raiz™

A mobile-led financial services platform

H1’20 Investor Presentation
February 2020



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The Raiz Platform

Raiz Invest

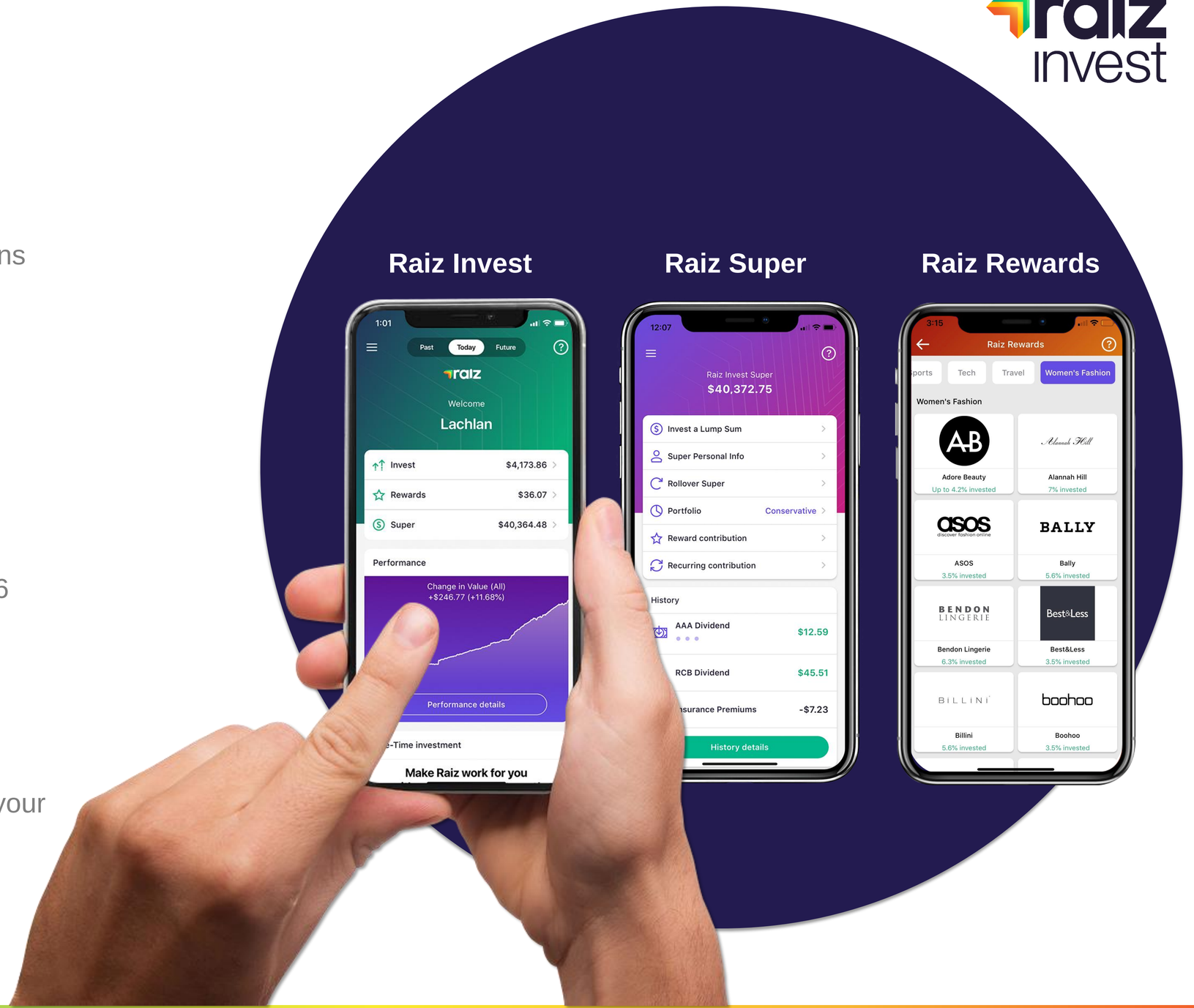
- Micro investment platform with 6 portfolio options in risk weighted ETF’s via:
  - Lump sum deposits
  - Recurring deposits
  - Round-up transactions

Raiz Super

- Invest superannuation on the Raiz Platform in 6 risk weighted portfolios

Raiz Rewards

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



Continued Product Innovation in 2020



Raiz bundll

- A digital card that enables eligible Raiz customers to use funds in their account to pay for everyday expenses, interest free
- Raiz customers can link their Raiz Invest account to a co-branded bundll MasterCard, enabling them to purchase goods and/or services anywhere MasterCard is accepted



Raiz Insure

- An insurance platform that provides customers with the option of insuring single items
- The ability to insure single items is another vehicle where Raiz customers may save money and manage cash flow risk
- Users simply insure items regardless of age and receive a quote online. Raiz users will also earn Raiz Rewards, which can be invested back into their Raiz Invest or Raiz Super accounts on a monthly basis



iSelf

- Raiz has partnered with iSelf Health Insurance, to provide customers with a simple, and more personalised approach to health insurance
- iSelf is built on making hospital health cover affordable and more accessible to younger people, tailoring policies based on age and good health and removing unnecessary hospital extras
- Issued by registered private health insurer Phoenix Health Fund



Offsetters

- For just $3.70 a month, half a tonne of carbon will be offset each month of their membership
- Offsetters' second community pillar is the funding of a dedicated Australian disaster relief fund. When a natural disaster strikes the Offsetter's community can release these funds to those in need
- Raiz Invest and partners have committed to matching the donation dollar for dollar



Sapphire Portfolio

- The Sapphire portfolio is weighted to Australian and international equities, fixed income and cash as well as including a holding in Bitcoin
- The investment objective of the Sapphire Portfolio is to provide exposure to Bitcoin in a managed way, with a target weighting of 5%

H1’20 Highlights



211,657
+21%[1]

Active Raiz Users



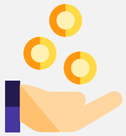
$444.7m
+57%[1]

Funds Under Management



$3.9m
+108%[1]

Revenue from Micro-Investing Platform



$18.9
+76%[1]

Ave. Revenue Per Active Customer in H1’20



+40k

Indonesia Beta App Sign-Ups



$64m
+125%[1]

Raiz Super Invested



$4.5m
+47%[1]

H1’20 Group Revenue



$12.2m

Cash at bank (including term deposits)

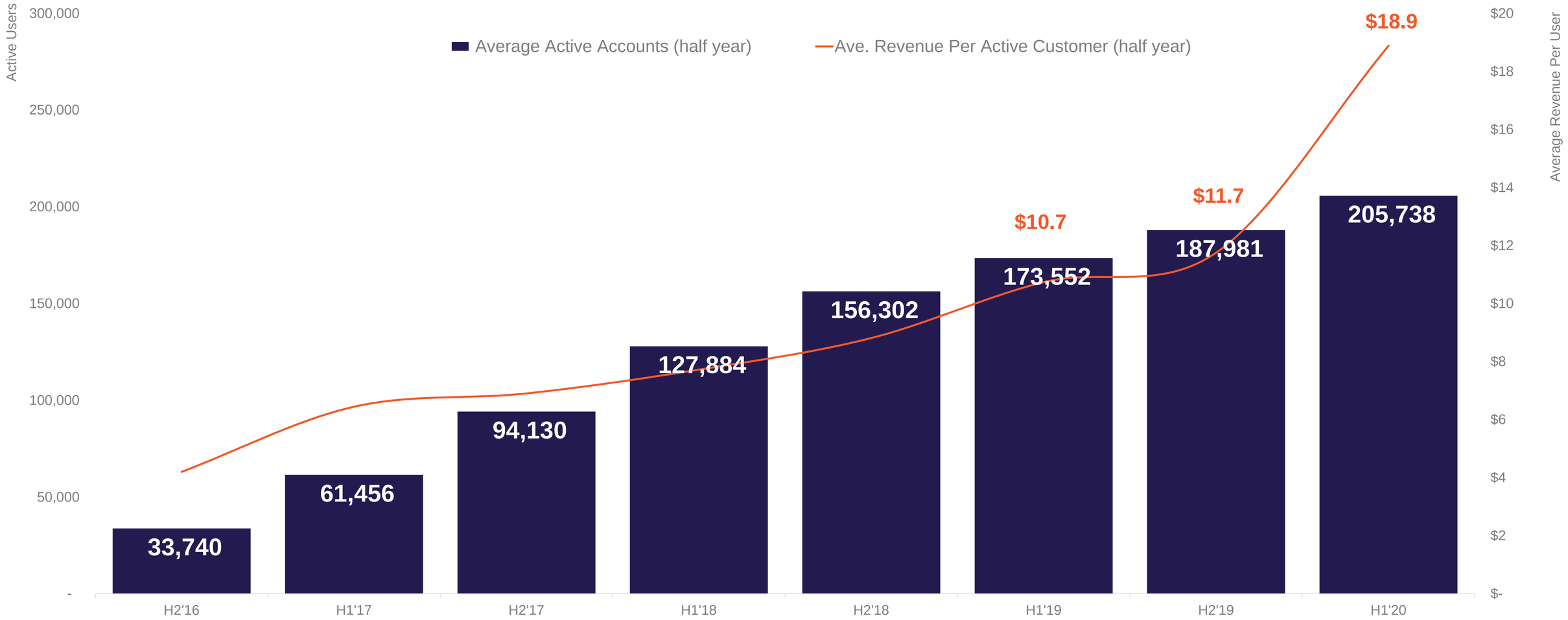
Highlights

- Strong growth in micro investment platform in core Australian market, with Australian platform cashflow positive in last quarter
- The loss after adding back non-cash items amounted to $973,000 (2018: $2,049,000 loss)
- Fee increase:
  - Driving strong growth in Average Revenue Per Active User
  - With minimal impact on churn
- Successful $7.5m capital raising executed to accelerate growth, including the introduction of strategic Indonesian shareholder
- Strong progress in South East Asian expansion:
  - Launch of Beta platform in Indonesia, seeing +40k users
  - Malaysian beta testing to commence in March 2020

[1]*Increase on Previous Corresponding Period (‘PCP’) H1’19*

Raiz business model is not transactional

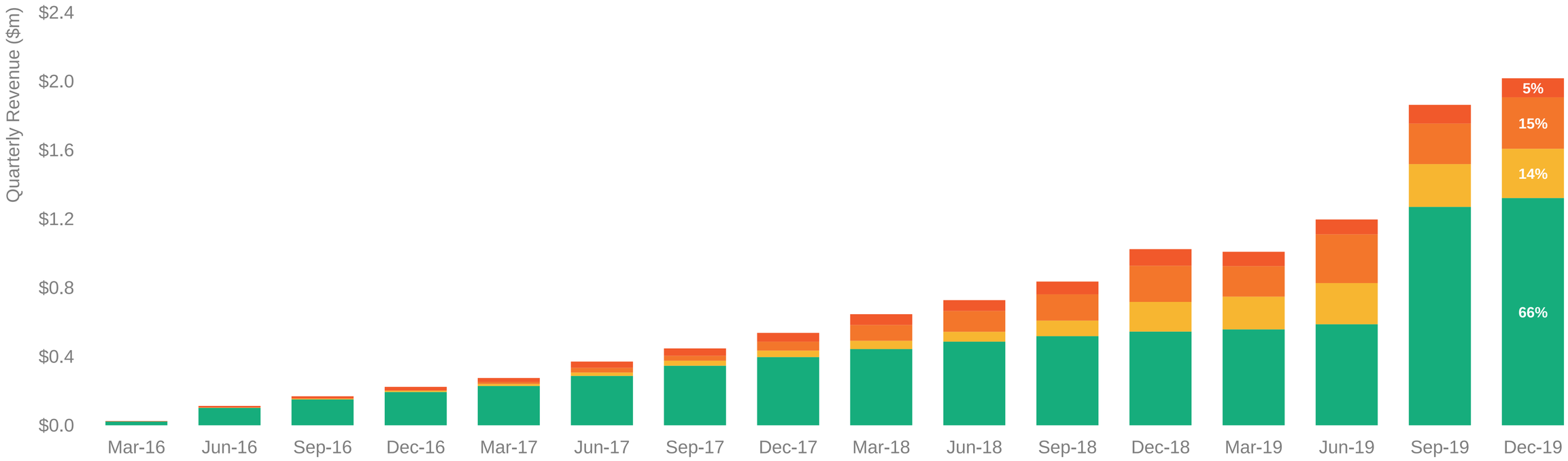
Active Customers grew by 21% on PCP, average revenue per customer grew by 76% on PCP



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

Solid revenue growth from a diverse base

Raiz delivered 108% growth in micro investment platform revenue, driven by increases in active customers and maintenance fees while increasing number of customers

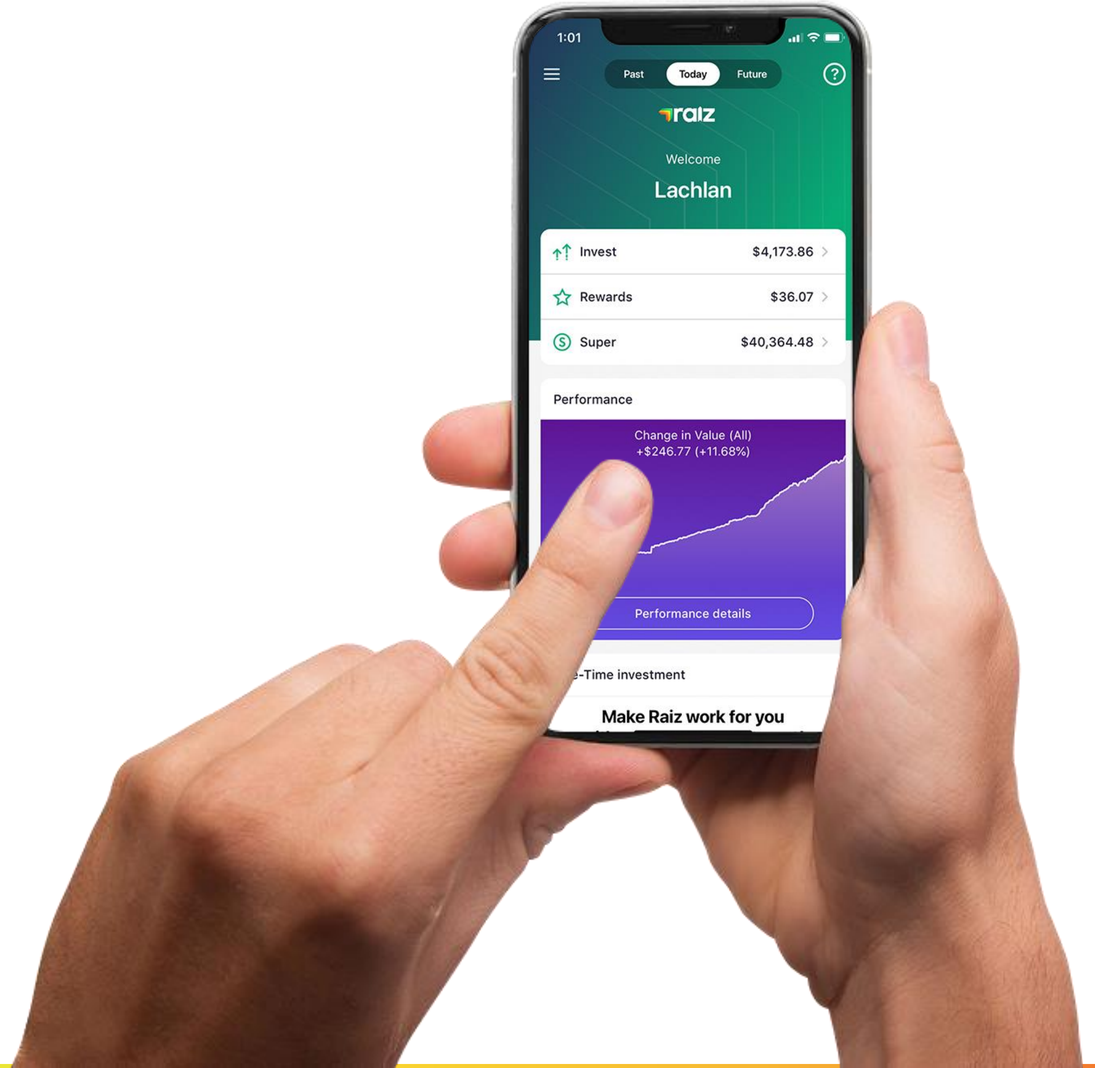


Maintenance Fee	Account Fee	Advertising	Netting
• A monthly Maintenance Fee of $1.25 was charged for active account balances of less than $5k. From the 1st August 2019 this changed to $2.50 for accounts less than $10k.	• A fee of 0.275% p.a. was charged on account balances equal to or greater than $5k. On the 1st August 2019 this changed to a $10k threshold.	• 225 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 in or out of Super.	• 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.

Portfolio returns

Raiz achieved positive returns across all portfolios, above the Chant West Benchmark returns

H1'20	Raiz Portfolio	Chant West Benchmark
Conservative	8.98%	8.30%
Moderately Conservative	12.24%	NA
Moderate	15.20%	11.40%
Moderately Aggressive	18.21%	14.70%
Aggressive	20.51%	17.60%
Emerald	21.84%	14.70%



Profit & Loss

To be read in conjunction with the Raiz Invest Limited (and controlled entities) Financial Report for the half year end 31 Dec 2019

- The consolidated loss attributable to owners of the parent entity after adding back non-cash items such as the cost of the employee share options and amortisation and depreciation amounted to $973,000 (2018: $2,049,000 loss– 53% reduction)

$000's (extract)	H1'19	H2'19	H1'20	*% vs H1'19*	*% vs H2'19*	Comments
Micro Investment Platform	1,889	2,248	3,921	*108%*	*74%*	Increasing active customers and revenue per customer
Other revenue	1,140	950	541	*-53%*	*-43%*	Includes Corporate authorised representative fees, plus rent
Group Revenue	**3,029**	**3,198**	**4,462**	***47%***	***40%***	
Employee benefits expense	-1,775	-1,802	-1,876	*6%*	*4%*	Flat despite customer growth, highlighting scalability of the platform
Sales and administrative expense	-1,199	-1387	-1,723	*44%*	*24%*	Includes transaction, monitoring, onboarding costs plus KYC
Professional fees	-524	-886	-637	*22%*	*-28%*	Ongoing compliance and product development costs
Marketing expenses	-1,148	-926	-686	*-40%*	*-26%*	Revenue increased by 108% despite decline in marketing expenses
Other income & expenses	-910	-947	-884	*-3%*	*-7%*	Includes $300k expense for SE Asian JV's and $365k income for non-capitalised portion of FY'20 grant
EBITDA (Loss)	**-2,527**	**-2,750**	**-1,344**	***-47%***	***-51%***	
Finance cost	0	0	-26	*n/m*	*n/m*	
Depreciation and amortisation expense	-883	-919	-1,143	*29%*	*24%*	
Loss before Income tax	**-3,410**	**-3,669**	**-2,513**	***-26%***	***-32%***	
Tax (expense)/benefit	5	-73	-53	*-1160%*	*-27%*	
Loss After Income tax	**-3,405**	**-3,742**	**-2,566**	***-25%***	***-31%***	
Other Comprehensive Income	-2	2	-	*n/m*	*n/m*	
Total comprehensive income (loss) for the half-year	**-3,407**	**-3,740**	**-2,566**	***-25%***	***-31%***	$973k loss after adding back non-cash items (53% reduction)

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Well defined strategy to deliver growth

Australian Growth Strategy

1	Grow customers
2	Grow revenue per customer through products and services
3	Improve customer engagement to increase longevity
4	Increase Customer Lifetime Value

Asia Growth Strategy

1	Grow customers in Raiz Invest Indonesia
2	Add new products in Indonesia with new partners
3	Launch Raiz Invest in Malaysia
4	Progress current opportunities in Thailand and Vietnam



Indonesia
Secured Mutual Fund Selling Agent licence from OJK
Established office in Jakarta with 7 FTE
App launched in Indonesia with
+100,000 customers signups
+40,000 now using beta app

Malaysia
Finalised JVA with Malaysian Partner
Established office in Kuala Lumpur with 5 FTE
Expected launch Q4 FY'20

Australia
+791,000 customer sign ups
+363,000 Investment Accounts
+211,000 active customers
FUM of $445m

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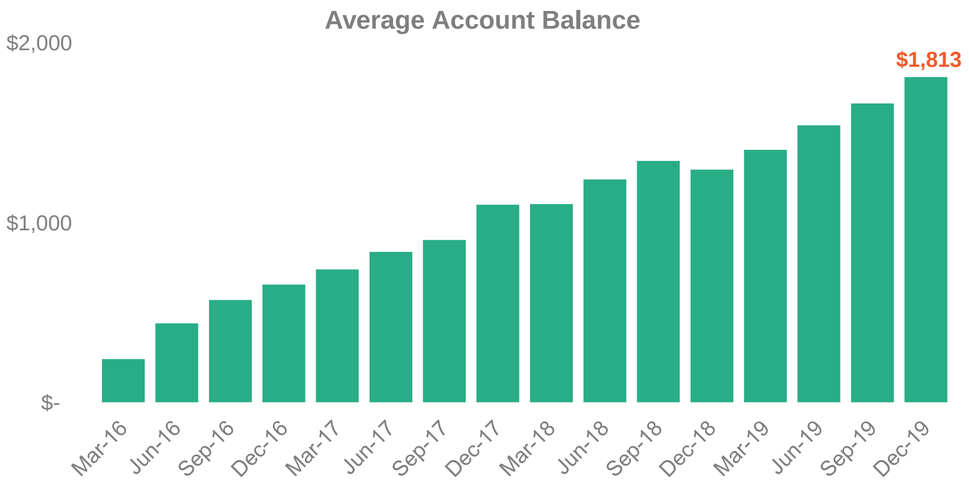
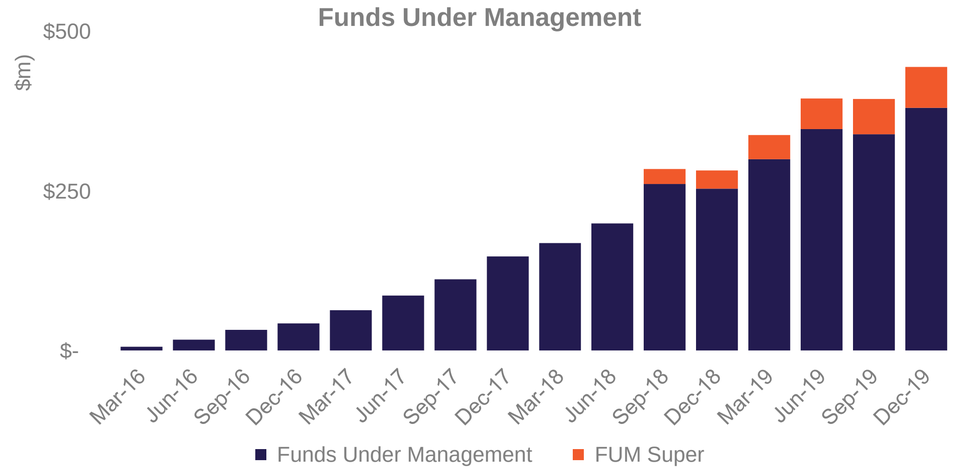
Micro investing platform growth

Invest spare change, with no minimums, no trade commissions

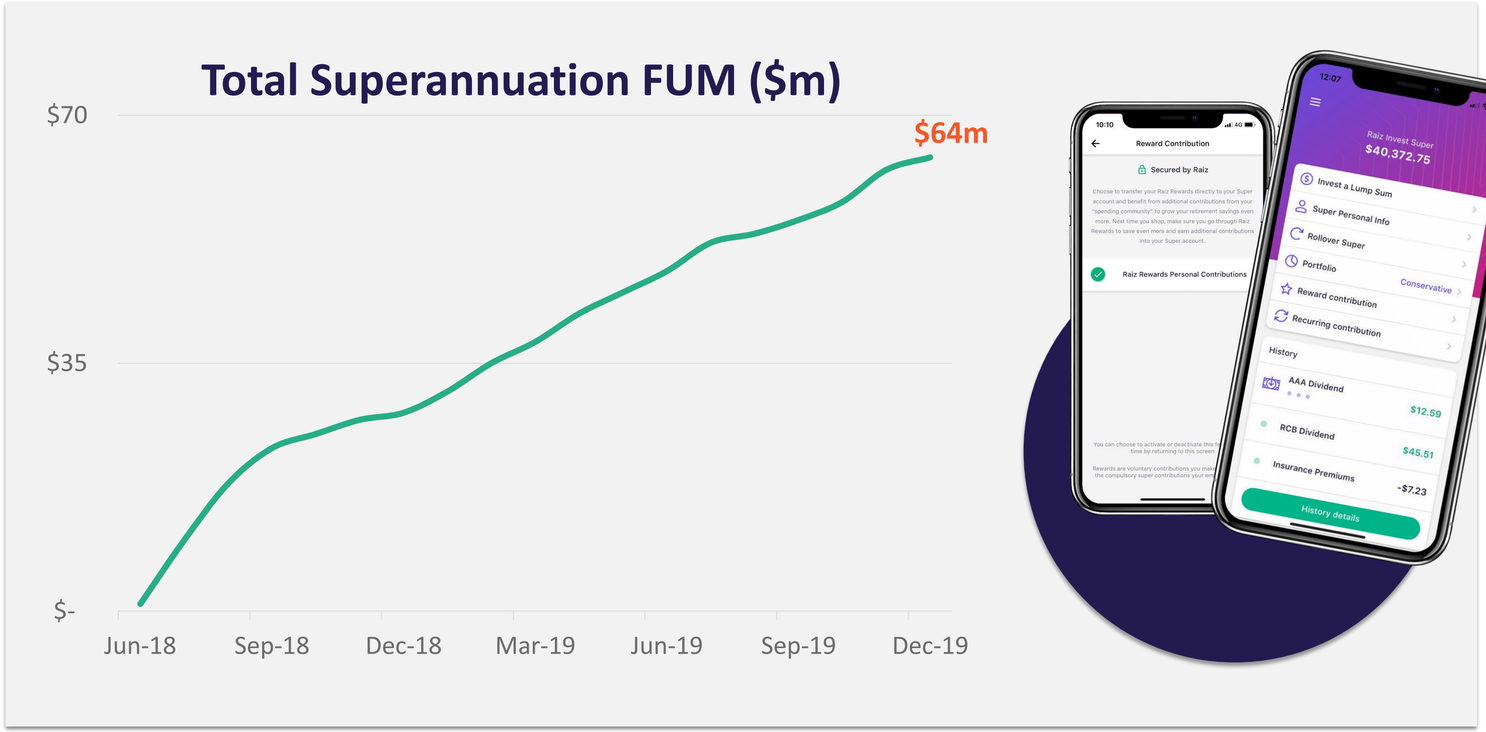




- Average account balances increased by 40% to $1,813
- FUM increased by 75% to +$445m since Dec 2018
- 51% of FUM is made up of account balances of >$10,000
- Continued growth in Raiz Super, now with >$64 million invested up 125% on PCP
- Revenue from Micro Investment Platform grew by 108% to $3.9m
- Revised fee structure introduced in August 2019 and additional product offerings underpinning continued revenue growth in FY’20 and beyond

Raiz Super has grown rapidly in 18 months

- Since launching in July 2018, the Raiz Invest Super FUM has grown to $64 million
- Customers can contribute to their Raiz Super via the Raiz App
  - SG contributions
  - Automated recurring voluntary contributions
  - Raiz Rewards, cash from advertising partners can be directed as a voluntary contribution
- Customers can view all investments, and history in one place, their mobile phones
- 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 225 partners

Furniture, Homewares & Appliances

Technology & Electronics

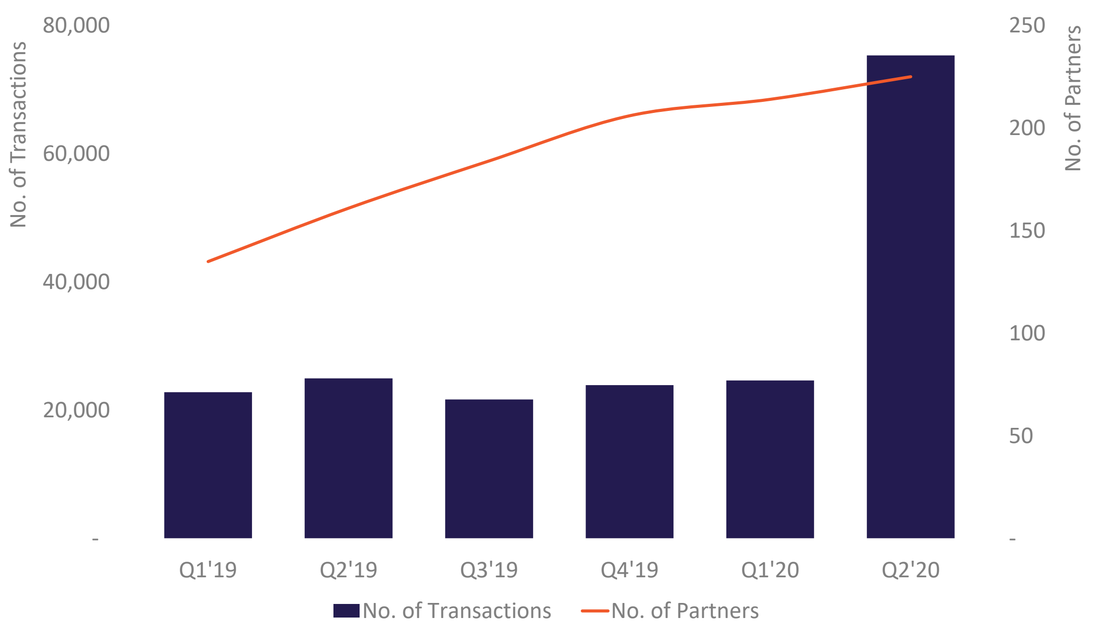
Personal & Recreation

Other

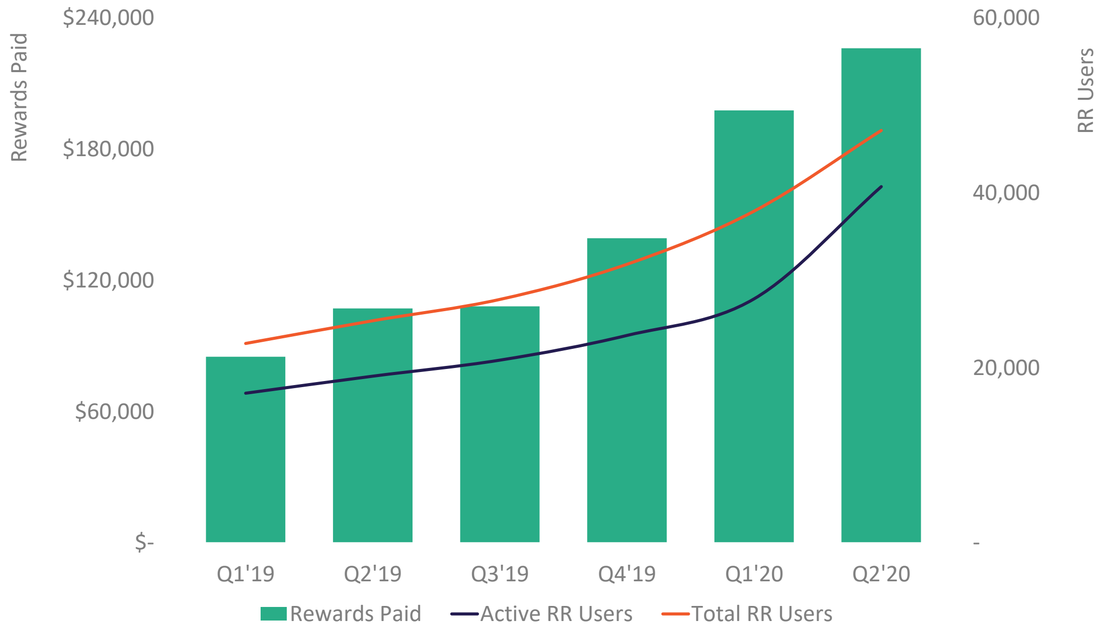
Raiz Rewards

Momentum accelerating on continued platform enhancement

- Raiz now has 225 established partnerships that fund either a percentage or fixed dollar cashback on purchases.
- Advertising revenue grew to $533k in H1’20 a 42% increase on PCP
- Total sales processed through the platform, totaled $9.6m for H1’20 a 31% increase on 2H’19
- Improved platform interface now accelerating growth of Raiz Rewards and advertising revenue streams

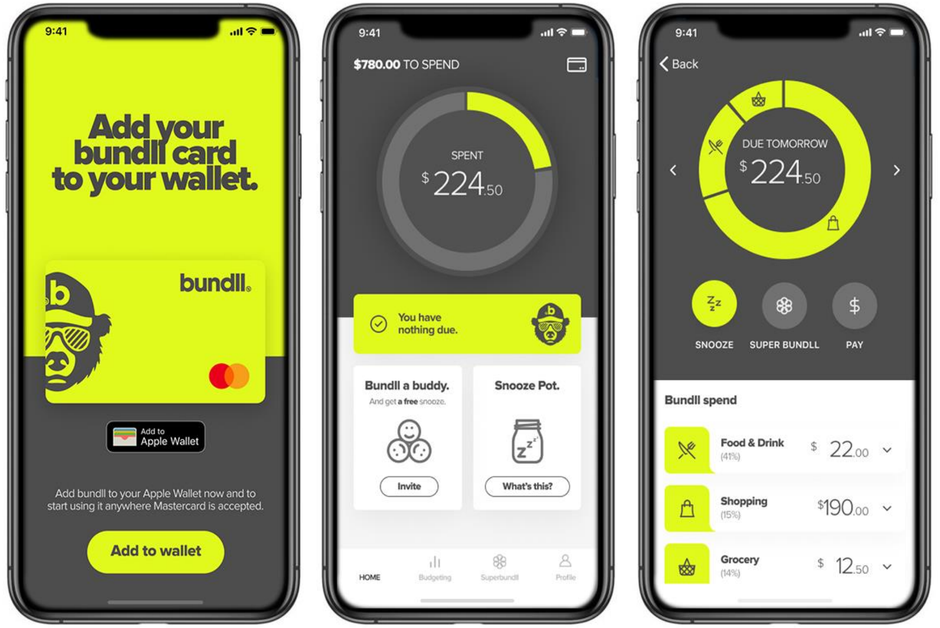


- Raiz Rewards is a loyalty program allowing users to generate cash invested into their Raiz Accounts inside and outside superannuation via partnership brands:
  - Users access the Raiz Rewards feature through the Raiz mobile app or website; and
  - User is redirected to the retailers site to make their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



Raiz bundll MasterCard

- Partnership with bundll, a Flexigroup product to provide Raiz customers with digital payment options through ApplePay, Google Pay and other electronic wallets.
- Raiz bundll will be linked to customers Raiz account and can be used anywhere MasterCard is accepted.
- Real-time cashflow management and budgeting suggestions using Raiz's My Finance feature to assist in monitoring and managing spending
- Payment options include buy-now-pay-later functionality or instalments with a market leading product suite
- Allows expansion of Raiz Rewards program into bricks & mortar shopping
- Product in final stages of beta testing with release imminent



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Raiz Invest Indonesia

User sign ups accelerate

- Activation of monthly management fee delayed while fine tuning functionality and user experience of the Raiz Indonesia platform
- Marketing program expenditure paused during platform fine tuning
- Significant potential in Indonesia with over 40,000 sign-ups to the beta app platform
- Raiz positioned as an aspirational product to improve financial literacy and financial inclusion by hands on learning
- Raiz Indonesia is targeting millennials and is expected to attract 1 million users within 3 years of operations
- In discussions with partners to deliver new products and services via the Raiz Indonesian platform
- Revenue to be generated from monthly maintenance fee and % of FUM



265m

Indonesian Population



80m

Millennials



133m

Internet Users



56%

Urbanised Population



82%

Do not have Bank Accounts



178m

Mobile Phone Users

Raiz Invest Malaysia due to launch in FY’20

- In May 2019, Raiz finalised the Joint Venture Agreement (JVA) with its Malaysia partner, Jewel Digital Ventures Sdn Bhd.
- Jewel is a subsidiary of leading Malaysian investment institution, PNB Equity Resource Corporation Sdn Bhd.
- PNB is one of the largest fund management companies in Malaysia, with assets under management of RM298.5 billion (A$103.9 billion) across 13.8 million accounts.
- The JVA is a 70/30 split between Raiz and Jewel respectively, with Raiz primarily providing the technology while Jewel provides required capital.
- Subject to regulatory approval, the platform is expected to go live in Q4 FY’20.
- Raiz Malaysia is targeting millennials and expected to attract 200,000 users within 3 years of operations.



32.6m

Malaysian Population



29%

Millennials



25.4m

Internet Users



75%

Urbanised Population



28.1

Median Age



17.2m

Mobile Phone Users

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FY’20 focus areas

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



- Continue to grow the business and maintain a disciplined focus on costs, allowing the Australian business to be cash flow positive



- Focused on driving customer growth in core Australian market and additional Southeast Asian markets through improved technology and additional products and services



- Increase the ‘Lifetime Value of Customers’ through new products (e.g. insurance product and bitcoin portfolio) and services



- Successfully execute the Southeast Asian growth strategy, with a focus on:
  - Indonesia: Finalising product offering and fine tuning functionality and user experience of the platform
  - Malaysia: Progressing back and front end of Malaysian App, for March 2020 beta testing



- Continue to develop and launch new products with bundll, Raiz Insure, Raiz Offsetters program and Raiz Bitcoin weighted portfolio – Additional products offering roadmap planned

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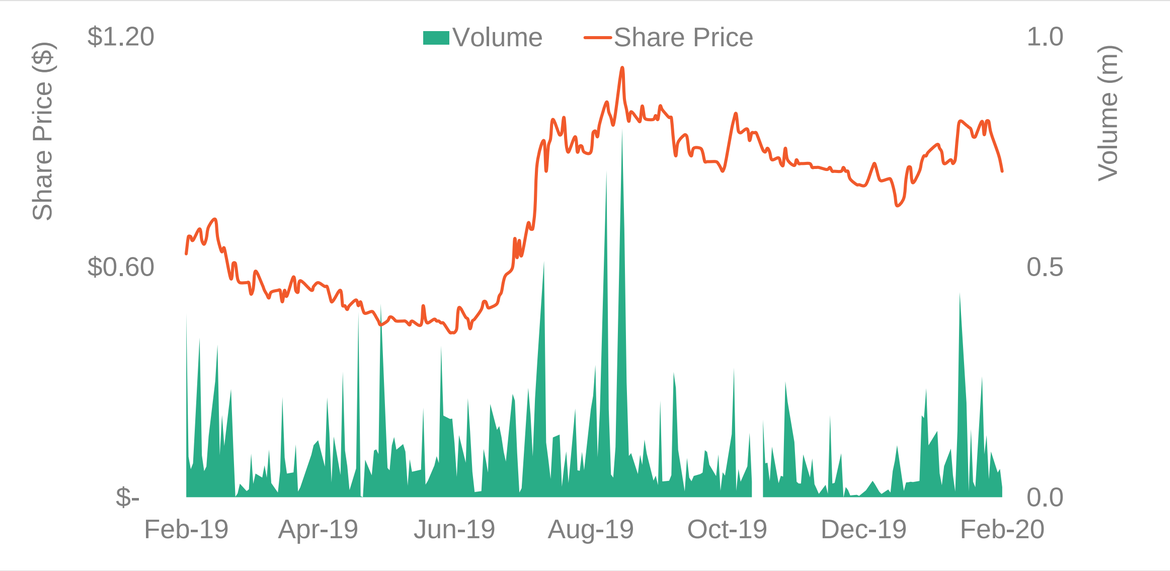
Raiz – Market Stats



Capital Structure	
Shares on Issue[1]	75.0m
Share Price @ 26 Feb 2020[1]	$0.85
12 month Range[1]	$0.42 - $1.17
Market Cap[1]	$63.7m
Net Cash	**$12.2m**

Top Shareholders[1]		Shares	(%)
1	George Lucas & Related Entities	6.8m	9.0%
2	Acorns Grow Incorporated	5.2m	6.9%
3	Salter Brothers	4.1m	5.5%
4	HSBC Custody Nominees	3.5m	4.6%
5	Peter Anthony Fay & Related Entities	3.1m	4.2%
Top 10		**31.8**	**42.4%**
Top 20		**42.4**	**56.6%**

[1]As at 26 February 2020

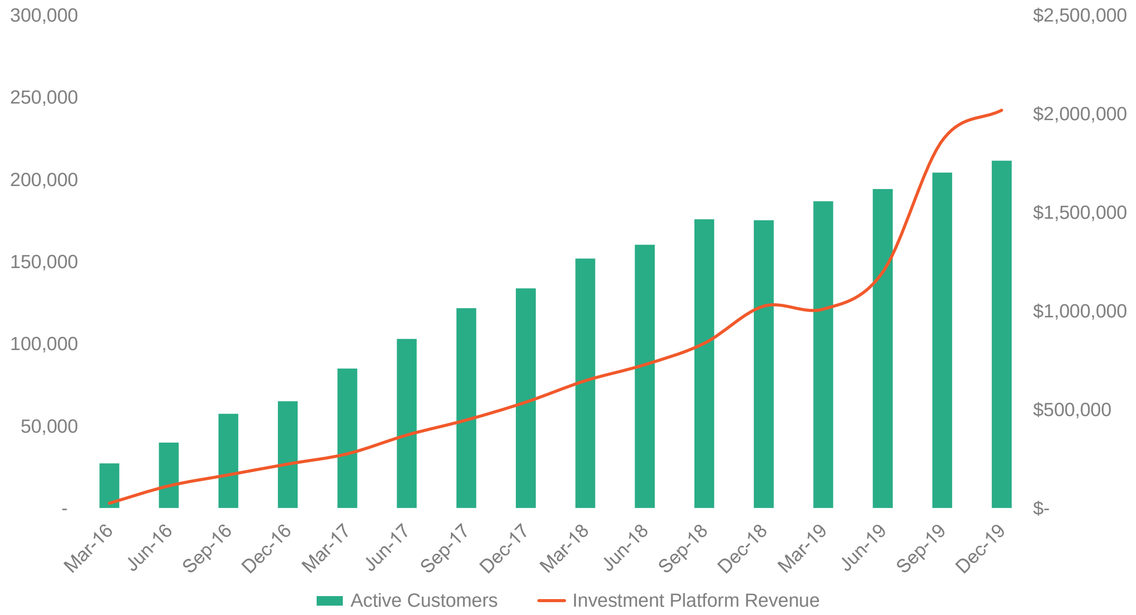
Statement of Cashflows

To be read in conjunction with the Raiz Invest Limited (and controlled entities) Financial Report for the half year end 31 Dec 2019

$000's (extract)	H1'19	H1'20
Receipts from customers	3,847	4,708
Payments to suppliers and employees	-5,714	-6,115
Finance cost paid	-	-26
Government grants and tax incentives	331	697
Net Operating Activities	**-1,536**	**-736**
Payments for short term deposits	-544	-7,000
Payment for intangible assets	-458	-839
Payment for fixed assets	-104	-22
Proceeds from term deposits	7,169	-
Loan to related parties	-38	-
Net Investing Activities	**6,025**	**-7,861**
Proceeds from Capital raising	-	7,504
Share issue costs	-	-414
Repayment of borrowing from related parties	-49	-89
Principle payment for leases	0	-202
Proceeds from related parties	199	-
Net Financing Activities	**150**	**6,799**
Net increase / (decrease) in cash and cash equivalents	4,639	-1,798
Cash and cash equivalents at the beginning of the Period	4,446	6,815
Cash & cash equivalents at year end	**9,085**	**5,017**
Term Deposits	**600**	**7,164**

- Anticipate the Australian business to be cash flow positive within FY20 on an underlying basis, following continued investment into South East Asian expansion

- 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 half year end 31 Dec 2019

$000's (extract)	FY'19	H1'20	Comments
Assets			
Cash and cash equivalents	6,815	5,017	Required regulatory capital – approx. $2.3m
Trade and other receivables	442	640	
Other Financial assets	582	7,540	Cash held in term deposits
Other assets	204	175	Prepayments and deposits
Total Current Assets	**8,043**	**13,372**	
Property, plant and equipment	121	129	
Right-of-use assets	-	741	New AASB16 – See Financial report
Deferred tax assets	544	715	
Intangible assets	20,669	20,163	Goodwill and value Computer Software
Total Non-Current Assets	**21,334**	**21,748**	
Total Assets	**29,377**	**35,120**	
Liabilities			
Trade and other payables	1,620	1,546	
Current lease liabilities	-	425	New AASB16 – See Financial report
Provisions	158	209	
Total Current Liabilities	**1,778**	**2,180**	
Trade and other payables	379	290	
Deferred tax liabilities	736	846	
Non-current lease liabilities	-	337	New AASB16 – See Financial report
Provisions	27	35	
Total Non-Current Liabilities	**1,142**	**1,508**	
Total Liabilities	**2,920**	**3,688**	
Total Equity	**26,457**	**31,432**	

Raiz Invest

Focusing on delivering financial services and products through mobile phones – the epicentre of our information world

- Highly engaged and rapidly growing customer base with opportunity to cross sell new products, as well as grow subscriber revenue to database
- 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 and already a 8% penetration and growing since launch in March 2016
- Delivering on customer expectations through a continuous cycle of platform improvements based on customer feedback

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