



ASX Release

25 August 2022

Raiz Invest posts solid results in FY22 despite market volatility

Raiz Invest Limited ('Raiz' or 'the Company') (ASX: RZI), a multi-award-winning micro-investing and fintech platform with operations in Australia and Southeast Asia, is pleased to provide an overview of its financial results for the fiscal year ended 30 June 2022 (FY22). This overview should be read in conjunction with the financial report for the year ended 30 June 2022.

Financial and Investment highlights

All comparisons are for Year on Year (YoY) movements as at 30 June 2022.

- Total revenue for the Raiz Group up 39.5% YOY to \$18.7 million
- Consolidated loss of \$5,902,000 (FY21: \$258,000) attributed to shareholders after adding back the cost of the employee share option and amortisation & depreciation expenses
- Normalised consolidated loss of \$3,927,000 (FY21: \$258,000) attributed to shareholders after adding back the cost of the employee share option, amortisation & depreciation, and contra advertising non-cash expense
- The Raiz Micro Investing Platform revenue up 52.2% YOY to \$17.4 million
- Raiz's Annual Recurring Revenue (run rate) up 21.5% YOY to \$14.7 million
- Revenue per Customer (run rate, Australia) was up by 8.2% YOY to \$55.90
- Global Active Customers up 42.8% YOY to 652,702
- Australian Active Customer up 6.1% YOY to 289,500
- Indonesian Active customers up 114.9% YOY to 253,420
- Malaysian Active customers up 66.3% YOY to 109,782
- Global Cost of Acquisition per customer was \$13.1 for the year
- Global Funds under Management (FUM) up 18.1% YOY to \$954.4 million
- Superannuation FUM up 74.6% YOY to \$186.1 million (including Superestate acquisition)



Operational highlights

- Completed the acquisition of Superestate, boosting FUM and providing Raiz with the capability to offer residential property as an asset class inside and outside of superannuation.
- Invested \$2.15m in the Malaysian operation alongside joint venture partner Permodalan Nasional Berhad. Raiz retains 70% of JV.
- Diversified media group Seven West Media (ASX:SWM) made a strategic investment in Raiz with a 6.6% stake for \$10m, which was made up of \$8m in advertising credits and \$2m in cash.
- Raiz Rewards platform updated in Australia to offer more in-store rewards. Raiz Rewards is being rolled out in Indonesia and Malaysia.
- Raiz Kids product relaunched after a period of beta testing with select customers. Raiz Kids is being rolled out to Indonesia and Malaysia.
- Raiz won the Excellence in Wealth Management (including Personal Financial Management and Robo) Award at the FinTech Australia Awards.
- Australia Micro Investing Platform Gross Profit margin was 64%.
- Overall Group operating cash utilised was \$2.8 million, with the Australian business remaining operating cashflow positive for the full year.
- Employee benefits expense increased 50% YoY with most of the increase due to a combination of new Superestate staff acquired, new hires, internal promotions and short-term bonuses paid in respect of the FY21 year.
- As of 30 June 2022, Raiz had cash, cash equivalents, and term deposits totalling \$15.7m.

Strategy

Raiz has performed strongly in the FY2022 despite volatile markets, especially in the final quarter, as the pandemic, geopolitical tensions, rising interest rates and inflationary pressures took their toll on investor sentiment. All these factors were evident in the three regions where Raiz operates, Australia, Indonesia, and Malaysia, yet all three showed significant gains.

These challenging market conditions persist today, accordingly, and consistent with continual consideration of Raiz's strategy, the Raiz board, has begun a formal process of reviewing the Company's strategy. At the AGM the board expects to be able to present an updated company strategy to the market.

We continue to be a market leader, and this was illustrated in June at the FinTech Australia Awards that saw Raiz walk away with the Excellence in Wealth Management (including Personal Financial Management and Robo) Award. Raiz continues to be recognised for providing innovative, cost-effective and high-quality Investment and Wealth/Asset Management solutions.



Joint Group CEOs George Lucas and Brendan Malone said: “FY2022 saw Raiz encounter some challenging trading conditions. Despite these challenges and weaker investor sentiment, the business continued to grow in Australia and Southeast Asia as the Active Customer and FUM numbers attest.

“What it shows is that our strategy of customer first allows us to retain and attract new customers to Raiz even during challenging times. In Australia, we were particularly pleased by the increase in Superannuation FUM. Although this included the Superestate acquisition, we are encouraged that more Australians are entrusting us with their retirement savings.

“We are also proud of the Cost of Acquisition (CAC) we saw throughout the FY22. But in recent months we have not seen revenues increase as strongly as we have seen in the past. To combat this, we continue to closely monitor our expense base and make the appropriate decisions for the business.

“We need to thank the Raiz team globally for their commitment to the Company. They ensure we deliver the products and customer experiences that provides our customers with the best possible experience.

“Finally, to our shareholders, it has been a difficult year, especially the second half, so thank you for your ongoing support in our journey. We are committed to review the long-term strategy for Australia and Southeast Asia to ensure the company is focused on delivering value to its shareholders and stakeholders in the long term.”

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**Market Announcement authorised by:**

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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.

Since launching in 2016 Raiz has achieved solid growth, amassing more than 2.9 million downloads, over 2,974,000 signups, and over 660,000 active monthly customers with over A\$1 billion Funds under Management as at 31 July 2022.

Raiz continues to enhance its platform, adding 19 new products and features since its inception. In addition, Raiz is ramping up its growth strategy across Asia-Pacific, with offices in Malaysia and Indonesia as well as plans to expand into Thailand and Vietnam.

To gain greater insight to the Raiz business and our strategy and watch our short video on the company please visit <https://raizinvest.com.au/investors/>

For more information: www.raizinvest.com.au

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