Raiz Invest Limited
ABN 74 615 510 177
Level 11, 2 Bulletin Place
Sydney NSW 2000
T 1300 754 748
www.raizinvest.com.au

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ASX Release

28 April 2022

Raiz's growth continues

Quarterly Activities Report & Appendix 4C

Investment highlights

- Total normalised revenue for the Raiz platform up 43.4% on a year-on-year (YOY) basis to $4.4 million in the March 2022 quarter (Q3 FY22)
- Global Active Customers up 49.6% YOY to 627,821
- Australian funds under management (FUM) up 46.7% YOY to $1.019 billion at the end of Q3 FY22
- Superannuation FUM up 108.0% YOY to $192.4 million
- Active customers in Raiz's Indonesian business pass 230,000, up 129.4% YOY
- Active customers in Malaysia comfortably exceed100,000, up 89.2% YOY.
- Raiz's Annual Recurring Revenue (run rate) up 54.1% YOY to $14.7 million
- As of 31 March 2022, Raiz had cash, cash equivalents and term deposits totalling $18.7 million

Raiz Invest Limited (ASX: RZI) is a multi-award-winning micro-investing and fintech platform with operations in Australia and Southeast Asia. With Raiz, users can automatically invest the virtual 'spare change' from their daily purchases into diversified portfolios. In Australia, this can be done to boost savings inside and outside of superannuation. Raiz is pleased to provide its Appendix 4C cash flow statement for the quarter ended 31 March 2022 (Q3 FY22), as well as the following business and operational commentary.

RZI's FUM stays above $1bn mark despite market volatility

Raiz's Australian-based FUM was $1.019 billion at the end of Q3 FY22, up 46.7% on a YOY basis. Although the end-Q3 FY22 figure was 1.5% lower on a previous period (QOQ) basis, this was, in part, attributable to volatility as stock markets retreated in the first half of the March 2022 quarter. The S&P/ASX 200, for example, was down about 6.4% in January 2022. As share markets rallied later in the quarter, Raiz Invest's FUM again started to trend higher.

Within the headline FUM number, Superannuation FUM continued to report impressive growth, growing 108.0% YOY to $192.4 million. This was despite market nervousness caused by a raft of geopolitical and macro-economic concerns; it also rose on a QOQ basis (by 0.6%).

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Total FUM stayed above $1 billion in Australia as the drag caused by slightly lower average balances per customer metric was cushioned by continued growth in paying customers. Despite this Raiz saw an increase in account fees that are linked to FUM.

Average balances per customer were $2,913 in Raiz's Q3 FY22, up 26.8% YOY. Global Active Customers jumped by 49.6% YOY to 627,821 (and by 5.5% QOQ). Within the latter figure, total Australian paying customers numbered 292,561 at the end of Q3 FY22, up 10.9% YOY.

Raiz's platform reported total normalised revenue of $4.4 million in its Q3 FY22 quarter, up 43.4% YOY.

Annual Recurring Revenue (run rate) climbed to $14.7 million in Q3 FY22, up on both a QOQ (+1.0%) and YOY (+54.1%) basis. This growth was underpinned by growing maintenance and account fees in Q3 FY22.

Further penetration of target Southeast Asia markets occurs

Raiz continued to build scale in its target Southeast Asian markets in the first three months of calendar 2022. Active Customers in Indonesia grew by 129.4% to 230,824 YOY and 11.7% QOQ in Q3 FY22, while Active Customers in Malaysia rose by 89.2% YOY and 7.6% QOQ to 104,436. These gains occurred despite the heightened geopolitical concerns and fears that continued inflationary pressures would force central banks to start tightening monetary policy settings. Work continues for the launch in Thailand. However, the reintroduction of tighter COVID restrictions in the quarter has pushed out the timeframe for licence approval.

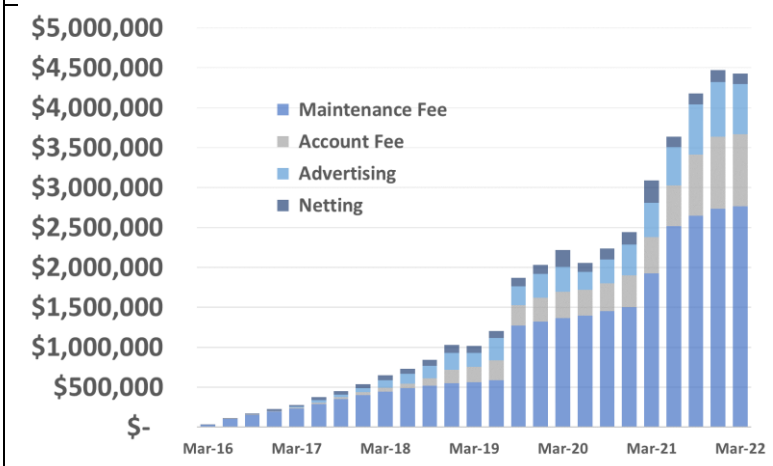
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Key Operational Metrics - Figures 1 – 3



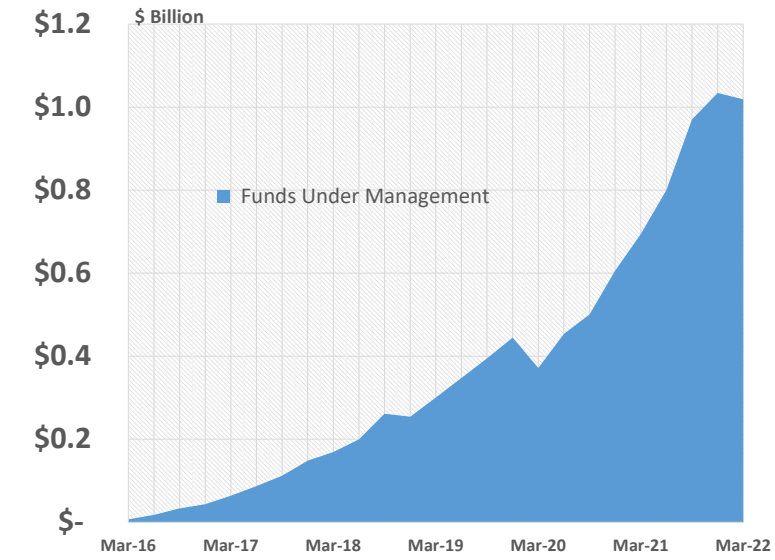
Global Active Customers

- Paying customers increased 5.5% to 627,821 in the March 2022 quarter.
- This gain driven primarily by organic growth activities across Raiz's core Australian, Indonesian, and Malaysian markets



Revenue Drivers
(% move on prior quarter)

- 1.0% decrease in normalised revenue, driven primarily by a seasonal fall in advertising
- Maintenance fee revenue rose by 1.2%
- Account fee revenue increased by 0.3%
- Advertising revenue dropped by 8.6%
- Netting revenue declined by 13.6%



Australian FUM

- FUM affected by market volatility and negative sentiment of retail consumers from various factors; geopolitical, inflation expectations, pandemic related issues, and weather
- FUM: $1.019 billion at the end of Q3 FY22, down 1.5% on Q2 FY22
- Superannuation FUM increased 0.6% to $192.4 million after a 4.1% gain in the preceding quarter

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New board member announced

Raiz made a valuable addition to its leadership team in the March 2022 quarter with Philippa Taylor joining the board as a non-executive director, effective 1 February 2022. She brings a wealth of experience in workforce and executive governance, organisational culture, and engagement with fast-growing companies with global operations.

Ms Taylor has two decades of board experience, spanning ASX listed, commercial and government organisations, and not-for-profits. Over this time, she has held Chair positions on remuneration and nomination committees. She has also held senior executive roles in several customer-centric industries, including CEO at Deakin Health and Sports Centre (since acquired by Fitness First) and Global Director, People and Culture, for SMS Management and Technology (now part of NRI).

Raiz sponsors Montessori Australia digital age curriculum project

In early April 2022, Raiz announced that it was sponsoring a new financial curriculum for the digital age being developed by Montessori Australia. This financial literacy project, premised on a hands-on approach to learning, will fill a gap in financial literacy education.

The curriculum's end-goal is to build students' confidence in finance and money management – a fundamental life skill. Importantly, it will address financial literacy in a much wider sense, incorporating the new realities of digital currencies and investment. Delivery of the course's stated goal will provide a key tool for young Australian investors – a growing cohort in the country's overall investor pool – to create their own diversified portfolio of investments with the right know-how.

At the same time, the Company's new version of Raiz Kids in Australia continues to be beta tested by a select group of customers, with its official release in late April.

Corporate

Cash receipts from customers of $5.1 million in the Q3 FY22 period up 0.7% on the level reported in the previous quarter (Q2 FY22: $5.0 million). Total cash outflows from operating activities for the quarter of around $0.8 million were down on the Q2 FY22 figure of near $0.2 million inflows.

The Company ended the March 2022 quarter with $18.7m million in cash, cash equivalents and term deposits.

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Raiz Managing Director/Group CEO George Lucas said: "We were pleased with Raiz's performance over its Q3 FY22, particularly in the context of geo-political uncertainties, weather, the pandemic and increases in cost-of-living expenses. Just as the drag on sentiment caused by the pandemic started to wane, it was replaced by another bout of geopolitical concerns, notably the Russia-Ukraine conflict. Other layers of uncertainty have been created by the increase in cost-of-living expenses coupled with rising expectations of higher interest rates in Australia and major overseas countries.

"In the face of these, we decided to temporarily reduce our marketing spending through existing channels globally, a move that has served us well in past periods of widespread market disruption. We expect marketing to pick up in May via the Seven West Media channel.

"It was good to see Raiz group FUM remaining comfortably above the $1 billion mark by the end of Q3 FY22.

"We are proud of the Raiz team's continued ability to deliver on our growth strategy despite the uncertainties experienced in recent months. The move by our Malaysian team to add gold as an option for customers to select in their Custom Portfolio was well received. In Indonesia, we continued to do what I believe we do well and work towards delivery of new portfolio options, Raiz Rewards partners, and improved customer engagement. In both countries the app rating remains high, 4.5 and above (depending on country and platform).

"Looking to the future, we expect recent investments to deliver ongoing organic growth in both Australia and our target Southeast Asian markets. We also continue to examine several growth-by-acquisition opportunities that could potentially broaden our product range and geographic footprint."

CEO of Raiz Invest Australia Brendan Malone said: "Q3 FY22 saw a unique combination of significant geopolitical and macroeconomic events. We were very pleased to see that despite these external factors our customers continue to stay with us through these periods of market uncertainty. We were especially pleased by the growth evident in the superannuation component of our headline FUM number over the final part of the quarter. With FUM in superannuation now close to $200 million, it is evident more customers are trusting us to be the custodians of their future retirement incomes in addition to their micro-investing.

"The March 2022 quarter saw us make significant investment and progress on a major advertising campaign to increase brand awareness and attract new customers. This campaign will be aired on the Seven West Media network from the beginning of May. Upon launch we will see a material increase in the amount of Raiz marketing put in front of existing and potential Australian customers.

"In the meantime, we have continued to focus on our core strategy of both expanding our Australian client base and gaining more of their proverbial wallet. We released our upgraded Raiz Rewards platform and significant enhancements to Raiz Kids over recent months. The enhanced customer experience it provides will help us deliver on our target of increased revenue per customer over coming quarters."

- ENDS -

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Market Announcement authorised by:

George Lucas – MD /Joint Group CEO

Raiz Invest Limited

Media Enquiries:

Brendan Malone - ir@raizinvest.com.au

Investor Enquiries:

Julia Maguire – julia@thecapitalnetwork.com.au

About Raiz

Raiz Invest Limited (ASX: RZI) is Australia's largest, mobile-first financial services platform designed to boost investing and savings in and outside of superannuation, available via the Raiz app or its website.

To gain greater insight to the Raiz business and our strategy, watch our short video by visiting https://raizinvest.com.au/investors/

Since launching in 2016, Raiz has achieved solid growth, amassing more than 2.75 million downloads, 2,710,000 sign-ups, with over 627,000 active monthly customers and over $1.018bn in FUM as at 31 March 2022.

Raiz was awarded Australia's Investment Innovator of the Year at the 2017, 2018 and Investment Platform Innovator of the Year 2019 FinTech Business Awards, won the 2018 Australian FinTech Award for FinTech Innovation in Wealth Management (Robo-Advice) and won Best Fintech Superannuation Service/Platform at the 2020 FinTech Awards. Raiz Invest Super was also a finalist in the SuperRatings Best Innovation for 2020 at the Superannuation awards. Raiz was ranked #27th in Deloitte's Fast 50 winners Report for 2020. The Raiz platform continues to grow with over 19 new products and features released since launch.

Raiz Invest Limited has offices in Indonesia and Malaysia as part of the growth and expansion strategy of the business throughout Southeast Asia.

For more information: www.raizinvest.com.au

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
Raiz Invest Limited	
ABN	**Quarter ended ("current quarter")**
74 615 510 177	31 March 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	5,073	15,051
1.2	Payments for		
	(a) research and development	(398)	(1,013)
	(b) product manufacturing and operating costs	(1,817)	(4,851)
	(c) advertising and marketing	(1,554)	(4,086)
	(d) leased assets	-	-
	(e) staff costs	(1,773)	(3,952)
	(f) administration and corporate costs	(1,387)	(2,677)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	(25)	(61)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,081	1,081
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(799)**	**(504)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(68)
	(d) investments (short term deposit)	-	-
	(e) intellectual property	(751)	(2,149)
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments (short term deposit)	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(751)**	**(2,217)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,000
3.2	Proceeds from changes in ownership interests in subsidiaries	-	642
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(18)
3.5	Proceeds from borrowings from related parties	-	-
3.6	Repayment of borrowings from related parties	-	(8)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principle payment for leases)	(141)	(417)
3.10	**Net cash from / (used in) financing activities**	**(141)**	**2,199**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	20,363	19,199
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(799)	(504)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(751)	(2,217)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(141)	2,199
4.5	Effect of movement in exchange rates on cash held	(119)	(124)
4.6	**Cash and cash equivalents at end of period**	**18,553**	**18,553**
	Cash and cash equivalents at end of quarter plus term deposits	**18,717**	**18,717**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	18,553	20,363
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**18,553**	**20,363**
	Term Deposits	**164**	**164**
	Cash and cash equivalents at end of quarter plus term deposits	**18,717**	**20,527**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(799)
8.2	Cash and cash equivalents at quarter end (item 4.6)	18,553
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	18,553
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	23

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2022 .....

Authorised by: .....
(George Lucas, Managing Director/CEO)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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