



Raiz Invest Limited
ABN 74 615 510 177
Level 11, 2 Bulletin Place
Sydney NSW 2000
T 1300 754 748
www.raizinvest.com.au

ASX Release

29 April 2019

31 MARCH 2019 QUARTERLY UPDATE AND APPENDIX 4C

Raiz Invest Limited (“Raiz” or “the Company”) (ASX: RZI), Australia’s largest mobile-first financial services platform, today announced an update for the three-month period to 31 March 2019 (Q3 FY2019).

HIGHLIGHTS:

- **Financial Performance**

- Total revenue for the March quarter was \$1.43 million, with net operating cash outflow for the quarter of \$1.35 million.
- Normalised revenue (excluding other income and one-off fees) was largely flat on the December quarter (Q2 FY2019) with an increase in maintenance and account fees offset by a seasonal decline in advertising revenues and reduction in netting revenue due to quieter markets.
- As at 31 March 2019, cash and term deposits totalled \$7.8 million ensuring the Company remains well-funded.
- Indonesian operations commenced at the beginning of the quarter and its costs are now consolidated into the Appendix 4C cash flow report.

- **Operating Activities**

- Active or paying customers grew by over 6.5% to 186,884 over the quarter, reflecting both improved market conditions and an increase in marketing spend.
- Funds inflow accelerated during the quarter resulting in an 18.1% increase in funds under management from \$254.2 million at the end of Q2 FY2019 to \$300.3 million at the end of Q3 FY2019.
- Growth in funds under management (FUM) for Raiz Invest Super also accelerated during the quarter with 33% growth to \$37.8 million.



- **Executing on Strategic Initiatives**

- Commenced coding the new design for the next major upgrade of the Raiz Apps which will deliver a more personalised customer experience.
- Launched the Indonesian business with over 22,000 customers already signed up to test the beta version of the app. Full launch expected in the first quarter of FY2020.
- Continued to focus on increasing the customer LTV by growing revenue per customer. This will be achieved with more targeted emails for Raiz Rewards which have proved successful and as well as increasing customers using Raiz Invest Super.
- Delivered further performance enhancing improvements to the technology platform including improving the Raiz Rewards platform to increase productivity of new partners.
- Security and risk remain a focus and new processes and procedures were implemented as well as upgrades to the software to improve the robustness of existing security.
- Increase the App's functionality around Raiz Invest Super to allow Raiz Rewards and recurring deposits to be contributed directly into super assisting our customers meet their financial goals.

CEO COMMENTARY

CEO of Raiz Invest, Mr. George Lucas, commented: "Raiz has had another strong quarter with continued engagement and growth in Australia and progress on the delivery of our strategy with the successful launch of the Indonesian business.

"Indonesia is the 4th largest country in the world, by population, and being able to invest and focus on growth in this market will add significant value to Raiz in the long term. A significant portion of our ongoing growth will be driven by the macro tail winds of large populations and emerging wealth in Southeast Asia.

"At the same time, we have delivered growth in a number of key metrics in Australia during the quarter with 6.5% growth in active customer numbers and over 18% growth in funds under management.

"The Company remains well funded with \$7.8m cash. Funding required for Raiz to expand into Southeast Asia is expected to be provided through our joint venture entities. Capital raising activities through our joint venture entities are well under way to assist with this expansion.

"The quarterly result reflects the continued growth in the business, whilst normalised revenue is seasonally flatter this was not unexpected. The primarily subscription-based model provides an opportunity to offer other innovative financial services and products to our growing customer base, thereby increasing their life time value." he said.



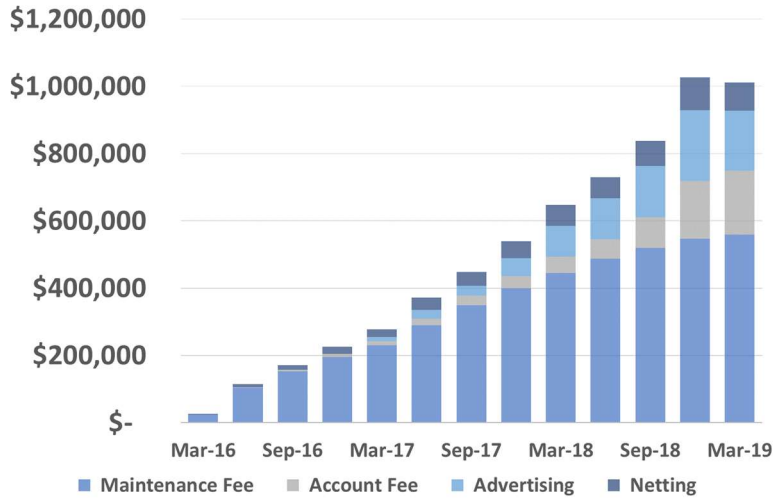
FOCUS FOR THE 4th QUARTER FY2019

- Continue to grow our key metrics of both active customer numbers and Funds under Management.
- Focus on improving our customer experience with the launch of an updated user interface for the Apple, Android and Web applications.
- Focus on increasing the life-time value of existing customers by growing revenue per customer. This will be achieved by:
 - Growing FUM for Raiz Invest Super by direct marketing via our own communication channels to our database of more than 660,000 users; and
 - Grow Raiz Rewards revenue by trialling Raiz Rewards within brick and mortar shops rather than solely online.
- Finalise the implementation of the Raiz technology platform for Indonesia and meet the final regulatory requirements. The technology platform for Indonesia will be a separate installation, running in Indonesia, to meet the customised needs of Indonesian customers and to comply with Indonesian regulation.
- Finalise the joint venture with our prospective Malaysian partner; this has taken longer than expected but is a vital step in meeting the final requirements for the licence applications and product launch in Malaysia.
- Begin the initial discussions with the regulator and potential partners in Thailand.
- Begin research in conjunction with the UNSW to maximise our advertising spend by optimising channel spend to increase word of mouth. This will allow us to reduce the cash spend on advertising during the quarter.



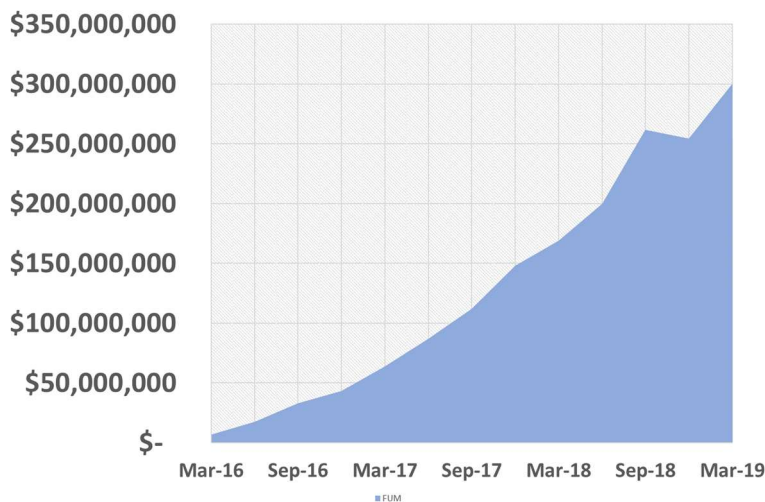
KEY OPERATIONAL METRICS

Revenue drivers (unaudited)



- 1.5% decline in normalised revenue¹ for the March quarter.
- Advertising revenue increased 94% over the past year.
- Maintenance Fee revenue increased 26% over the past year.
- Netting revenue increased 40% over the past year.

Growth in funds under management (FUM)

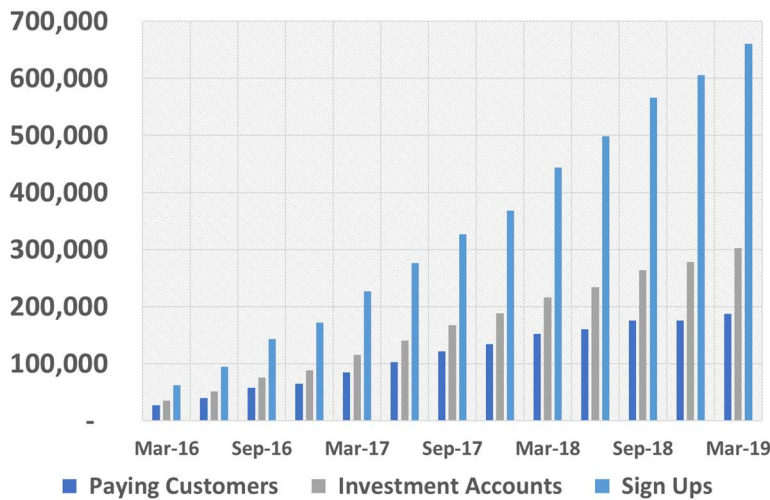


- FUM: \$300.3 million at end of March, up 18.1% on last quarter and up 77.8% over 12 months.
- The increase in FUM is due to rises in global equity markets and continue steady increase in fund inflows.

¹ Subject to audit and not including other income and one-off fees.

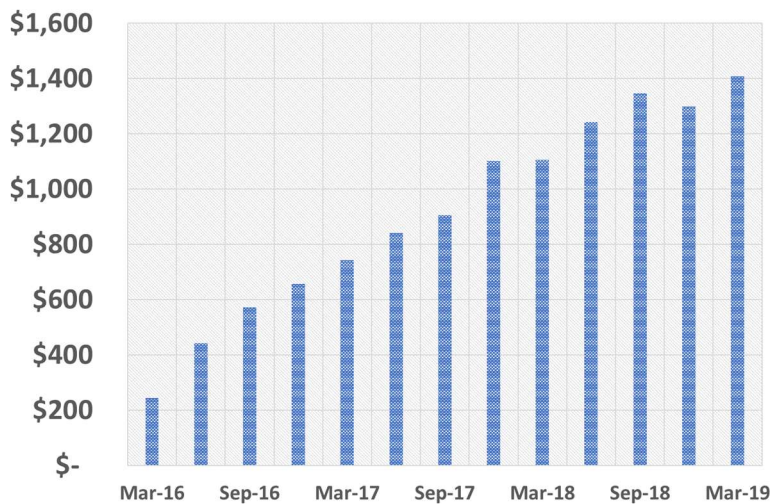


Continued growth in Active (paying) Customers and Sign-ups



- Paying customers rose, with a total of 302,756 investment accounts at quarter end, up 9.0% on last quarter.
- Since 31 March 2018, paying customers have increased 22.9% from 152,094 to 186,844 at the end of the March 2019 quarter.

Continued Growth in the Average Account Balance



- The average account balances for the quarter was \$1,408 up 27.3% on the 2018 March quarter and up 8.5% on the December quarter.
- Customer remain engaged with their accounts and the return for the average Raiz Investor since inception till the end of Dec 2018 was 12.4% p.a. (including fees and costs but not the \$1.25 maintenance fee)



- ENDS -

Investor & Media Enquiries:

Brendan Malone - ir@raizinvest.com.au

About Raiz

Raiz Invest Limited (ASX: RZI) is a first of its kind Australian, mobile-led, financial services business offering customers an easy way to regularly invest either small or large amounts, in or outside superannuation, using its micro-investment platform available via the Raiz app or its website.

Since launching in 2016, Raiz has achieved solid growth, amassing over 660,000 signups, with 186,000 active monthly customers and \$300 million funds under management as at 31 March 2019. Raiz was awarded Australia's Investment Innovator of the Year at the 2017, 2018 and Investment Platform Innovator of the year for 2019 FinTech Business Awards and won the 2018 Australian FinTech Award for FinTech Innovation in Wealth Management (Robo Advice).

For more information: www.raizinvest.com.au

This document has been prepared for informational purposes only and is not intended to amount to financial product advice or a recommendation in relation to any investments or securities. You should not rely on it to make investment decisions. This document contains general factual information only and has not been independently verified. Any opinions or information expressed in the document are subject to change without notice.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Raiz Invest Limited

ABN

74 615 510 177

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,430	5,177
1.2 Payments for		
(a) research and development	(231)	(733)
(b) product manufacturing and operating costs	(673)	(1,945)
(c) advertising and marketing	(567)	(1,715)
(d) leased assets	-	-
(e) staff costs	(665)	(2,002)*
(f) administration and corporate costs	(900)	(2,397)**
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	40	139
1.5 Interest and other costs of finance paid	-	(9)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	219	550
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,347)	(2,935)

* PT. Raiz Invest Indonesia (RaizIND) became operational in January 2019. The year to date figure includes \$158k staff costs from RaizIND, which was not included in the December 2018 4c.

** The year to date figure includes \$41k administration and corporate costs from RaizIND, which was not included in the December 2018 4c.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments (term deposits)	-	(543)
(d) intellectual property	(224)	(682)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments (term deposit)	380	7,548
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	(52)	(182)*
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	104	6,141

* \$361k Intercompany loan to RaizIND is removed from the year to date figure, which was included in the December 2018 4c.

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	20	60*
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	199
3.6 Repayment of borrowings	(43)	(92)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(23)	167

* The year to date figure includes \$40k proceeds from issues of shares by RaizIND to other joint venture partner, which was not included in the December 2018 4c.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	9,085*	4,446**
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,347)	(2,935)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	104	6,141
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(23)	167
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	7,819	7,819
*** Cash and cash equivalents at end of quarter plus term deposits	7,983	7,983

* \$202k cash held by RaizIND is added to the opening balance of cash and cash equivalents as at 31 December 2018, which was not included in the December 2018 4c.

** A \$7m 6-month term deposit with Westpac was incorrectly classified as Cash in our June Quarterly report. The cash and cash equivalents as at 30 June 2018 have now been adjusted down from \$11,446,319 to \$4,446,319.

*** As at 31 March 2019, the company holds \$164k term deposits not included in the cash and cash equivalent.

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	7,819	9,085*
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,819	9,085
Term Deposits	164	544
Cash and cash equivalents at end of quarter plus term deposits	7,983	9,629

* \$202k cash held by RaizIND is added to the opening balance of cash and cash equivalents as at 31 December 2018, which was not included in the December 2018 4c.

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	204
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	12
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(230)
9.2 Product manufacturing and operating costs	(680)
9.3 Advertising and marketing	(450)
9.4 Leased assets	-
9.5 Staff costs	(670)
9.6 Administration and corporate costs	(600)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(2,630)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

11. Monthly cash movement	\$A'000
11.1 January 2019	(119)
11.2 February 2019	(640)
11.3 March 2019	(507)
Total	(1,266)

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director)

Date: 29 April 2019

Print name: George Lucas

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. This quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. This quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. This quarterly report has not been audited and is based on management accounts. The report has been prepared by finance and confirmed by the MD/CEO and the COO.