



A mobile-led financial services platform

H1'21 Investor Presentation
24 February 2021

Raiz Invest Limited (ASX: RZI)
Level 11, 2 Bulletin Place, Sydney NSW 2000
Announcement Authorised by: George Lucas (Managing Director)



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1H FY'21 Highlights



Highlights

- Continued customer and revenue growth despite challenging conditions due to COVID pandemic.
- Acquiring financial services customers online, is what we do well, with a CAC of AU\$10.03 per customer.
- Uptake of higher margin products in Australia continues – Superannuation, Sapphire and Custom portfolio.
- Strengthening board & management structure to drive the next leg of growth.
- Launched new Syariah compliant funds Indonesia.
- Established a company in Thailand to launch Raiz into the Thai market.
- Recognised by Deloitte in Top 50 fast growing Australian tech companies for 2020.

[^] Increase from 30 June 2020

^{*} Increase on Previous Corresponding Period ('PCP') H1'20

Revenue Model

Raiz charges a range of different fees, dependent on the type of portfolio a customer chooses, the amount of FUM held in the portfolio and the country that the customer is using the platform

Conservative to Aggressive Portfolio			Emerald Portfolio			Sapphire Portfolio		Custom Portfolio			Indonesia		Malaysia		
Account Balance	Sub \$10k	+\$10k	Account Balance	Sub \$10k	+\$10k	All Portfolios	All Portfolios	Account Balance	Sub \$20k	+\$20k	Account Balance	All Portfolios	Account Balance	Sub MYR 6,000	+MYR 6,000
Account Fees	n/a	27.5bps p/a	Account Fees	n/a	27.5bps p/a	Account Fees	27.5bps p/a	Account Fees	n/a	27.5bps p/a	Deposit Transaction Fee	Rp. 3,000	Account Fees	MYR 1.5	0.30% p.a. of FUM
Maintenance Fee	\$2.50 p/m	\$0	Maintenance Fee	\$2.50 p/m	\$0	Maintenance Fee	\$2.50 p/m	Maintenance Fee	\$4.50 p/m	n/a	Trail	~0.35%	Trail		0.35%
Active Customers	171,279		Active Customers	43,532		Active Customers	22,418	Active Customers	N/A – commenced January 2021		Active Customers	68,377	Active Customers	37,967	

Revenue stream very granular non-transactional

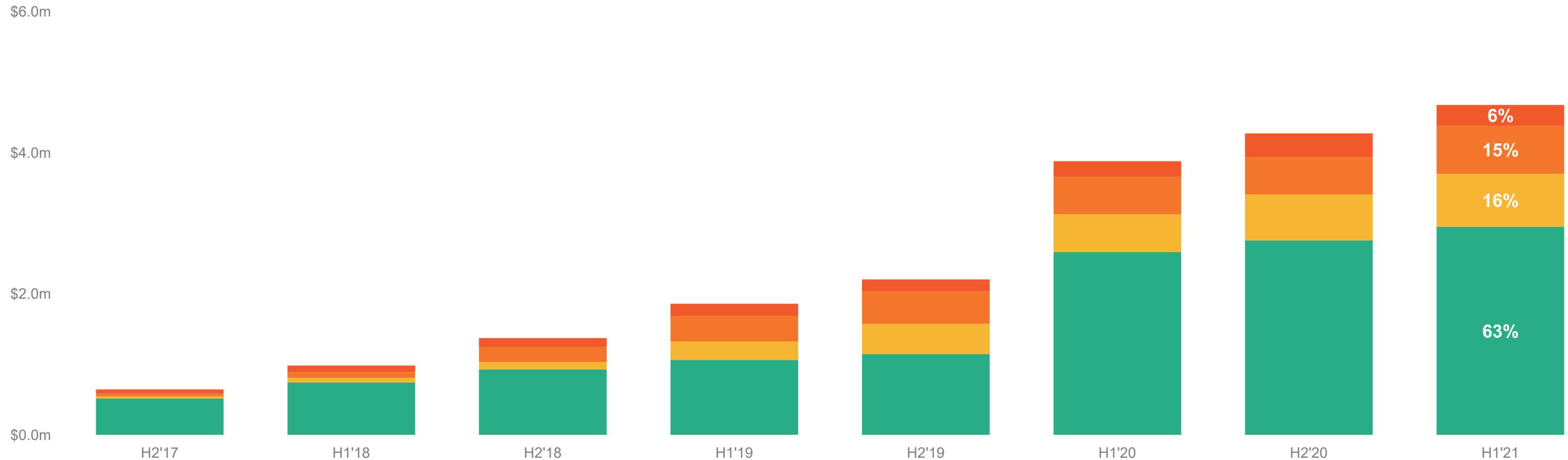
Account Fees and Underlying Issuer Fees are current as per PDS dated 21st January 2021
Active Customers as at 31st December 2020

Solid revenue growth from increasingly diverse base



Raiz delivered 19.6% growth in micro investment platform revenue on PCP, driven by increases in active customers and fees per customer

Micro Investment Platform Revenue (\$m)



Maintenance Fee	Account Fee	Advertising	Netting
<ul style="list-style-type: none"> A monthly Maintenance Fee is charged for active account balances of less than \$10k, this fee varies based on the type of portfolio a customer selects 	<ul style="list-style-type: none"> A fee of 0.275% p.a. is charged on account balances equal to or greater than \$10k (\$20k for customers in Custom Portfolio) Account fee is charged on all balances for Sapphire Portfolio 	<ul style="list-style-type: none"> 270 rewards partners that pay to advertise on the Raiz platform, emails and mobile push messaging Advertisers create loyalty by investing cash back into Raiz accounts or as a voluntary contribution into Raiz Invest Super Accounts 	<ul style="list-style-type: none"> 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

Profit & Loss

To be read in conjunction with the Raiz Invest Limited (and controlled entities) Financial Report for the half year end 30 Dec 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 \$655,000 (H120 loss \$973k – reduced 33%).

\$000's (extract)	H1'20	H2'20	H1'21	% vs H1'20	% vs H2'20	Comments
Micro Investment Platform	3,921	4,256	4,690	20%	10%	Increasing active customers and revenue per customer
Other revenue	541	1,087	531	-2%	-51%	Instreet corporate authorised representative fees, plus rent
Group Revenue	4,462	5,343	5,221	17%	-2%	
Other Comprehensive Income	365	119	472	29%	297%	
Employee benefits expense	-1,876	-1,879	-1,936	3%	3%	Flat despite customer growth, highlighting scalability of the platform
Sales and administrative expense	-1,723	-1,714	-1,918	11%	12%	Includes transaction, monitoring, onboarding costs plus KYC
Professional fees	-637	-627	-539	-15%	-14%	
Marketing expenses	-686	-772	-1,414	103%	83%	Increase in Asian marketing with Indonesia and Malaysia now live
Other expenses	-1,249	-1,390	-1,433	15%	3%	
EBITDA (Loss)	-1,344	-920	-1,547	15%	68%	Reflects increased investment in Asian growth
Finance cost	-26	-22	-22	-15%	0%	
Depreciation and amortisation expense	-1,143	-1,277	-1,323	16%	4%	
Loss before Income tax	-2,513	-2,219	-2,892	15%	30%	
Tax (expense)/benefit	-53	-116	-11	-79%	-91%	
Loss After Income tax	-2,566	-2,335	-2,903	13%	24%	
Exchange differences on translation of foreign operations	-	-109	-148		30%	
Total comprehensive income (loss) for the half-year	-2,566	-2,444	-3,051	19%	25%	\$655k loss after adding back non-cash items
Non-controlling interest	-139	-234	-656	372%	180%	Asian JV partners share of losses. Indonesia 20%, Malaysia 30%
Loss attributable to owners of parent entity	-2,427	-2,101	-2,247	-7%	7%	

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Group Strategy

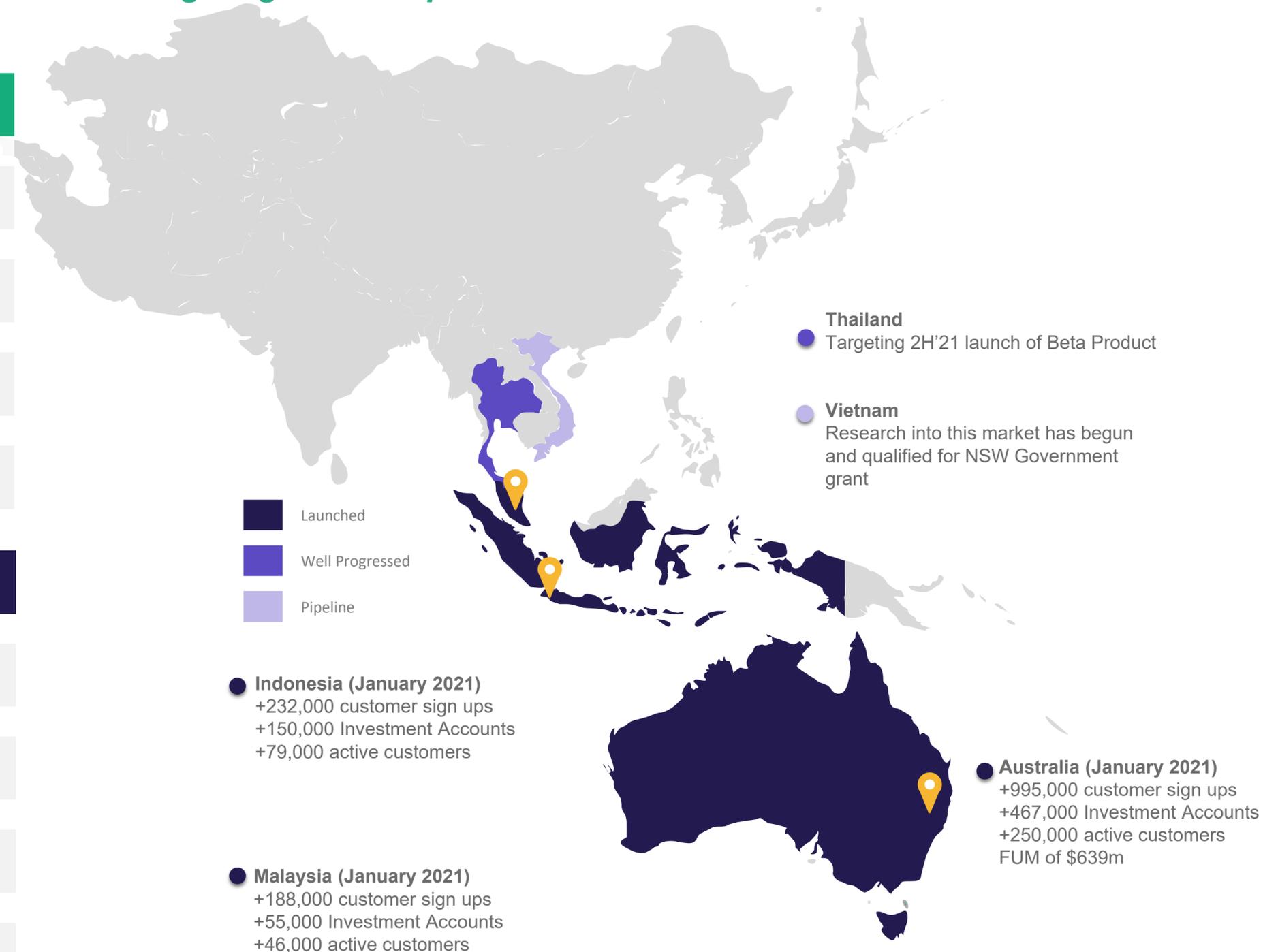
Raiz continues to expand into multiple geographies and increasing its global footprint

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 current opportunities in Thailand and Vietnam



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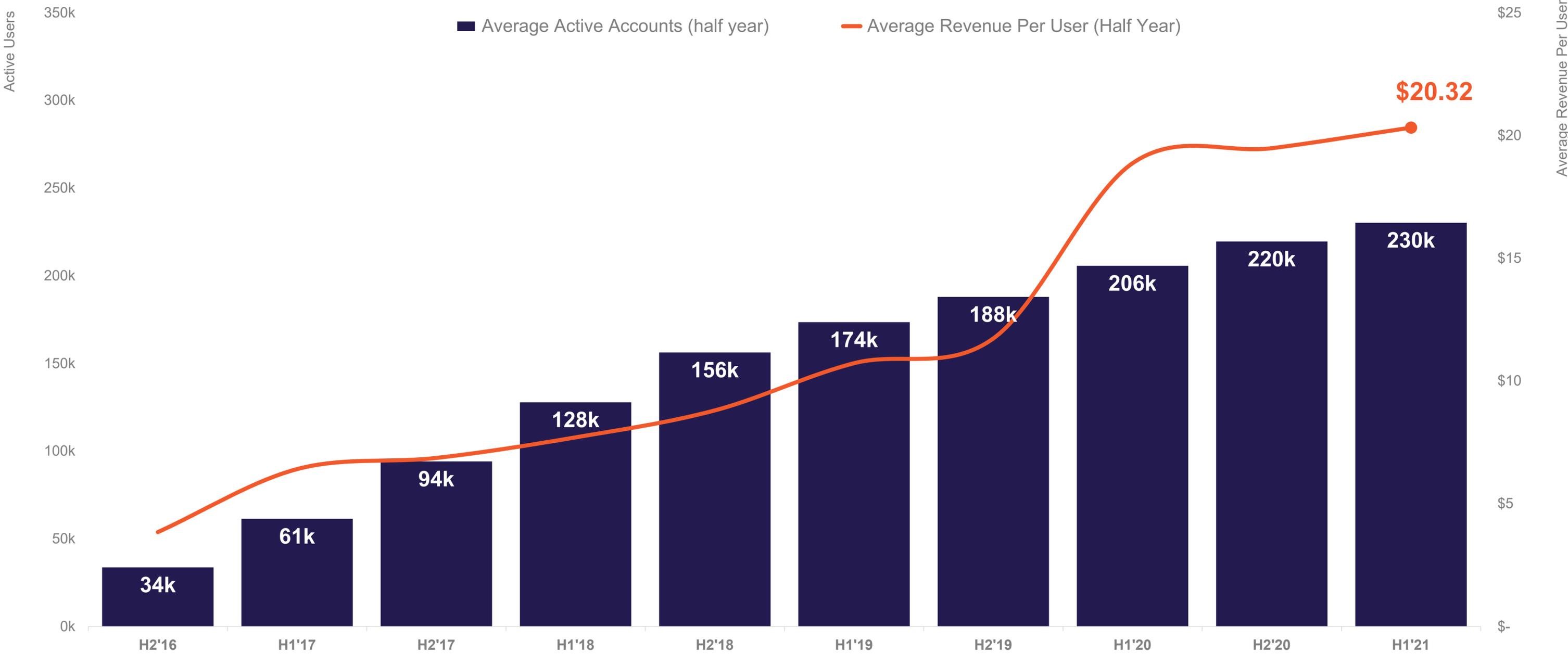
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Raiz business model is a function of growth of active customers and revenue per customer



Active Customers continue to grow

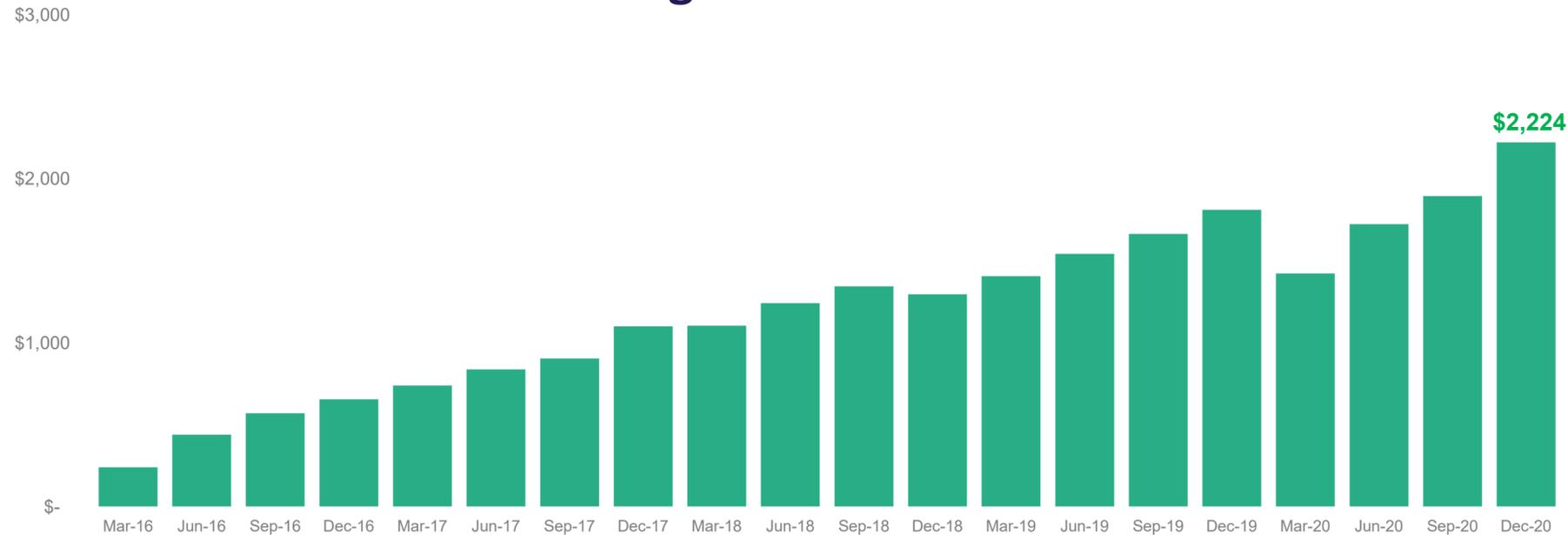


*Average revenue per active customer calculated as total micro investment platform revenue for the half-year divided by average active customers in the half-year

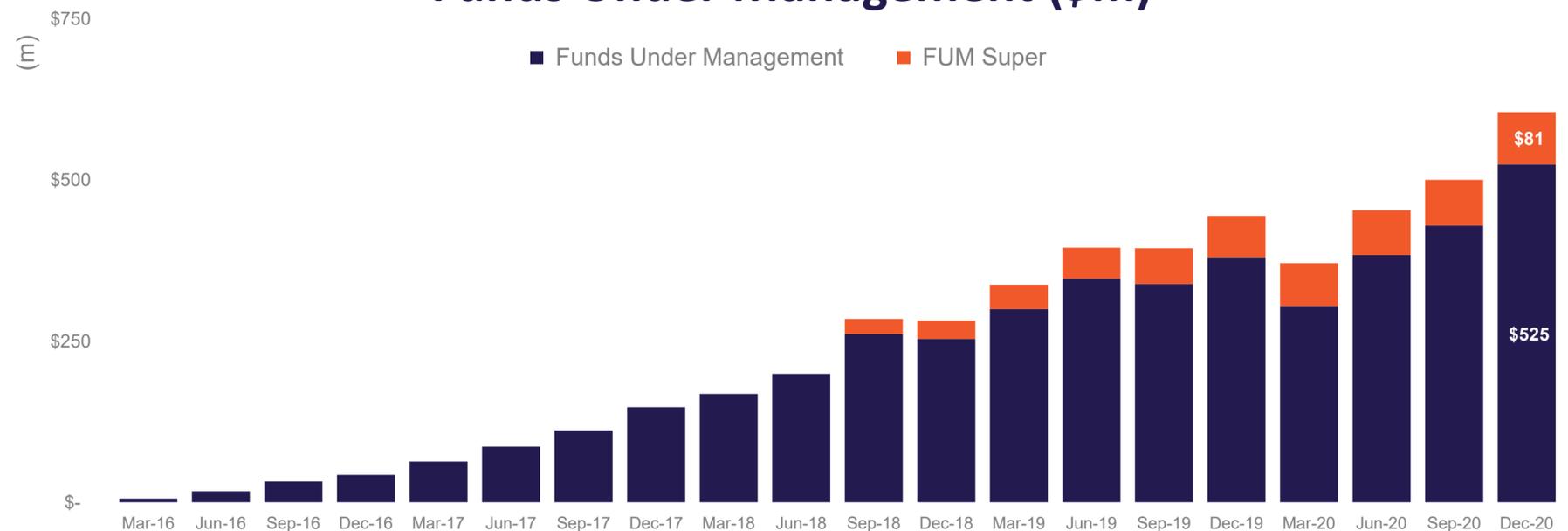
Australian Micro investing platform growth

Invest spare change, starting from as little as \$5, with no brokerage fee

Average Account Balance



Funds Under Management (\$m)

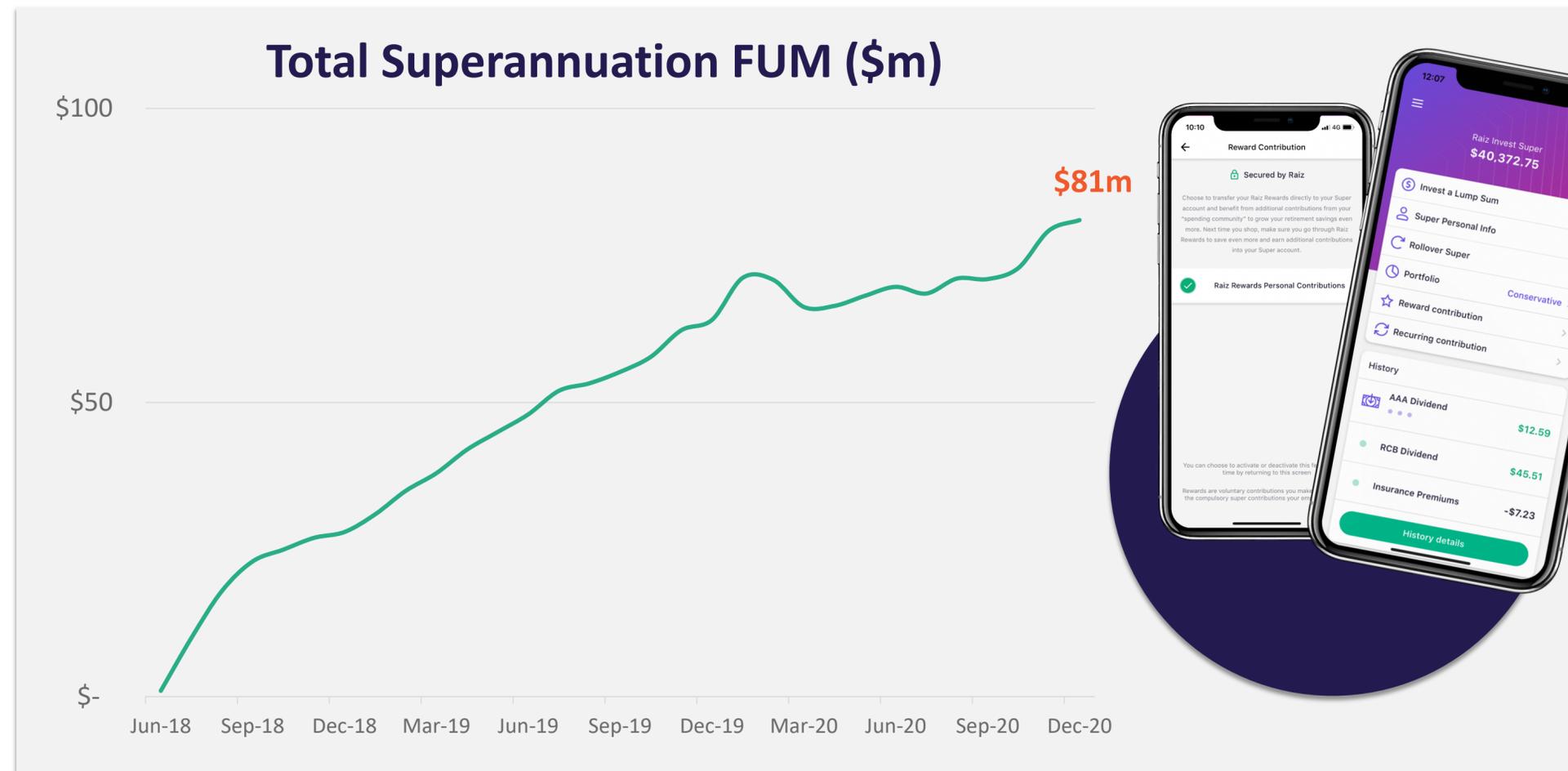


- Continued growth in average account balances to \$2,224 (H1'20: \$1,813) despite market uncertainty created by COVID
- FUM increased by 33.5% to +\$605m from 30 June 2020
- 58% of FUM is comprised of account balances of >\$10,000
- Continued growth in Raiz Super, now with \$81m invested, up 26.5% on PCP
- Additional product offerings underpinning continued revenue growth in FY'21 and beyond



Raiz Super has grown rapidly in 24 months

- Since launching in July 2018, Raiz Invest Super FUM has grown to \$81m at H1'21 end
- Early Release super saw \$13m withdrawn between 1st April 2020 and 31st December 2020
- Customers can contribute to Raiz Invest 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 their portfolio performance and investment history all from their mobile phone
- Raiz Invest Super is marketed to existing database producing a low cost of acquisition

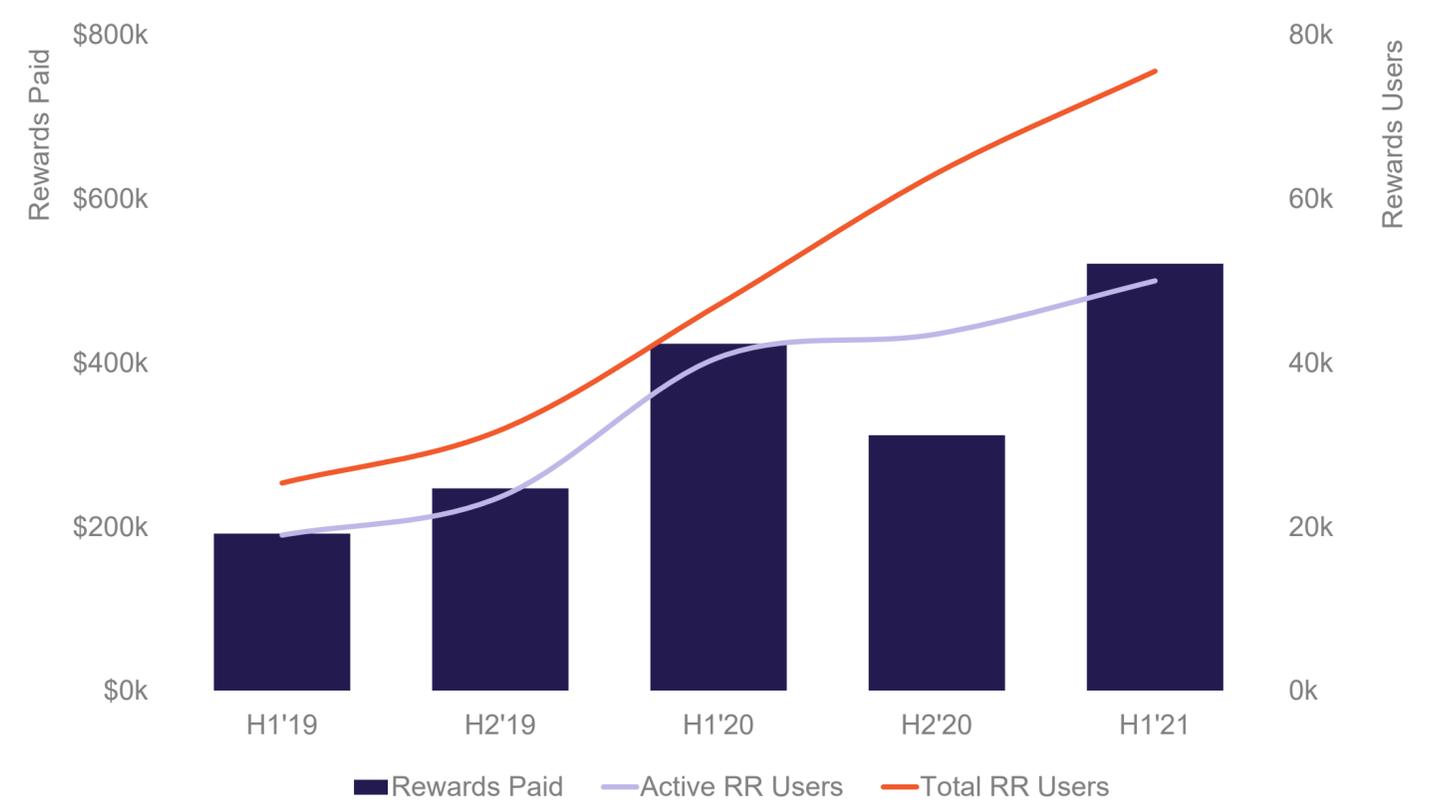
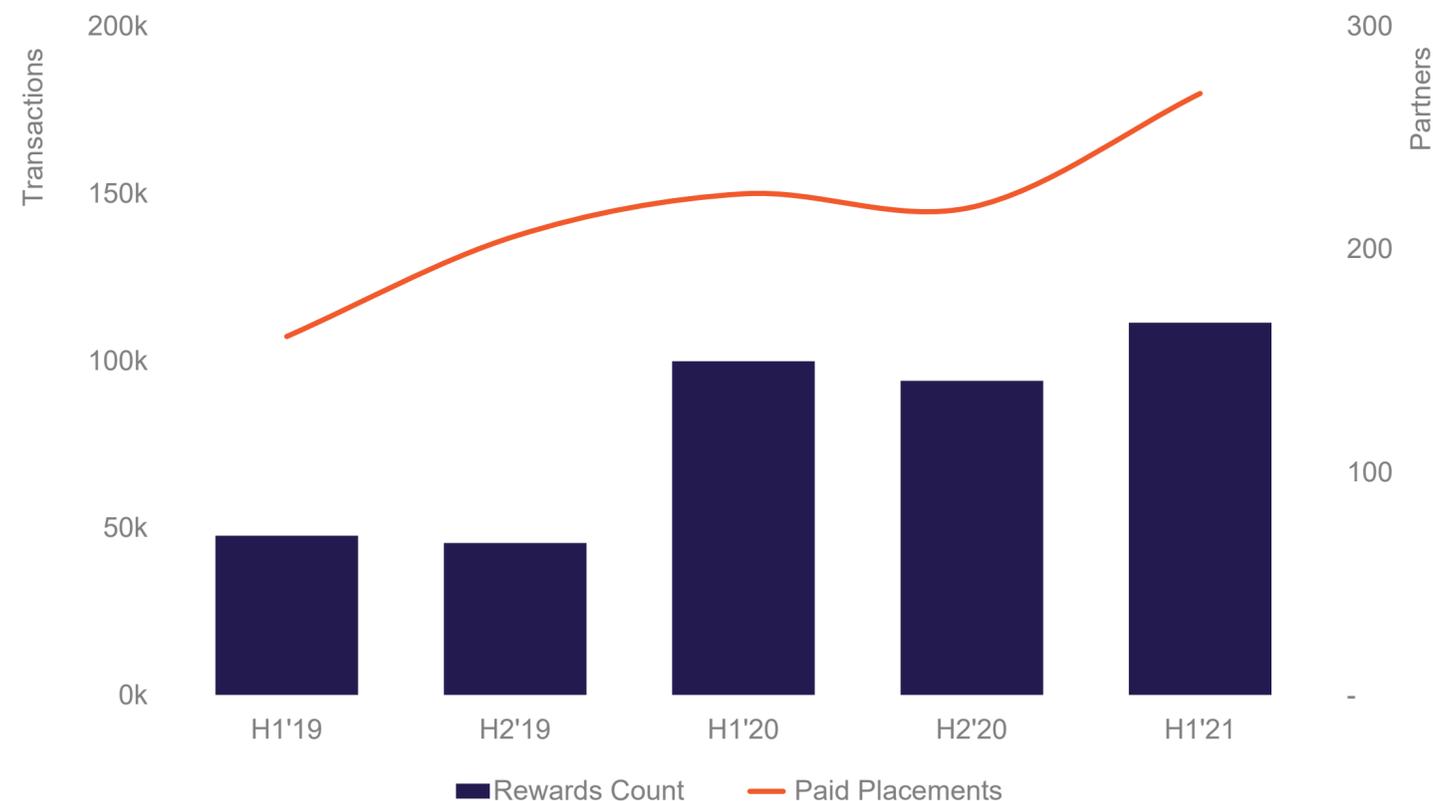


Raiz Rewards

Raiz Rewards revenue was initially affected by the onset of COVID but this is now continuing to improve, advertising revenue grew to \$0.7m in H1'21 +28% on both PCP and H2'20 respectively

- Raiz Rewards is a loyalty program allowing users to generate cash invested into their Raiz Invest and Raiz Invest Super Accounts via partnership brands:
 - Users can access Raiz Rewards feature through Raiz mobile app or website;
 - User is redirected to the retailers site to make purchases, with Raiz receiving a margin on each transaction

Select Rewards Partners

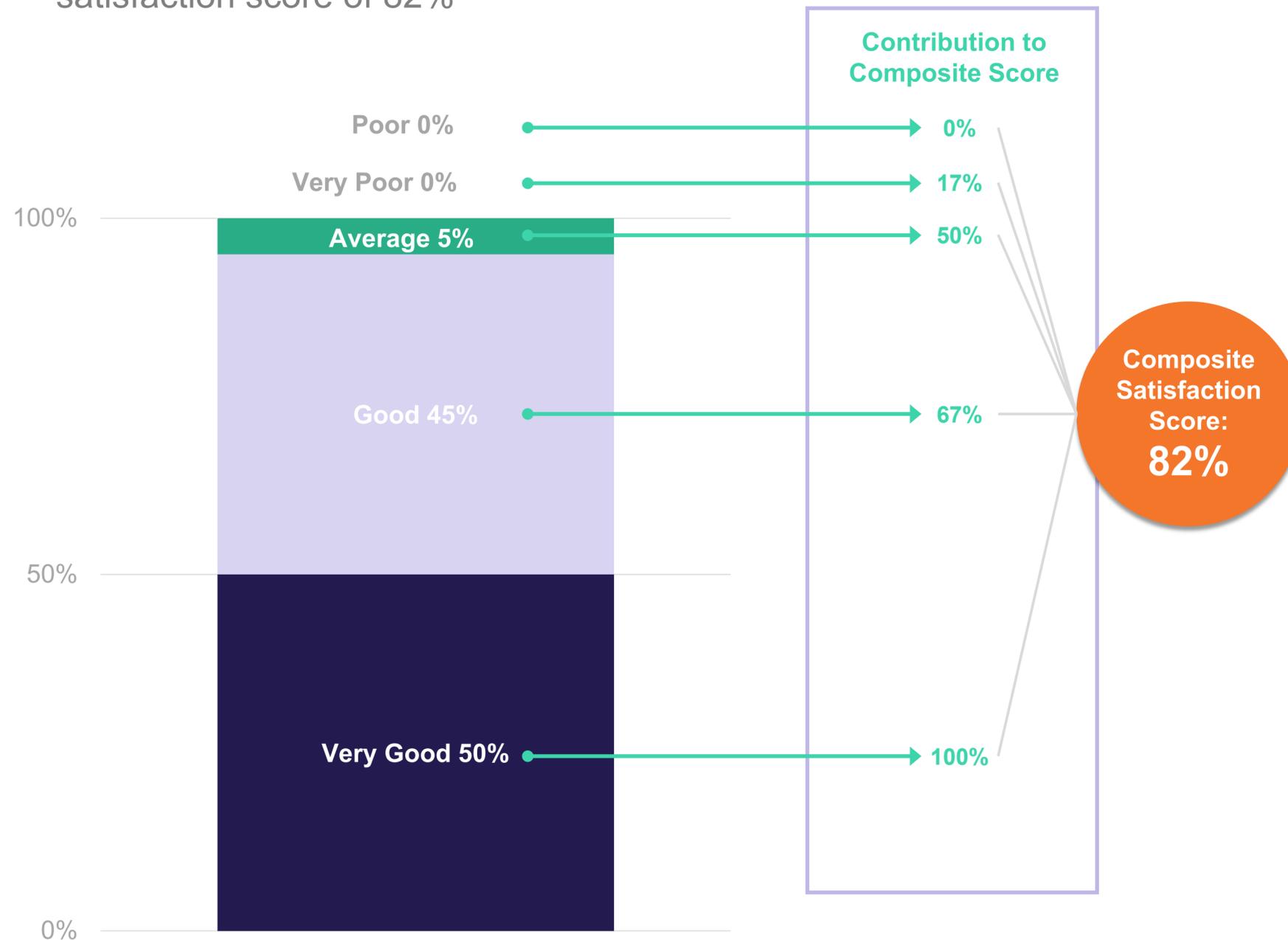


Raiz Customers – Survey Results

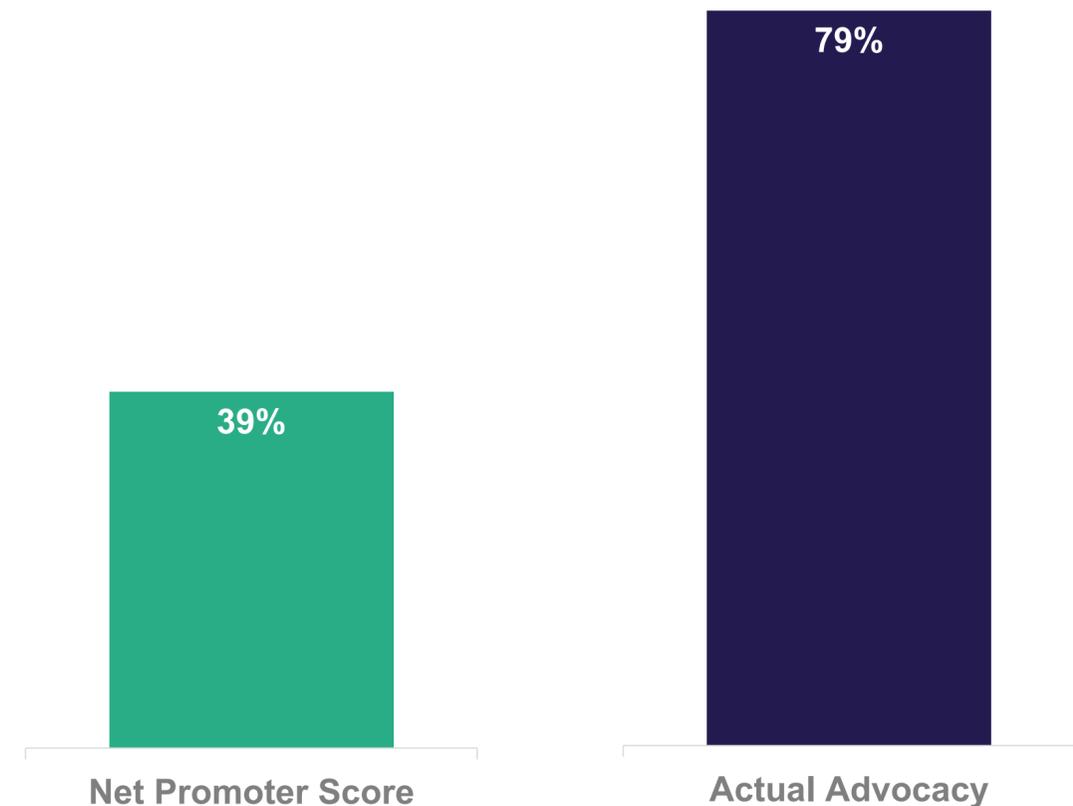
Raiz customers appear to have a very high level of satisfaction because they are very likely to recommend Raiz to others

- Half of our customers rate their overall satisfaction as ‘**very good**’ and 45% rate it as ‘**good**’ – equating to a composite satisfaction score of 82%

- Customers are likely to recommend Raiz. Raiz has a high **Net Promoter Score (NPS)** and very high actual advocacy



% of users who say they recommend Raiz in the last 12-months

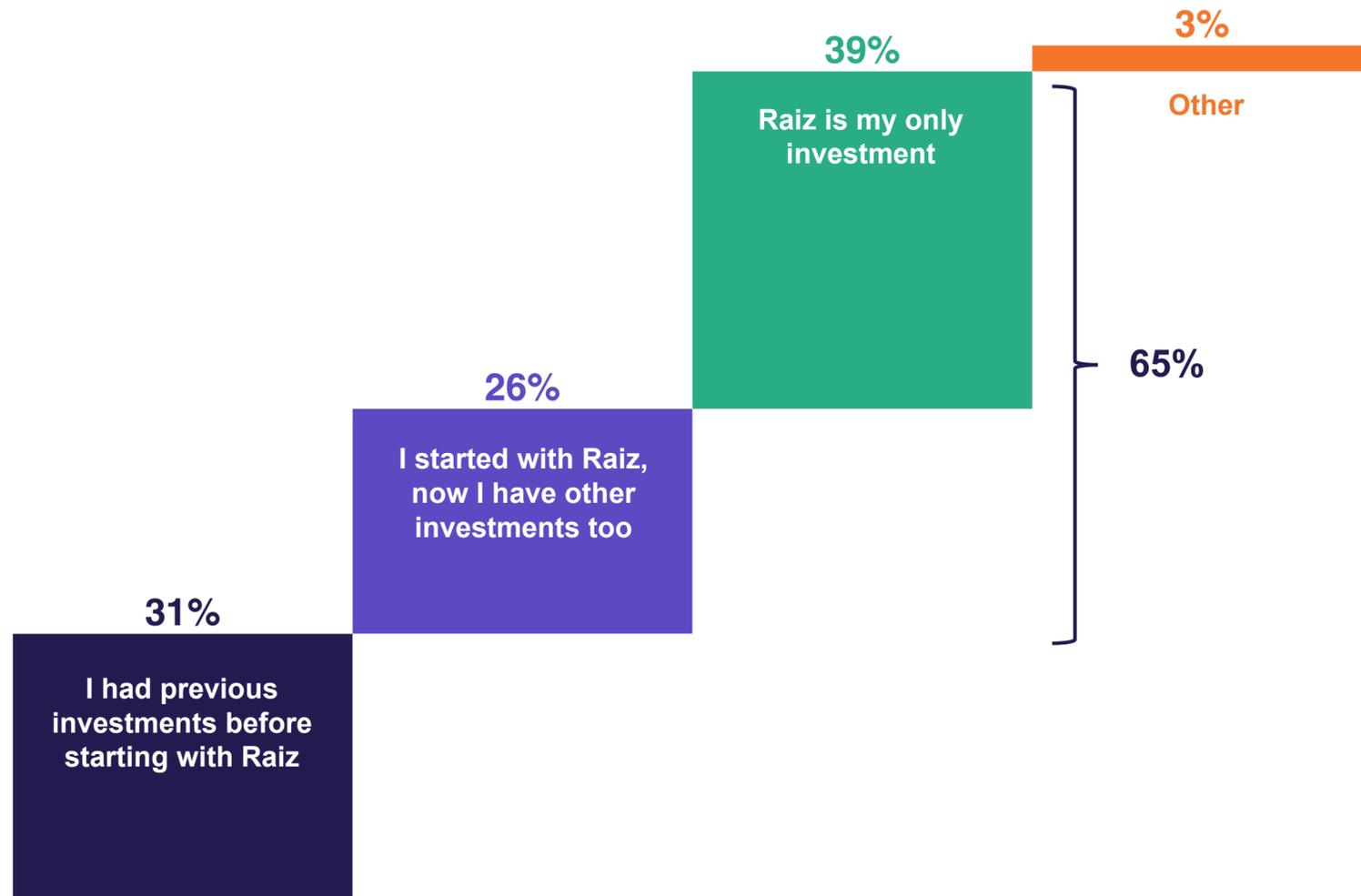


Source: Investment Trends. November 2020 Raiz Client Satisfaction Report

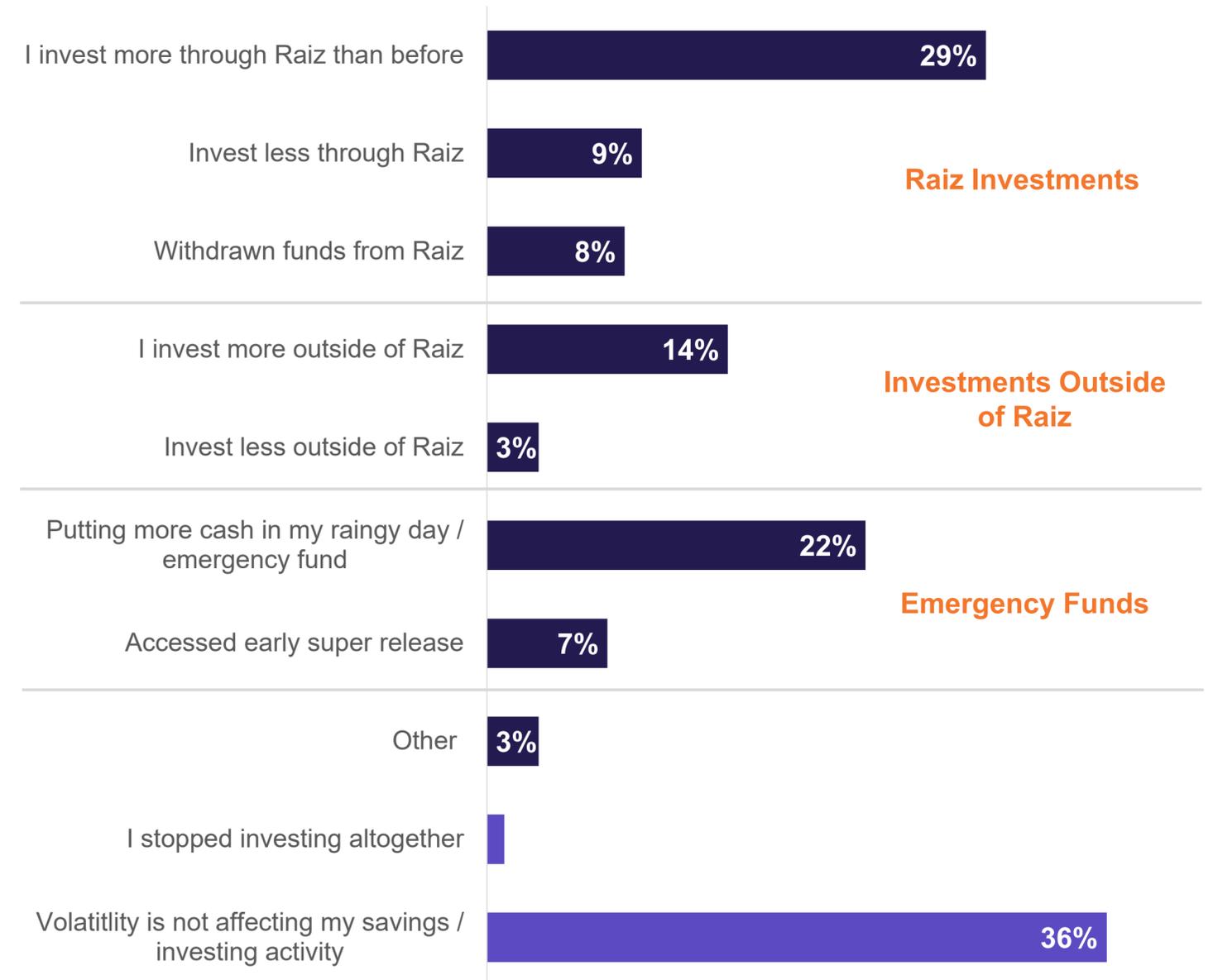
Raiz Customers – Survey Results

Many Raiz customers started their investing journey with us, we have focussed on engaging strongly with our customers

- Two thirds of Raiz users (65%) started their investing journey with Raiz, with 39% currently using Raiz as their sole investing vehicle.



- Impact of market volatility on savings and investing activity.



Source: Investment Trends. November 2020 Raiz Client Satisfaction Report

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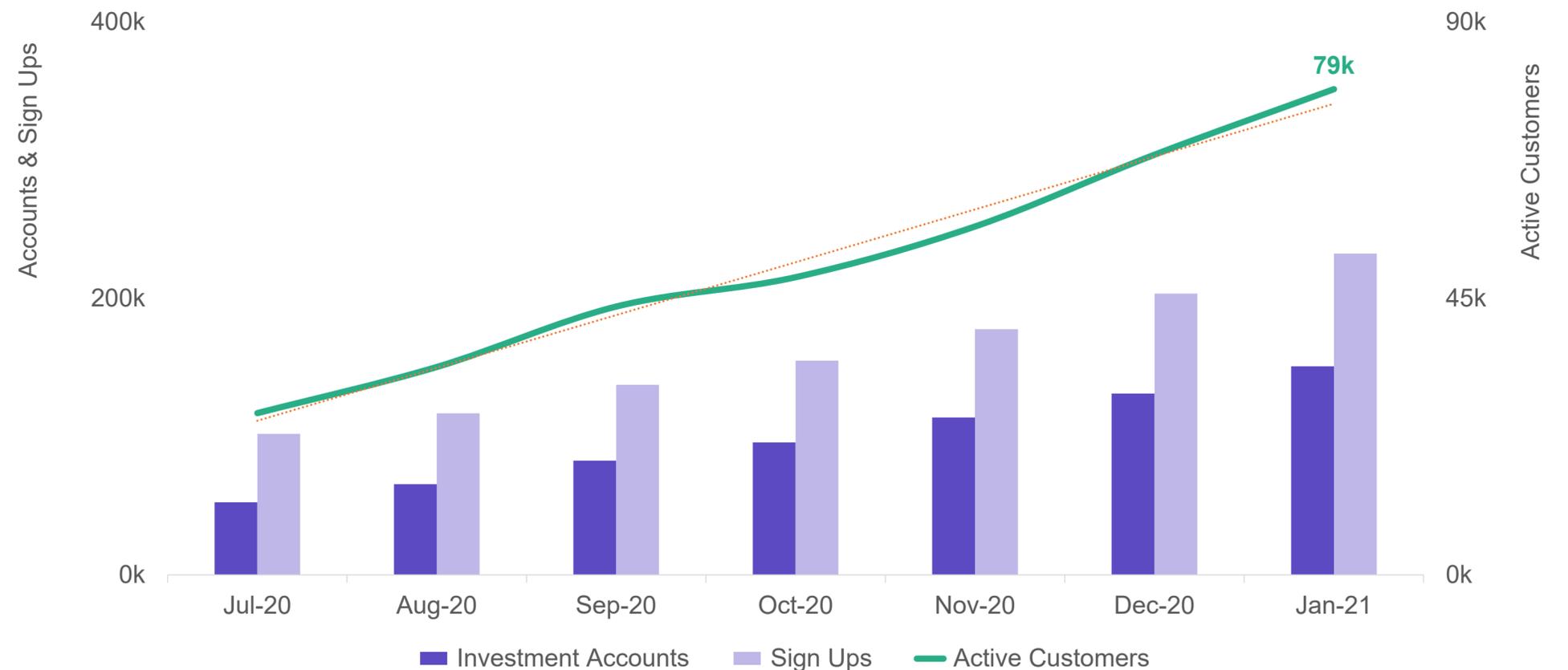
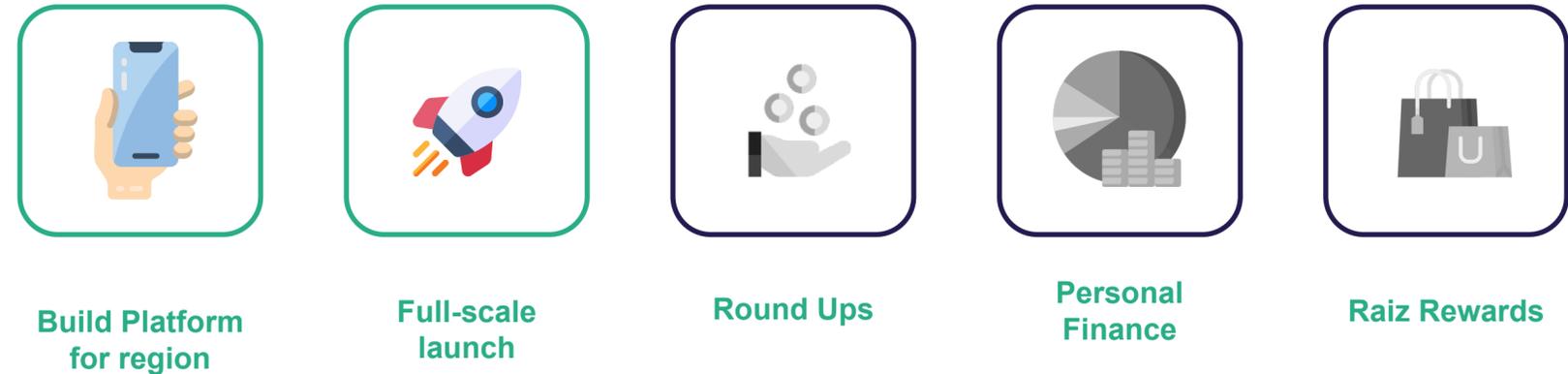


Raiz Invest Indonesia

Focus on user sign ups to accelerate growth

- Over 79,000 active customers as at January 31 2021
- Due to different culture and level of wealth Raiz has introduced a Rp. 3,000 (~AU\$0.30) deposit transaction fee in Indonesia
- Raiz makes a percentage FUM fee on all accounts
- Increased marketing spend in CY'21 to accelerate growth
- In discussions with partners to offer additional financial products through the Raiz platform
- JV has been established to deliver new insurance products and services via the Raiz Indonesian platform

Strategic Pathway



Raiz Invest Malaysia

Focus on user sign ups to accelerate growth

- Over 46,000 active customers as at January 31 2021
- Targeted sign ups of 60,000 for Dec 2020 was far exceeded, with 162,000 sign ups achieved.
- Jan 2021 exclusivity with Maybank finished, enabling Raiz to access more banks for customer sign ups
- Raiz Kids introduced to the Malaysian market
- Working with our JV partner to deliver new portfolio into the Malaysian Raiz app in the next couple of quarters
- Working on delivering a Bahasa version of the Raiz App into the Malaysian market
- Planning at launching Raiz Rewards in Malaysia when approaching 80,000 paying customers

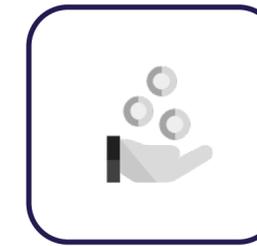
Strategic Pathway



Build Platform for region



Full-scale launch



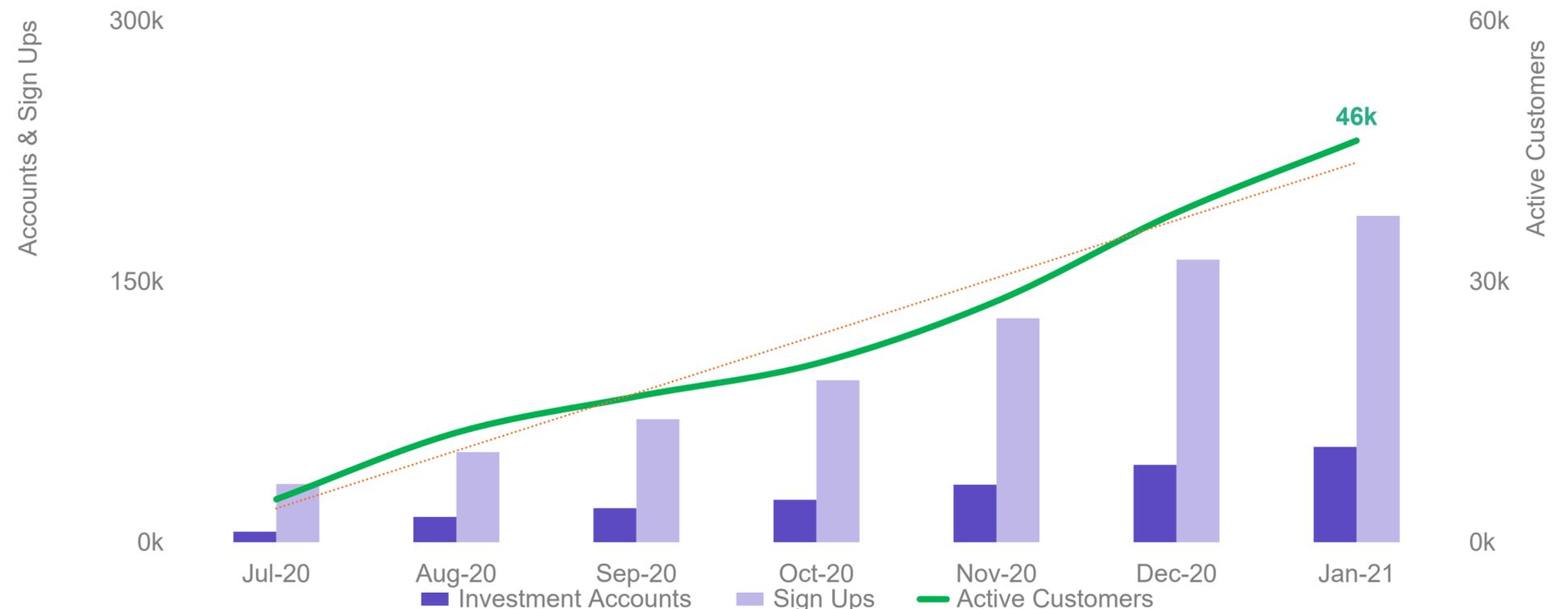
Round Ups



Personal Finance



Raiz Rewards



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FY'21 Focus Areas

Raiz strategy remains the same - focusing 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 at a low cost of customer acquisition globally



➤ Increase 'Lifetime Value of Customers' through new products and services globally



➤ Drive customer start-up growth in Indonesia and Malaysia, prepare Thailand for launch, and research Vietnam market



➤ 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



➤ Continue to execute on the existing strategy that has provided growth in customers and revenue from a highly engaged customer base with opportunity to cross sell new product to increase LTV of a customer



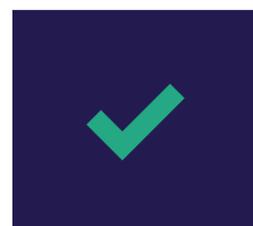
➤ A well-established end-to-end technology platform, with multiple and diverse revenue streams across savings, investing, superannuation, spending and advertising



➤ 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 Southeast Asia with high mobile penetration, large populations and a rapidly growing middle class

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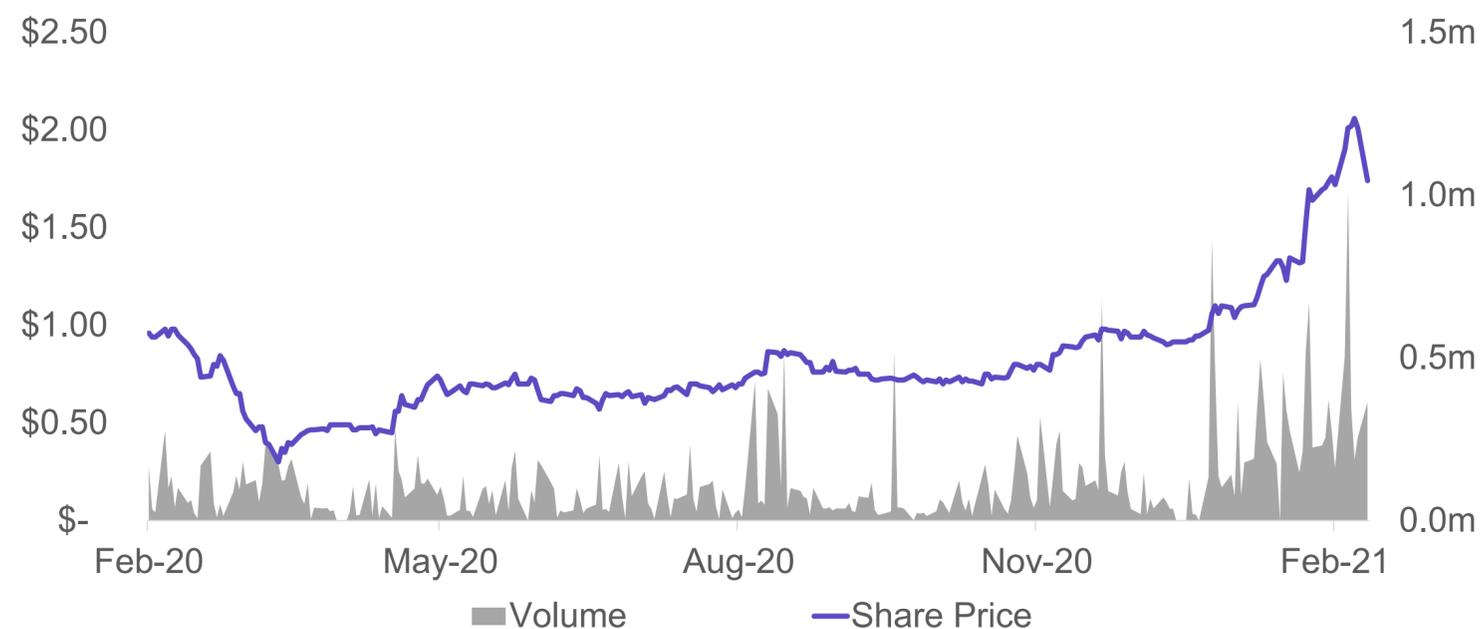
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Raiz – Market Stats



Share Price & Volume



Top Shareholders ¹		Shares	(%)
1	George Lucas & Related Entities	6.8m	9.0%
2	Acorns Grow Incorporated	5.8m	7.8%
3	HSBC Custody Nominees	5.2m	6.9%
4	Peter Anthony Fay & Related Entities	3.1m	4.1%
5	CitiCorp Nominees	2.4m	3.2%
Top 10		32.1m	42.8%
Top 20		43.0m	57.3%

Capital Structure

Shares on Issue ¹	75.0m
Share Price ¹	\$1.90
12 month Range ¹	\$2.20 - \$0.30
Market Cap ¹	\$142.0m
Net Cash & term deposits 31 Dec 2020	\$11.3m

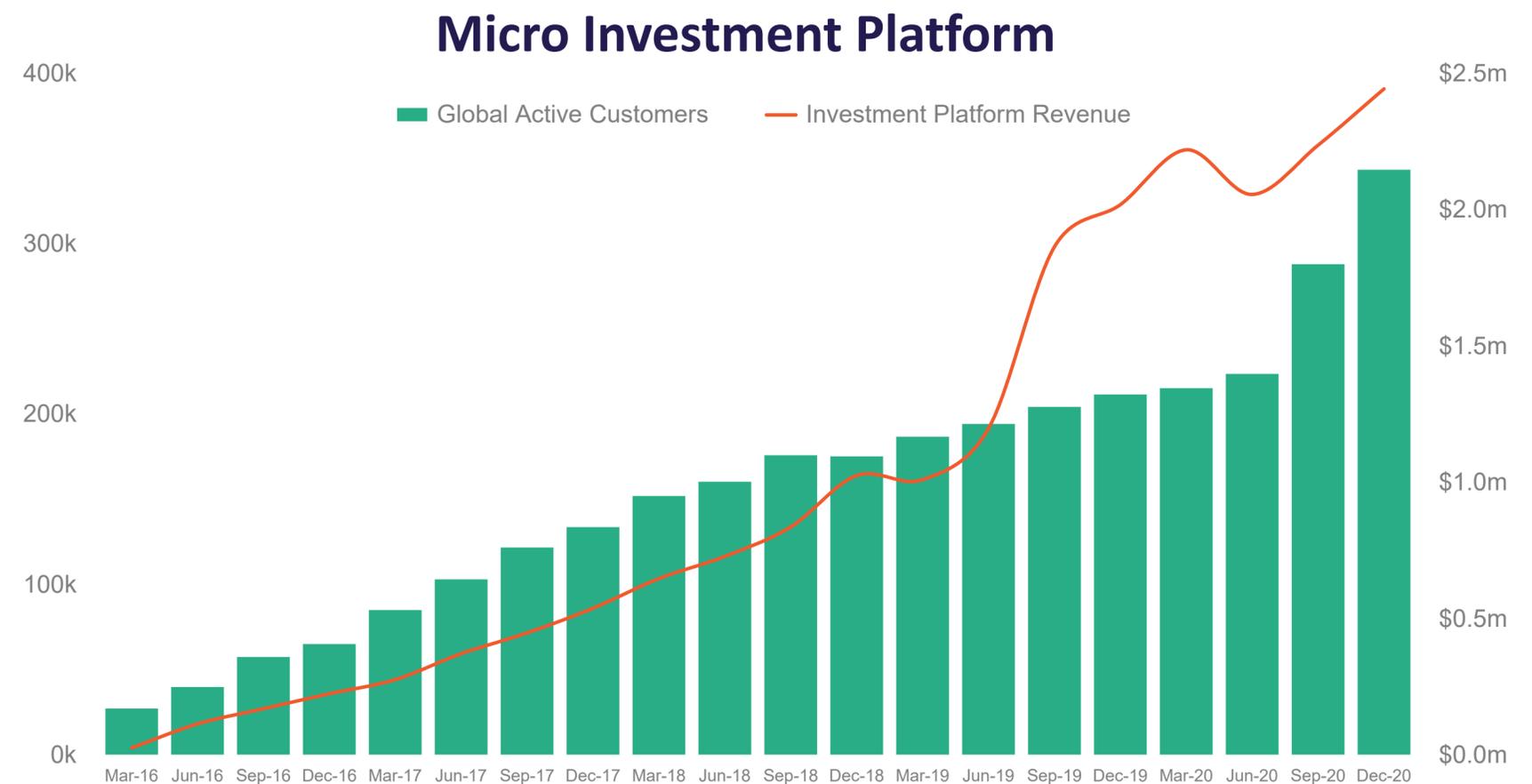
¹As at 23 February 2021

Statement of Cashflows

To be read in conjunction with the Raiz Invest Limited (and controlled entities) Financial Report for the half-year end 31 Dec 2020

\$000's (extract)	H1'20	H1'21
Receipts from customers	4,708	5,555
Payments to suppliers and employees	-6,115	-6,903
Finance cost paid	-26	-20
Government grants and tax incentives	697	999
Net Operating Activities	-736	-369
Payments for short term deposits	-7,000	-
Payment for intangible assets	-839	-886
Payment for fixed assets	-22	-86
Net Investing Activities	-7,861	-972
Proceeds from Capital raising	7,504	-
Share issue costs	-414	-
Repayment of borrowing from related parties	-89	-38
Principle payment for leases	-202	-270
Net Financing Activities	6,799	-308
Net increase/(decrease) in cash and cash equivalents	-1,798	-1,649
Cash and cash equivalents at the beginning of the Period	6,815	12,900
Foreign exchange on cash balance	0	-126
Cash & cash equivalents at year end	5,017	11,125

- Australian business continues to be cash flow positive
- Continue focus on costs and driving revenue per/customer
- Sufficient capital to deliver on strategy in Southeast Asia



Note: The Group has a total of \$11.3m cash and term deposits as at 31 December 2020

Statement of Financial Position

To be read in conjunction with the Raiz Invest Limited (and controlled entities) Financial Report for the half-year end 31 Dec 2020

\$000's (extract)	FY'20	H1'21	Comments
Assets			
Cash and cash equivalents	12,900	11,125	50bps of FUM required to be held for regulatory capital – approx. \$3.5m - Capped @ \$5m.
Trade and other receivables	790	938	
Other Financial assets	573	602	Including cash held in term deposits
Other assets	127	212	Prepayments and deposits
Total Current Assets	14,390	12,877	
Property, plant and equipment	119	180	
Right-of-use assets	517	779	AASB 16 - Lease (see Financial report)
Deferred tax assets	589	476	
Intangible assets	19,974	19,302	Goodwill and Intangible assets
Total Non-Current Assets	21,199	20,737	
Total Assets	35,589	33,614	
Liabilities			
Trade and other payables	1,927	2,535	
Current lease liabilities	415	419	AASB 16 - Lease (see Financial report)
Provisions	237	331	
Total Current Liabilities	2,579	3,285	
Trade and other payables	249	212	
Deferred tax liabilities	843	741	
Non-current lease liabilities	136	358	AASB 16 - Lease (see Financial report)
Provisions	47	65	
Total Non-Current Liabilities	1,275	1,376	
Total Liabilities	3,854	4,661	
Total Equity	31,735	28,953	

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