



FY 2022 Results Presentation

25 August 2022

*Australia's leading WealthTech proposition
delivering in all economic cycles*

Level 11, 2 Bulletin Place, Sydney NSW 2000

Announcement authorised by Board of Directors



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01

FY22 Results overview



Results highlights

Strong results provide a solid platform for ongoing growth and path to profitability



Operational

Active customers (Group)

660,624

+36% - 12 Month change (31 July 2022)

Financial

FY22 Micro Investing Platform Revenue (Group)

A\$17.4M

+52% - 12 Month change (30 June 2022)

FUM (Group)

A\$1.01B

+11% - 12 Month change (31 July 2022)

FY22 Revenue per customer (Raiz Micro Investing Platform revenue run rate⁽¹⁾, Australia)

A\$55.9

+8% - 12 Month change (30 June 2022)

Resilient business for all economic cycles

Our revenue model and deep customer engagement has us very well placed



Customers demonstrating price inelasticity

16% Australian customer CAGR over the last 4 years whilst prices have increased **180%** over the same period

Australia delivering strong unit economics

A\$55.9 ARPU (run-rate), **A\$17.8** CAC, **64%** Gross profit margin (Raiz Micro Investing platform) and **~5** month CAC payback period at A\$3.50 monthly subscription (Standard Portfolios)

Continual product innovation

19 products rolled out since inception with now working on a new look and feel for the Raiz App to improve UX for FY23

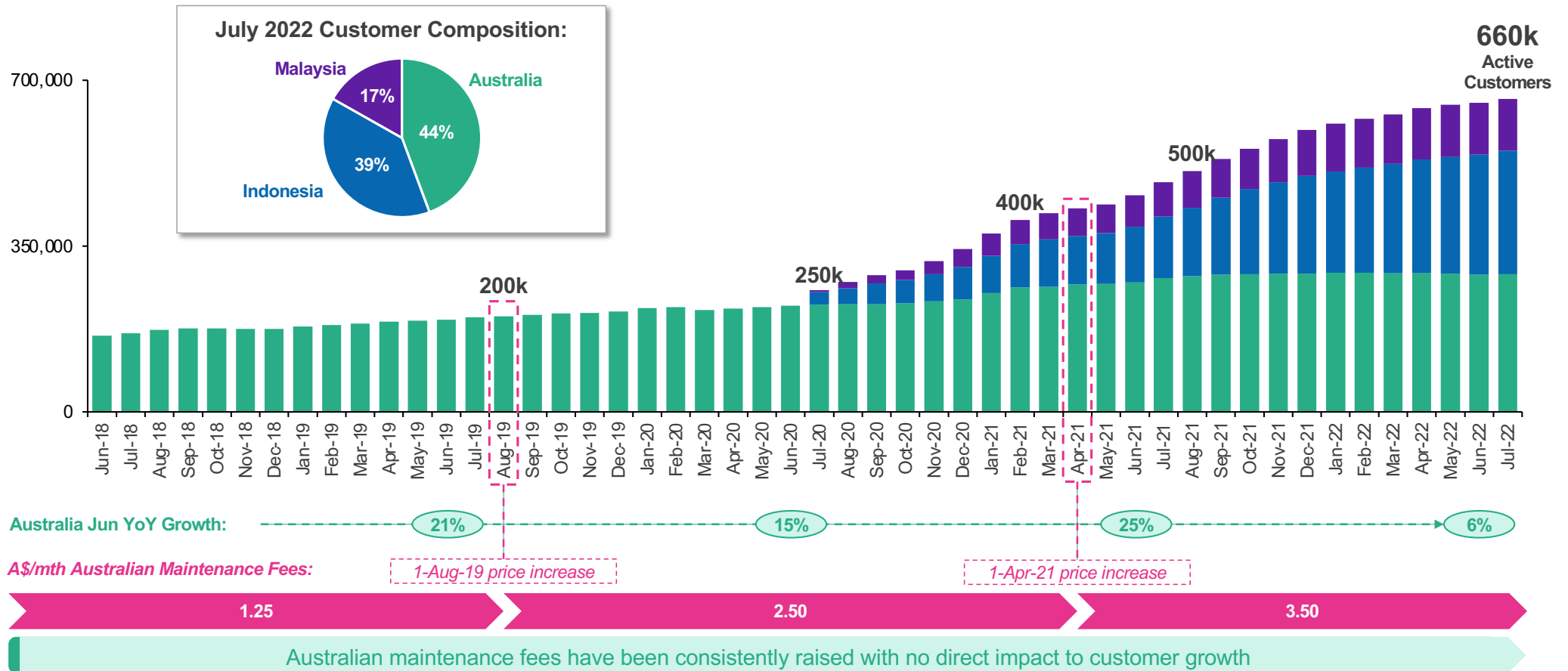
Launching Raiz Residential Property Fund in FY23

Sustainable revenue sources and model

~80% of revenue not linked to AUM and therefore not impacted by market performance

Continued robust customer growth

Consistent active customer growth achieved with increased pricing



Brand and marketing strategy delivers low-cost customer growth

Effective marketing appealing to the target customer base and underpinned by word-of-mouth referrals



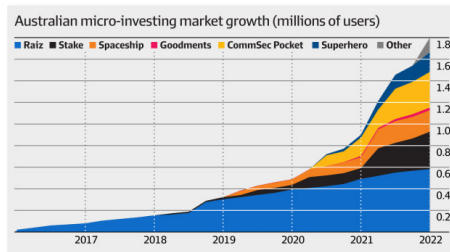
Online Blog & Exposure



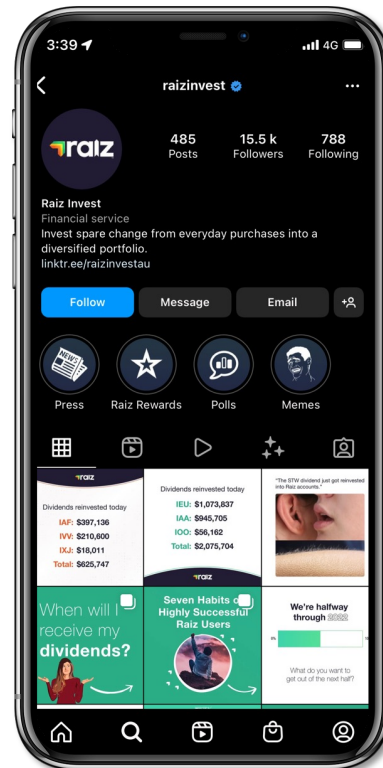
Watching your wallet? This financial educator gives Raiz the thumbs up!



FINANCIAL REVIEW



Digital Marketing



Seven West Media Partnership



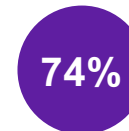
30-Nov-21

Seven West Media makes strategic investment in Raiz

Raiz will work with Seven to utilize its extensive media reach for a concerted advertising campaign with the aim to significantly accelerate growth in the Australian market.

Seven will take a 6.6% strategic investment in Raiz via a \$10m share placement, split between \$2m in cash and \$8m in advertising across Seven's broadcast television, publishing, and digital media assets.

Powerful Word of Mouth Referrals



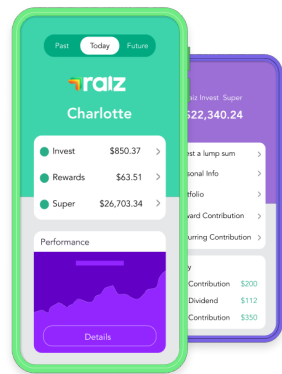
Nearly 3 of 4 users have personally recommended Raiz in Australia

Our digital investment products unlock financial freedom

Comprehensive investment product suite that has continued to evolve to suit the needs and requests of target customers



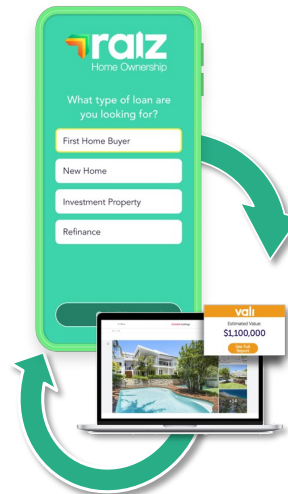
Raiz Invest



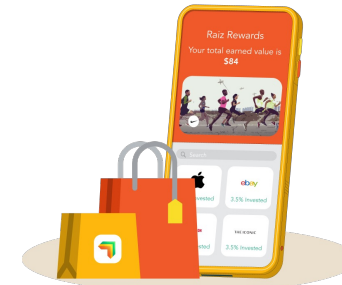
Raiz Invest Super



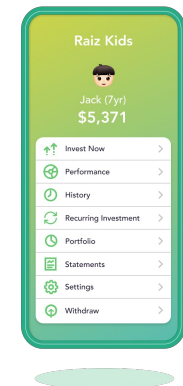
Raiz Home Ownership



Raiz Rewards



Raiz Kids



- **Raiz Invest** users choose to invest in a range of portfolios at varying risk levels
- Ability to invest spare change automatically through round-ups, recurring investments, and lump sums

- **Raiz Invest Super** includes guaranteed contributions and automated recurring voluntary contributions
- Ability to onboard customers' SMSFs
- Supports property investment through **Superstate** – the only super fund focused on residential property investment

- Raiz Home Ownership (RHO) provides customers with home loan support
- **Vali** is a property data and machine learning platform driving proprietary property AVM technology
- Raiz Property Funds offer diversified residential property investment options

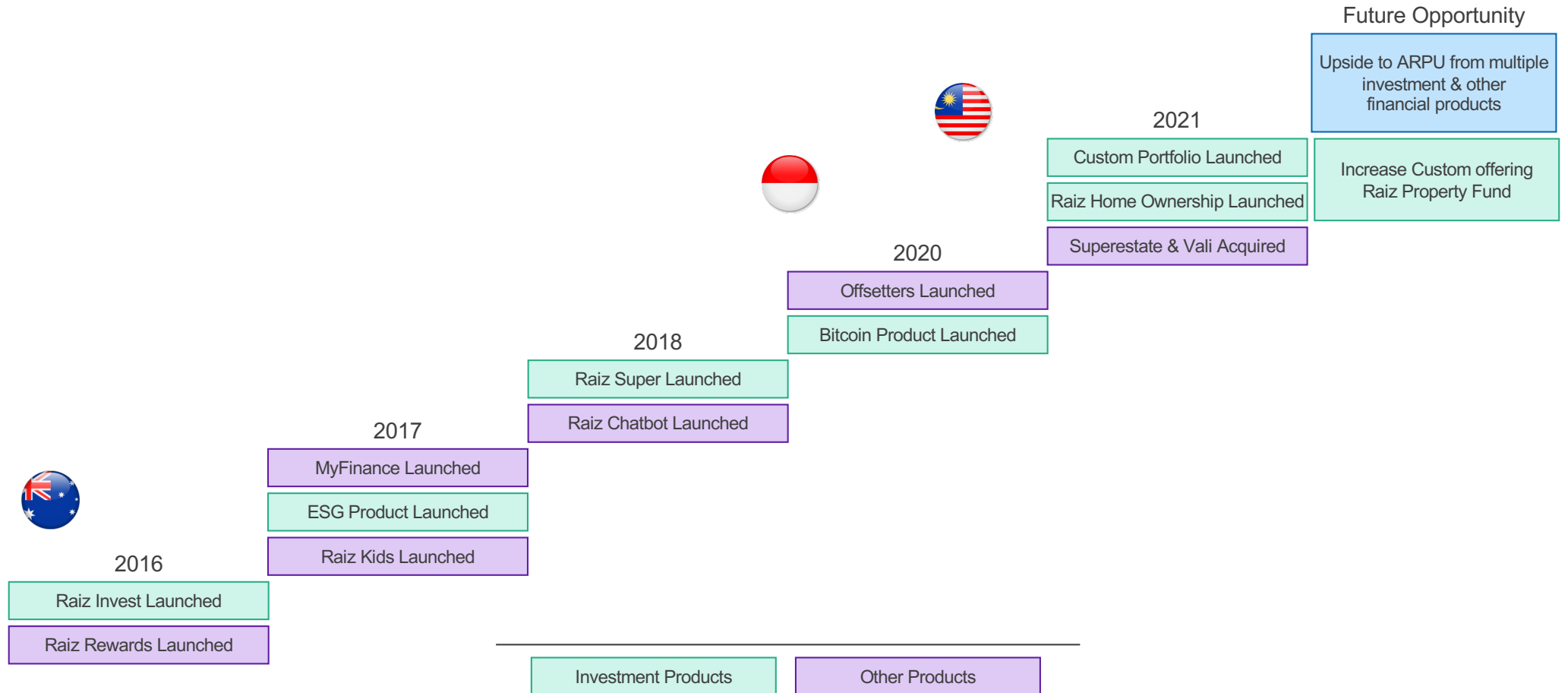
- **Raiz Rewards** is a loyalty program which allows users to accelerate their Raiz accounts & Super balances through purchases made with partnership brands



- **Raiz Kids** is a simple way to save and invest small amounts regularly for children and dependents who are under the age of 18
- Dependents can have direct access to their own investment portfolio with their parent or guardian's permission

We continue to innovate and expand our product suite

Track record of expansion and data rich proposition with exciting future opportunities



Our revenue is not tied to market performance

~80% of revenue not impacted by market performance



Sources of Revenue



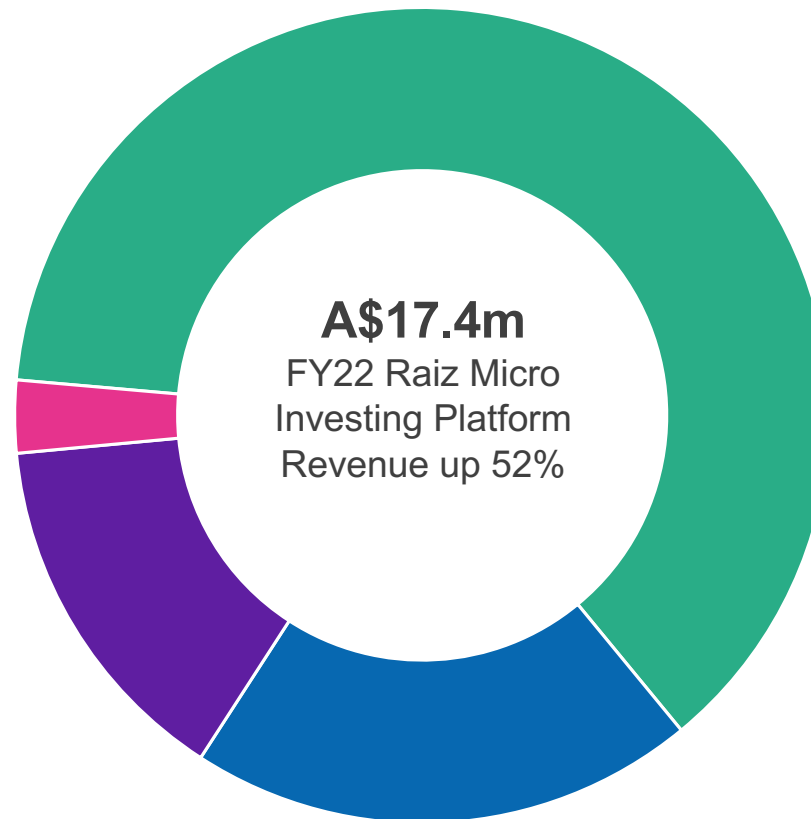
Netting
3%

Bid/Offer spread captured where an acquisition or disposal of ETF units does not require an on-market transaction



Advertising
14%

Over 450 rewards partners pay to advertise on the Raiz platform, emails and mobile push messaging in Australia



Maintenance Fee
63%

A monthly subscription fee of A\$3.50 per month (or A\$4.50 per month for Custom Portfolios) is charged in Australia

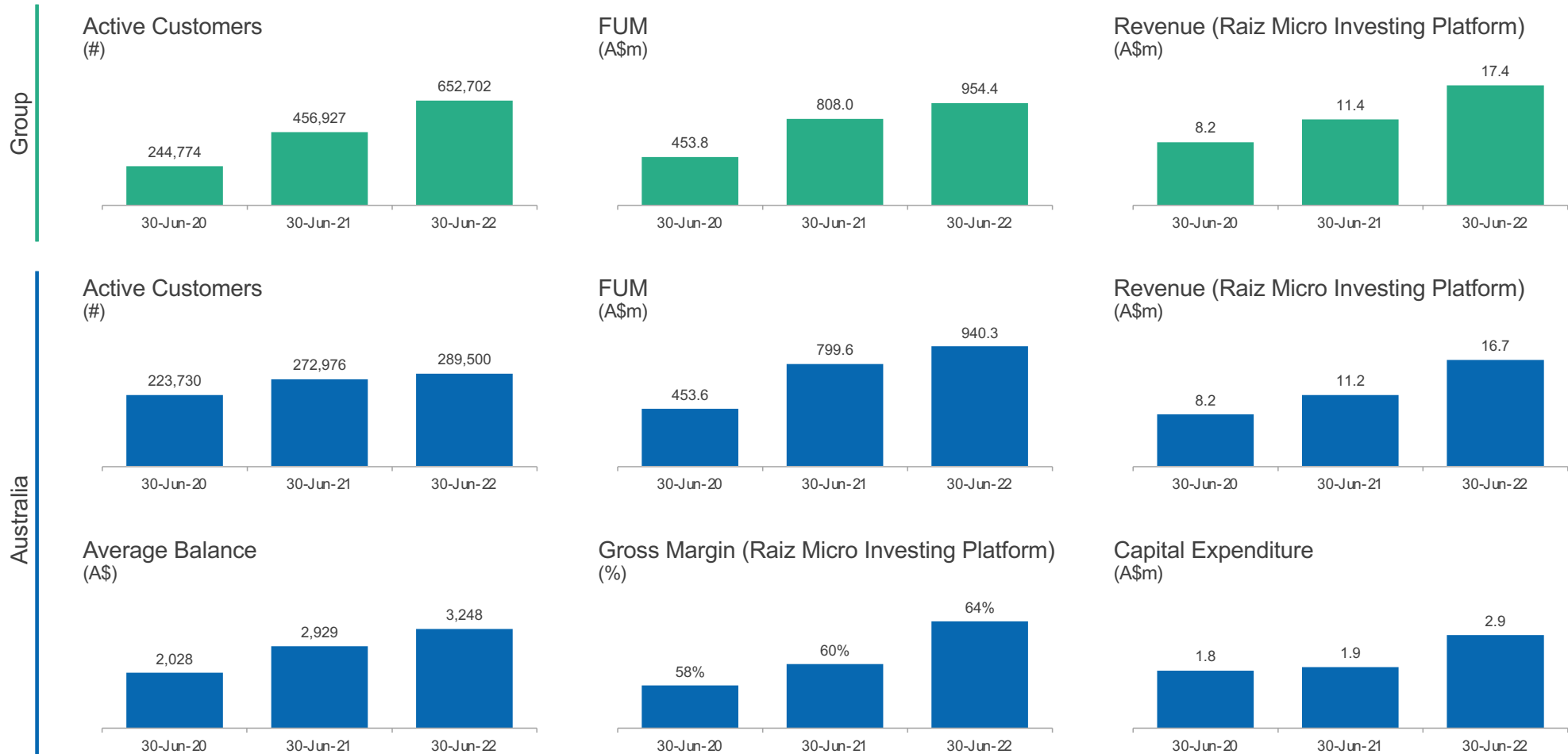


Account Fee
20%

A percentage fee per annum is charged on account balances

We have delivered continued outperformance across key metrics

Strong results providing a solid platform for ongoing growth and path to profitability demonstrated by Australian business



02

**Detailed financial
information**



Statement of Financial Performance

To be read in conjunction with the Financial Report for the year end 30 June 2022



A\$'000	FY21	FY22	% vs FY21
Micro investing platform	11,422	17,384	52%
Other financial services	1,976	1,311	(34%)
Group revenue	13,398	18,695	40%
Other income	570	644	13%
Employee benefits expense	(4,451)	(6,657)	(50%)
Sales and administrative expense	(4,688)	(6,377)	(36%)
Professional fees	(1,199)	(2,380)	(98%)
Marketing expenses	(3,069)	(8,275)	(170%)
Other expenses	(2,558)	(3,265)	(28%)
EBITDA (Loss)	(1,997)	(7,615)	(281%)
Finance cost	(45)	(84)	(87%)
Depreciation and amortisation expense	(2,688)	(3,307)	(23%)
Loss before income tax	(4,730)	(11,006)	(133%)
Tax (expense) / benefit	(135)	(182)	(35%)
Loss after income tax	(4,865)	(11,188)	(130%)
Exchange differences on translation of foreign operations	(161)	(61)	(62%)
Total comprehensive income (loss) for the year	(5,026)	(11,249)	(124%)
Loss attributable to Owners of the parent entity	(3,520)	(9,634)	(174%)

- Group revenue up 40% year on Year (YOY) to A\$18.7m
- Micro Investing Platform revenue up 52% YOY to A\$17.4m driven by customer growth and increase share of wallet
- Growing operations in Australia and Southeast Asia contributing to 36% increase in Sales & Administrative expense
- Marketing spending up 170% following ongoing customer acquisition investment in both Indonesia and Malaysia, delivering 43% growth in global active customers – includes production cost and advertising spending with SWM totalling A\$3.2m
- The consolidated loss of A\$5.9 million attributed to owners of the parent entity after adding back the cost of the employee share option and amortisation and depreciation expenses
- Higher gross margin at 64% for Raiz Micro Investing Platform in Australia in FY22

Statement of Cash Flows

To be read in conjunction with the Financial Report for the year end 30 June 2022



A\$'000	FY21	FY22
Receipts from customers	13,705	20,136
Payments to suppliers and employees	(15,347)	(24,109)
Government grants and tax incentives	1,083	1,298
Finance cost paid	(45)	(84)
Net operating activities	(604)	(2,759)
Payment for fixed assets	(87)	(87)
Payment for intangible assets	(1,883)	(2,947)
Payment for entities	(87)	-
Net investing activities	(2,057)	(3,034)
Proceeds from capital raising	10,419	2,000
Proceeds from changes in ownership interests in subsidiaries	-	642
Share issue costs	(663)	(39)
Repayment of borrowing from related parties	(50)	-
Principal payment for leases	(545)	(515)
Net financing activities	9,161	2,088
Net increase / (decrease) in cash and cash equivalents	6,500	(3,705)
Cash and cash equivalents at the beginning of the Period	12,900	19,199
Effect of movements in exchange rates on cash held	(201)	44
Cash & cash equivalents at year end⁽¹⁾	19,199	15,538

- Net cash outflow from operating activities for FY22 was A\$2.8m, up 357% from A\$0.6 million in FY21
- Australian business continues to be operating cash flow positive for second full year
- Operating expenses: Include one off payments for Corporate Governance restructure and Legal Fees for A\$0.6m and ATV commercial production for A\$1.3m.
- Investing Activities: Payment for Intangibles assets increased A\$1.1m for product and software developments
- Financing Activities: In December 2021, Seven West Media (ASX:SWM) took a strategic 6.6% stake in the company for A\$10 million (including A\$8 million for advertising credit and A\$2 million cash)
- As of 30 June 2022, Raiz has a strong balance sheet with cash, cash equivalents (excluding term deposits) totaling A\$15.5 million
- Working capital of A\$13.4 million after deducting regulatory capital (FY21: A\$13.2m)

Statement of Financial Position

To be read in conjunction with the Financial Report for the year end 30 June 2022



A\$'000	FY21	FY22
Assets		
Cash and cash equivalents	19,199	15,538
Trade and other receivables	1,737	1,959
Other financial assets	547	598
Other assets	298	6,296
Total current assets	21,781	24,391
Property, plant and equipment	96	135
Right-of-use assets	521	1,119
Trade and other receivables	-	180
Deferred tax assets	519	583
Intangible assets	19,121	27,779
Total non-current assets	20,257	29,796
Total assets	42,038	54,187
Liabilities		
Trade and other payables	2,862	4,826
Current lease liabilities	233	503
Provisions	403	542
Total current liabilities	3,498	5,871
Trade and other payables	199	199
Deferred tax liabilities	746	1,302
Non-current lease liabilities	273	641
Provisions	80	143
Total non-current liabilities	1,298	2,285
Total liabilities	4,796	8,156
Total equity	37,242	46,031

- As of 30 June 2022, Raiz has a strong balance sheet with cash, cash equivalents and term deposits totaling A\$15.7 million
- Raiz is currently holding around A\$5.07 million (maximum requirement of around A\$5.7 million) in regulatory capital
- Intangibles increase reflective of the Superestate Pty Limited acquisition in July 2021
- Net assets of A\$54.2 million, includes intangible assets at A\$27.8 million and cash, cash equivalents and term deposits at A\$15.7 million
- Increase in Right-of-use assets and Lease liabilities relates to the renewal of the office lease for existing office in Sydney and Malaysian office expansion
- Unencumbered balance sheet

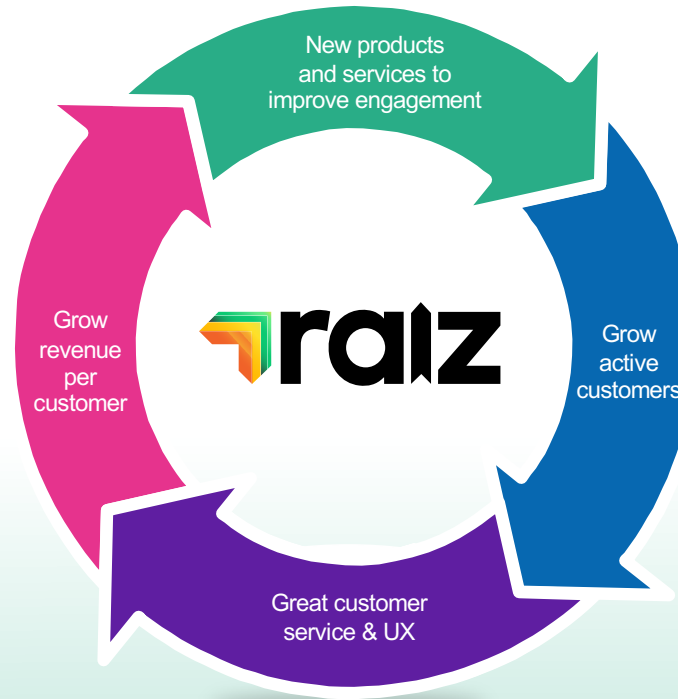
03

Outlook



Consistent and disciplined delivery of our strategy

Focusing on continued growth and path to profitability



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



Grow the core Australian business



Grow Southeast Asian presence



Focus on low cost of customer acquisition to drive new accounts



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

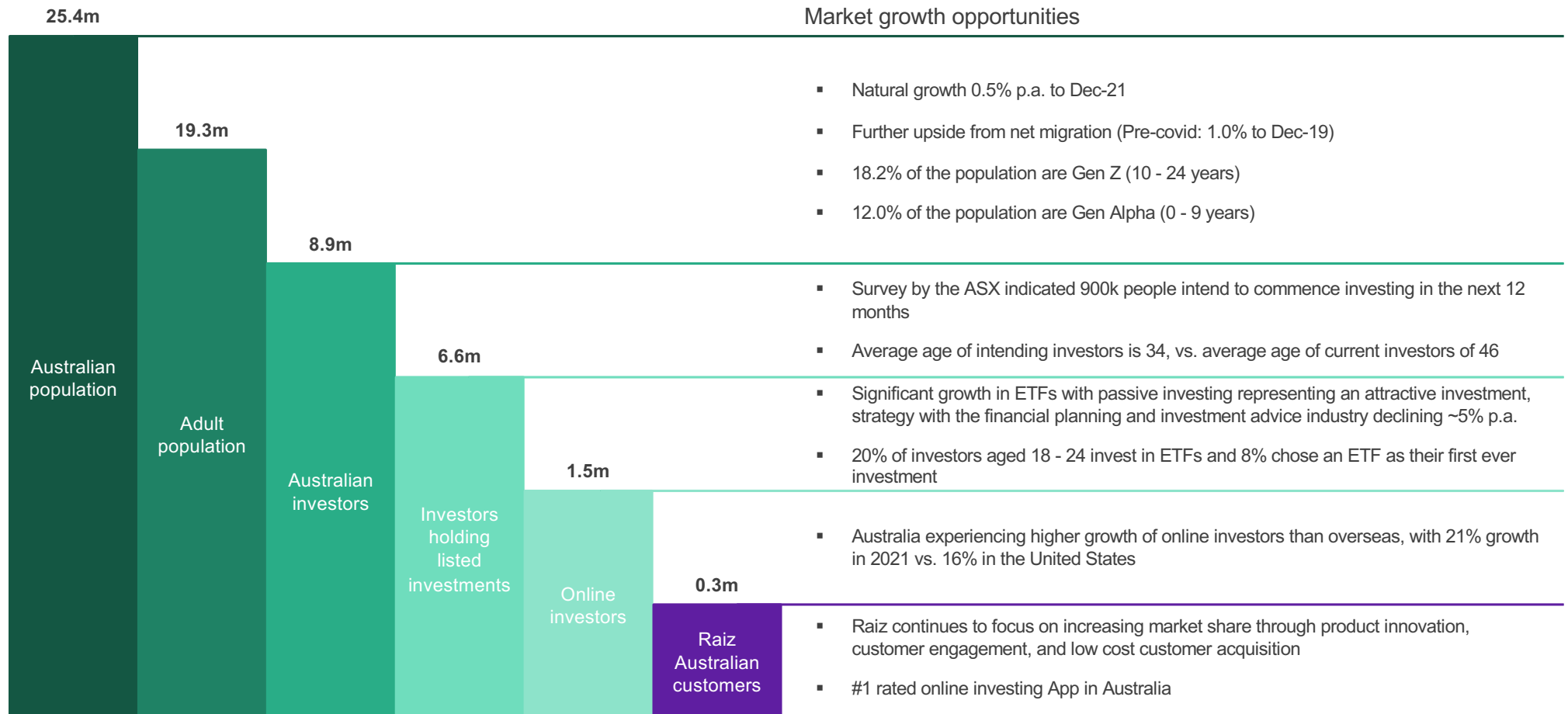


Maintain disciplined focus on costs



We have a large addressable market in front of us

Favourable market dynamics support a large addressable market opportunity in Australia



Management strategic outlook

Significant growth opportunity continues with clear path to profitability



Top line growth		<ul style="list-style-type: none">▪ Continue to grow core Australian business with improved product offering▪ Southeast Asian expansion progressing▪ Deepen customer trust to increase share of wallet bringing revenue growth
Monetisation of customers		<ul style="list-style-type: none">▪ Value add products to existing core platform and customer requests▪ Focus on product development through the customer lifetime financial journey▪ Product innovation to increase share of wallet through bundling initiatives
CAC		<ul style="list-style-type: none">▪ Maintain world class financial services CAC with new ideas▪ Build on brand advertising to drive down CAC▪ Popularity of referral program expected to continue to decrease CAC over time
Operating leverage		<ul style="list-style-type: none">▪ Continue to listen to customers and develop products and features our customers will use▪ Australian unit economics well above break-even – generating cash to support ongoing investment▪ Centre of excellence of product innovation continues to be shared across geographies
Cost focus		<ul style="list-style-type: none">▪ Continue to reinvest into product development for innovation▪ Review strategic plans to make sure capital is deployed for improved ROI▪ Work through cost synergies across the Group for efficiencies and cost savings

Appendix



Raiz at a glance

Market leading WealthTech business



Business description

- Raiz (formerly a joint venture with Acorns US) launched in Australia in 2016. As at 31 July 2022, Raiz has over ~2.9m Customer Sign Ups, ~1.5m Investment Accounts and over 660k Active Customers
- Listed on the ASX in June 2018 (ASX:RZI)
- Presence across Australia, Indonesia, and Malaysia
- Raiz allows customers to invest small amounts of money into a diversified portfolio of assets
- Raiz offers eight portfolios ranging from conservative to aggressive, along with the Emerald portfolio (socially responsible themed), the Sapphire portfolio (Bitcoin holding) and the Custom portfolio

Investment highlights



Favourable macroeconomic drivers and increasing addressable market supporting growth in online investing



Highly engaging digital investment products to unlock financial freedom and drive customer growth

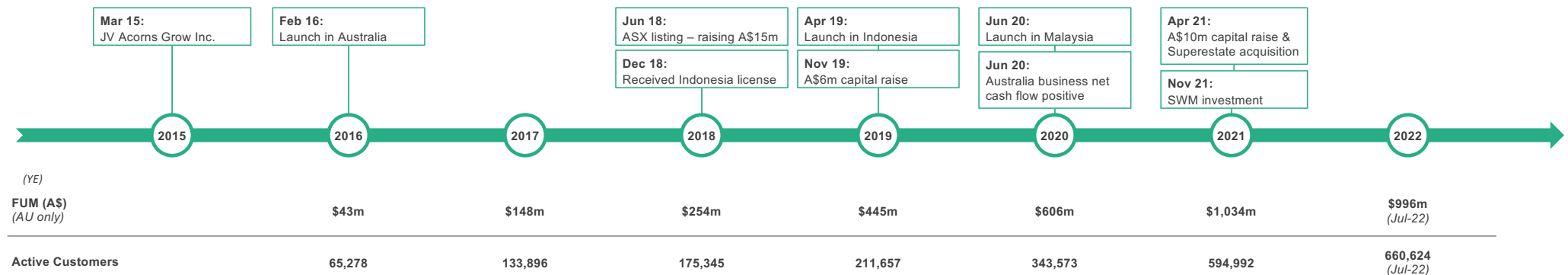


Brand and effective marketing delivering customer growth at low cost of acquisition



Powerful financial profile with significant operating leverage






Company history



Global expansion underway

Scale in core market and option to expand in high growth markets



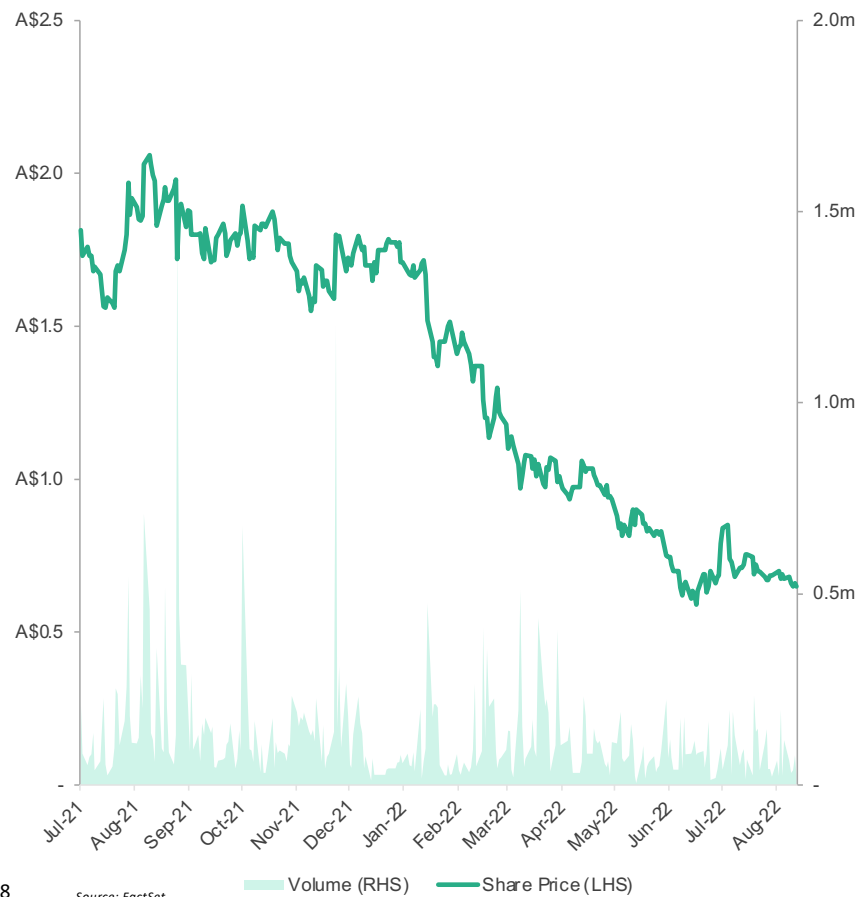
		Total Population	Customer Sign Ups	Investment Accounts	Active Customers	Funds Under Management	FY22 Platform Revenue	FY22 Platform Gross Profit %	FY22 CAC
Australia		c.26m	1,246,096	595,503	289,500	A\$940.31m	A\$16.7m	64%	A\$17.8 ⁽¹⁾
Indonesia		c.276m	1,109,962	625,161	253,420	A\$0.94m	A\$0.1m	83%	A\$8.1
Malaysia		c.33m	562,768	260,574	109,782	A\$13.1m	A\$0.6m	46%	A\$20.3
Thailand		c.70m	Reviewing JV partnership opportunities						
Vietnam		c.98m	Research into this market has begun and qualified for NSW Government grant						
Total		c.503m	2,918,826	1,481,238	652,702	A\$954.4m	A\$17.4m	63%	A\$13.1

Market information

Share price, capital structure, and significant shareholders



Share Price & Volume



Capital structure (19-Aug-22)

Shares on issue	93.4m
Share price	A\$0.65
12 month range	A\$2.06 - A\$0.59
Market capitalisation	A\$60.7m
Net cash & term deposits 30 June 2022	A\$15.7m

Top shareholders (19-Aug-22)

	Shares	(%)
1 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6.6m	7.1%
2 SEVEN WEST MEDIA INVESTMENTS PTY LTD	6.2m	6.6%
3 CITICORP NOMINEES PTY LIMITED	5.3m	5.7%
4 ACORNS GROW INCORPORATED	5.1m	5.6%
5 UBS NOMINEES PTY LTD	4.9m	5.3%
Top 20	54.4m	58.3%
Other investors	39.0m	41.7%
Total	93.4m	100.0%



Thank you!

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