



*A mobile-led financial services platform*

**FY'20 Investor Presentation**

**26 August 2020**

Raiz Invest Limited  
Level 11, 2 Bulletin Place, Sydney NSW 2000



# Agenda

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# The Raiz Platform

Raiz Invest – a diversified financial services solution

## Raiz Invest

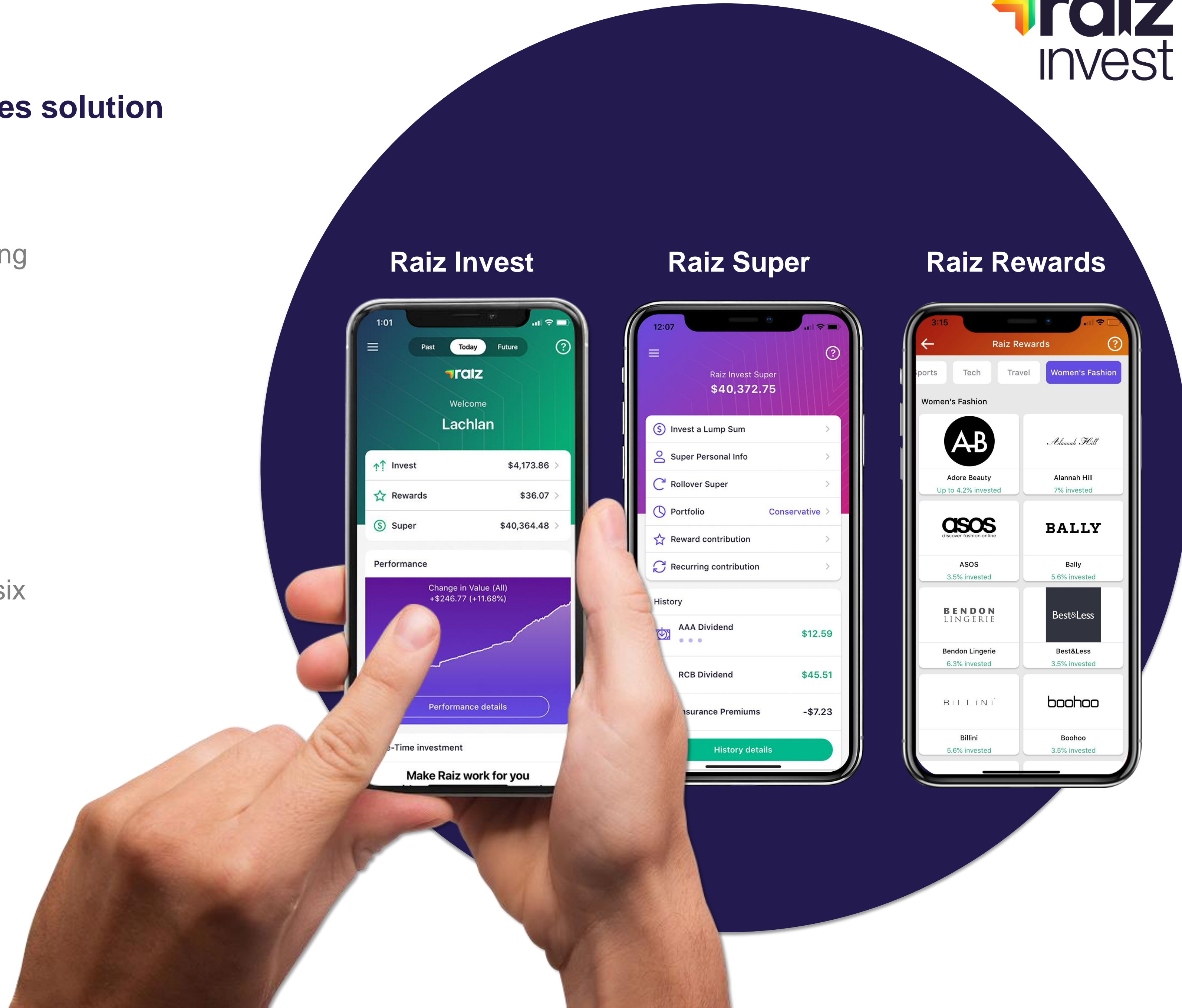
- Micro investment platform licensed and operating in three countries:
  - Australia
  - Indonesia
  - Malaysia

## Raiz Super

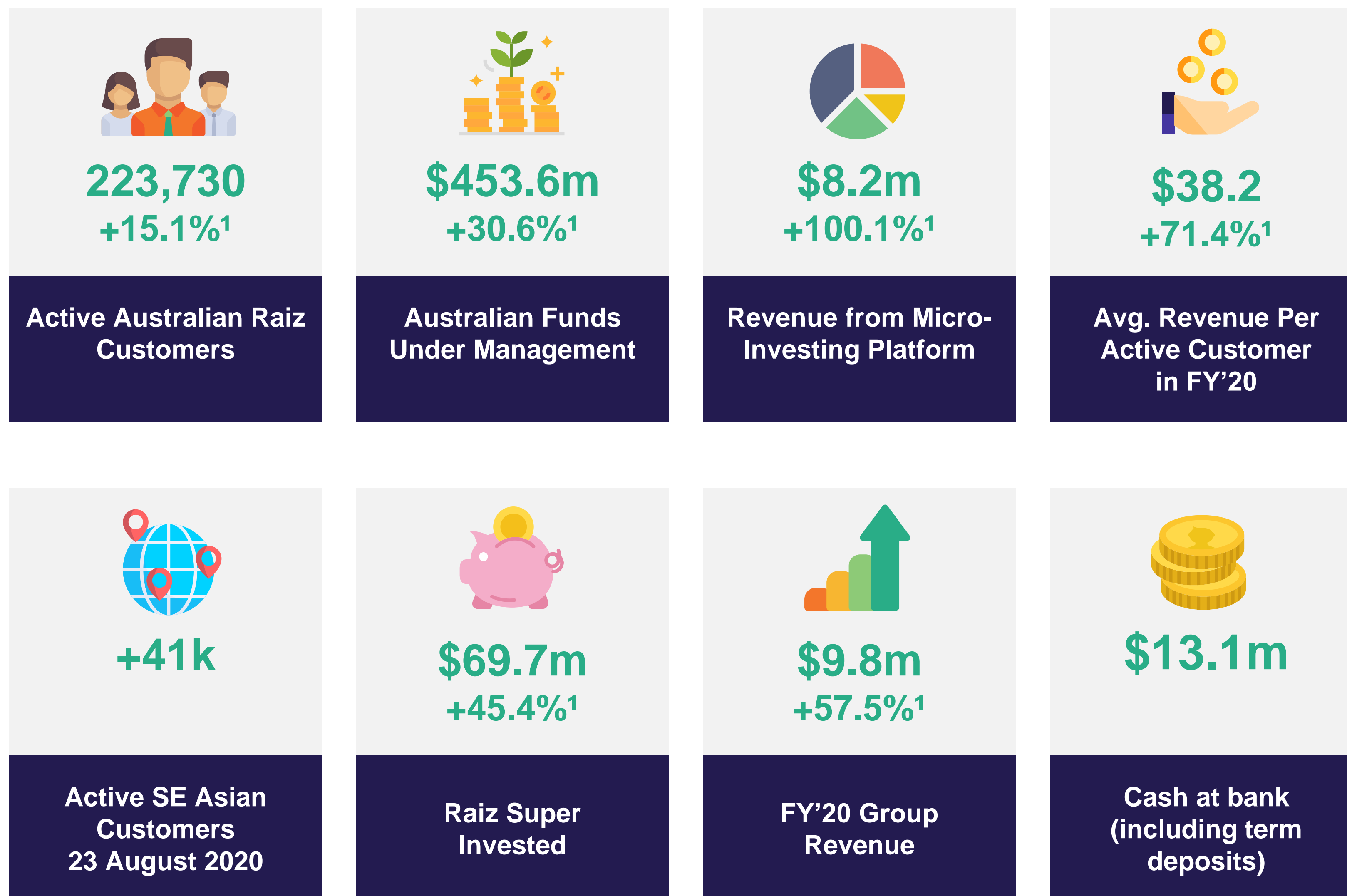
- Invest superannuation on the Raiz Platform in six risk weighted portfolios in Australia

## Raiz Rewards

- Raiz rewards is a platform to facilitate retailers investing a proportion of a spend back into a customers Raiz Invest or Raiz Super account



# FY'20 Highlights



## Highlights

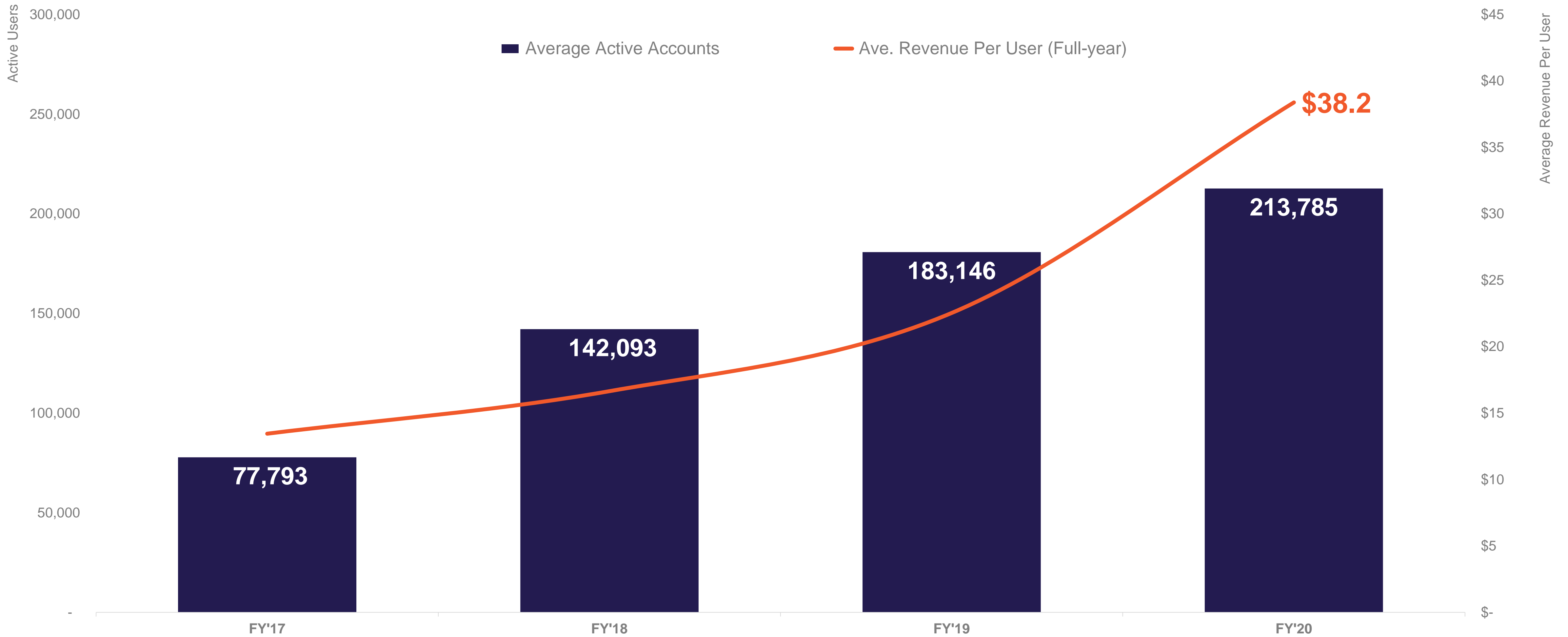
- Continued customer and revenue growth despite challenging conditions due to COVID pandemic
- Completed \$7.5m capital raising to accelerate growth, including strategic Indonesian investor
- Launched Sapphire Portfolio with a target weight to Bitcoin, which has attracted >\$20 million
- >41,000<sup>2</sup> active customers added in SE Asia post launch of Raiz Malaysian platform in June 2020, start of platform related fees in Indonesia
- Completed Malaysian joint venture with PNB triggering a \$2.4m cash injection into JV
- Consolidated loss attributed to the parent entity after adding back amortisation & depreciation and share option expenses amounted to \$1,483,000 (FY19: \$4,275,000 loss, a 65% reduction).

<sup>1</sup>Increase on Previous Corresponding Period ('PCP') FY'19 - Australia only

<sup>2</sup>As at 23 August 2020

# Raiz business model is a function of active customers on the platform

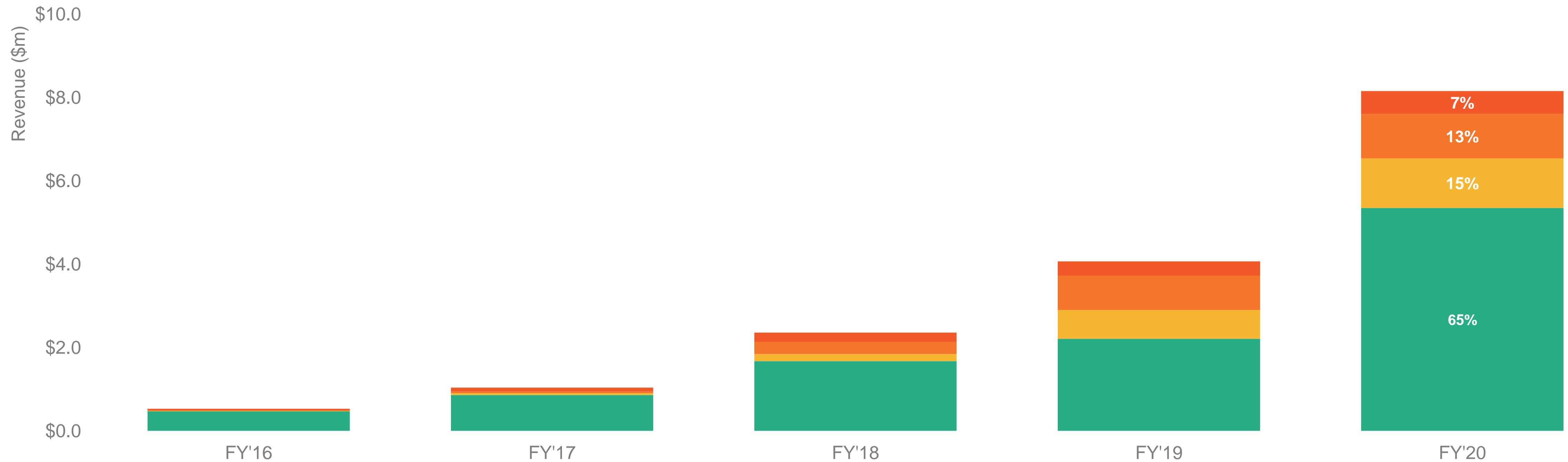
Active Customers in Australia grew by 15.1% on PCP, average revenue per customer grew by 71.4% on PCP



# Solid revenue growth from increasingly diverse base



Raiz delivered 100.1% growth in micro investment platform revenue, driven by increases in active customers and fees per customer

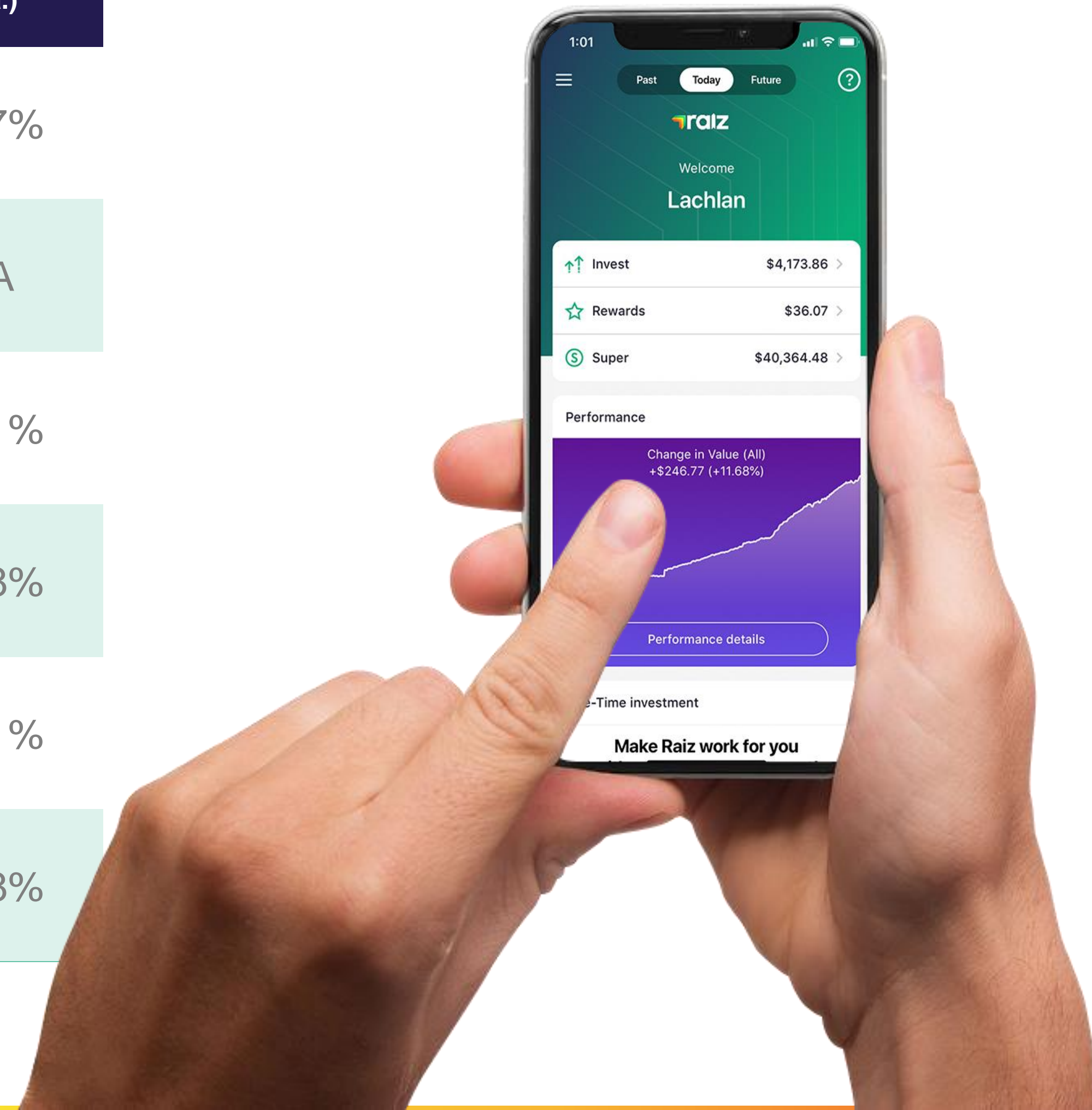


Maintenance Fee	Account Fee	Advertising	Netting
<ul style="list-style-type: none"> <li>A monthly Maintenance Fee of \$1.25 was charged for active account balances of less than \$5k. From the 1<sup>st</sup> August 2019 this changed to \$2.50 for accounts less than \$10k</li> </ul>	<ul style="list-style-type: none"> <li>A fee of 0.275% p.a. was charged on account balances equal to or greater than \$5k. On the 1<sup>st</sup> August 2019 this changed to a \$10k threshold</li> </ul>	<ul style="list-style-type: none"> <li>228 rewards partners that pay to advertise on the Raiz platform, emails and mobile push messaging</li> <li>Advertisers create loyalty by investing cash back into Raiz accounts in or out of Super</li> </ul>	<ul style="list-style-type: none"> <li>Where acquisition or disposal of ETF units does not require an on-market transaction, Raiz nets transaction, instead of paying away the bid/offer spread to the market based on the disclosed Netting Policy</li> </ul>

# Portfolio returns

*Raiz Australia achieved solid returns across all portfolios, outperforming the Chant West Benchmark*

FY'20	1 Year Performance		2 Year Performance	
	Raiz Portfolio (p.a.)	Chant West Benchmark (p.a.)	Raiz Portfolio (p.a.)	Chant West Benchmark (p.a.)
Conservative	1.41%	1.00%	4.11%	3.27%
Moderately Conservative	1.23%	NA	4.73%	NA
Moderate	0.66%	0.30%	4.64%	3.21%
Moderately Aggressive	0.14%	-0.50%	4.35%	3.18%
Aggressive	-0.46%	-0.90%	4.04%	3.21%
Emerald	4.33%	-0.50%	7.57%	3.18%



# Profit & Loss

*To be read in conjunction with the Raiz Invest Limited (and controlled entities) Financial Report for the year end 30 June 2020*

➤ The consolidated loss attributable to owners of the parent entity after adding back items such as the cost of the employee share options, amortisation and depreciation amounted to \$1,483,000 (2019: \$4,275,000 loss – reduction of 65%)

\$m (extract)	FY'19	FY'20	% vs FY'19	H1'20	H2'20	% vs H1'20	Comments
Micro Investment Platform	4,137	8,177	98%	3,921	4,256	9%	Increasing active customers and revenue per customer with a fee increase
Other Financial Services	2,090	1,628	-22%	541	1,087	101%	Instreet corporate authorised representative fees and management services fees
<b>Group Revenue</b>	<b>6,227</b>	<b>9,805</b>	<b>57%</b>	<b>4,462</b>	<b>5,343</b>	<b>20%</b>	
Other Income	-	484	n/m	365	119	-67%	
Employee benefits expense	-3,577	-3,755	5%	-1,876	-1,879	0%	Flat despite continued customer growth and international expansion
Sales and administrative expense	-2,586	-3,437	33%	-1,723	-1,714	-1%	Includes transaction, monitoring, onboarding costs plus KYC – grows with active customers
Professional fees	-1,410	-1,264	-10%	-637	-627	-2%	Ongoing compliance and product development costs
Marketing expenses	-2,074	-1,458	-30%	-686	-772	13%	Optimisation of marketing channels
Other expenses	-1,846	-2,639	43%	-1,249	-1,390	11%	Increase in team members and associated expenses across Australia and S.E. Asia to support growth
<b>EBITDA (Loss)</b>	<b>-5,266</b>	<b>-2,264</b>	<b>-57%</b>	<b>-1,344</b>	<b>-920</b>	<b>-32%</b>	<b>57% reduction in EBITDA Loss</b>
Finance cost	-11	-48	336%	-26	-22	-15%	
Depreciation and amortisation expense	-1,802	-2,420	34%	-1,143	-1,277	12%	Substantially platform amortisation
<b>Loss before Income tax</b>	<b>-7,079</b>	<b>-4,732</b>	<b>-33%</b>	<b>-2,513</b>	<b>-2,219</b>	<b>-12%</b>	
Tax (expense)/benefit	-68	-169	149%	-53	-116	119%	
<b>Loss After Income tax</b>	<b>-7,147</b>	<b>-4,901</b>	<b>-31%</b>	<b>-2,566</b>	<b>-2,335</b>	<b>-9%</b>	
Exchange differences on translation of foreign operations	-	-109	n/m	-	-109	n/m	
Total comprehensive income (loss) for the year	-7,147	-5,010	-30%	-2,566	-2,444	-5%	
<b>Loss attributable to Owners of the parent entity</b>	<b>-7,019</b>	<b>-4,528</b>	<b>-35%</b>	<b>-2,427</b>	<b>-2,101</b>	<b>-13%</b>	



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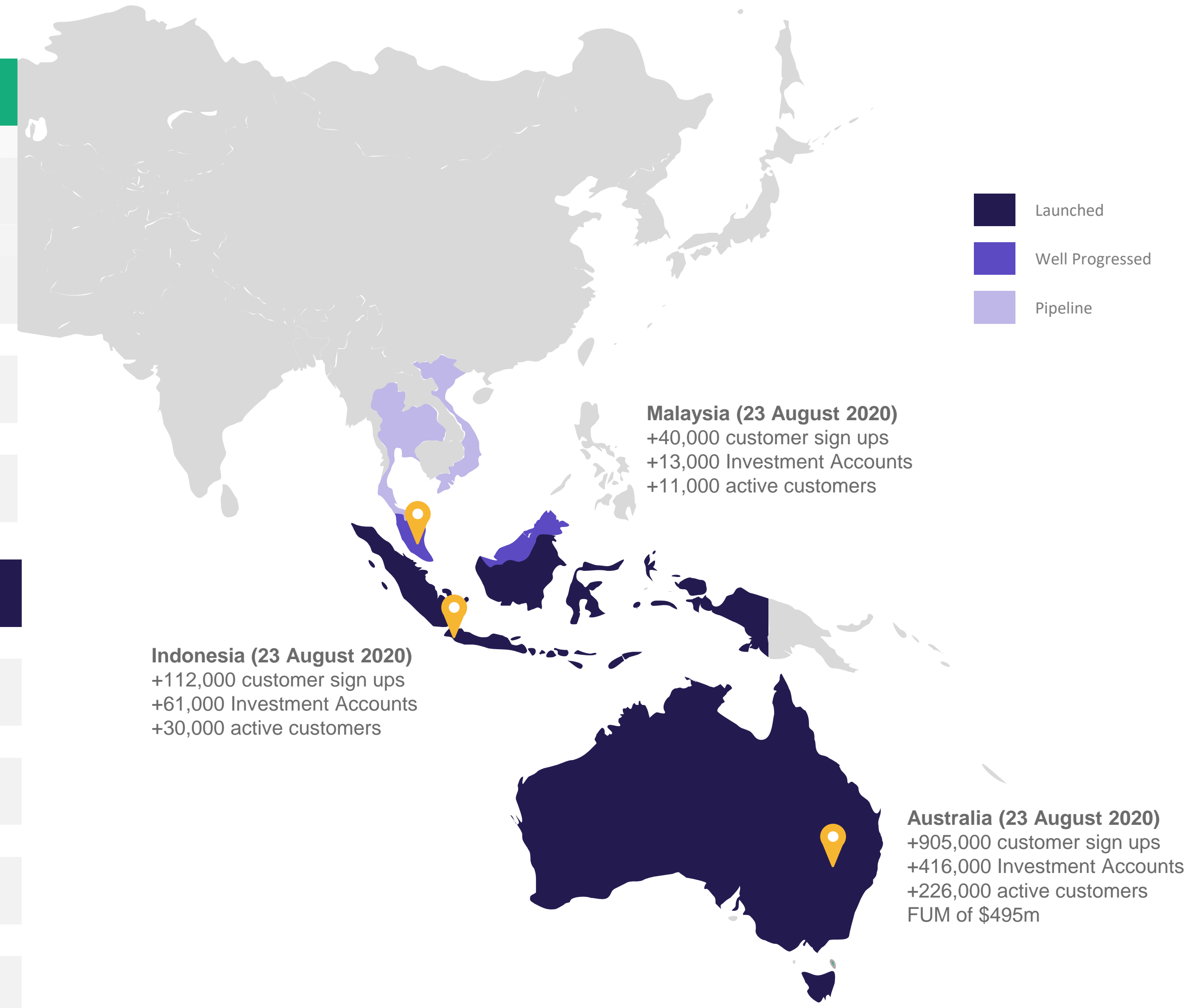
# Execution of consistent and clearly defined strategy

## Australian Growth Strategy

- 1 Grow active customers
- 2 Grow revenue per customer through products and services
- 3 New product & services to improve customer engagement
- 4 Increase Customer Lifetime Value

## Asia Growth Strategy

- 1 Grow active customers in Raiz Indonesia & Raiz Malaysia
- 2 Add new products in Indonesia & Malaysia with new partners
- 3 Improve customer engagement
- 4 Progress opportunities in Thailand and Vietnam



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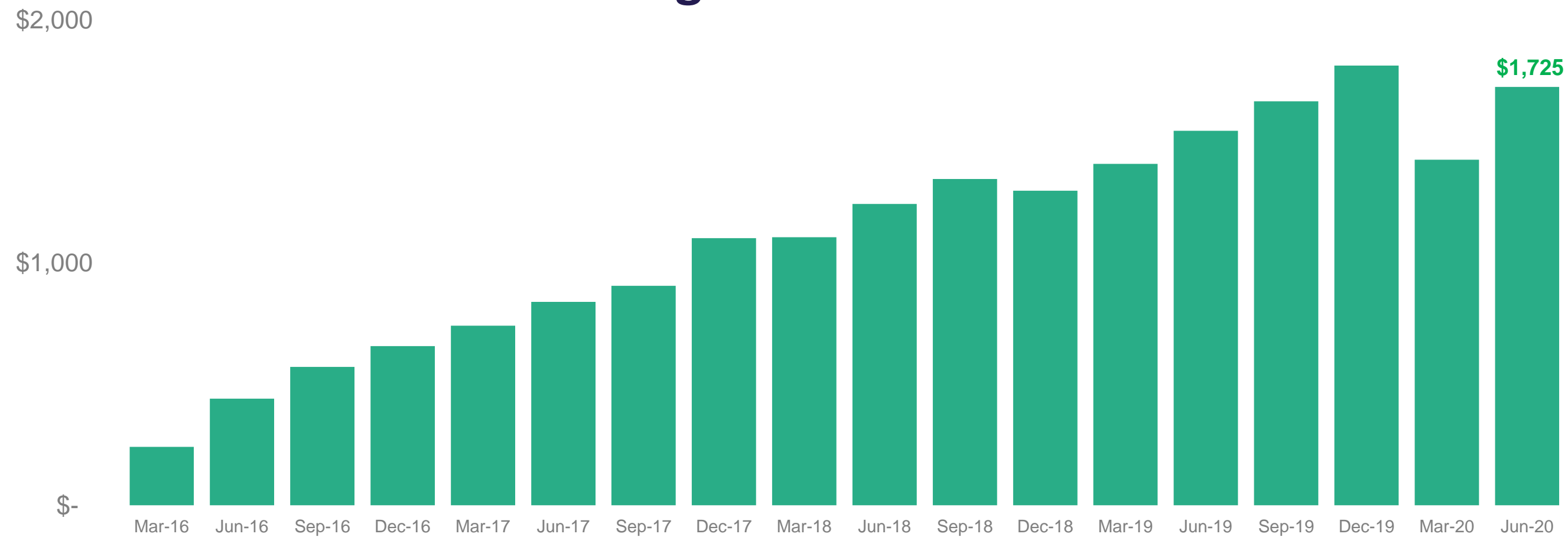
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# Australian Micro investing platform growth

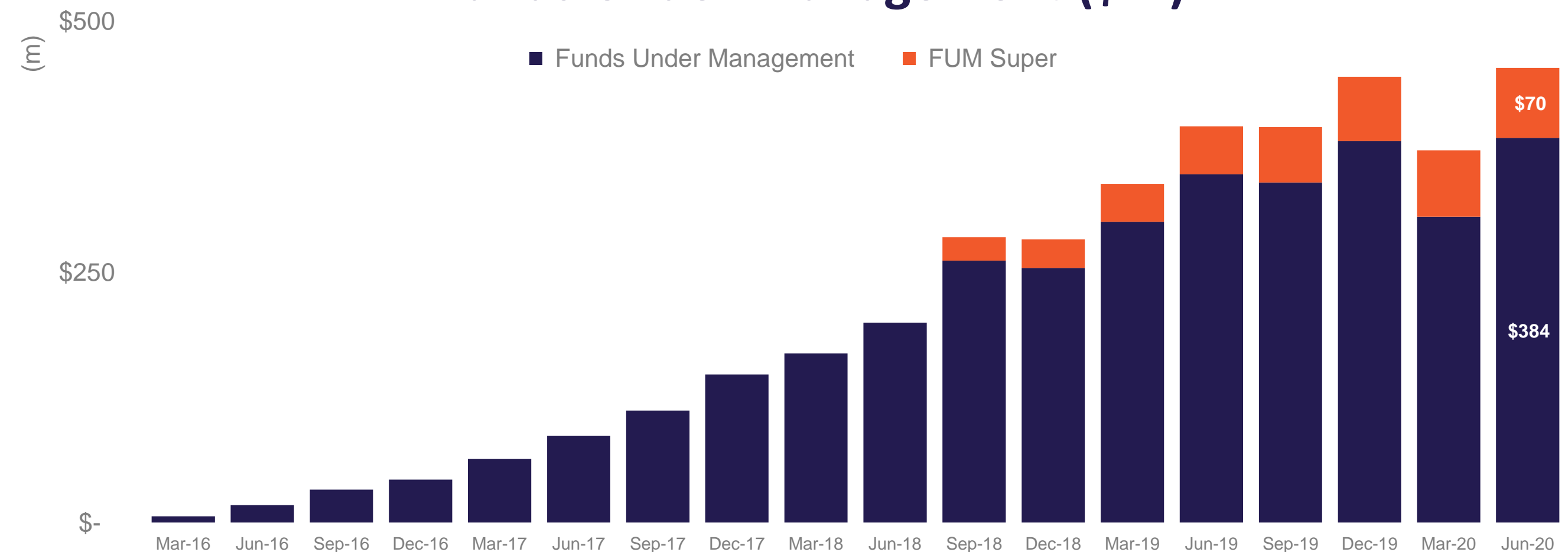
*Invest spare change, with \$5 minimums, no trade commissions*

## Average Account Balance



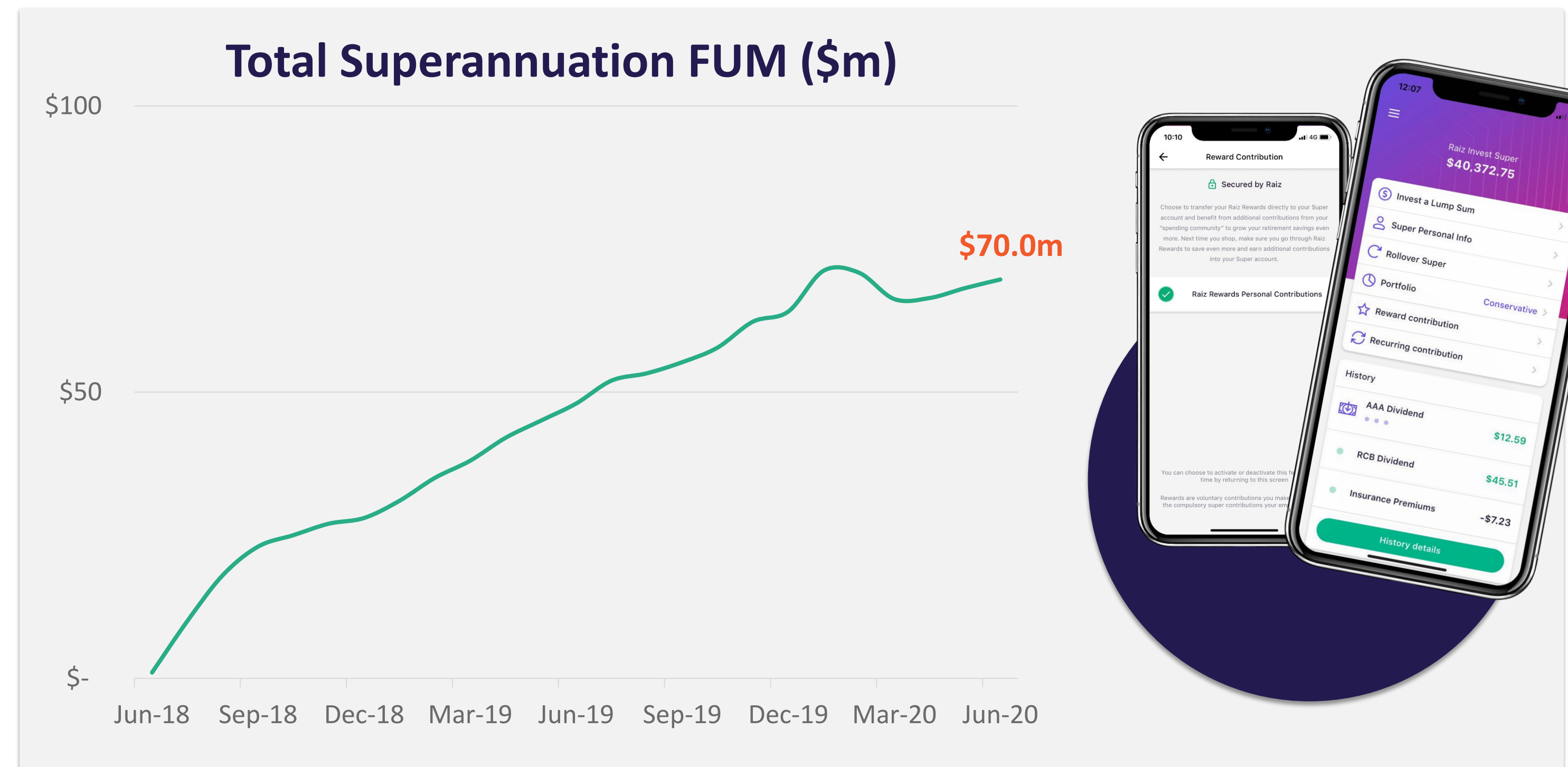
- Continued growth in average account balances to \$1,725 (2019: \$1,544) despite market uncertainty created by COVID
- FUM increased by 30.6% to +\$453.6m in FY20
- 52% of FUM is comprised of account balances of >\$10,000
- Continued growth in Raiz Super, now with \$69.7m million invested, up 45% on PCP despite Early Release
- Revenue from Micro Investment Platform grew by 100.1% to \$8.2m
- Revised fee structure introduced in August 2019 and additional product offerings underpinning continued revenue growth in FY'20 and beyond

## Funds Under Management (\$m)



# Raiz Super has grown rapidly in 24 months

- Since launching in July 2018, Raiz Invest Super FUM has grown to \$70 million
- The COVID19 Early Release of super saw \$7.2m withdrawn
- Customers can contribute to Raiz Super via the Raiz App
  - SG contributions
  - Automated recurring voluntary contributions
  - Raiz Rewards, cash from advertising partners directed as a voluntary contribution
- Customers can view all investments and history in one place, their mobile phones
- Raiz Invest Super is marketed to existing database producing a low cost of acquisition



SuperRatings Finalist nomination for Best New Innovation Award for 2020

# Raiz Rewards



## Fashion & Accessories



## Skincare & Cosmetics

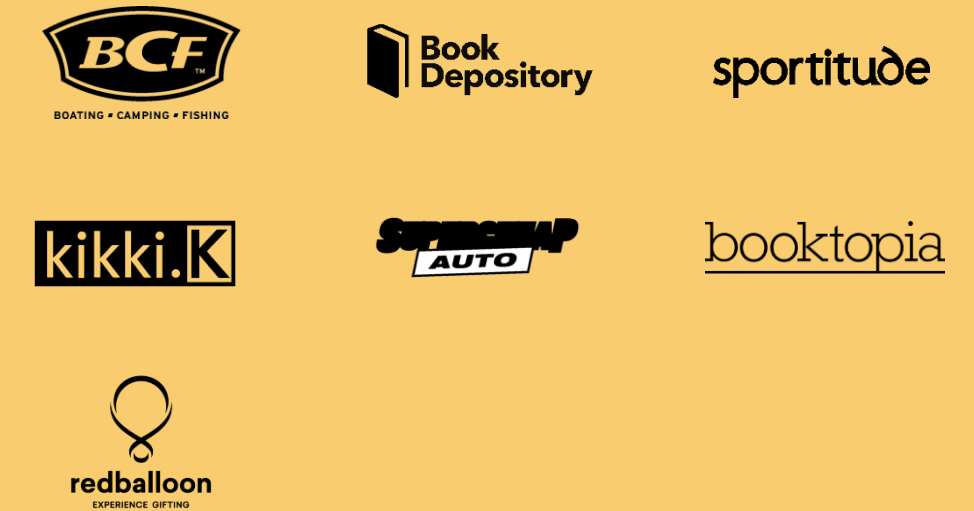


## Food & Beverage

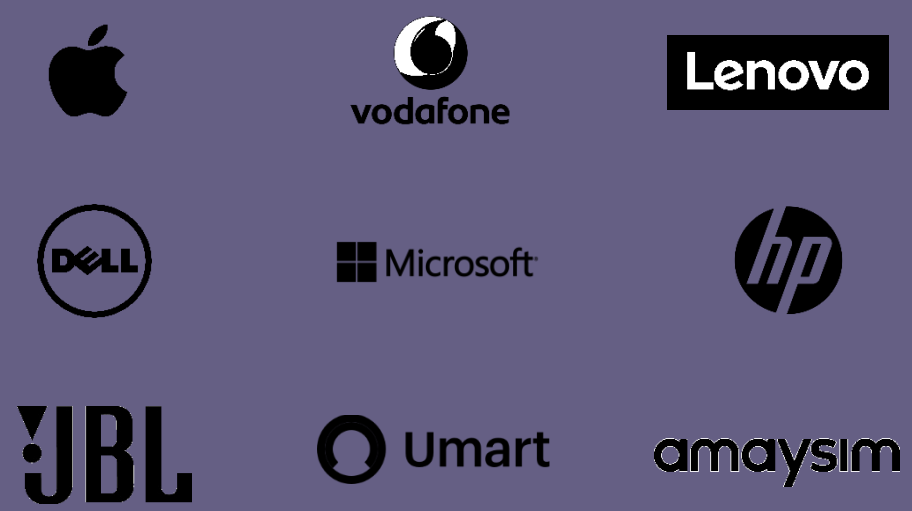


## Travel

Currently, the Raiz Rewards program has 228 partners



## Furniture, Homewares & Appliances



## Technology & Electronics



## Personal & Recreation



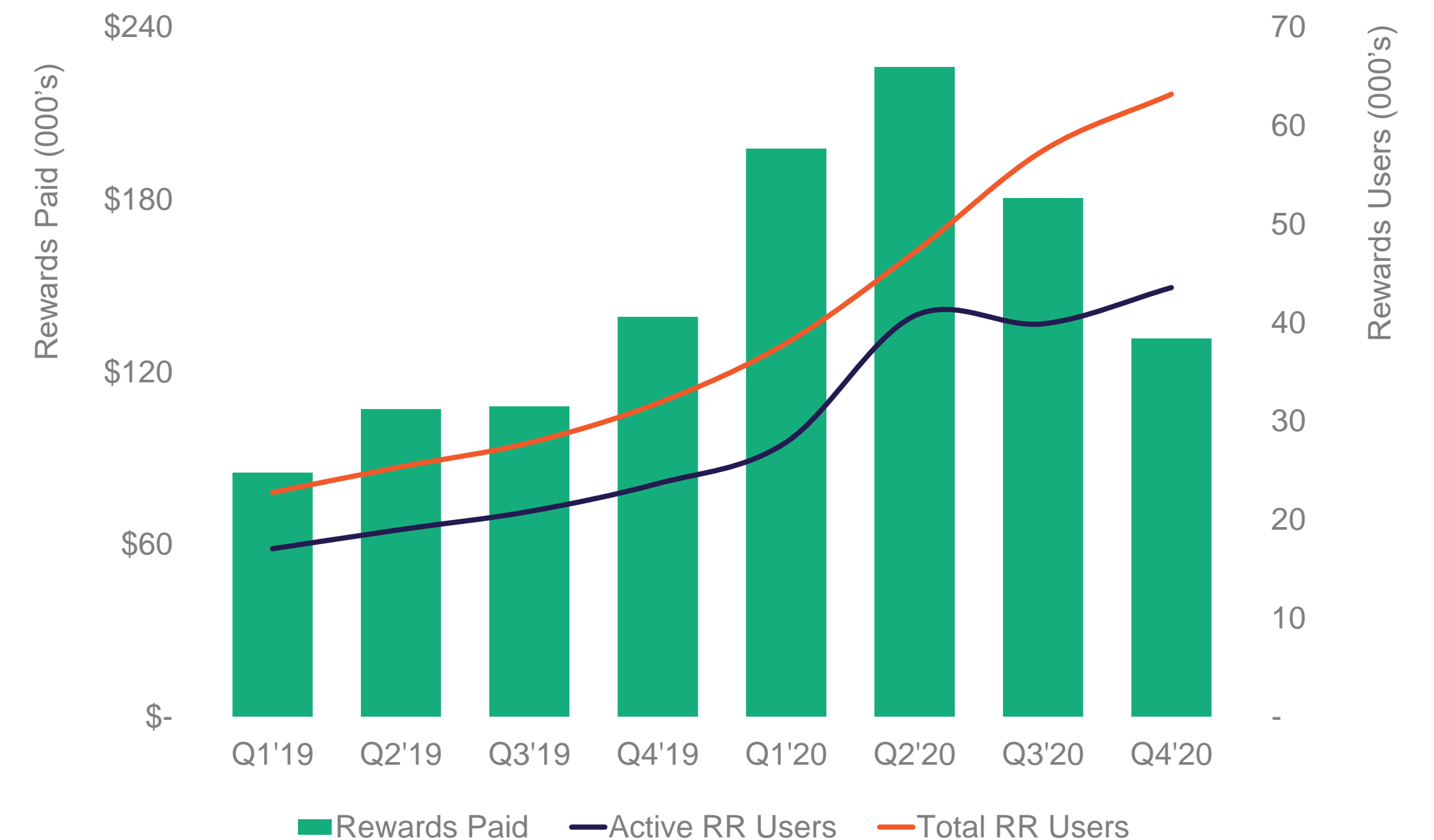
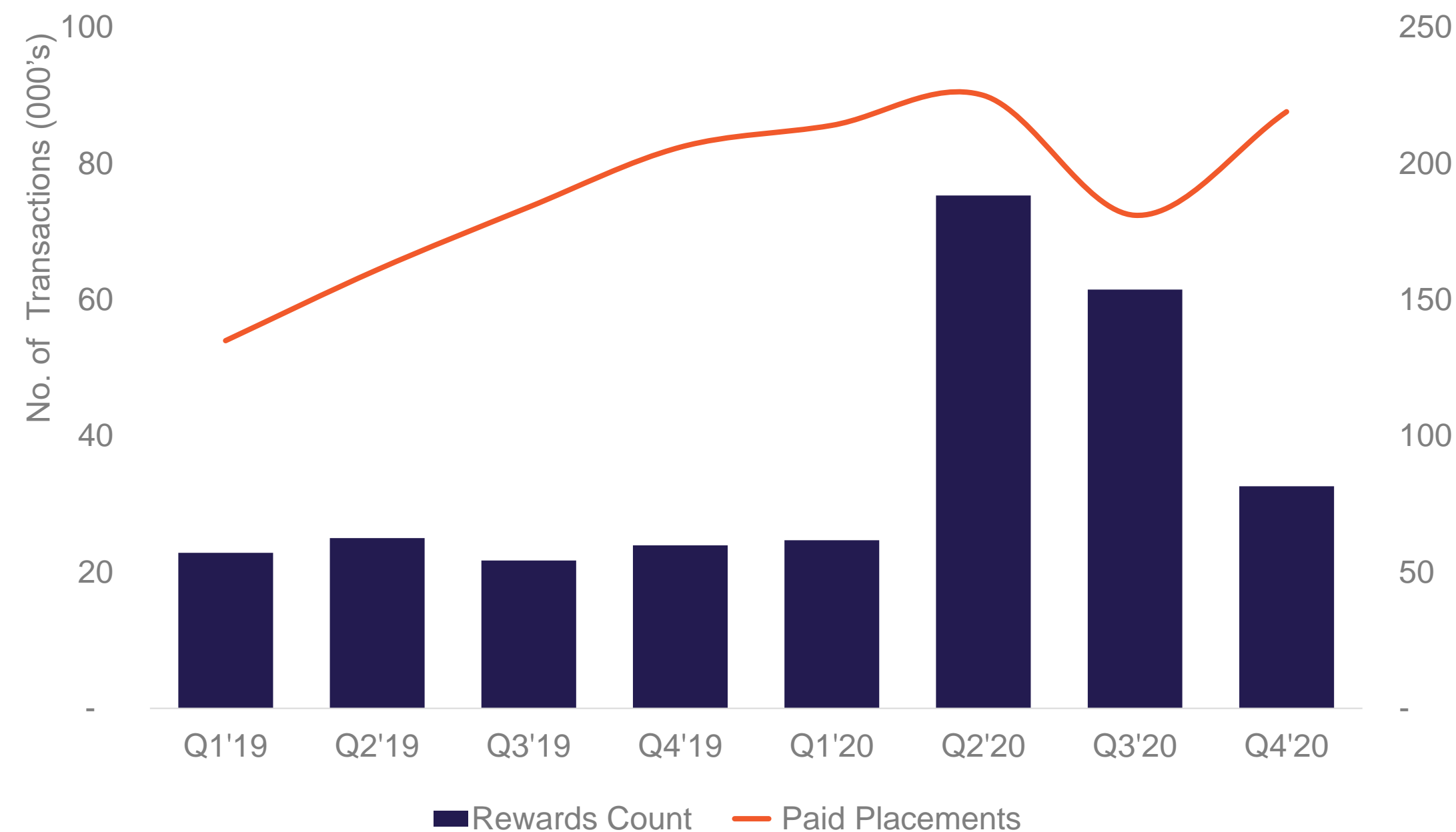
## Other

# Raiz Rewards

## Momentum accelerating on continued platform enhancement

- Raiz now has 228 established partnerships that fund either a percentage or fixed dollar cashback on purchases
- Raiz Reward instore launched for bricks & mortar shopping
- Advertising revenue grew to \$1.07m in FY'20 +29.2% on PCP
- Improved platform interface now accelerating growth of Raiz Rewards and advertising revenue streams
- Raiz Rewards revenue was initially affected by onset of COVID but this is now beginning to recede

- Raiz Rewards is a loyalty program allowing users to generate cash invested into their Raiz Accounts inside and outside superannuation, via partnership brands:
  - Users access Raiz Rewards feature through Raiz mobile app or website; and
  - User is redirected to the retailers site to make purchases, and Raiz receives a margin on each transaction; or user can now shop instore



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# Raiz Invest Indonesia

## Focus on user sign ups to accelerate growth

- Over 30,000 active customers as at 23 August 2020
- Due to different culture and level of wealth Raiz has successfully introduced a Rp. 3,000 (AU\$0.30) deposit transaction fee in Indonesia
- Raiz makes a % FUM fee on all accounts
- Transactions are growing with 25,000+ deposit transactions in July 2020
- Increased marketing spend expected during 2021 to accelerate growth
- In discussions with partners to offer additional financial products through the Raiz platforms
- JV has been established to deliver new life company products and services via the Raiz Indonesian platform



112k+

Sign ups



30k+

Active customers



25k+

Average deposit transactions/month

# Raiz Invest Malaysia

*Focus on Maybank customers before opening to wider population to accelerate growth*

- The Joint Venture Agreement (JVA) with Malaysia partner Jewel Digital Ventures Sdn Bhd (PNB), completed with \$2.4 million invested into Malaysian JVA by PNB
- PNB is one of Malaysia's largest fund management companies, with assets under management of RM312 billion (A\$104 billion) across 14.3 million accounts (31 Dec 2019)
- The JVA is a 70/30 split between Raiz and Jewel respectively, with Raiz primarily providing the technology while Jewel provides required capital
- MYR1.5 (AU\$0.50) for accounts less than MYR6,000 and then 0.30% p.a. of FUM for accounts greater than MYR6,000
- Focus on marketing to accelerate growth with 11k+ active customers since official launch on the 23<sup>rd</sup> of July 2020
- Only targeting Maybank customers due to exclusivity agreement which expires in January 2021, then new banks will be added



**40k+**

**Sign ups**



**11k+**

**Active customers**



**47k+**

**Average deposit transactions/month**

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# FY'21 Focus Areas

*Raiz will focus on growing the domestic business and executing the Asian growth strategy*



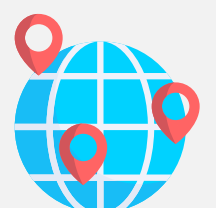
➤ Continue to grow the business in all geographies and maintain a disciplined focus on costs



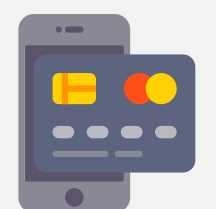
➤ Focused on driving customer growth in core Australian market and additional Southeast Asian markets, with increased marketing spend in Southeast Asia to drive customer acquisition growth



➤ Increase 'Lifetime Value of Customers' through new products e.g. insurance product, bitcoin portfolio and services



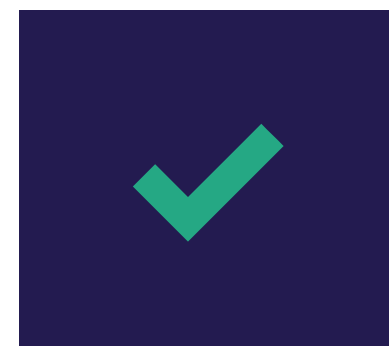
➤ Solidify business and operations in Indonesia and Malaysia with customer growth and new products



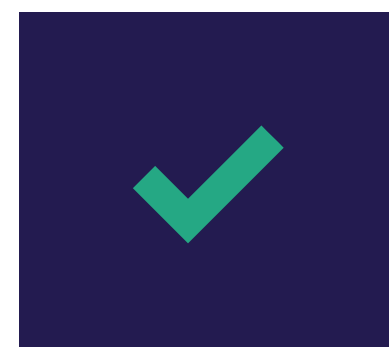
➤ Continue to develop and launch new products driven by customer demand and feedback, as well as maintain the infrastructure as best in class

# Raiz Invest – Key investment highlights

*Focusing on delivering financial services and products via mobiles*



Executed the strategy to provide a highly engaged and rapidly growing customer base with opportunity to cross promote new products, as well as grow revenue in Australia and Southeast Asia



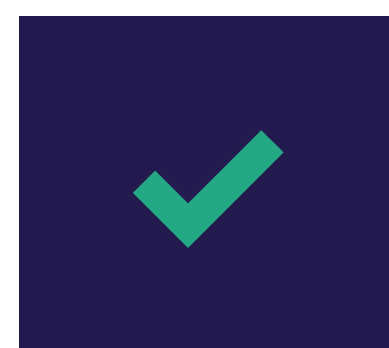
A well-established platform with multiple and diverse revenue streams across savings, investing, superannuation, spending and advertising



Strong pipeline of new products and features to be added, requiring minimal capital expenditure



Favourable market opportunity in Australia with high mobile penetration and substantial addressable market of ~10m Australians. Over 1.5 million people have downloaded the app since March 2016



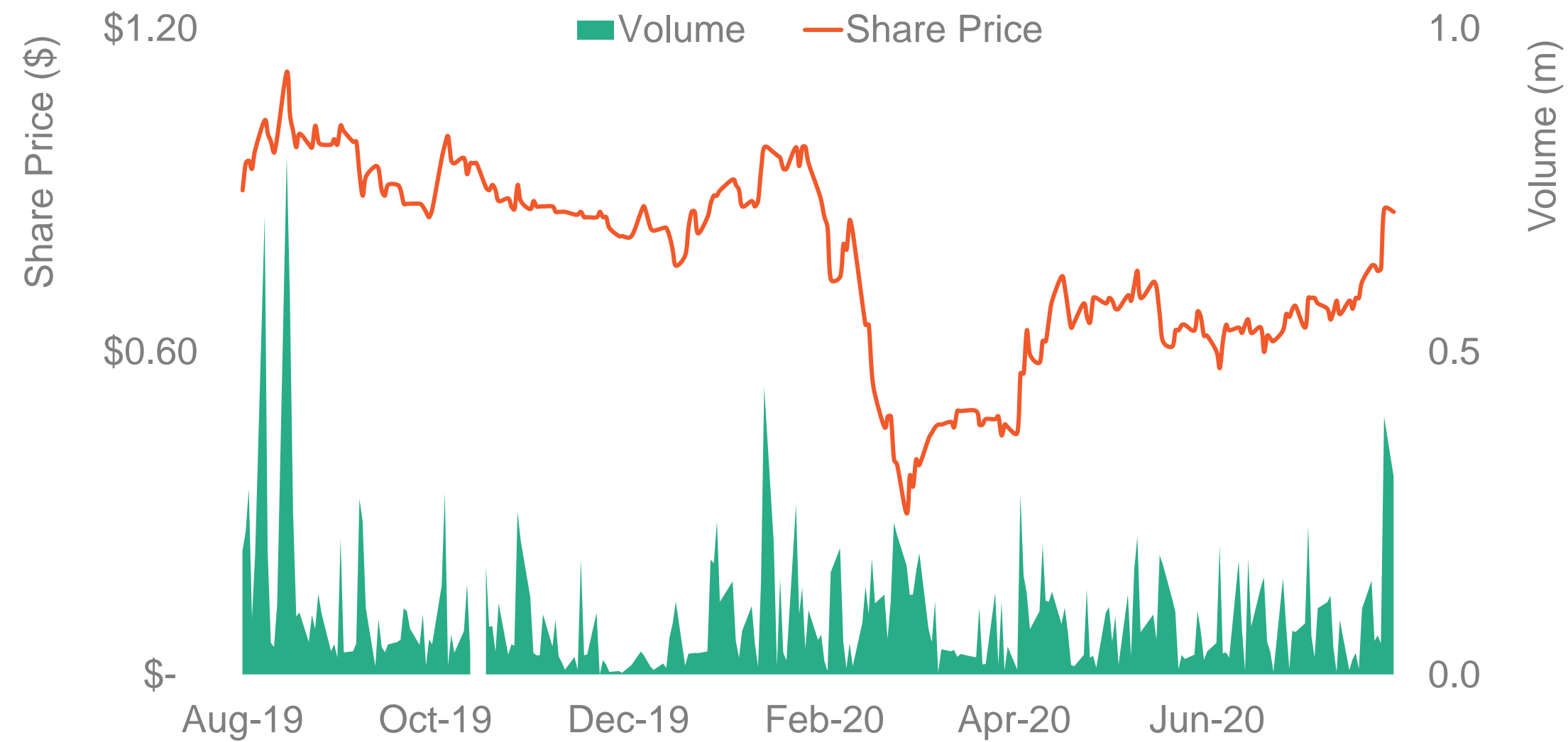
Favourable market opportunity in SE Asia with high mobile penetration, large populations and growing middle class

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# Raiz – Market Stats



Top Shareholders <sup>1</sup>		Shares	(%)
1	George Lucas & Related Entities	6.8m	9.0%
2	Acorns Grow Incorporated	5.2m	6.9%
3	HSBC Custody Nominees	4.9m	6.5%
4	Salter Brothers	3.5m	4.7%
5	Peter Anthony Fay & Related Entities	3.1m	4.2%
<b>Top 10</b>		<b>32.3</b>	<b>43.1%</b>
<b>Top 20</b>		<b>43.0</b>	<b>57.3%</b>

Capital Structure	
Shares on Issue <sup>1</sup>	75.0m
Share Price @ 21 August 2020 <sup>1</sup>	\$0.865
12 month Range <sup>1</sup>	\$0.30 - \$1.17
Market Cap <sup>1</sup>	\$64.9m
<b>Net Cash</b>	<b>\$13.1m</b>

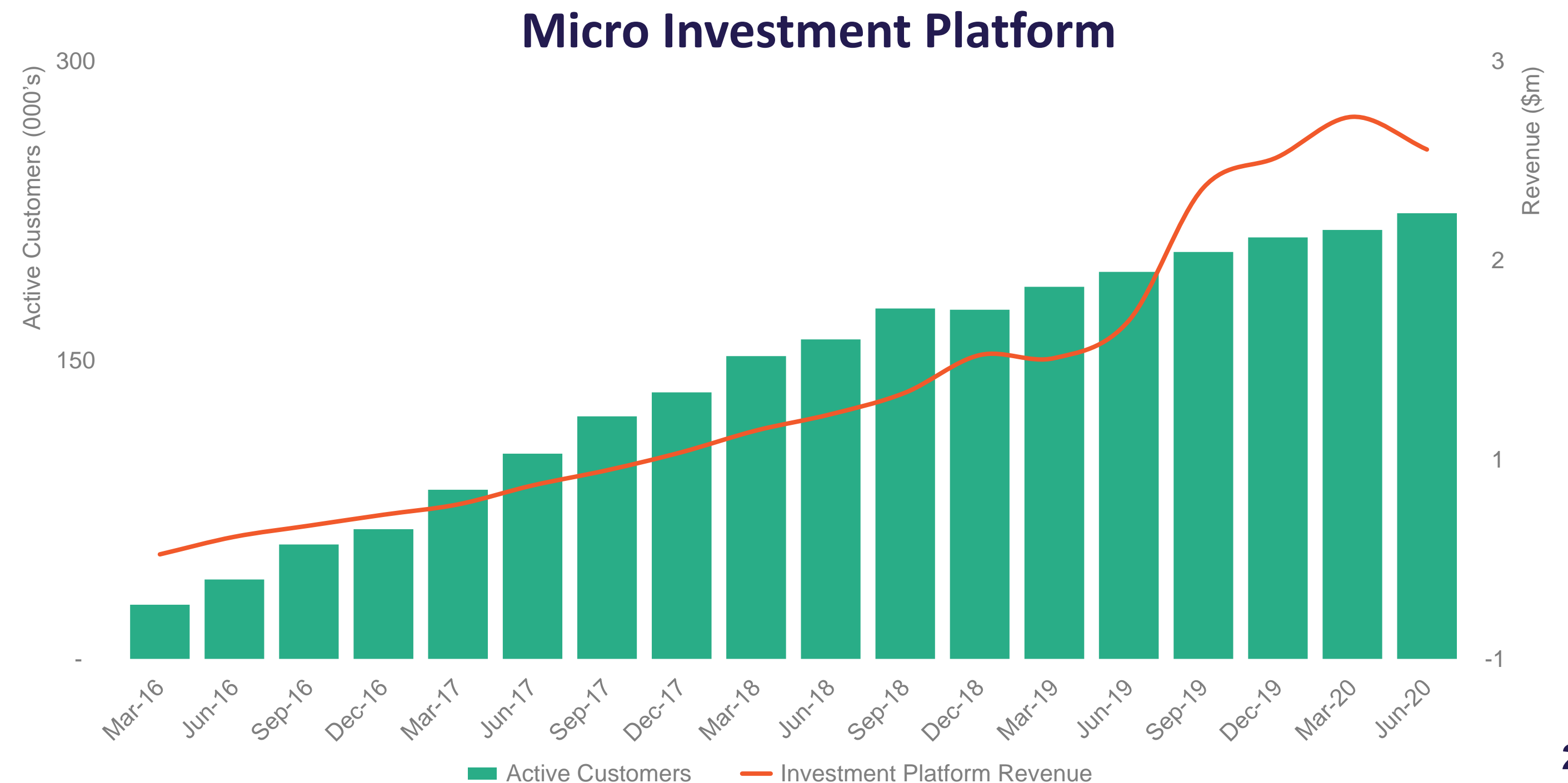
<sup>1</sup>As at 21<sup>st</sup> August 2020

# Statement of Cashflows

To be read in conjunction with the Raiz Invest Limited (and controlled entities) Financial Report for the year end 30 June 2020

\$m (extract)	FY'19	FY'20
Receipts from customers	7,307	10,626
Payments to suppliers and employees	-11,404	-12,441
Government grants and tax incentives	549	803
Finance cost paid	-	-48
<b>Net Operating Activities</b>	<b>-3,548</b>	<b>-1,060</b>
Payments for short term deposits	-543	-7,000
Payment for fixed assets	-111	-33
Payment for intangible assets	-912	-1,763
Proceeds from disposal of short term deposits	7,548	7,000
Loan to related parties	-220	-
<b>Net Investing Activities</b>	<b>5,762</b>	<b>-1,796</b>
Proceeds from Capital raising	80	7,504
Proceeds from changes in ownership interests in subsidiaries	-	2,440
Share issue costs	-	-414
Repayment of borrowing from related parties	-124	-130
Principle payment for leases	0	-459
Proceeds from related parties	199	-
<b>Net Financing Activities</b>	<b>155</b>	<b>8,941</b>
Net increase/(decrease) in cash and cash equivalents	2,369	6,085
Cash and cash equivalents at the beginning of the Period	4,446	6,815
<b>Cash &amp; cash equivalents at year end</b>	<b>6,815</b>	<b>12,900</b>

- Australian business continues to be cash flow positive
- Sufficient capital to deliver on strategy in Southeast Asia
- Capital raising provided significant cash to support growth and manage risks associated with reg capital, international expansion and Australian product development





# Statement of Financial Position

To be read in conjunction with the Raiz Invest Limited (and controlled entities) Financial Report for the year end 30 June 2020

\$m (extract)	FY'19	FY'20	Comments
<b>Assets</b>			
Cash and cash equivalents	6,815	12,900	50bps of FUM required to be held for regulatory capital as well as regulatory capital in Malaysia and Indonesia – approx. \$3.2m
Trade and other receivables	442	790	
Other Financial assets	582	573	Shares and Bitcoin held and term deposits
Other assets	204	127	Prepayments and deposits
<b>Total Current Assets</b>	<b>8,043</b>	<b>14,390</b>	
Property, plant and equipment	121	119	
Right-of-use assets	-	517	New AASB 16 – See Financial report
Deferred tax assets	544	589	
Intangible assets	20,669	19,974	Goodwill and value Computer Software
<b>Total Non-Current Assets</b>	<b>21,334</b>	<b>21,199</b>	
<b>Total Assets</b>	<b>29,377</b>	<b>35,589</b>	
<b>Liabilities</b>			
Trade and other payables	1,620	1,927	
Current lease liabilities	-	415	New AASB 16 – See Financial report
Provisions	158	237	
<b>Total Current Liabilities</b>	<b>1,778</b>	<b>2,579</b>	
Trade and other payables	379	249	
Deferred tax liabilities	736	843	
Non-current lease liabilities	-	136	New AASB 16 – See Financial report
Provisions	27	47	
<b>Total Non-Current Liabilities</b>	<b>1,142</b>	<b>1,275</b>	
<b>Total Liabilities</b>	<b>2,920</b>	<b>3,854</b>	
<b>Total Equity</b>	<b>26,457</b>	<b>31,735</b>	

# Important Information

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