

ASX Release

28th October 2019

Letter to Raiz Invest Customers from George Lucas, Managing Director/CEO

Hi,

As we approach the end of the year, I wanted to provide an update on our progress. Raiz is increasingly becoming a significant player in the Australian financial markets and we're confident of building on this success story by replicating our business model in Indonesia and Malaysia. Our progress in Australia reflects the unique nature of our platform, the hard work and creativity of our people and a commitment of resources. Although it hasn't been easy, the results have come, and we anticipate achieving the same progress in Southeast Asia where we have forged already strong local partnerships in Indonesia and Malaysia.

Pleasingly, we are starting to see the fruits of our labour in Southeast Asia for an endeavour that first began when I flew to Jakarta in late 2016. Indonesia, the world's fourth most populated country with 270 million people, is well suited for what Raiz brings to the market – a consumer focused, mobile-led financial services technology platform that offers micro-investment and savings tools that are especially relevant for Millennials.

Raiz is an aspirational product and the peoples of Indonesia and Malaysia are aspirational. They are working diligently to improve their lifestyles and financial well-being – goals that dovetail with the Raiz narrative and are very similar to our Australian experience.

In terms of what has been achieved in 2019, I think we will look back and remember it as the year when the foundation stones were successfully established in Southeast Asia. The app has now been launched in Indonesia and more banks are being added. Localisation of the Indonesian app will continue in 2020.

In Malaysia, we have been granted a conditional digital investment manager license, and once conditions are met in March 2020, a full license should be granted by the regulator. This has been achieved after entering a Joint Venture Agreement with Jewel Digital Ventures Sdn Bhd (Jewel), a wholly-owned subsidiary of PNB Equity Resource Corporation Sdn Bhd (PERC), which, in turn, is wholly owned by Permodalan Nasional Berhad (PNB) (www.pnb.com.my).

PNB established Jewel to spearhead its digital business strategy that aims to unlock the digital value propositions for current and future customers of PNB's wholly owned unit trust manager. PNB is one of the largest fund managers in Southeast Asia. In Malaysia it has 13.8 customers from a population of 33 million.



In Australia, the business continues to deliver strong growth. The Australian business is cash flow positive with revenue increasing by more than 100% compared with the same quarter last year. We recently reached a key milestone when the number of active customers exceeded 200,000 and we are confident that funds under management (FUM) will exceed \$400 million by the end of this month.

Another pleasing trend has been the growth in superannuation FUM that more than doubled to \$55.28 million in the 12 months to 30 September 2019. Although still small, it's growing quickly, and is well regarded as reflected by the recent nomination for the 2020 Best New Innovation Award in superannuation by SuperRatings.

Our success has been due to your loyalty and support and you can rest assured that we will continue to work hard to fulfil your expectations of us. The design of the new app, and its improved user experience, are good examples of how we focus on delivering outcomes based on your feedback.

On behalf of the entire team, let me conclude by thanking you for your ongoing support of Raiz during the past year. If you want to give any feedback or have any queries, please don't hesitate to contact us.

Yours Sincerely,

George Lucas

Managing Director / CEO

Raiz Invest Limited

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