

ASX Announcement | 25 November 2022
Raiz Invest (ASX:RZI)

2022 Annual General Meeting

Chairman's Address, CEO's Address, and CEO Presentation

Raiz Invest Limited (ASX:RZI) (**Company**) is pleased to attach the following documents to be presented at its 2022 Annual General Meeting being held at 11:00am (Sydney time) today:

- Chairman's Address
- CEO's Address
- CEO Presentation

Ends.

Authorised for release by The Board of Directors.

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Raiz Invest

About Raiz Invest Limited

Raiz Invest Limited (ASX: RZI) ('Raiz' or 'the Company') is a market leading, 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 in diversified portfolios constructed with various investment options. In Australia, this can be done to boost savings both inside and outside of superannuation, the country's compulsory pension system.

Since launching in 2016, Raiz has achieved solid growth, amassing more than 3.2 million downloads, 3,138,000 sign-ups, and over 670,000 Active monthly Customers and A\$1.02 billion in FUM as of 31 October 2022.

With continued customer feedback, Raiz continues to enhance its platform with 19 new innovative 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 learn more, please visit: www.raizinvest.com.au

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2022 Annual General Meeting – Chair's address

Turning now to the year we just had, there have been many macro challenges and internal changes. The external challenges have impacted the Company, the community, our families and indeed us as individuals.

We have seen:

- The continuation of CoVID as well as our emerging from its restrictions.
- The advent of the Russian/Ukraine war.
- Growing tensions between China and the US.
- Invasive data “hacks” involving the unsolicited release of people’s personal information.
- Re-emergence of inflation and its impacts on the daily costs of essential goods and services on families.
- Associated rising interest rates in attempts to curb the inflationary pressures.
- Equity, and now crypto, market volatility.

This has indeed been a year that no one foresaw and the uncertainty around “what’s next” still exists within markets. Liquidity remains strong but uncertainty has kept much of this liquidity on the sidelines.

In terms of internal changes there have been a few at our Board level.

I would first like to thank and acknowledge the former Chair of the Company, Harvey Kalman. Harvey was Chair for a relatively short period of time, but in that time, he was able to oversee Board renewal as well as a restructuring of the management team – both not insignificant achievements. At all times his interest in the future wellbeing of shareholders and the Company was foremost. Harvey has now assumed the role of Chair of the Audit Committee which we thank him for.

Joining the Board this year is Philippa Taylor who has been appointed into the role of Chair of the Remuneration, Nominations and Culture Committee. Philippa has a long history in advising Boards around human resource issues and has extensive career experience specifically in this area. Philippa is a welcome addition to the Board and Company.

It is also important to recognize the contribution of George Lucas who will be leaving the Company at the end of this calendar year. George established Raiz in 2014 after persevering to find a solution for smaller investors to invest in the Australian equity market. He found that solution by partnering with Acorns in the US and the rest, as they say, is history. Without George’s passion and drive the Company could not have achieved what we have – over \$1Bn in



FUM as well as over 650,000 active customers across three countries. We all wish George well in his next venture which we are sure he will also be successful in.

The Company has faced many challenges this year and Brendan will give you a great sense of where we are and what is ahead of us. The Board is intensely aware of the share price diminution that has occurred this year and we believe it is far below where it should be. You have our assurances and commitment that we are working hard to restore the value that we see exists in the Company. There has been significant disruption to the sector, and we appreciate your commitment and support to the Company.

The success of any Company relies on the support of many parties but in particular I would like to thank:

- Our customers for trusting us with their savings.
- Our people who are integral to our success.
- My fellow directors, and importantly
- You our shareholders.



2022 Annual General Meeting – CEO's address

Thank you Chair for the introduction and good morning fellow shareholders, key stakeholders, our members and staff.

I would like to thank all Raiz shareholders for your continued investment and support in Raiz Invest Limited. I am honored to be here today to take you through a presentation of our Company which provides reflection on our Company's achievements in the 2022 financial year, a FY23 year to date update and our priorities moving forward.

Mission and Purpose (Slide 3)

Raiz Invest Limited is the market leading, multi-award-winning, micro-investing and fintech platform with operations in Australia and Southeast Asia. We have achieved this through living and breathing our mission and purpose everyday.

With a simple mission - Empower everyone to save and invest - Raiz provides mobile investment products to unlock the financial freedom for our customers. Today we are supporting over 670,000 customers to meet their savings and invest goals by breaking down the barriers to investing through hands on experience with financial education, financial inclusion, and financial literacy.

Building a business from the ground up has ensured the foundations are strong and built correctly. At Raiz we focus on these foundations which include:

Capital Management: effective cash utilisation and management.

Products and Innovation: Innovative new products exceeding customer expectations.

Customers: Advocating customers, growth, retention, and improved cross-sell driving improvement in conversion and reducing churn.

Risk & Compliance: Regulatory changes, cyber security, and best practice.

People & Culture: Develop & empower, stretch & retain a high performing and diverse team.

From these solid foundations we can build Raiz into a true market leader for both our customers and shareholders.



Resilience business for all economic cycles (Slide 4)

Our business is simple, incredibly cost effective and scalable. We have a business model that works, with multiple revenue streams and highly engaged customers we will continue to deliver sustainable growth as we have seen over recent years with the FY22 being no exception. I will run through some notable highlights which include:

On the Revenue Side:

- Total revenue for the Raiz Group was up 39.5% YOY to \$18.7 million.
- The Raiz Micro Investing Platform revenue was up 52.2% YOY to \$17.4 million
- Raiz's Annual Recurring Revenue (run rate) was up 21.5% YOY to \$14.7 million.
- Revenue per Customer, or the annualised run rate for our Australian business was up by 8.2% YOY to \$55.90

On the bottom line: (Slide 5)

- On a Statutory basis – we reported a consolidated loss of \$5,902,000 (FY21: \$258,000) after adding back the cost of the employee share option and amortisation & depreciation expenses
- However on a normalised basis we had a consolidated loss of \$3,927,000 (FY21: \$258,000) after adding back the cost of the employee share option, amortisation & depreciation, and contra advertising non-cash expense with Channel 7.

On our customers and Funds Under Management:

- Global Active Customers were up 42.8% YOY to 652,702.
- Australian Active Customer were up 6.1% YOY to 289,500.
- Indonesian Active customers were up 114.9% YOY to 253,420.
- Malaysian Active customers were up 66.3% YOY to 109,782.



- Global Cost of Acquisition per customer was \$13.10 for the year.
- Global Funds under Management (FUM) was up 18.1% YOY to \$954.4 million.
- Superannuation FUM was up 74.6% YOY to \$186.1 million (including Superestate acquisition)

On the operational side:

- We 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 – which I am very pleased is about to be released.
- Continued enhancements to our customised portfolio choices over the year including rolling out Customised portfolios into our Southeast Asia product offering.
- Our Raiz Rewards platform has been updated in Australia and was relaunched to offer more in-store rewards. Raiz Rewards is currently being rolled out in Indonesia and Malaysia.
- Our Raiz Kids product was enhanced and relaunched. We are now in the final phase of rolling out this feature in Indonesia and Malaysia.

Continued robust customer growth (Slide 6)

Raiz did perform strongly in the financial year 2022, 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 continue today, accordingly, we have made several comments over the past few months around Raiz's Group strategy.

We have done very well over the year to not only maintain our number 1 position in the Australian market, but to also continue to grow and develop products in Australia. Building scale in Raiz's home market is critical to the future success of the business. We know the opportunity remains significant.

With a population in Australia of c25.4m, an adult population around 19.3m with an estimated 8.9m Australian investors, surveys by the ASX have indicated 900k people intend to commence



investing in the next 12 month. Raiz has a real opportunity to continue the growth of its Australian business. With this significant opportunity in the Australian market, the Board and management have refocused on innovative product development and have a robust strategy with an achievable roadmap to continue to be relevant to the financial services journey required through the life of everyday Australians.

(Move to Slide 7)

As previously mentioned, we have several new products coming:

- The Raiz Property Fund – offering diversified residential property investment options.
- Significant enhancements and investment options in our customised portfolio.
- An improved user experience through the entire app and product range.
- The Raiz Super and Superestate Superannuation product offerings will be enhanced and improved as a result of valuable customer feedback.
- Raiz rewards now has over 800 merchants on the platform and soon to be over 500 instore, card linked offers going live in time for the festive season.
- In 2022 we saw the relaunch or upgrade to our Raiz Kids offering, which has been a great success with over 16,700 kids accounts and over \$8m in FUM been invested as at 30 September 2022.

We continue to be a market leader, and this was illustrated in June at the FinTech Australia Awards that saw Raiz awarded 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.

In line with the renewed refocus on the Australian business, we are evaluating local strategic partnerships that will help accelerate market penetration of our Southeast Asian operations. The focus is on finding the right local partners who can help to monetise our extensive customer base in these countries. How do we achieve this – we find the right local partners for each geography, just like Acorns originally did with our Australian business.

With this strategic plan and proactive refined strategy, we have a plan, decisions are being made.

As we finalise these plans, further announcements will be made by the end of the calendar year about the roll Raiz as a company will play in Southeast Asia.

(Move Slide 8):



Fellow shareholders, we are focused on our priorities as we execute on the restructure of the operations whilst we continue to drive innovation in wealth management. We will deliver a sustainable growth in our core market, We will deliver improved unit economics. We will deliver a reduction in our global cost base. We have a clear strategy with a significant growth opportunity and a clear path to Group profitability.

We continue to grow our core Australian business with improved innovative products. We continue to get to know our customers better and deliver what they require. Through this intimate understanding of our customers, we understand the customer lifetime financial services journey which will improve the stickiness and longevity of our customers.

We have a track record of consistent and disciplined delivery of our strategy. This assists us in building a great brand and strong reputation with sustainability and longevity – to this we turn our attention to our cost base. We have a world class financial services cost of acquisition which we will maintain. We have worked through a strategic review to highlight our capital deployment options to make sure the return on investment is valid. As mentioned in our September quarter Appendix 4c – we have eliminated annualised costs of over \$2.3m from the 2022 cost base with further reductions to come.

In Closing (Thank you slide)

As we look to the remainder of the financial year 2023 with excitement, we will continue to execute on our strategy, building on the momentum we have achieved to date. The October 2023 month end metrics were released early this month, we had record reported FUM and active customers. This momentum continues through the month of November, and I look forward to updating the market in early December.

We are focused on delivering the right customer product, at the right time. This will not only benefit our customers but will drive long-term shareholder value creation.

As Stuart has mentioned, The Board is intensely aware of the share price movement over the past 12 months, and we believe it is far below where it should be. I would like to reinforce Stuart's comment. You have our assurances and commitment that we are working hard to restore the value so that the share price will reflect the value and potential that we know and exists in our Company.

We have a plan; decisions are being made and we have a timeline to execute. We have set horizons. Our short-term goals are to focus on Capital deployment and structure, provide a



clear strategy and message with product development and prioritisation. I am confident we will deliver the right outcomes for our customers and shareholders and really make Raiz a great success well into the future.

I would like to thank Shareholders for your continued support, I am always available for any questions at any time. Also thank you to the Board for the continued support, mentorship, and guidance. To our customers for their continued loyalty, product requests and feedback. Lastly our awesome dedicated team of staff across all offices who are a pleasure to work with, your dedication and relationship with our customers drives our business and energy around the office is truly impressive.

That is the end of my formal presentation. Thank you once again and would like to hand back to the Chair, Stuart, to go through the AGM's formal items of business and I look forward to any shareholder questions later. Thank you.

Ends.

Authorised for release by The Board of Directors.

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Annual General Meeting

Brendan Malone
Managing Director & CEO

Friday 25 November 2022

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

Raiz Invest Limited ACN 615 510 177

Level 11, 2 Bulletin Place, Sydney NSW 2000

Announcement authorised by Board of Directors



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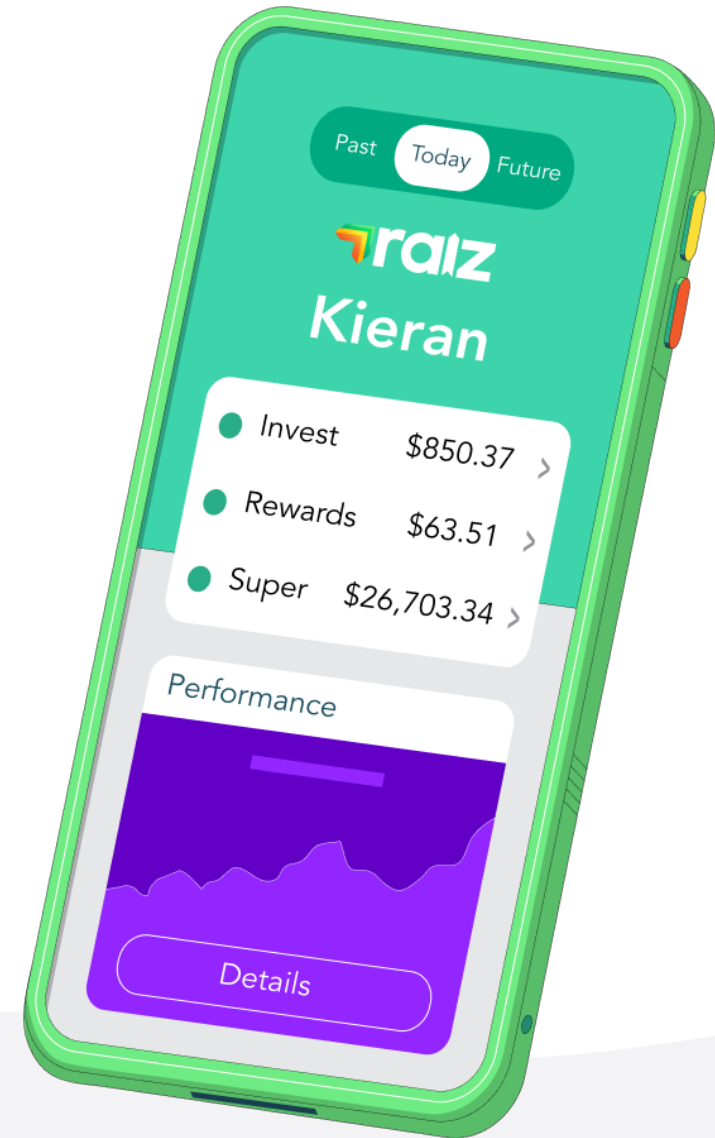
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All references to dollars, cents or \$ in this presentation are to AUD currency, unless otherwise stated.

Our Mission is to:

*Empower everyone to
save and invest*

*Supporting over 670,000¹
customers to meet their
savings and investing goals*

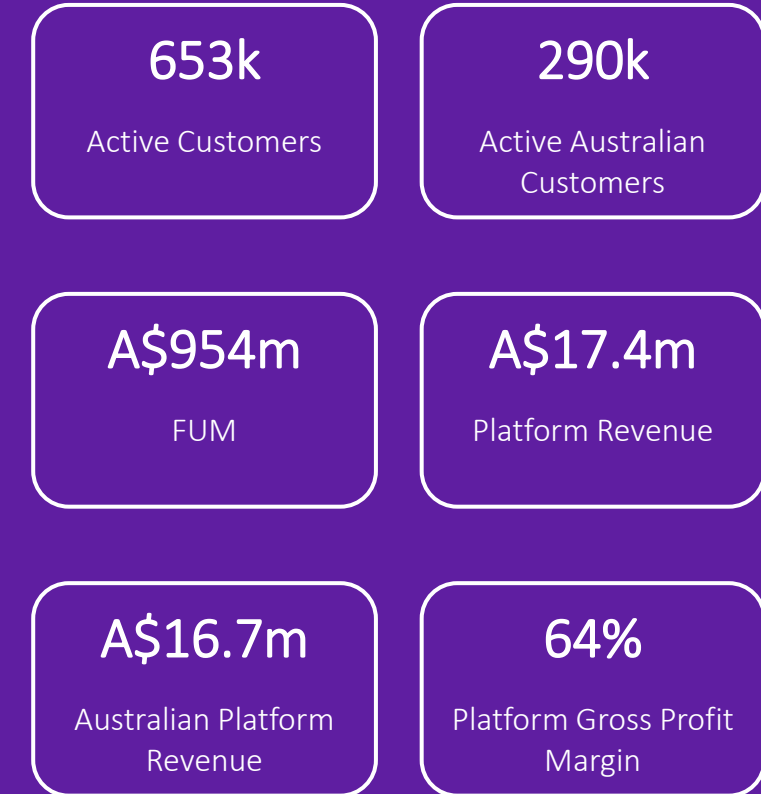


Resilient business for all economic cycles

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



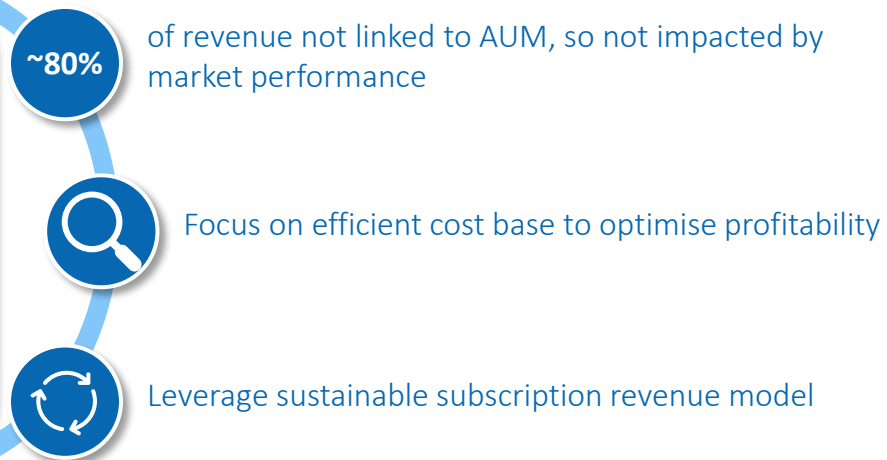
FY22 Financial Summary



Australia delivering strong unit economics

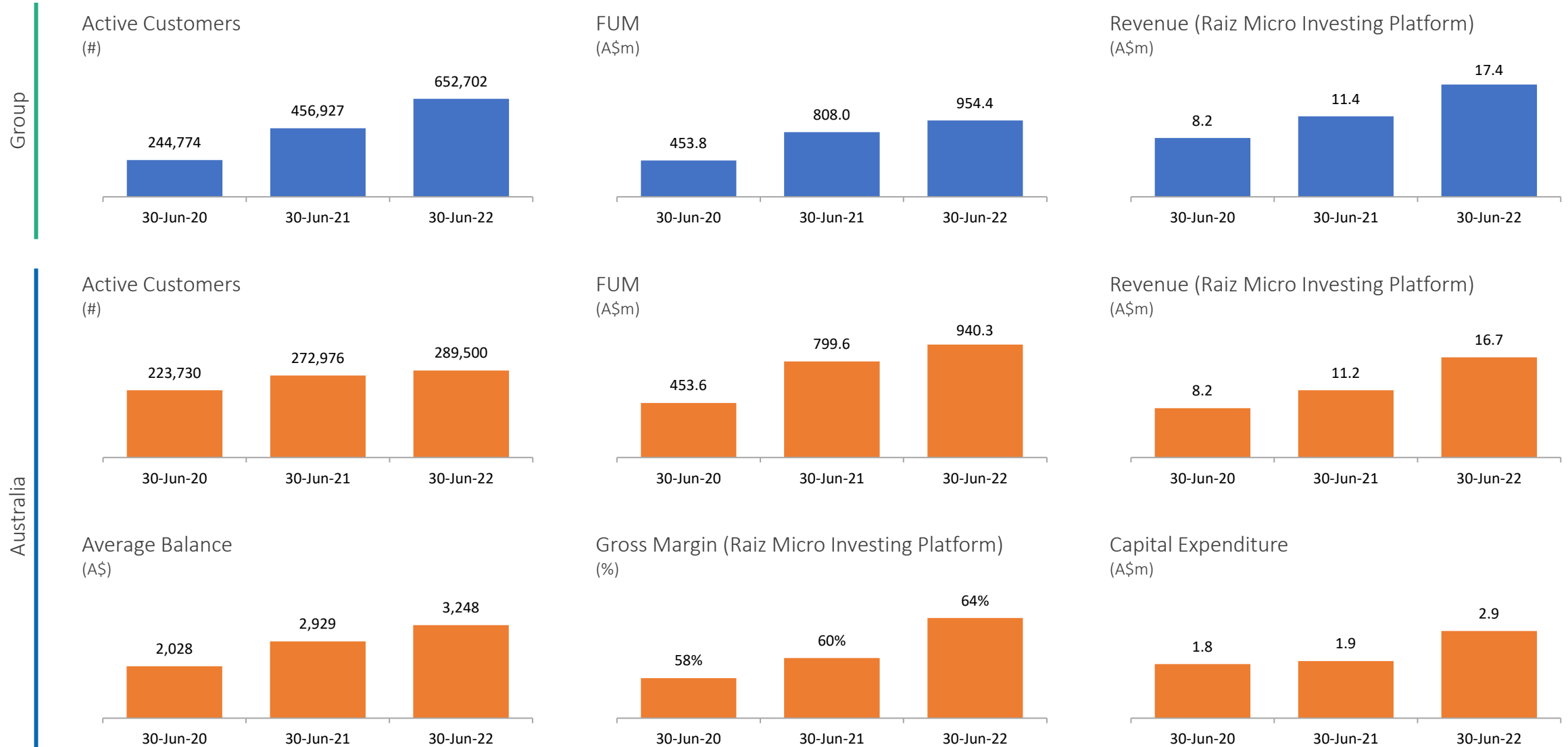


Refocus on profitability



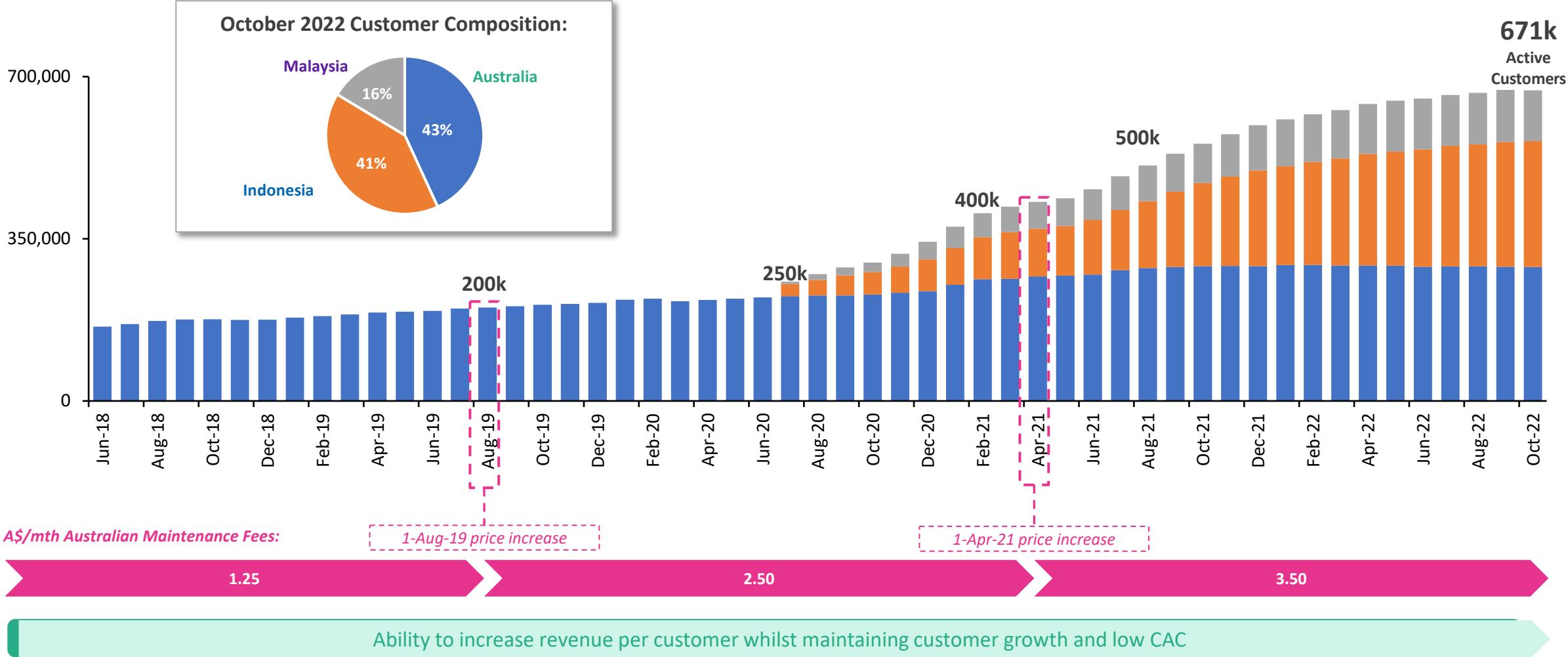
We have delivered continued outperformance across key metrics

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



Continued robust customer growth

Consistent active customer growth achieved with increased pricing

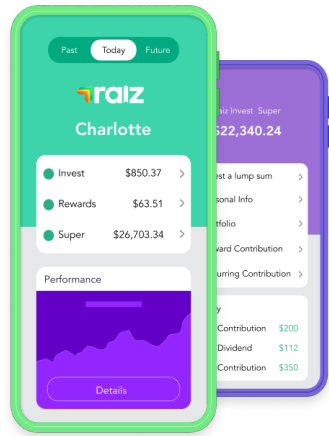


Our digital investment products unlock financial freedom

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



Raiz Invest



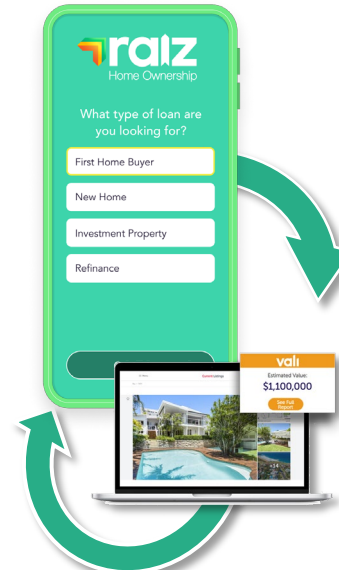
- **Raiz Invest** users choose to invest in a range of portfolios at varying risk levels
- Ability to invest spare change automatically through round-ups, recurring investments, and lump sums

Raiz Invest Super



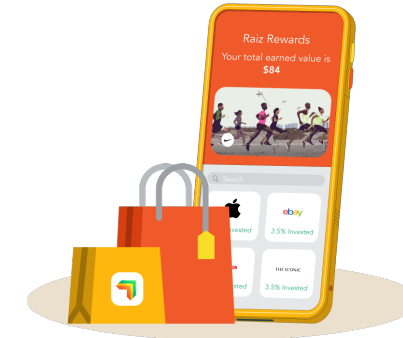
- **Raiz Invest Super** includes guaranteed contributions and automated recurring voluntary contributions
- Ability to onboard customers' SMSFs
- Supports property investment through **Superstate** – the only super fund focused on residential property investment

Raiz Property



- **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

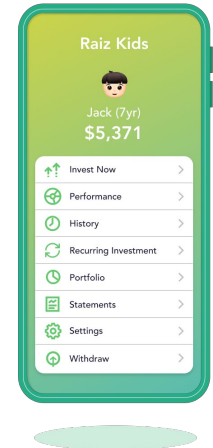
Raiz Rewards



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



Raiz Kids



- **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

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 enhanced product offeringDeepen customer trust to increase share of wallet and revenue growthClient segmentation analytics for re-engagement to deliver the right products to the right customers
Monetisation of customers	<ul style="list-style-type: none">Value add products to existing core platform and customer requestsFocus on product development through the customer lifetime financial journeyProduct innovation to increase share of wallet through bundling initiatives
Cost Focus	<ul style="list-style-type: none">Maintain world class financial services CAC with new ideasReview strategic plans to make sure capital is deployed for improved ROIWork through cost synergies across the Group for efficiencies and cost savings and complete the Southeast Asia review
Operating leverage	<ul style="list-style-type: none">Continue to listen to customers and develop useful products and featuresProven ability to offer new products to our large existing customer baseAustralian unit economics well above break-even – generating cash to support ongoing investment & innovation
Our People & Environment	<ul style="list-style-type: none">Attracting, retaining and developing talented peopleEnhancing our approach to sustainability – ESG products & objectives and the CommunityContinued enhancement of cyber & data security protocols against Global & Australian government benchmarks

Consistent and disciplined delivery of our strategy

Focusing on continued growth and path to profitability





Thank you for your support

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ASX:RZI