



Raiz Invest Limited (ASX:RZI)

Multi-award-winning micro investing and
fintech platform with operations in Australia
and Southeast Asia

FY21 FULL YEAR RESULTS PRESENTATION | 25 August 2021

Level 11, 2 Bulletin Place, Sydney NSW 2000 – Announcement authorised by George Lucas (Managing Director)

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1. Raiz Overview and FY21 Highlights

ASX:RZI

Raiz Snapshot

Mobile investment products to unlock financial freedom



Micro investment platform
to enable financial freedom in
& outside Super



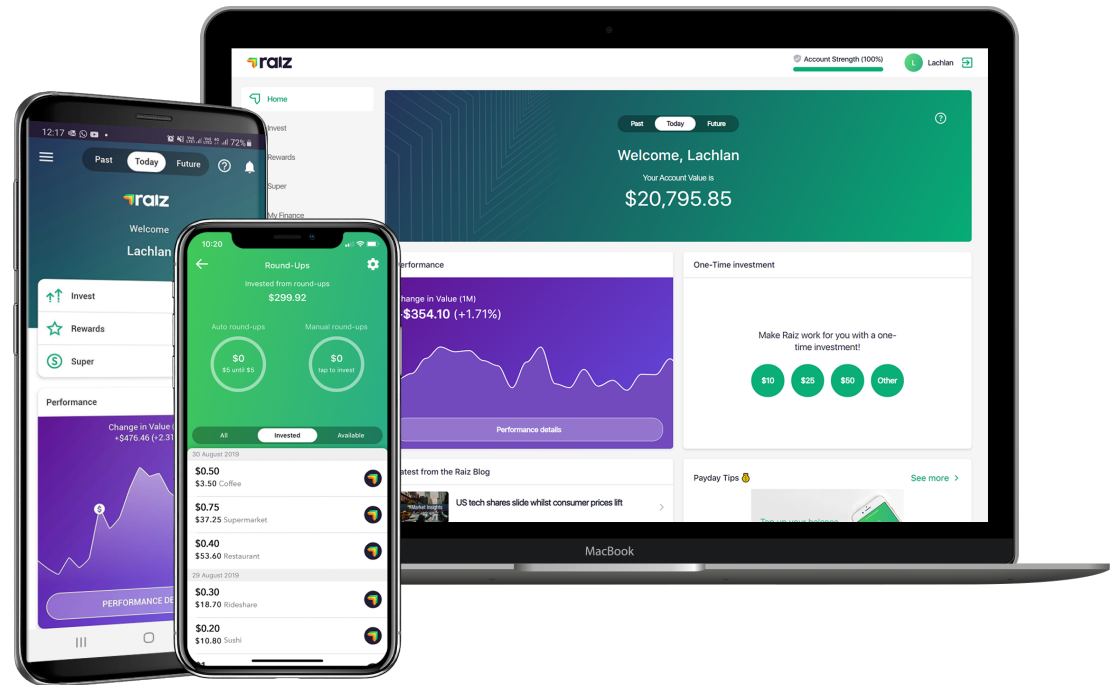
**Leading customer service
and user experience** for
attracting and retaining
customers



**Low customer acquisition
cost** to help fast-track growth



**Growing rapidly in
Southeast Asia** Indonesia,
Malaysia & Thailand

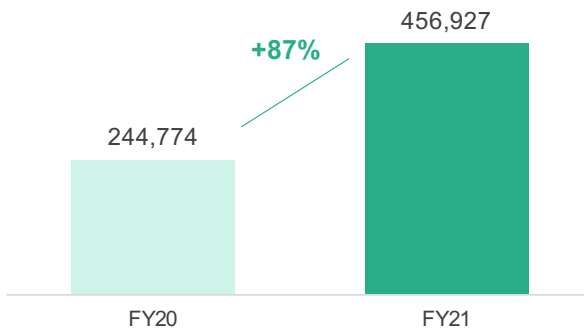


Key Performance Metrics

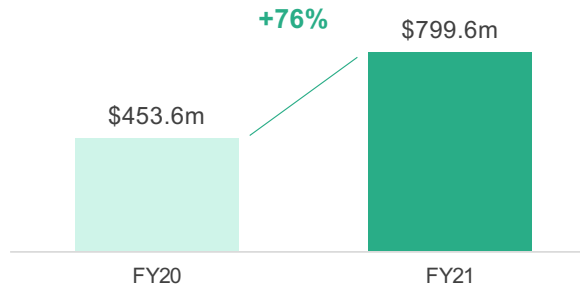
Continued outperformance across the dashboard



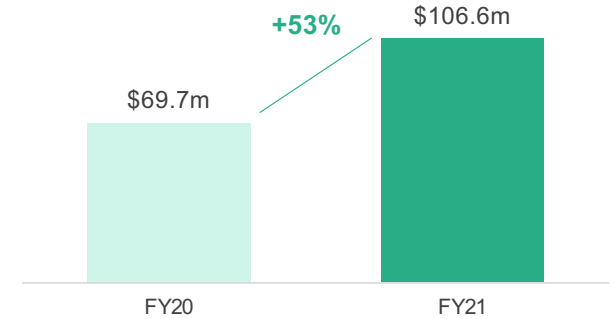
Active Customers¹



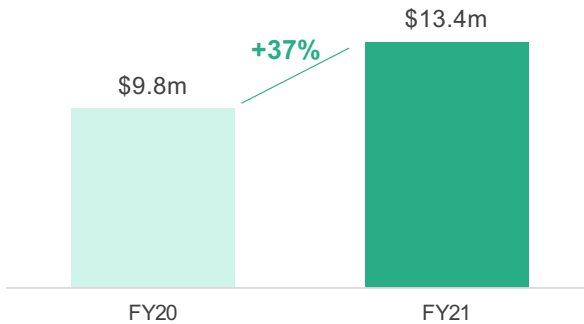
Funds Under Management
(Australia)¹



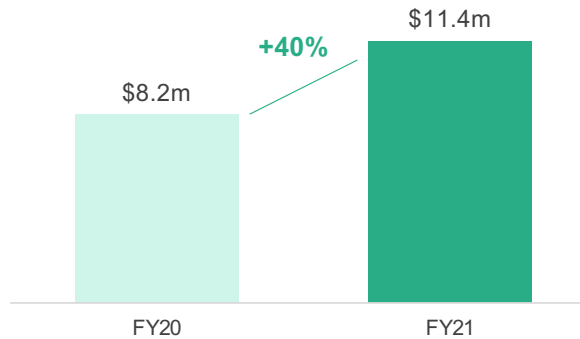
Raiz Super Invested¹



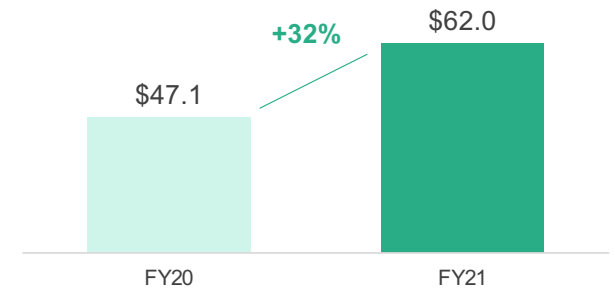
Group Revenue



Micro Investing Platform Revenue



Revenue Per Customer
(Run Rate in Australia)¹



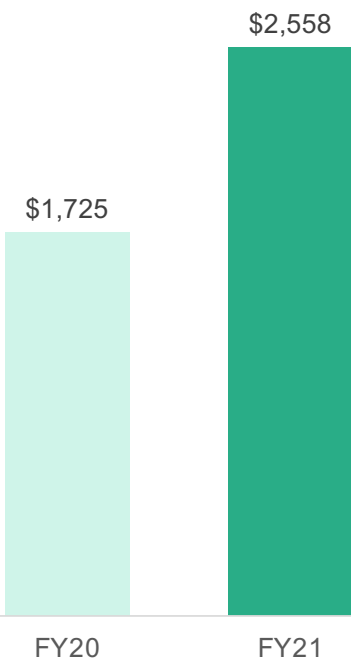
1. Increase on Previous Corresponding Period at 30 June ('PCP')

Key Indicators (Australia)

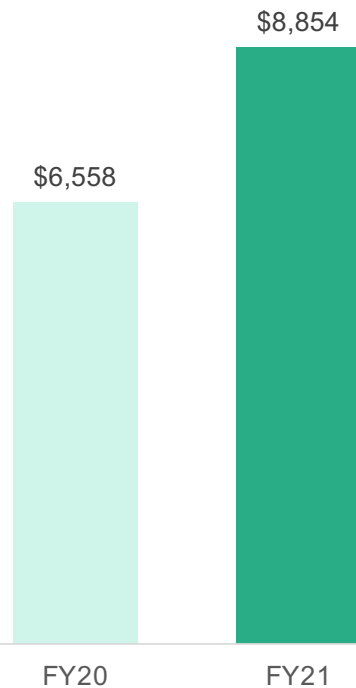
Momentum continues strongly in FY21



Average Balance
At 30 June



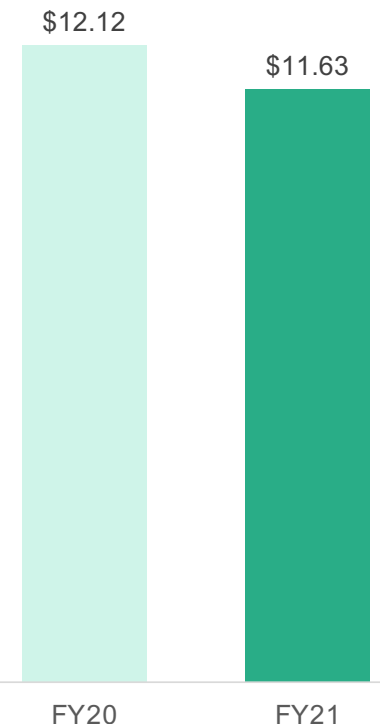
Recurring Revenue*
(\$'000)



Gross Margin (%)
Raiz Micro Investing Platform



Average CAC



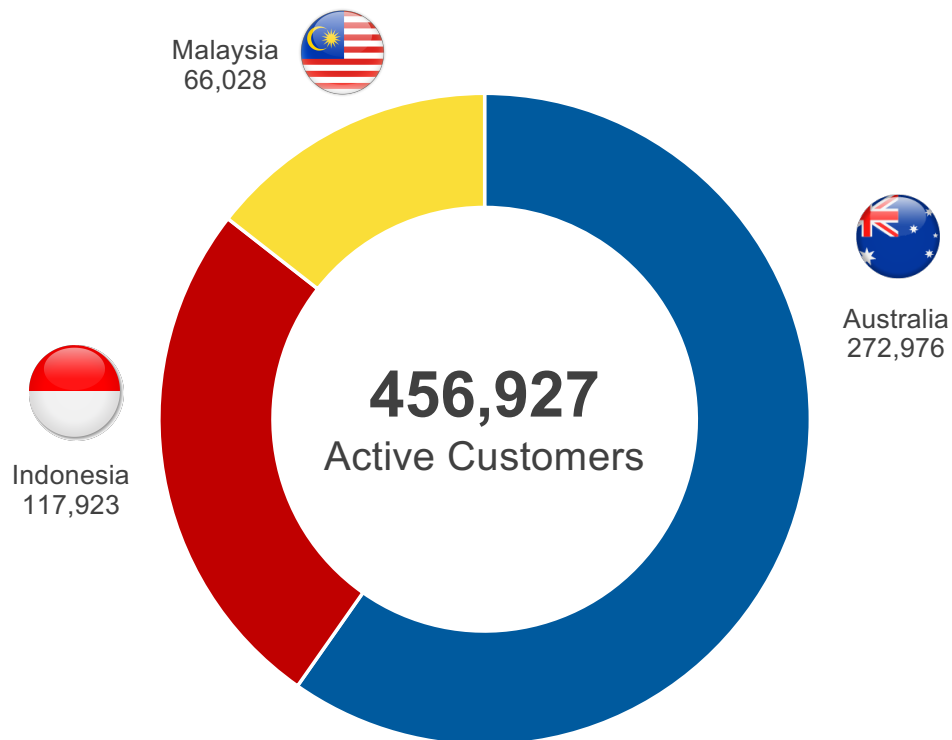
* Recurring Revenue includes Account Fee/Transaction Fee and Maintenance Fee

Customer Growth

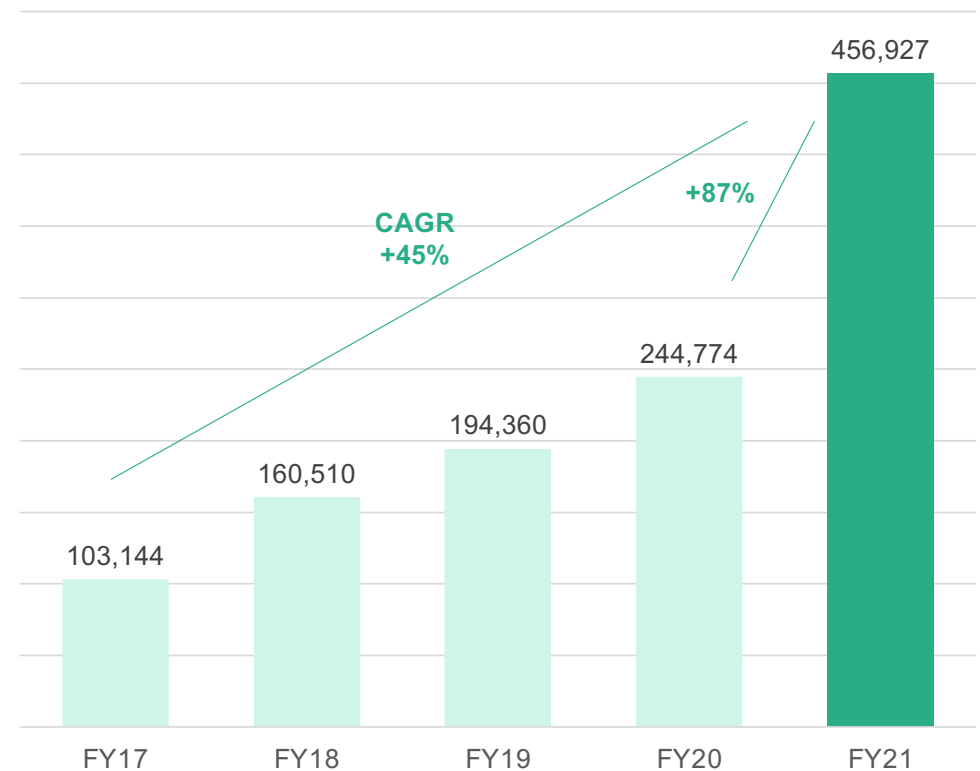
Step change in customer growth achieved through Australia acceleration and Southeast Asia expansion



Active Customer Footprint



Active Customer Growth



Revenue Model Globally

Granular diverse revenue stream



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 of the customer is using the platform

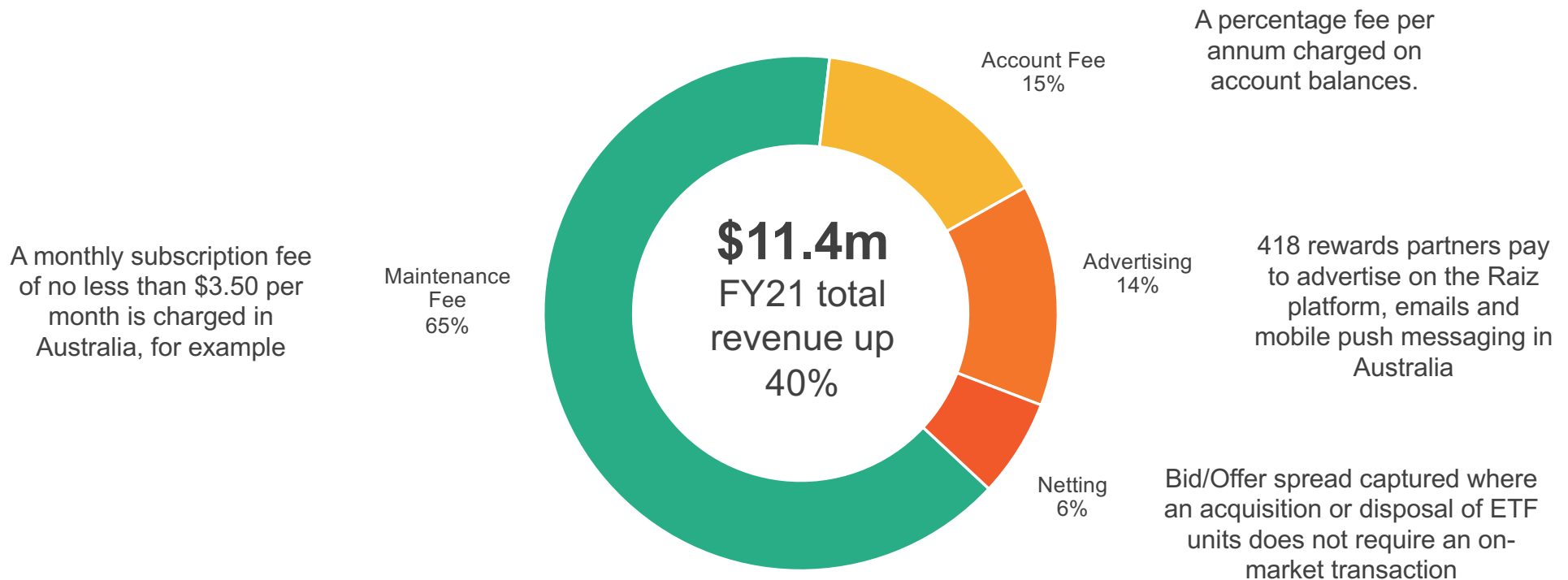
	5 Portfolios from Conservative to Aggressive		Emerald Portfolio		Sapphire Portfolio	Custom Portfolio		Indonesia	Malaysia	
Account Balance	Sub \$15k	+\$15k	Sub \$15k	+\$15k	All Balances	Sub \$20k	+\$20k	All Portfolios	Sub MYR 6,000	+MYR 6,000
Account Fees/Transaction Fee	n/a	27.5bps p.a	n/a	27.5bps p.a	27.5bps p.a	n/a	27.5bps p.a	Rp. 3,000 per transaction	n/a	30.0bps p.a.
Maintenance Fee	\$3.50 p/m	n/a	\$3.50 p/m	n/a	\$3.50 p/m	\$4.50 p/m	n/a	n/a	MYR 1.5	n/a
Active Customers	184k		33k		43k	13k		118k	66k	

Revenue Streams

Raiz delivered 40% growth in micro investment platform revenue on PCP



Revenue blend by stream



Corporate Highlights

Successfully executing against the growth strategy



Continued customer, FUM and revenue growth: Overcoming COVID headwinds in operating territories to continue growth



Growth with low customer acquisition cost (CAC): Acquiring active financial services customers online at a CAC of AU\$11.63 per customer in Australia



Higher margin product penetration: Superannuation, SMSF, Sapphire and Custom portfolio products all gaining traction



Southeast Asia expansion: Accelerated uptake in Indonesia and Malaysia, preparation completed for Thailand launch, and incorporation in Vietnam has started



Right-size organisation: Continued strengthening of board & management structure to drive the next leg of growth



Industry recognition: Recognised by Deloitte in Top 50 fast growing Australian tech companies for 2020 and Top 500 for Asia Pacific and winner of Best FinTech Australia Superannuation Service 2020



2. Strategy & Execution Overview

ASX:RZI

Raiz Corporate Strategy

Execution of consistent and clearly defined strategy driven by customer feedback



Core strategy



Acquired Superestate

An Integrated Superannuation & Australian Residential Property Platform



Retail Superannuation Fund: Integration into Raiz Super to provide an expanded product option and growth in FUM



Residential Property Fund: Ability for Raiz users to Invest in residential property through the Raiz App








Property Data & Technology Platform: Integration into Raiz technology stack to increase value to customers

Expansions to Date – 30 June 2021

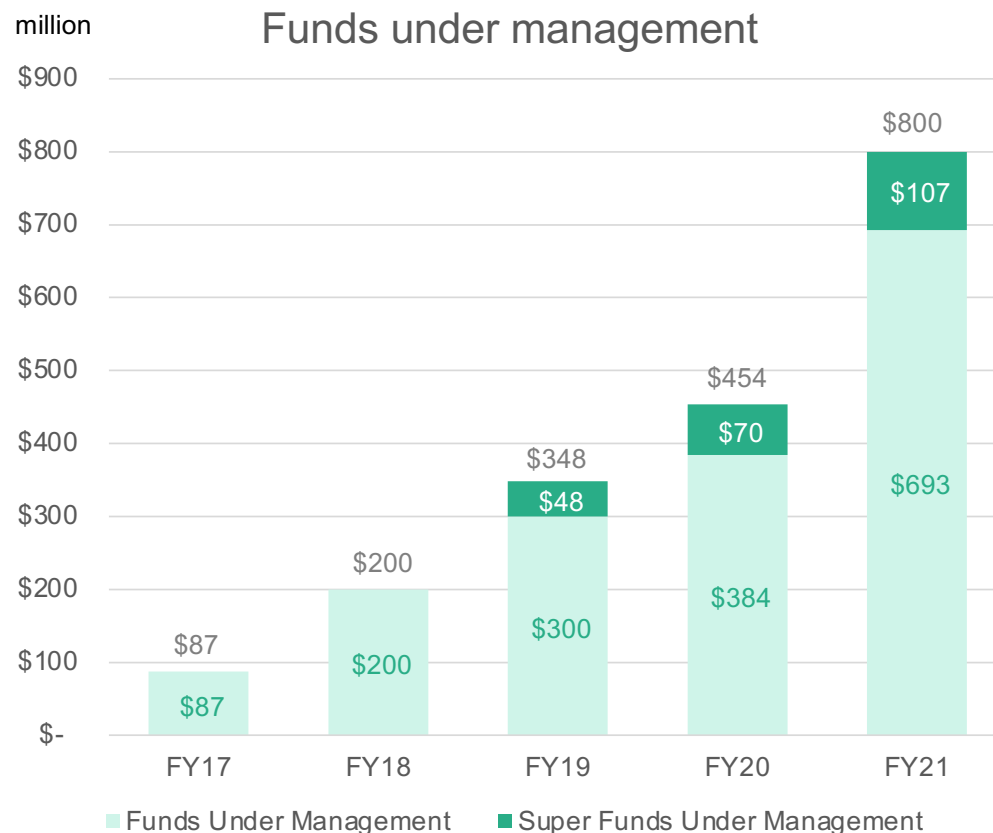
Rapid scaling in its target markets with new territories imminent



		Total Population	Customer Sign Ups	Investment Accounts	Active Customers
Australia		c.26m	1,093,782	520,160	272,976
Indonesia		c.277m	413,555	252,277	117,923
Malaysia		c.33m	277,018	92,563	66,028
Thailand		c.70m	Targeting 1H'22 launch of Beta Product		
Vietnam		c.98m	Research into this market has begun and qualified for NSW Government grant		
Total		c.504m	1,784,355	865,000	456,927

Raiz Invest & Raiz Invest Super

Core investment platforms resilient over the past 5 years exhibiting continued growth



FUM increased to \$799.6m at end of FY21 (up 76.3% on FY20)



Continued growth in Raiz Super to \$106.6m at end of FY21 (up 53.0% on FY20)



61% of FUM is comprised of account balances of greater than \$10,000



Raiz Super is marketed to existing database producing a very low CAC



Additional product offerings underpinning continued revenue growth in FY22

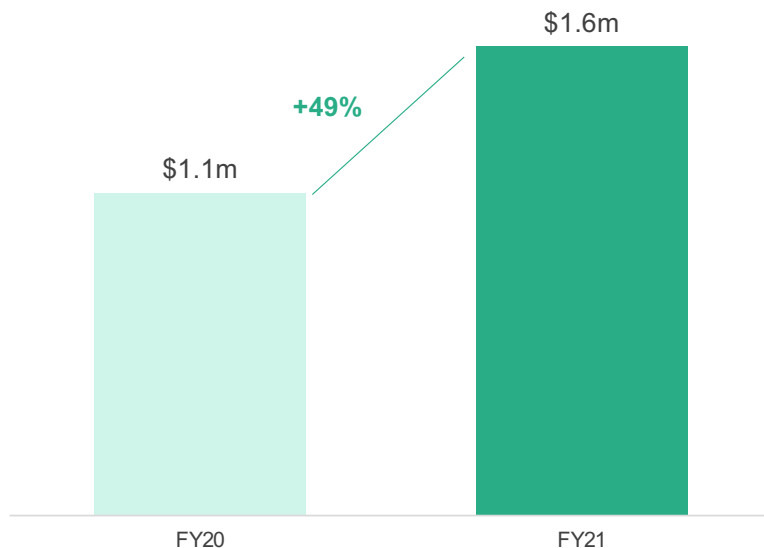
Raiz Rewards

Brands attracts members, members attract brands and Raiz Rewards attract loyalty



Raiz Rewards is a loyalty program allowing users to fast-track their Raiz accounts & Super balances through purchases made with partnership brands

Raiz Rewards advertising revenue



Select Rewards Partners



Target Customer Cohorts

Products built for target customer cohort = stickiness, engagement and low attrition



Investors

Larger balances:
\$20k+

Custom portfolio, Super
and SMSF products



Millennials

Small balances:
Under \$20k

Micro Investing portfolio,
Sapphire & Emerald



Student / Young

Lower balances
with auto-savings on:
\$1k+

Micro Investing
for a goal



3. FY22 Outlook

ASX:RZI

FY22 Focus Areas

Continued focus on growing the Australian business and executing the Southeast Asia growth strategy



Grow the business in all geographies



Maintain disciplined focus on costs



Focus on low cost of customer acquisition to drive new accounts



Increasing territories, customers and products to maximise growth



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



Prepare launch of Thailand and Vietnam businesses



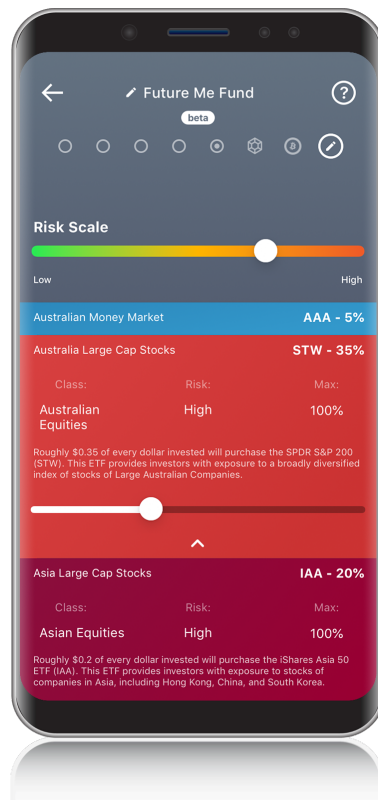
Utilise best-in-class infrastructure to launch customer-focused products

New Product Development

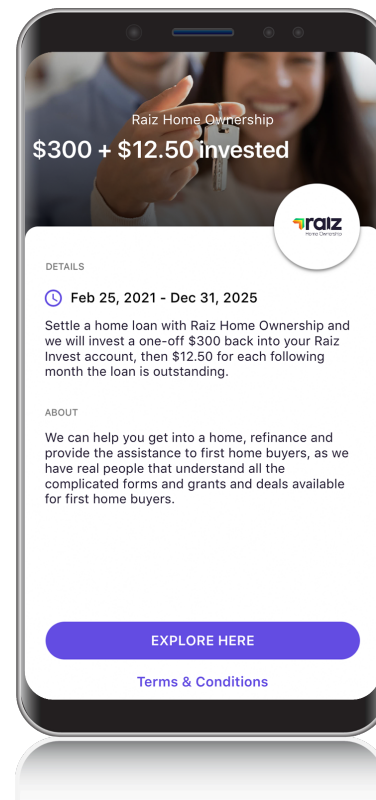
New portfolios created based on customer demand and feedback



Customised Portfolio



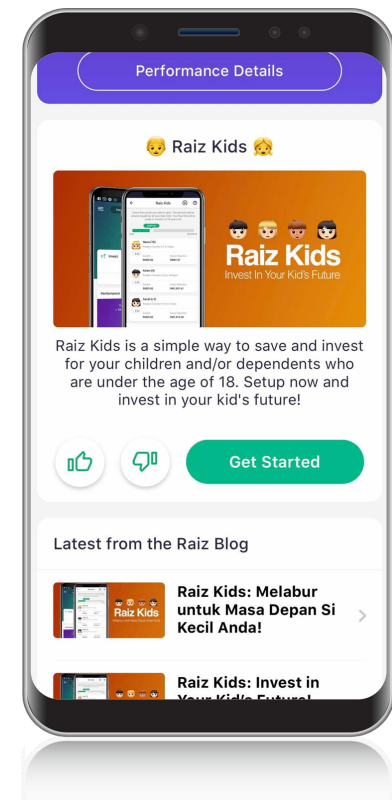
Raiz Home Ownership



Indonesia – Keuanganku

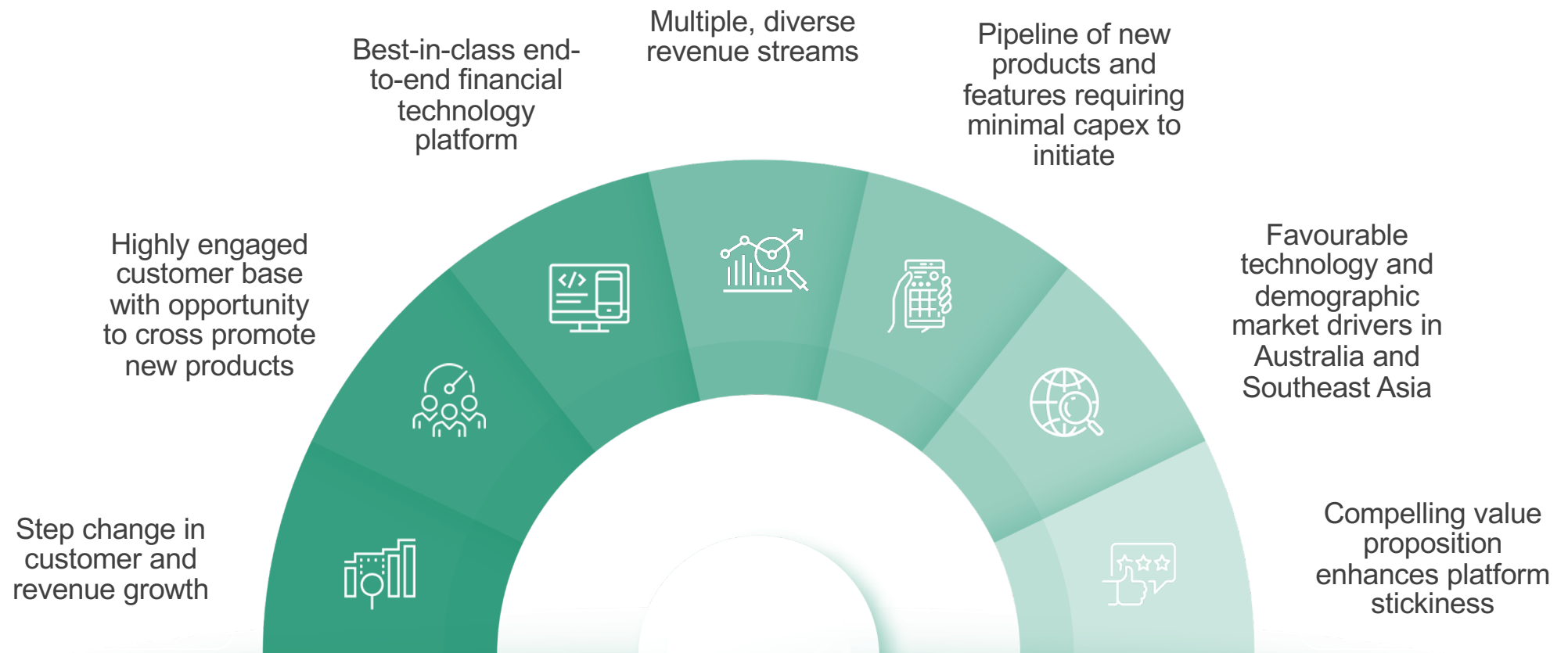


Malaysia – Raiz Kids



Investment Highlights

Delivering financial flexibility, freedom and security to customers





4. Financial Overview

ASX:RZI

Profit & Loss

To be read in conjunction with the Financial Report for the year end 30 June 2021



\$000	FY20	FY21	% vs FY20
Micro Investing Platform	8,177	11,422	40%
Other Financial Services	1,628	1,976	21%
Group Revenue	9,805	13,398	37%
Other Income	484	570	18%
Employee benefits expense	(3,755)	(4,451)	19%
Sales and administrative expense	(3,437)	(4,688)	36%
Professional fees	(1,264)	(1,199)	(5%)
Marketing expenses	(1,458)	(3,069)	110%
Other expenses	(2,639)	(2,604)	3%
EBITDA (Loss)	(2,264)	(2,043)	(12%)
Finance cost	(48)	(45)	(6%)
Depreciation and amortisation expense	(2,420)	(2,688)	11%
Loss before income tax	(4,732)	(4,731)	-
Tax (expense)/benefit	(169)	(133)	(20%)
Loss After income tax	(4,901)	(4,864)	(1%)
Exchange differences on translation of foreign operations	(109)	(161)	48%
Total comprehensive income (loss) for the year	(5,010)	(5,025)	-
Loss attributable to Owners of the parent entity	(4,528)	(3,519)	(22%)

- Group revenue up 37% year on Year (YOY) to \$13.4m
- Micro Investing Platform revenue up 40% YOY driven by customer growth, premium product offering (Sapphire and Custom Portfolios) and fee increase effective 1 April 2021
- Growing operations in Australia and Southeast Asia contributing to 36% increase in Sales & Administrative expense
- Marketing spending up 110% following successful launch in both Indonesia and Malaysia, delivering 87% growth in global active customers
- The consolidated loss of \$258,000 attributed to owners of the parent entity after adding back the cost of the employee share option and amortisation and depreciation expenses, down 83% from FY20
- Higher gross margin at 62% for Raiz Micro Investing Platform In Australia in FY21

Statement of Cash Flows

To be read in conjunction with the Financial Report for the year end 30 June 2021



\$m	FY20	FY21
Receipts from customers	10,626	13,705
Payments to suppliers and employees	(12,441)	(15,347)
Government grants and tax incentives	803	1,083
Finance cost paid	(48)	(45)
Net Operating Activities	(1,060)	(604)
Payments for short term deposits	(7,000)	-
Payment for fixed assets	(33)	(87)
Payment for intangible assets	(1,763)	(1,883)
Proceeds from disposal of short term deposits	7,000	-
Payment for entities	-	(87)
Net Investing Activities	(1,796)	(2,057)
Proceeds from capital raising	7,504	10,419
Proceeds from changes in ownership interests in subsidiaries	2,440	-
Share issue costs	(414)	(663)
Repayment of borrowing from related parties	(130)	(50)
Principal payment for leases	(459)	(545)
Proceeds from related parties	-	-
Net Financing Activities	8,941	9,161
Net increase/(decrease) in cash and cash equivalents	6,085	6,500
Cash and cash equivalents at the beginning of the Period	6,815	12,900
Effect of movements in exchange rates on cash held	-	(201)
Cash & cash equivalents at year end	12,900	19,199

- Net cash outflow from operating activities for FY21 was \$604k, down 43% from \$1.06 million in FY20
- Australian business continues to be operating cash flow positive
- During the June quarter, the Company raised a total of \$10.4 million from an institutional placement and subsequent Share Purchase Plan (SPP)
- As of 30 June 2021, Raiz has a strong balance sheet with cash, cash equivalents (excluding term deposits) totalling \$19.2 million, up 49% from \$12.9 million in FY20
- Working capital of \$13.2 million after deducting regulatory capital

Statement of Financial Position

To be read in conjunction with the Financial Report for the year end 30 June 2021



\$m	FY20	FY21
Assets		
Cash and cash equivalents	12,900	19,199
Trade and other receivables	790	1,737
Other financial assets	573	547
Other assets	127	298
Total Current Assets	14,390	21,781
Property, plant and equipment	119	96
Right-of-use assets	517	521
Deferred tax assets	589	519
Intangible assets	19,974	19,121
Total Non-Current Assets	21,199	20,257
Total Assets	35,589	42,038
Liabilities		
Trade and other payables	1,927	2,862
Current lease liabilities	415	233
Provisions	237	403
Total Current Liabilities	2,579	3,498
Trade and other payables	249	199
Deferred tax liabilities	843	746
Non-current lease liabilities	136	273
Provisions	47	80
Total Non-Current Liabilities	1,275	1,298
Total Liabilities	3,854	4,796
Total Equity	31,735	37,242

- As of 30 June 2021, Raiz has a strong balance sheet with cash, cash equivalents and term deposits totalling \$19.4 million
- Raiz is currently holding \$5.07 million (maximum requirement of around \$5.7 million) in regulatory capital
- Net assets of \$37.2 million, includes intangible assets at \$19.1 million and cash, cash equivalents and term deposits at \$19.4 million
- Key assumptions used in Value-In-Use calculation to justify Intangible assets include terminal value growth rates at 9% p.a. and discount rate at 12% p.a.
- Unencumbered balance sheet

Raiz Invest – Market Information

Share price, capital structure and significant shareholders



Share Price & Volume



Capital Structure

Shares on Issue*	87.3m
Share Price*	\$1.995
12 month Range*	\$2.20 - \$0.70
Market Cap*	\$174.1m
Net Cash & term deposits 30 June 2021	\$19.4m

Top Shareholders*		Shares	(%)
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5.8m	6.6%
2	ACORNS GROW INCORPORATED	5.2m	5.9%
3	UBS NOMINEES PTY LTD	4.6m	5.3%
4	GEORGE LUCAS & RELATED ENTITIES	4.5m	5.1%
5	CITICORP NOMINEES PTY LIMITED	3.9m	4.5%
Top 20		50.2m	57.5%
Other Investors		37.1m	42.5%
Total		87.3m	100.0%

* As at 18 August 2021



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