



Invest & Save confidently with Raiz

Full Year Results Presentation  
28th August 2018

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# Raiz Overview FY18



129%

Funds Under Management

30 June 2018: \$199.8m

31 July 2018: \$222.4m



82%

Customer sign ups

30 June 2018: +500k

31 July 2018: +525K



56%

Active customers

30 June 2018: +160k

31 July 2018: +165K

Well funded to deliver on current growth strategy, with over \$11.6m in cash

80% customers invest monthly

26% increase in revenue per active customer

64,000 Raiz Rewards paid - over 115 retail partners

South East Asia expansion on track

Average active customer balance at \$1,297

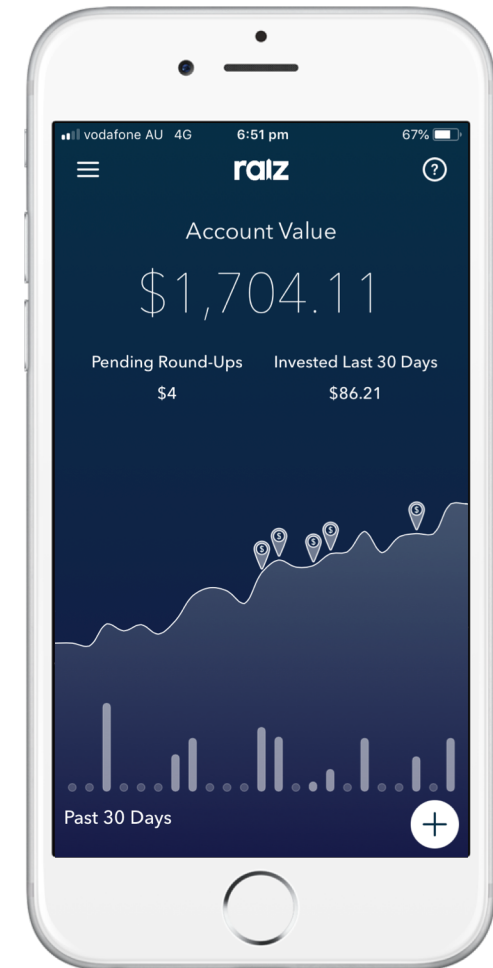
Raiz Invest Super launched July 2018 (FUM: \$10m+)

First Mover Advantage for Mobile-led Investing Platform

# About Raiz



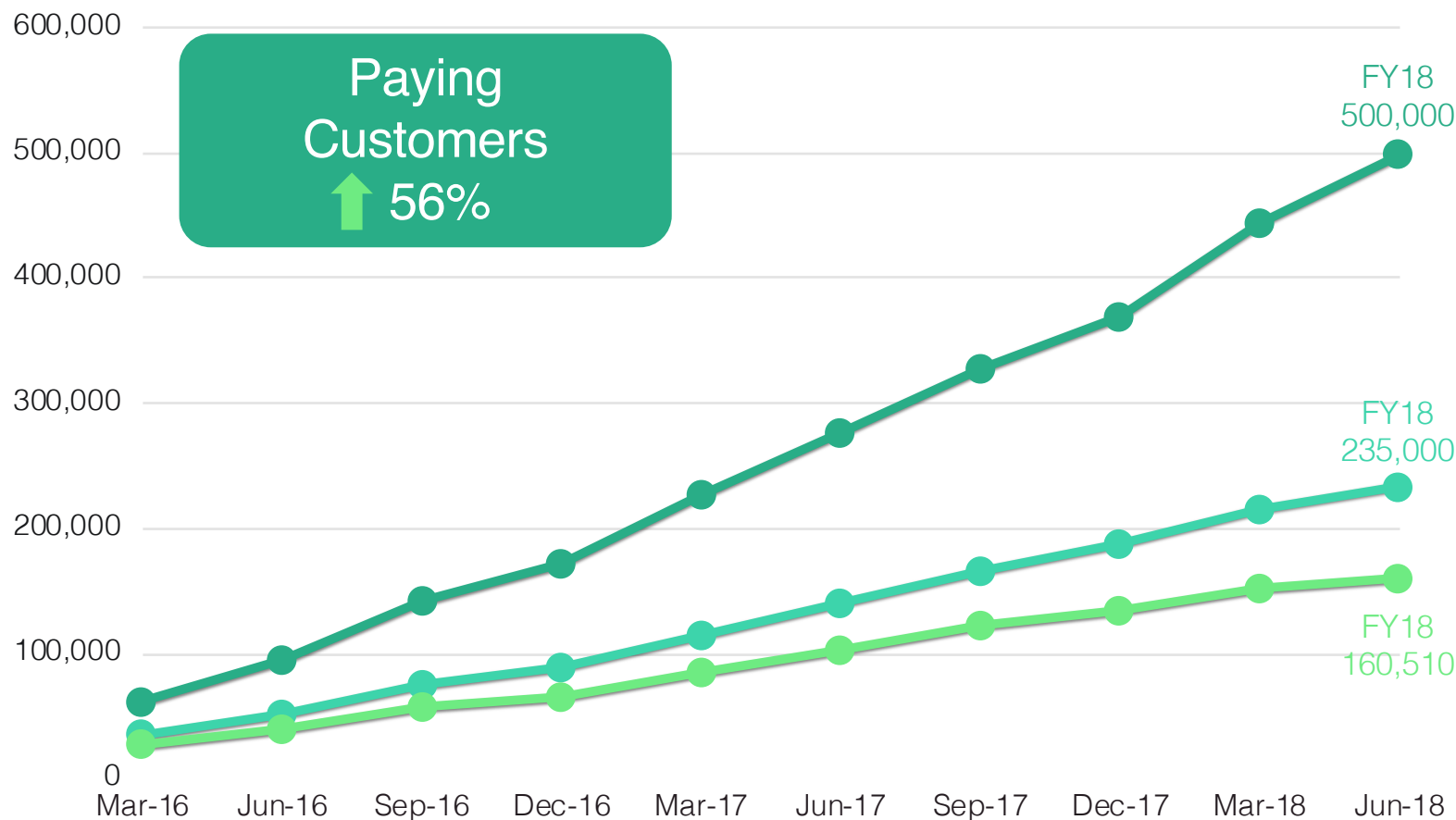
- Raiz (formerly Acorns) is a mobile first micro-investing platform via mobile phone or web app, which allows customers to invest in a portfolio of Exchange Traded Funds (ETFs) in and outside of superannuation on a single platform.
- Raiz launched in February 2016 and is a market leading mobile-led platform that will continually grow and evolve with its millennial customers, providing them with services and products to suit their emerging needs.
- Customer-centric approach – our customers tell us what features they want from the Raiz platform providing our product development pipeline.
- Raiz customers are highly engaged, with over 80% investing at least once a month.
- The Raiz technology is focused on a continuous cycle of platform improvements and will continue to build better predictive machine learning and artificial intelligence models.



# Raiz Customers



Active or paying customers increased 55.6% to 160,510 at FY18 versus 103,144 at FY17



**525,000+**

Customer Sign Ups  
(as at 31 July 2018)

**240,000+**

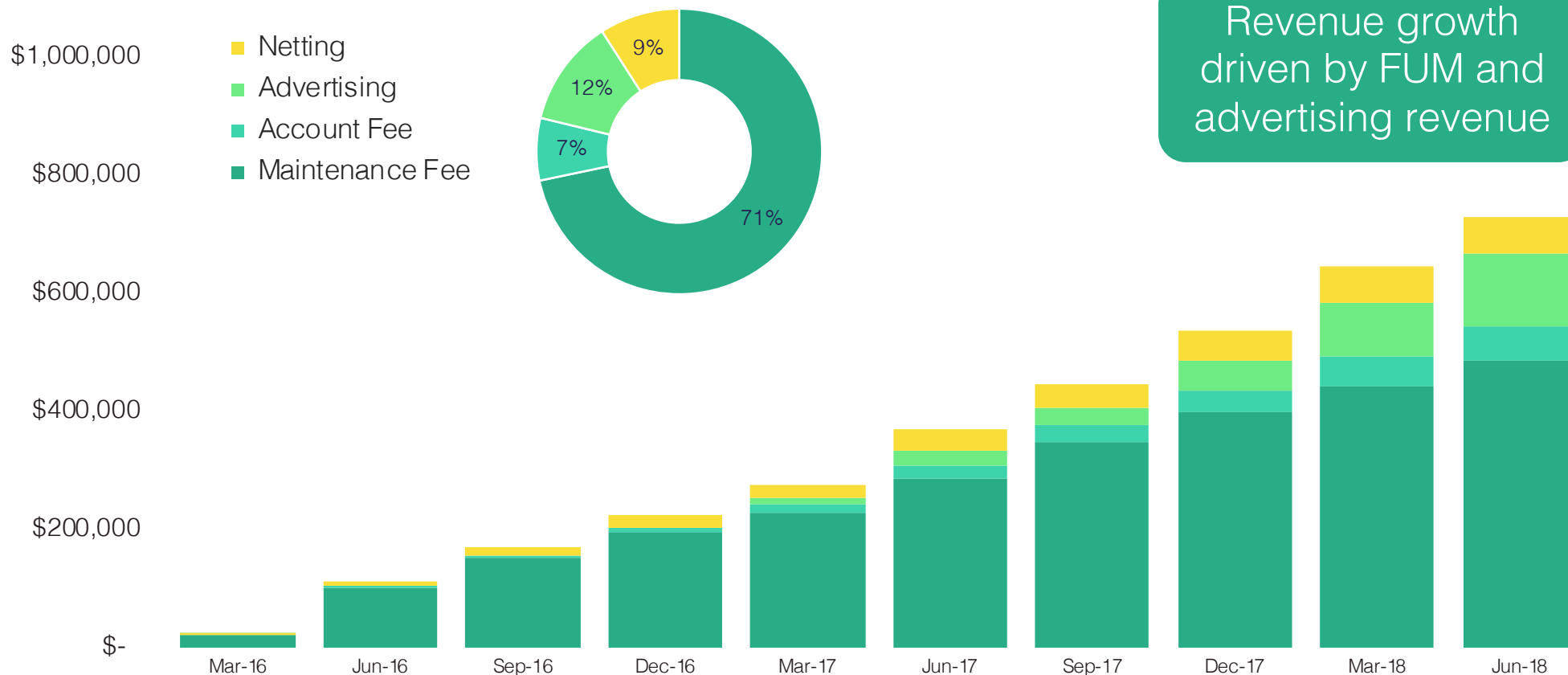
Investment Account  
(as at 31 July 2018)

**165,000+**

Paying Customers  
(as at 31 July 2018)

# Revenue Growth

Normalised revenue up 126% from FY17 to FY18.

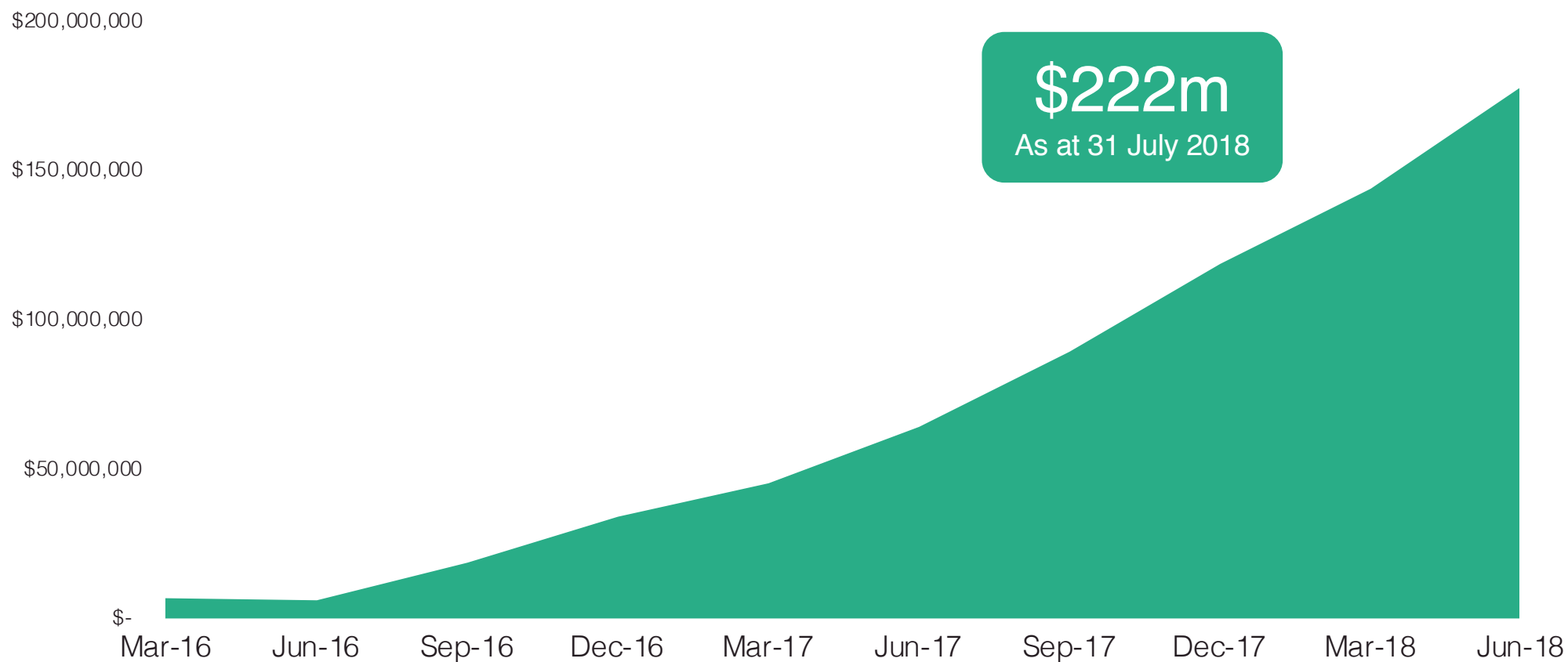


Revenue growth driven by FUM and advertising revenue

# Funds Under Management (FUM)



FUM grew 129.9% to \$199.8m in FY18 from \$86.9m at FY17.



# Raiz Invest Super



- 🔑 Since launching in July 2018, FUM has grown to **\$10+ million** (as at 31 July 2018).
- 🔑 Marketed to **existing customers** of Raiz through online channels targeting the database of over 500,000 sign ups.
- 🔑 Raiz Invest Super gives customers access to their Superannuation via their **mobile phone**.
- 🔑 With a fast sign up process within the app the product allows customers to view all **investments in one place**, consolidating existing funds in minutes and reduce fees.

Ben M.

“

Love your product, loving the super option. I'm financially ignorant and super is always something I've treated like dark matter, it definitely exists but I'll be damned if I can give you any details. Your product allows me to keep an eye on my super, see how much I have, how the markets impact the overall amount etc. Much like your savings tool it has taken me from financial Luddite to financial Luddite minus a crippling fear of discussing anything to do with money and finances.

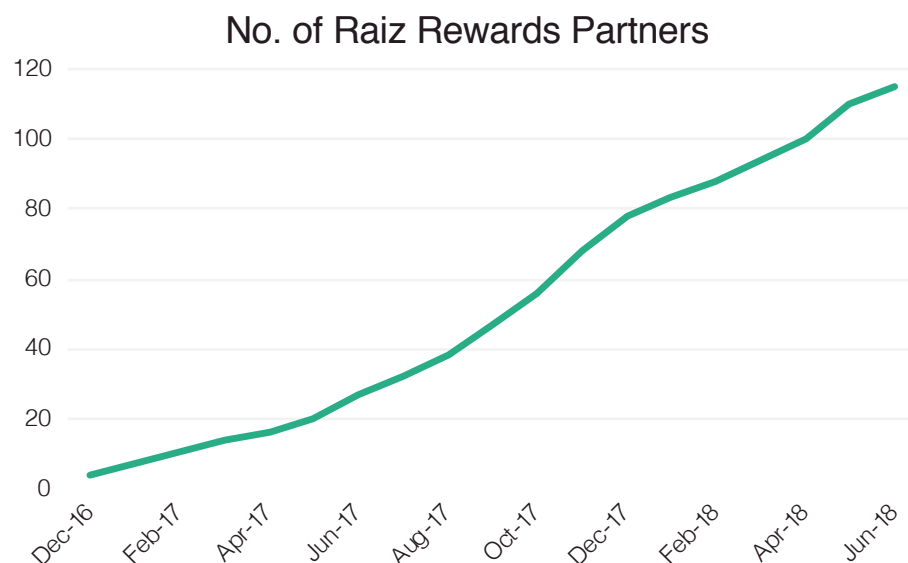
Raiz Invest Super ranks in the cheapest quartile for a Superannuation product, based on a SuperRatings review of over 440 superannuation funds.



# Raiz Rewards Partnership Growth



Raiz Reward Partners grew 326% to 115 in FY18 from 27 at FY17.



Raiz Reward Partners include:



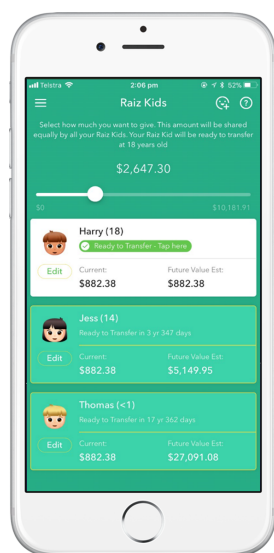
Raiz has rewarded over 64,000 customer transactions associated with Raiz Rewards totaling over \$256,000 of rewards invested back into customer accounts this financial year.

# Product and Strategy

# Raiz Product Overview

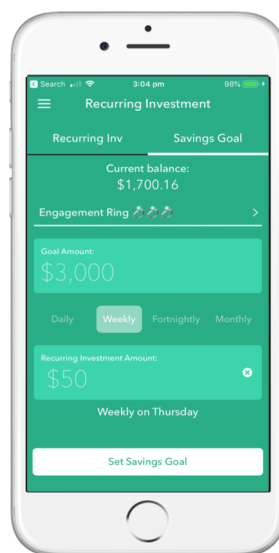
New features and products driven by customer feedback

**Raiz Kids: Simple way to invest for under 18s**



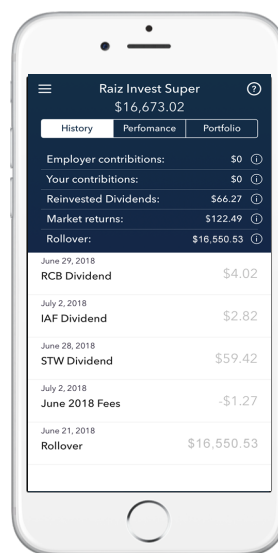
20K+  
Raiz Kids

**Goals functionality to assist customers to save**



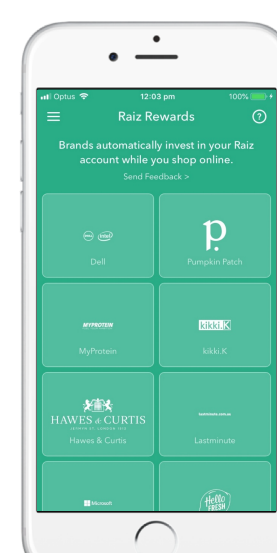
\$5m a month via  
saving plans

**Raiz Invest Super**

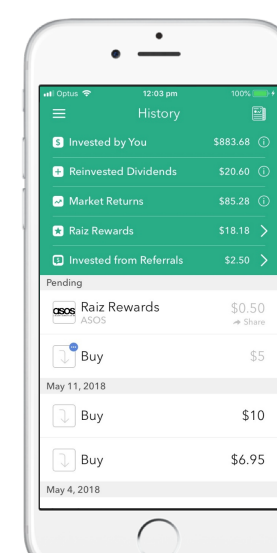


\$10m+ FUM  
Raiz Invest Super

**Raiz Rewards improvements**



115+  
brands



12k+ transactions  
a month

# Raiz Growth Strategy

The Company's growth strategy will focus on opportunities to add **multiple revenue streams** based on Raiz's **scalable technology platform**:

- Accelerating the **Raiz Group's growth in Australia** through increased marketing spend and R&D with machine learning and AI with the release of a chatbot in Q1 FY19.
- Promoting the new **Raiz Invest Super** product to leverage off the Raiz Group's existing customer base – fees earned from funds under management and increasing the depth of the relationship.
- Increasing **revenue per customer** through increased engagement, new features and products.
- **Expand offshore into South East Asia** –
  - **Indonesian** partners locked in and joint venture company incorporated, advance discussions with regulator and licence application ready to submit.
  - Advanced discussions with a partner and regulator in **Malaysia**.

Raiz's strong brand, engaged network, first mover advantage and reputation as a customer-centric organisation will support the Company's growth strategy.

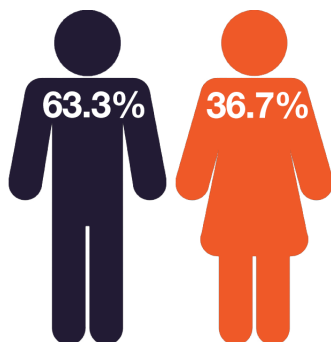
# Raiz Customers



Raiz appeals to a new generation of investors, with its automated processes, and as a result, the Raiz platform will grow with our customers on their life journey, to meet their emerging wealth and well-being needs.

160,000+

Active customers



26%  
increase in revenue  
per active customer

84%  
between  
18 – 44 years

80%  
invest  
once a month

Jamie G.



Over the years I've felt incapable of saving a cent; I have a perpetual hole in my pocket growing steadily larger. I took out payday loans, borrowed money from family. That was the last straw; I wanted financial freedom and independence and to feel capable in saving for the future. I stumbled upon an article online discussing Raiz. It seemed a foolproof way to save, even without realising you were doing it! I hope to actually have substantial savings by my 25th birthday. Thank you Raiz!

# FY2019 Momentum



Raiz focus for FY2019:

- Increase **paying customers** by proactively engaging inactive customers and new customers.
- Market **Raiz Invest Super** to our database of over 500,000 sign ups.
- Continuously improve the platform and **user experience** by frequently innovating new products and features such as the intelligent chatbot.
- Continue research and development programs, in conjunction with universities, to improve customer journey and deliver **relevant products and features**.
- Expanding Raiz Group's operations into South East Asia with **minimal software development costs** and **cash burn**.

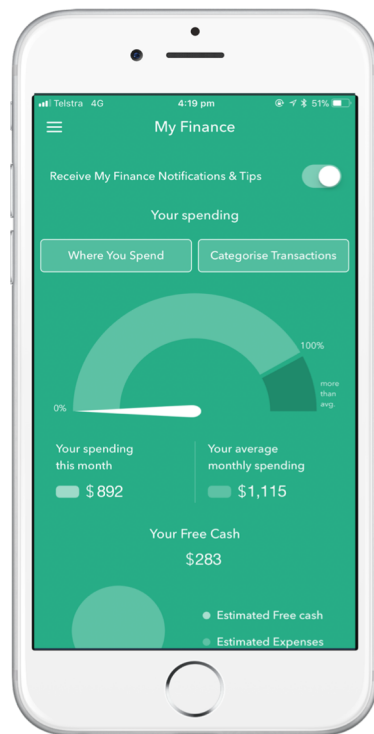
Angie R.

“

They say dream big. I'm serious about that. For as long as I can remember, my ultimate dream was to go to space. No, seriously. When I turned 30 I decided I needed to start saving for 30 years and bank on compound interest so I can buy my ticket. I looked around at different options, learned about stocks and bonds, and then I found Raiz. Super simple. Now I have top ups and additional weekly payments in a high risk long term portfolio, and I'm going to make it happen. One day far far into the future you'll see a post from me, living my dream because of Raiz! I can't wait.

Momentum from FY18 continues into FY19 with the increase in customers, product enhancements, Raiz Invest Super, Raiz reward partners and South East Asia expansion.

# Competitive Advantages



Raiz is able to **leverage technology** to offer and facilitate the provision of financial services and **products at a lower cost** with greater efficiency than a traditional financial services business.

- **Raiz owns the end-to-end mobile first technology platform** – designs, researches and develops inhouse.
- The **Raiz technology is completed** – development costs are associated with maintenance or adding new features.
- **First mover advantage** as market competition increase, with a boarder product and features range.
- **The Raiz group meets the regulatory requirement** – licenced responsible entity for the fund.
- Raiz is committed to being an **environmentally sustainable company**.

Committed to continuous improvement and customer feedback : Raiz continuously listens to customer feedback and continuously reviews and further develops our technology for the best product development and security.

# Financials



# Statement of Cash Flow

To be read in conjunction with the Company 2018 Annual Results



- \$11.6m held in cash and cash equivalents
- Cash flow movement illustrate cash changes from the normalised pre-restructure entity
- Includes cashflows associated with the public offer and the pre-listing fund raising
- Well funded to execute current strategy from cash reserves

Statement of Cash flow (Extract)	FY18 \$000	FY17 \$000
Receipt from Customer	4,486	870
Payment to suppliers & employees	(10,781)	(4,616)
Other revenue activities	-	5,695
R&D refund	354	-
Income tax paid	(435)	(119)
<b>Net cash flow (used in)/from operating activities</b>	<b>(6,376)</b>	<b>1,830</b>
Payments for short term deposits*	(7,000)	-
Payment for intangible assets	(1,473)	(57)
Payment for acquisitions & joint venture investment	(18,814)	(2,403)
<b>Net cash flow (used in)/from investing activities</b>	<b>(27,287)</b>	<b>(2,460)</b>
Proceeds from issue of shares from public offer	15,120	-
Proceeds from capital raising	20,700	1,621
Share issue cost	(1,959)	-
Repayment of convertible note	(535)	-
Proceeds from related parties	304	-
<b>Net Cash flow from financing activities</b>	<b>33,630</b>	<b>1,621</b>
Net increase in cash and cash equivalents	(33)	991
Cash and cash equivalents at the beginning of the year	4,479	3,488
<b>Cash and cash equivalents at end of financial year</b>	<b>4,446</b>	<b>4,479</b>

\* Cash held on short term deposit for greater than 91-days

# Statement of Profit & Loss

To be read in conjunction with the Company 2018 Annual Results

Statement of Profit & Loss (Extract)	FY18 \$000	FY17 \$000
<b>Total Revenue</b>	<b>2,761</b>	<b>8,162</b>
Operating & Other costs	(11,604)	(8,277)
<b>Profit / (Loss) before tax</b>	<b>(8,843)</b>	<b>(115)</b>
Tax benefit / (expense)	157	(304)
<b>Profit / (Loss)</b>	<b>(8,686)</b>	<b>(419)</b>
Profit / (loss) discontinued operations <sup>^</sup>	1,488	-
<b>Profit / (loss) for the year</b>	<b>(7,198)</b>	<b>(419)</b>

- Revenue for the normalised pre-restructure entity for the FY18 and include more than just the current Raiz Invest business
- Revenue of \$2.761m only includes 5 months of Raiz Invest revenue as does operating costs
- Normalised loss is \$1.14m, when adding back restructure and capital raising costs, employee one off entitlement costs and amortisation

<sup>^</sup> Discontinued operations as indicated in Annual results

# Financial Position

To be read in conjunction with the Company 2018 Annual Results

Financial Position (Extract)	FY18 \$000	FY17 \$000
Cash and cash equivalents	4,446	4,479
Trade & other receivables	859	21,797
Other financial assets*	7,392	139,401
Other assets	92	133
<b>CURRENT ASSETS</b>	<b>12,789</b>	<b>165,810</b>
Goodwill	13,894	-
Intangibles	8,118	696
Other non-current assets	710	2,624
<b>NON-CURRENT ASSETS</b>	<b>22,722</b>	<b>3,320</b>
<b>TOTAL ASSETS</b>	<b>35,511</b>	<b>169,130</b>
Trade & other payables	1,660	24,606
Other financial liabilities	-	139,935
Other current liabilities	94	363
<b>CURRENT LIABILITIES</b>	<b>1,754</b>	<b>164,904</b>
<b>NON-CURRENT LIABILITIES</b>	<b>1,115</b>	<b>156</b>
<b>TOTAL LIABILITIES</b>	<b>2,869</b>	<b>165,060</b>
<b>NET ASSETS</b>	<b>32,642</b>	<b>4,070</b>

\* Includes Cash held on short term deposit for greater than 91-days

- Balance Sheet is for the normalised pre-restructure entity for FY18 and includes more than just the current Raiz Invest business
- No third party lending of debts
- The software was valued at \$8.5m - decreasing Goodwill by \$8.5m reallocated to Intangible assets
- Cash and cash equivalents are \$11.6m as at 30 June 2018 (includes term deposits for greater than 91-days)

# Appendix

# Australian Market Opportunity

- 5.6M Australians are currently interested in investing/savings. 1.5M planning to invest in the stock market within the next 12 months.
- The Australian investment platform industry is growing – FUM from \$436bn in June 2011 to \$765bn in June 2014<sup>(1)</sup>.
- Nearly 20% of Australians state their biggest barrier in buying shares is lack of spare cash.
- \$2.8 trillion invested by retail investors outside superannuation and growing at 10%.
- Australia is a global player in pension fund money – 4th largest deposit pool of savings in the world.
- The financial services industry in Australia is increasingly moving towards engagement via mobile phones and online apps.

By removing these barriers to investing, we believe our success and market adoption will continue to grow as the promotional force to invest and save will continue.

(1) Strategic Insight Actuaries & Researchers, 'Analysis Wrap, Platform and Master Trust Managed Funds at June 2017' (Media release, 19 September 2017)

# Raiz: Market Conditions

Current market conditions have seen consumers move away from the traditional finance models and incumbents

- ❏ The Royal Commission and Productivity Commission have greatly affected the way consumers view the industry:
- ❏ Customer trust in all financial institutions is damaged.
- ❏ Incumbent resources being allocated to improve compliance issues being identified by the Royal Commission.
- ❏ New online superannuation and investment products are copying product features of Raiz – as well as incumbents and providing competition.
- ❏ Number of financial advisors is expected to decrease.
- ❏ Increasing concerns over data security and privacy. Raiz understands this and recently installed Versive AI technology to increase the security of it's data.

These factors provide long-term challenges and opportunities that Raiz is well positioned to meet.

## Millennials more confident about their financial future, despite stresses



42%

of respondents are confident with their current financial status

*Research conducted by Raiz Invest Limited July 2018*

The financial services market environment is changing. With a large millennial customer base and the ability to deliver new products and services, Raiz is well positioned to evolve as the financial industry changes. We are here for the long-term

# Key People – Board & Management



## Key People - Board

**Peter Anthony (Tony) Fay**  
Non-Executive Chairman

- He has worked for several leading investment banks and brokerage firms and held senior positions with Industry bodies.
- He was instrumental in establishing the agricultural derivatives markets in Australia and holds investments in a diverse portfolio of start-up ventures.

**George Lucas**  
Managing Director / CEO

- Over 30 years' experience in the investment banking and fund management industry. His experience spans retail product strategy, managing investment risk, portfolio management, financial quantitative methods and regulatory compliance.
- Prior to founding Raiz Invest Australia, Mr Lucas was the Chief Investment officer of Mariner Financial. He has been a director of two listed investment trusts and was the head of the London equity derivative trading and structuring for First Chicago.
- George is a regular presenter at finance industry forums and Sky Business, and has written a book and tertiary courses regarding the use of derivatives and quantitative trading models.

**David Gordon**  
Non-Executive Director

- David Gordon has over 30 years' experience in the advisory industry specialising in financial, tax and business advisory.
- He has been a partner since 1985 in GHR Accounting Group, a BRW top 100 accounting practice and is a foundation director of Premium Wealth Management Ltd (Premium). Premium Wealth management was sold to Australian Unity in a multi-million dollar sale.

**Nina Finlayson**  
Non-Executive Director

- Nina has over 26 years' experience as a leading market researcher and adviser to business on consumer attitudes, behaviour and experience.
- She is the managing director of Buzz Strategic Insights which was founded in 1995 and specialises in qualitative market research. Nina has worked with many of Australia's leading brands and organisations.

**Kieran Moore**  
Non-Executive Director

- Kieran is currently the Chair of Ogilvy PR Australia and CEO Public Relations and Public Affairs, WPP AUNZ.
- As CEO of WPP AUNZ, Kieran oversees 19 WPP agencies across the WPP AUNZ group's public relations, public affairs, and government relation agencies and has a client base of more than 500 organisations.

## Key People - Management

**Brendan Malone**  
COO

- Brendan Malone has over 20 years' experience in financial institutions including The Royal Bank of Scotland and ABN AMRO.
- He has delivered transformational agendas resulting in significant synergies through mergers, acquisitions, restructuring and downsizing. Brendan has experience working across various continents, jurisdictions, legislations and regulatory environments as well as cultures in both developed and emerging economies.

**James Poon**  
Head of Products &  
International

- James Poon has over 19 years' experience in financial markets, institutional and investment banking and wealth management in leading financial institutions such as Westpac, ABN AMRO, The Royal Bank of Scotland and more recently as the Head of Product at Instreet Investment.
- James has broad experience across multi-assets in sales, trading and financial engineering of investment products.

# Customer Stories – Building confidence

Dan B.

“

I was raised with atrocious financial literacy. I'm terrible at saving and getting my head around investing has been almost impossible for me. Raiz has taken a lot of the mystery out of saving and investing. I've saved money without even realising, learnt a little about how investing works and seen the power of compounding (look at me using fancy words now!) I don't have anything in particular I'm saving for, I just want to make our family a little more financially secure. The best thing though is that I can pass this knowledge on to my kids and break the cycle of poor financial literacy in my family.

*“I can pass this knowledge on to my kids and **break the cycle** of poor financial literacy.”*

Josie D.

“

As a full-time university student I regularly find myself underemployed during the semester as I cannot meet the hours casual employers require. Discovering the app has given me much more peace of mind as it ensures some of my income will continue to grow. Also, Raiz is the best platform for me to start investing as I was apprehensive as to how a young person does start investing, and it's upcoming eco investment platform completely sold me! Thank you Raiz!

*“Discovering the app has given me much more peace of mind as it ensures some of my **income will continue to grow.**”*



# Thank you



## Contact Business:

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