned to scale the platform, incurring only minimal incremental costs for key areas such as client onboarding, fraud management, risk, compliance and treasury as client base grows
- ▶ Continue working with existing Vertexon on-premise clients to upgrade or migrate to PaaS – **ONGOING FY24 FOCUS**
 - ▶ Upgrades or migrations will also drive substantial operational efficiencies for Change

3

Market Leading Solutions

- ▶ Mastercard technical certification in Australia – **COMPLETE**
 - ▶ Australian BINs now live – ready to issue cards for Australian clients
- ▶ Mastercard debit card issuing approval in the US – **COMPLETE**
- ▶ Launch latest version of Vertexon PaaS platform in US market – **COMPLETE**
- ▶ Undertake PaySim modernisation program (UX/UI improvements) – **ONGOING FY24 FOCUS**
 - ▶ Program is expected to increase lead generation and improve sales conversions, particularly in FY25

Outlook

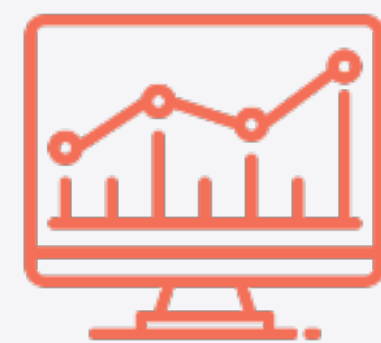
▶ Profitable revenue growth

- ▶ Focused on delivering profitable revenue growth in FY24+
- ▶ Despite delays, the migration of NZ cards to Vertexon is well underway – started generating PaaS revenue
- ▶ PaaS revenue expected to progressively increase as the NZ migrations are completed and new clients onboarded

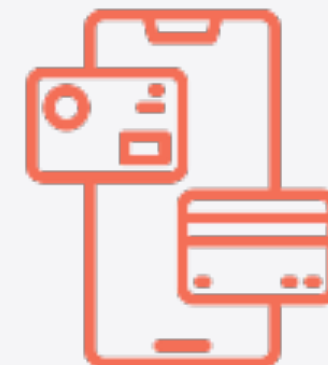
▶ Cashflow breakeven

- ▶ Targeting to achieve a monthly cashflow breakeven run-rate exiting FY24 through
- ▶ Existing client base + contracted PaaS clients + new client / partner wins

4 Key Objectives to Drive Success



Shared
Success &
Growth



Operational
Excellence



Market Leading
Solutions

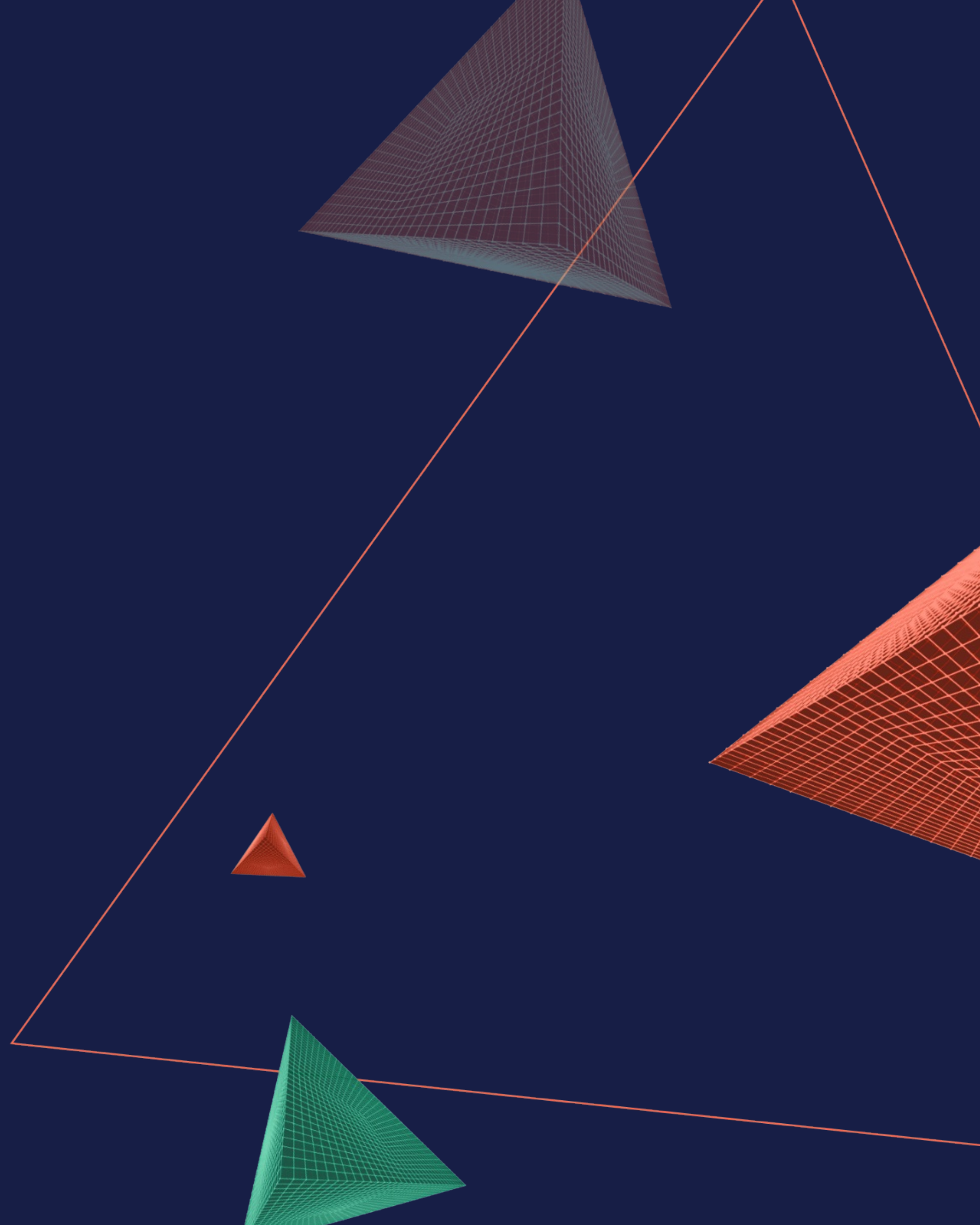


Powering our
People

change.

Appendix

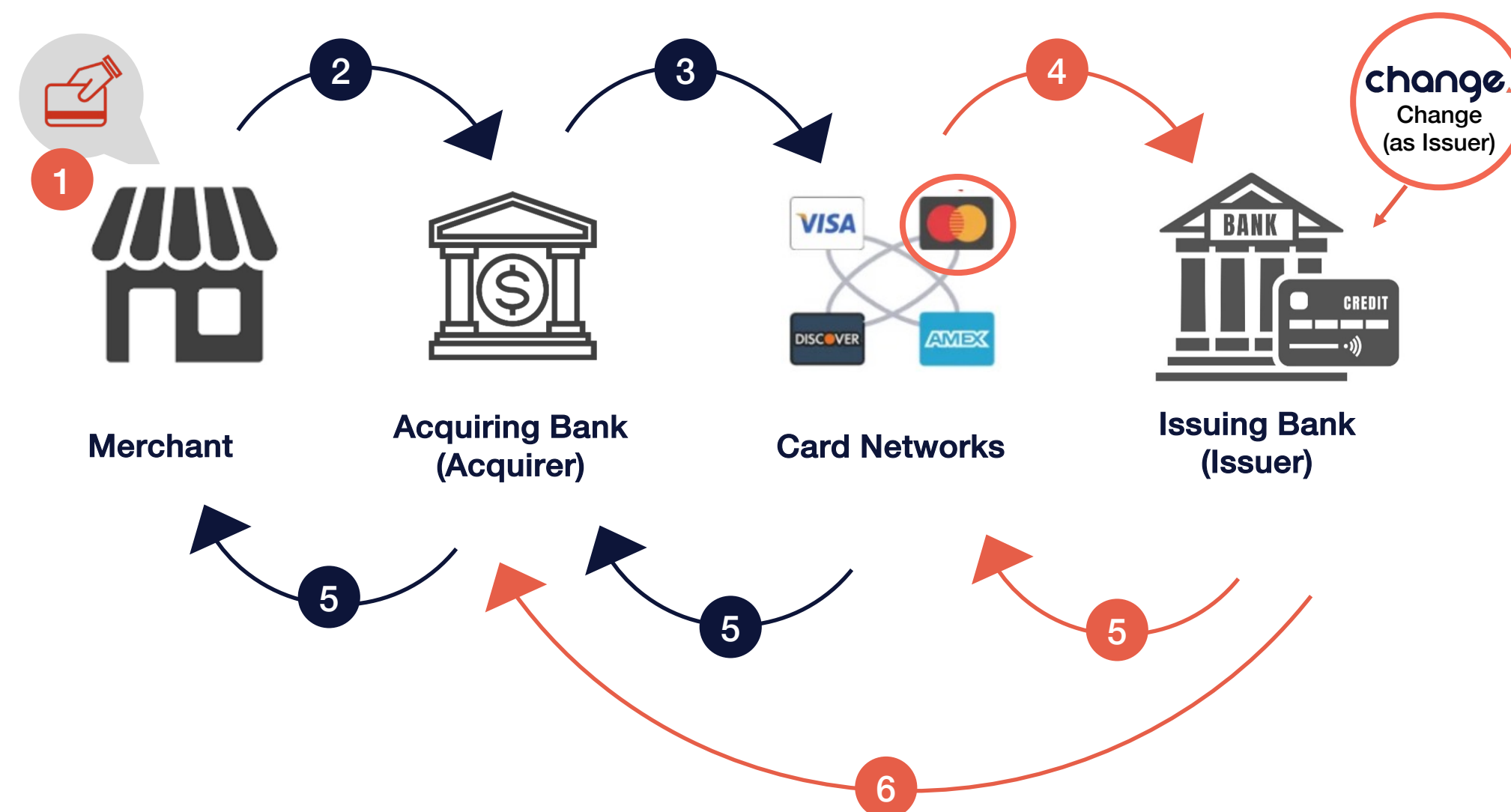
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Vertexon in the payments process

Change's role in the payments process depends on the region, client type and services provided

- ▶ **Processing:** An Issuer (Change's client) using the Vertexon Platform (**technology only**) to manage their cards – client is the Issuer and cards can be issued on any card network supported by Vertexon
- ▶ **Processing & Issuing (P&I):** A client using the Vertexon Platform (**technology**) to manage their cards with Change as Issuer (**regulatory & licence**) – **Change** is the Issuer and cards are issued on the **Mastercard Network**





- Processing:** Customer pays with card (all card networks supported) & purchases goods/services from merchant
 - P&I:** Customer pays with a **Change** issued **Mastercard** & purchases goods/services from a merchant
- Payment authenticated – the merchant point-of-sale system captures the customer's account information & securely sends it to the acquirer (i.e. merchant's bank)
- Transaction submitted – merchant acquirer asks card network to get authorisation from the issuer (i.e. customer's bank)
- Processing:** Authorisation requested – card network submits transaction to issuer for authorisation
 - P&I:** Authorisation requested – card network submits transaction to **Change** (as Issuer) for authorisation
- Processing:** Authorisation response – using Vertexon Platform issuer authorises the transaction and routes the response back via the card network and acquirer
 - P&I:** Authorisation response - using the Vertexon Platform **Change** (as Issuer) authorises the transaction and routes the response back via the card network and acquirer
- Processing:** Settlement – card network debits the issuer and pays the acquirer who in turn makes payment to the merchant
 - P&I:** Settlement – card network (**Mastercard**) debits the issuer (**Change**) and pays the acquirer who in turn makes payment to the merchant

Cards can be physical and virtual cards (inc. Apple Pay, Google Pay, etc.) available via Vertexon

Vertexon product offering

Vertexon offering can be tailored by client to offer services that best suit client and end customer needs

	Processing	Processing & Issuing
Overview	<ul style="list-style-type: none"> Provide core technology to enable card issuing and management including: <ul style="list-style-type: none"> Transaction processing Card management Fraud monitoring Digital and virtual cards BNPL functionality Platform offers innovative processing capabilities to rival the major banks in a capital efficient manager (Change responsible for PCI DSS compliance, hosting etc) Client responsible for card issuing – client holds the necessary scheme and regulatory licences 	<ul style="list-style-type: none"> Provide Processing capability + the following key card Issuing capabilities: <ul style="list-style-type: none"> Card design and production Card issuing AML / CTF Settlement and reconciliation KYC & Onboarding Change responsible for card issuing – Change holds the necessary scheme (Mastercard) and regulatory licences (i.e. AFSL / FSP / Issuing Bank Partner)
Cards Supported	<ul style="list-style-type: none"> Prepaid, Debit and Credit 	<ul style="list-style-type: none"> Prepaid and Debit
Target Clients	<ul style="list-style-type: none"> Banks & financial institutions Large entities with direct issuing capability Migration of key existing Vertexon on-premise clients 	<ul style="list-style-type: none"> Mid / Small banks & financial institutions incl. credit unions Fintechs and corporates BIN sponsorship (Australia & New Zealand only)
Regions	<ul style="list-style-type: none"> Global - processing does not require scheme or regulatory licences 	<ul style="list-style-type: none"> Australia, New Zealand and the US
Supported Schemes		

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Vertexon issuing capabilities

All regulatory and licensing requirements for card issuing in Australia, New Zealand and the US are now in place

- ▶ Change has completed **all** necessary regulatory and licensing requirements to enable card issuing in Australia, NZ and the US
 - ▶ Change can now issue debit and prepaid cards in Australia, NZ and the US
- ▶ Australian Vertexon PaaS platform now certified by Mastercard
 - ▶ Australian Bank Identification Number (BIN) now live – ready to onboard Australian clients
- ▶ Mastercard Principal Memberships in Australia and New Zealand enables Change to offer BIN Sponsorship in these regions
 - ▶ Enables clients without local issuing capabilities to access Change’s principal issuing status with Mastercard to issue and manage prepaid and debit cards
 - ▶ Also provides an efficient and cost-effective solution for clients looking to expand their service offerings in the region

 change	Regulatory Licence	Mastercard Issuing Licence	Mastercard Certified Processor	Mastercard Prepaid Issuing	Mastercard Debit Issuing ¹
New Zealand	Registered FSP	Licensed	Certified	Live	Live
Australia	AFSL	Licensed	Certified	Live	Live
United States	Issuing Bank Partner	Licensed	Certified	Live	Approved

1. Debit issuing requires a partner bank (US) or customers to be a licensed deposit taking entity (NZ & AU)

Software facilitates remote testing without the need for physical devices such as ATMs & POS terminals

PaySim: critical payments infrastructure testing tool

- ▶ **Simulates the full transaction lifecycle**, enabling banks & fintechs to complete end-to-end testing of their payment platforms, processes & scheme rule compliance
- ▶ Enables financial institutions to **test their payment systems** to meet the reliability & performance expectations of their customers

Growth Strategy	Licence Model			SaaS Model	
	Licences	Additional Modules	Maintenance	Monthly Subscription	Key benefits of SaaS solution for client
Description	New licence sales to new clients	New licence sales for additional features	c.20% p.a. of licence & module sales	All in monthly subscription fee	<ul style="list-style-type: none"> ▶ Reduced capex ▶ Access to new features & updates as they are released ▶ API & cloud focused solution (improves scalability)
Revenue type	One-off upfront	One-off upfront	Recurring	Recurring	
Target clients	New banks, financial institutions & fintechs	Existing clients	-	New banks, financial institutions & fintechs	
Primary sales channels	Partnerships (e.g. EFTPOS mandate), resellers & direct	Direct & retargeted marketing	-	Partnerships (e.g. EFTPOS mandate), resellers & direct	

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