



HY 2023 Results Presentation

27 February 2023

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

Level 11, 2 Bulletin Place, Sydney NSW 2000
Announcement authorised by Board of Directors



Important notice and disclaimer

This presentation has been prepared by Raiz Invest Limited (ACN 615 510 177) (RAIZ). References in this presentation to RAIZ include its group of companies and trusts.

This presentation is subject to the conditions outlined below. Your receipt or viewing of the Presentation evidences your acceptance of those conditions and that you agree to be bound by them.

This presentation is provided to recipients for information purposes and should be read in that context. The information in this presentation is in a summary form, does not purport to be complete, is not investment or financial product advice and is not intended to be relied upon as advice to investors or other persons or to be used as the basis for making an investment decision. Please note that, in providing this presentation, RAIZ has not considered the objectives, financial position or needs of any particular recipient. Any person considering an investment should consider whether such an investment is appropriate for its particular investment objectives, financial situation and needs, and conduct its own independent investigation and assessment including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate, prior to making an investment decision.

The information contained in this presentation is based on information available to RAIZ. Statements in this presentation are, unless otherwise stated, made only on the basis of information known to RAIZ as at the date of this presentation and relate in part, to events that are changing. Circumstances may change at anytime. The information contained in this presentation, is therefore subject to change without notice and RAIZ may, in its absolute discretion, but without being under any obligation to do so, update or supplement that information.

RAIZ and its affiliates, related bodies corporate and shareholders, their respective directors, employees, officers and advisers (Limited Parties), accept no responsibility or liability whatsoever for the contents of this presentation. No representation or warranty, express or implied, is made as to the accuracy, reliability, completeness, correctness or fairness of the information, or the opinions and conclusions contained in this presentation. No Limited Party makes any representation or warranty that this presentation is complete or that it contains all material information about RAIZ of which a prospective investor may require in evaluating a possible investment in RAIZ. To the maximum extent permitted by law, the Limited Parties disclaim all liability and responsibility (including, without limitation, any liability arising out of fault or negligence) for any direct or indirect loss or damage which may be suffered by any person through the use of or reliance on anything contained in or omitted from, or otherwise arising in connection with, this presentation and its contents, including without limitation, any liability arising out of fault or negligence on the part of any of them. RAIZ has not independently verified any of the contents of this presentation (including, without limitation, any of the information attributed to third parties).

Certain statements in this presentation may constitute forward-looking statements or statements about future matters that are based upon information known and assumptions made as of the date of this presentation. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "project", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. These statements are subject to internal and external risks and uncertainties, many of which are beyond the control of RAIZ, that may have a material effect on future business. No representation is made or will be made that any forward-looking statements will be achieved or will prove correct. Actual future results and operations could vary materially from the forward-looking statements. As such, undue reliance should not be placed on any forward-looking statement and RAIZ assumes no obligation to update such information. Past performance is not necessarily a guide to or a reliable indicator of future performance. Nothing contained in this presentation nor any information made available to you is, or can be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

This presentation is not a prospectus, product disclosure statement or any other disclosure document under Australian law or any other law. It does not constitute financial product advice or an offer or invitation to subscribe for or purchase any Shares or an offer for subscription or purchase of any Shares nor is it a solicitation to engage in or refrain from engaging in any acquisition of Shares or other associated derivatives transaction nor will anything contained in it form the basis of any offer, contract or commitment.

This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities in RAIZ in any jurisdiction. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The distribution of this presentation in jurisdictions outside of Australia may be restricted by law. Persons who come into possession of this presentation who are not in Australia should seek independent professional advice and observe any such applicable restrictions. Neither this presentation nor any copy of it may be transmitted or released in the United States or distributed, directly or indirectly, to any person in the United States. By accepting this presentation, the recipient agrees to comply with these restrictions.

This presentation contains certain pro forma and non-IFRS financial information. Such financial information has not been prepared in accordance with disclosure requirements of applicable accounting standards and other mandatory reporting requirements in Australia.

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

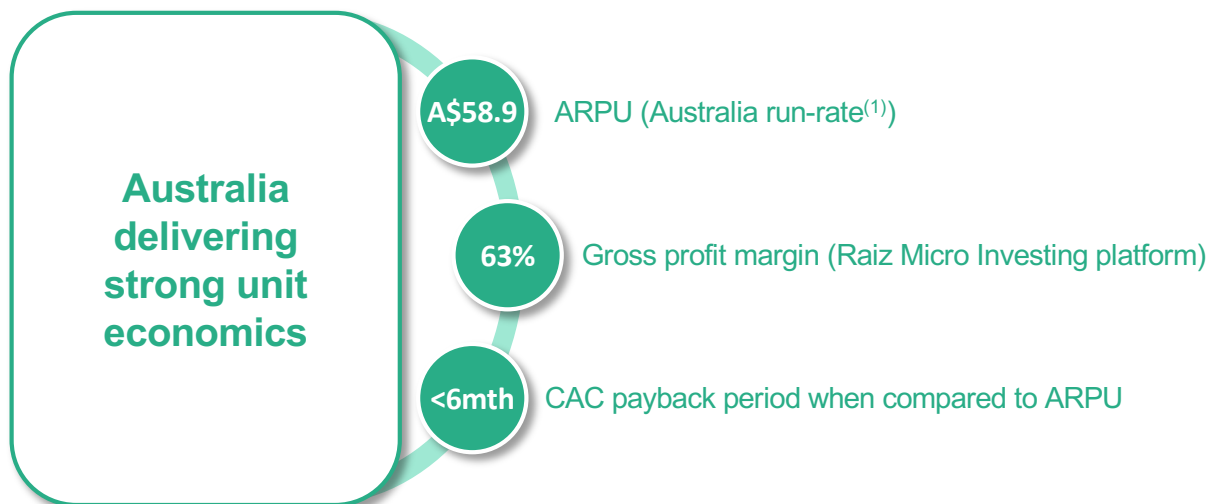
01

HY23 Results overview



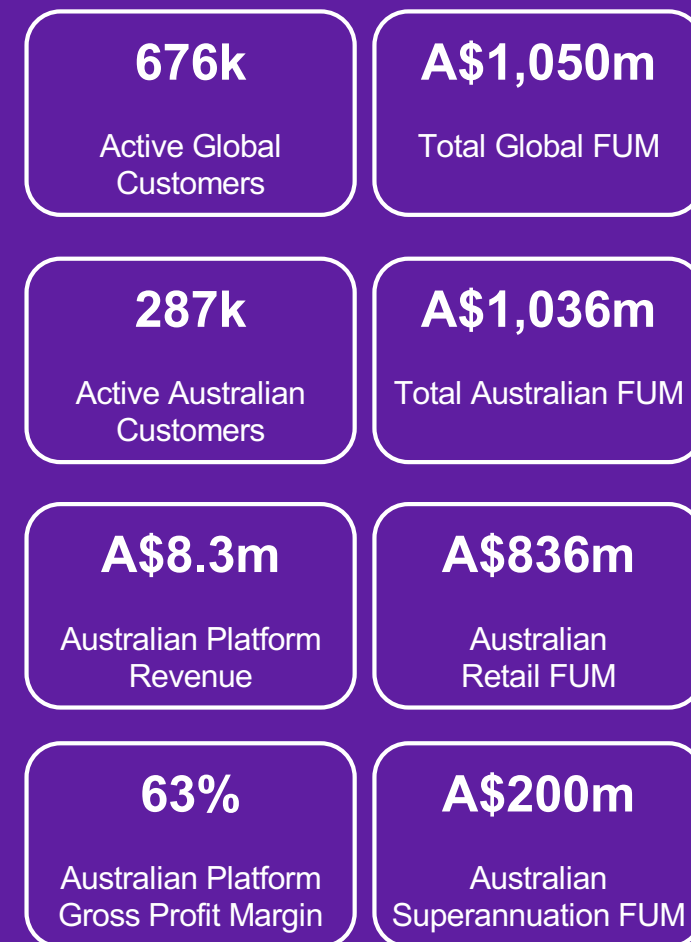
Group results highlights

Material cost reductions for ongoing growth and path to profitability



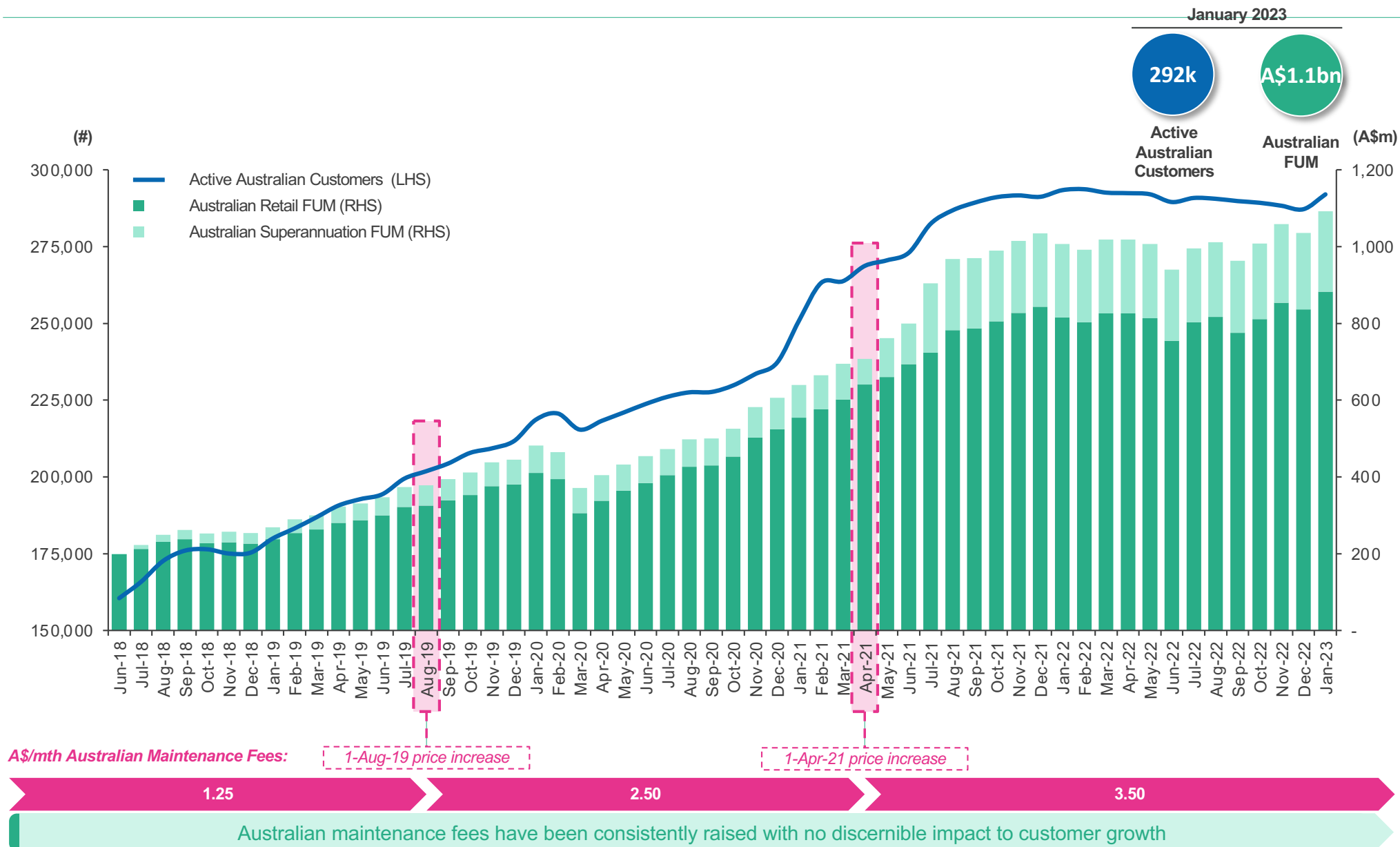
HY23 Financial Summary

(December 2022)



Continued robust growth

Consistent active customer and FUM growth achieved with increased pricing

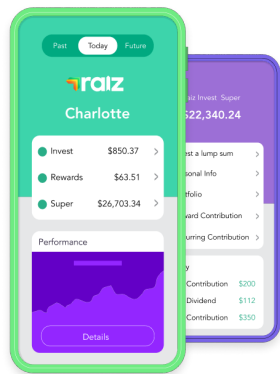


Our digital investment products unlock financial freedom



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

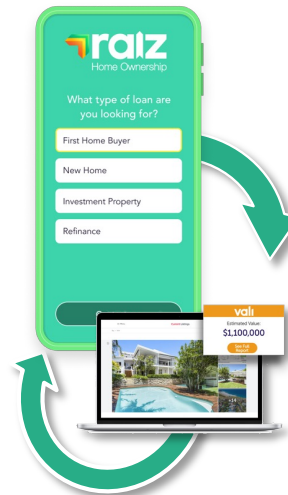
Raiz Invest



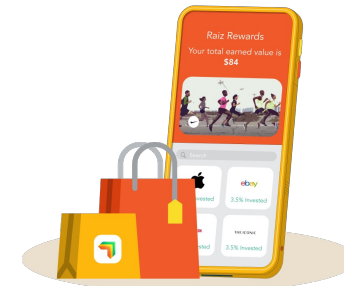
Raiz Invest Super



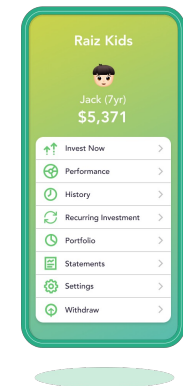
Raiz Property



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

- **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



Strategic Review of Southeast Asian Operations

Reduce equity positions with strong local JV partners



Raiz will transition the Southeast Asian operations to licence-based agreements with strong local joint venture partners who will be the majority owners.

Key Focus Areas

1 Indonesia: Finalise potential opportunity with local partners moving forward or close operations. Growth costs have been removed

2 Malaysia: Finalise agreements with current strong local partner, PNB, to reduce our equity position

3 Thailand & Vietnam: Review local JV partners who would take the operational lead with licenced agreements

Raiz will not provide further growth funding support to the Southeast Asian operations from March 2023 onward.

Stable revenue through economic cycles

Business model provides multiple revenue streams



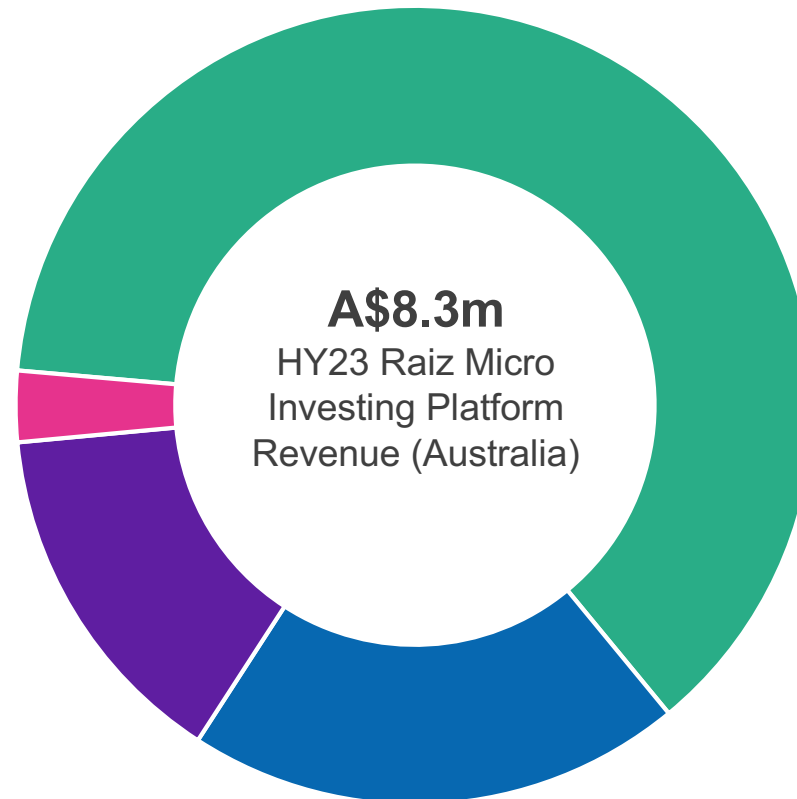
Netting
3%

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



Advertising
13%

Over 1,000 rewards partners pay to advertise on the Raiz platform, emails and mobile push messaging in Australia



Maintenance Fee
62%

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



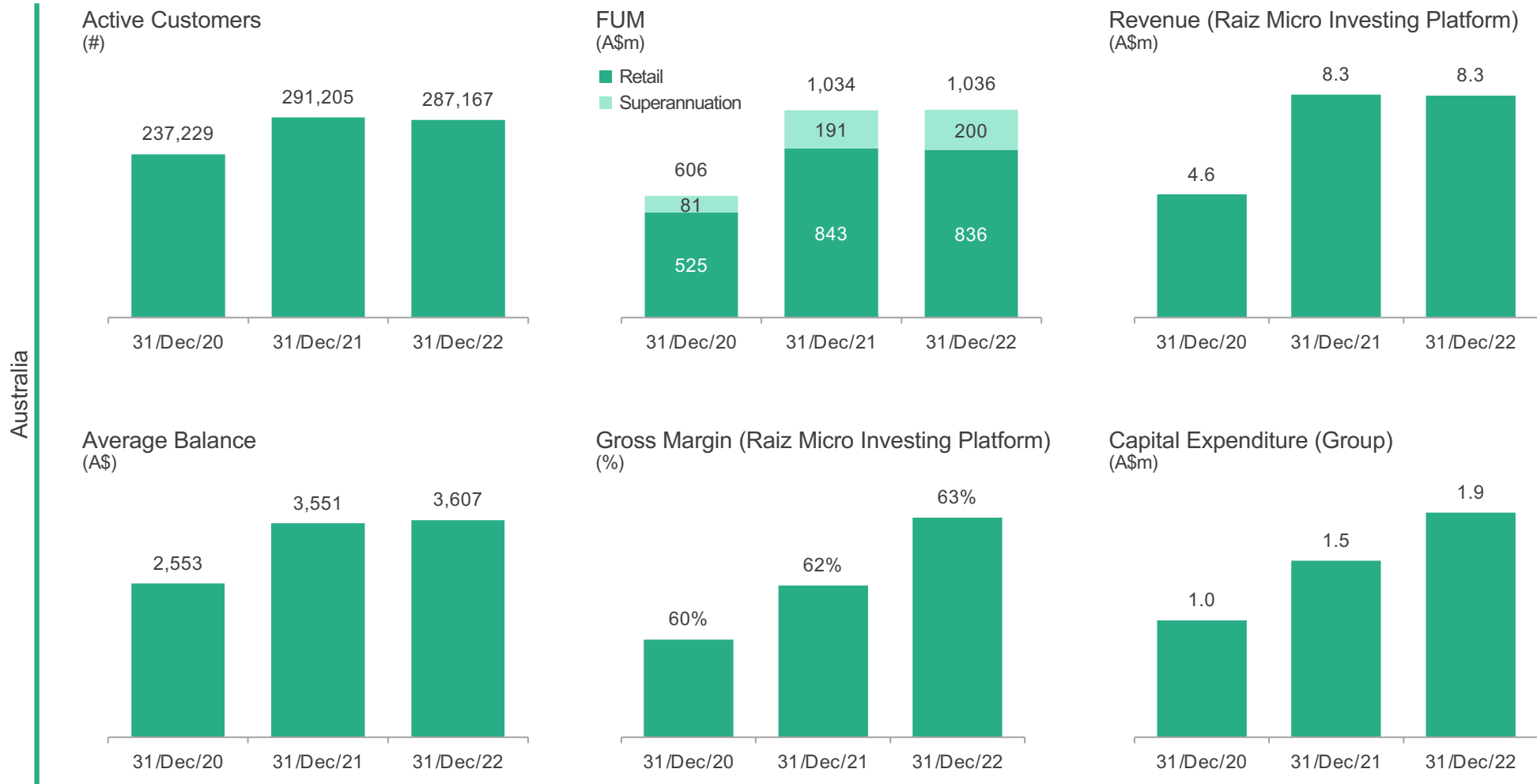
Account Fee
22%

A percentage fee per annum is charged on account balances

Australia has delivered continued robust 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 half-year ended 31 December 2022

A\$'000	HY22	HY23	% vs HY22
Micro investing platform	8,660	8,740	1%
Other financial services	604	544	(10%)
Group revenue	9,264	9,284	0%
Other income	481	608	26%
Employee benefits expense	(3,449)	(3,956)	(15%)
Sales and administrative expense	(3,339)	(3,258)	2%
Professional fees	(1,234)	(1,505)	(22%)
Marketing expenses	(2,611)	(2,383)	9%
Other expenses	(1,515)	(1,786)	(18%)
EBITDA (Loss)	(2,403)	(2,996)	(25%)
Finance cost	(40)	(40)	-
Depreciation and amortisation expense	(1,505)	(1,878)	(25%)
Loss before income tax	(3,948)	(4,914)	(24%)
Non-recurring restructuring cost	-	1,039	100%
Non-cash expenses (including amortisation & depreciation, share option and SWM advertising expense)	1,659	2,901	76%
Adjusted Loss excluding non-cash & restructuring costs	(2,289)	(974)	58%

- Group revenue flat year on Year (YOY) to A\$9.3m
- Micro Investing Platform revenue up 1% YOY to A\$8.7m driven by new product releases and increase share of wallet
- Restructuring of operations contributing to increase in non-recurring costs over \$1m
- Marketing strategy and campaigns have been reviewed and shows decrease in marketing spend of 9% compared to same period last year
- Adjusted loss of \$1m after adding back non-cash items (being the cost of employee share option, amortisation and depreciation expense, and Seven West Media contra-spend) and non-recurring restructuring costs
- Higher gross margin at 63% for Raiz Micro Investing Platform in Australia in HY23

Statement of Cash Flows



To be read in conjunction with the Financial Report for the half-year ended 31 December 2022

A\$'000	HY22	HY23	
Receipts from customers	9,977	10,008	
Payments to suppliers and employees	(9,688)	(12,537)	
Government grants and tax incentives	-	-	• Net cash outflow from operating activities for HY23 was A\$2.6m
Finance cost paid	(38)	(40)	
Net operating activities	251	(2,569)	• Significant reduction of operating cash outflow quarter on quarter in the period, down 89.0% (Sept 2022 qtr vs Dec 2022 qtr)
Payment for fixed assets	-	-	
Payment for intangible assets	(1,398)	(1,868)	• Australian business continues to be operating cash flow positive in December quarter
Payment for entities	(68)	-	
Net investing activities	(1,466)	(1,868)	• Investing Activities: Payment for Intangibles assets increased to A\$1.9m for product and software development
Proceeds from capital raising	2,000	-	
Proceeds from changes in ownership interests in subsidiaries	642	218	
Share issue costs	(18)	-	• As of 31 December 2022, Raiz has a strong balance sheet with cash, cash equivalents and term deposits totaling A\$11.1 million
Repayment of borrowing from related parties	(8)	(199)	
Principal payment for leases	(276)	(233)	• Net working capital of A\$9.1 million after deducting regulatory capital
Net financing activities	2,340	(214)	
Net increase / (decrease) in cash and cash equivalents	1,125	(4,651)	
Cash and cash equivalents at the beginning of the Period	19,199	15,538	
Effect of movements in exchange rates on cash held	40	31	
Cash & cash equivalents at year end⁽¹⁾	20,364	10,918	

Statement of Financial Position



To be read in conjunction with the Financial Report for the half-year ended 31 December 2022

A\$'000	FY22	HY23
Assets		
Cash and cash equivalents	15,538	10,918
Trade and other receivables	1,959	3,553
Other financial assets	598	589
Other assets	6,296	5,814
Total current assets	24,391	20,874
Property, plant and equipment	135	104
Right-of-use assets	1,119	855
Trade and other receivables	180	177
Deferred tax assets	583	471
Intangible assets	27,779	27,201
Total non-current assets	29,796	28,808
Total assets	54,187	49,682
Liabilities		
Trade and other payables	4,826	5,260
Current lease liabilities	503	521
Provisions	542	473
Total current liabilities	5,871	6,254
Trade and other payables	199	-
Deferred tax liabilities	1,302	1,110
Non-current lease liabilities	641	373
Provisions	143	160
Total non-current liabilities	2,285	1,643
Total liabilities	8,156	7,897
Total equity	46,031	41,785

- As of 31 December 2022, Raiz had cash, cash equivalents and term deposits totaling A\$11.1 million
- Raiz is currently holding around A\$5.6 million (maximum requirement of circa A\$5.7 million) in regulatory capital
- Other Assets includes Advertising credit for \$5.3m
- Trade and other payables include restructuring costs for circa \$1m
- Net assets of A\$41.8 million, includes intangible assets at A\$27.2 million and cash, cash equivalents and term deposits at A\$11.1 million and Advertising credit for \$5.3m
- Unencumbered balance sheet

03

Outlook

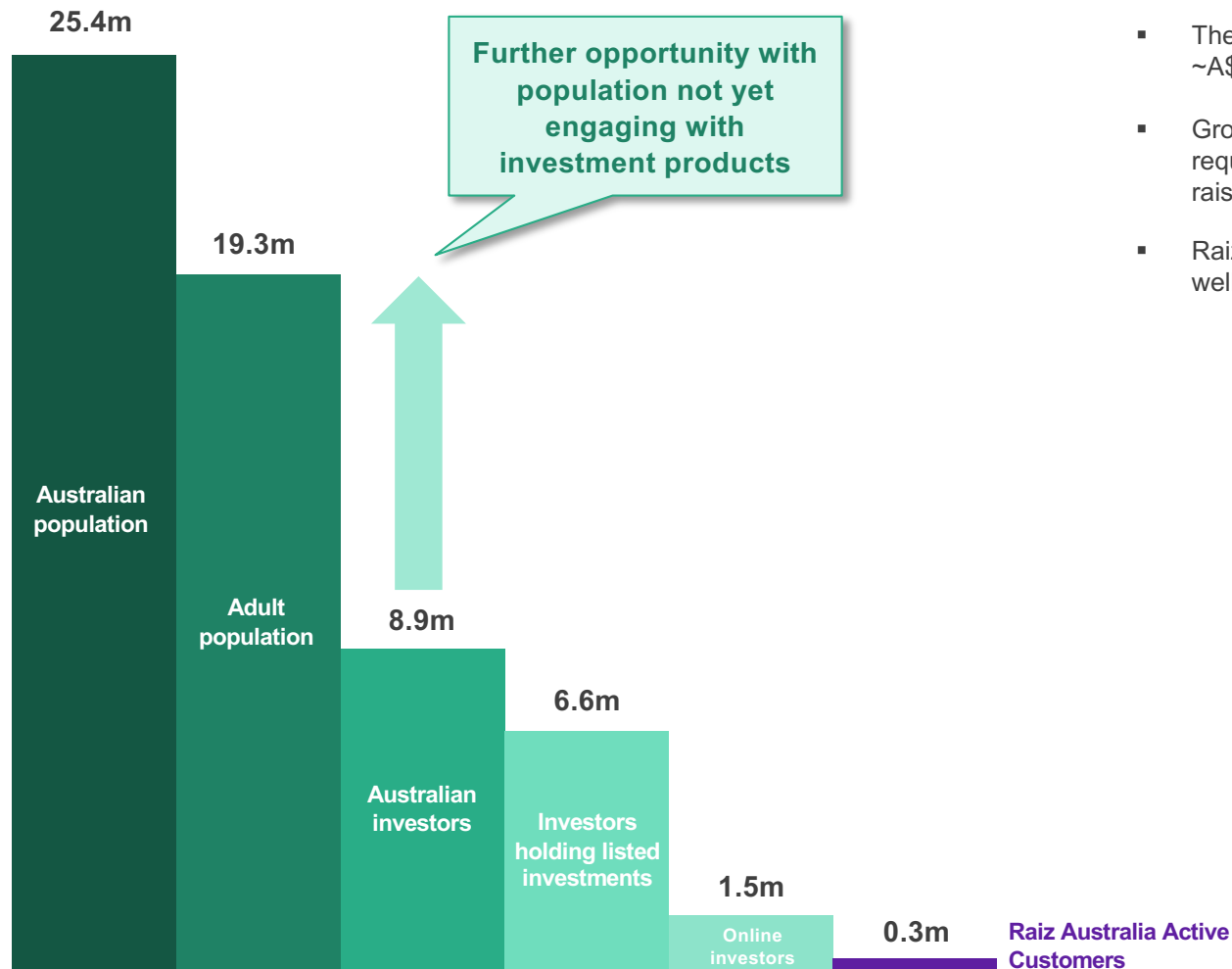


We have a large addressable market in front of us



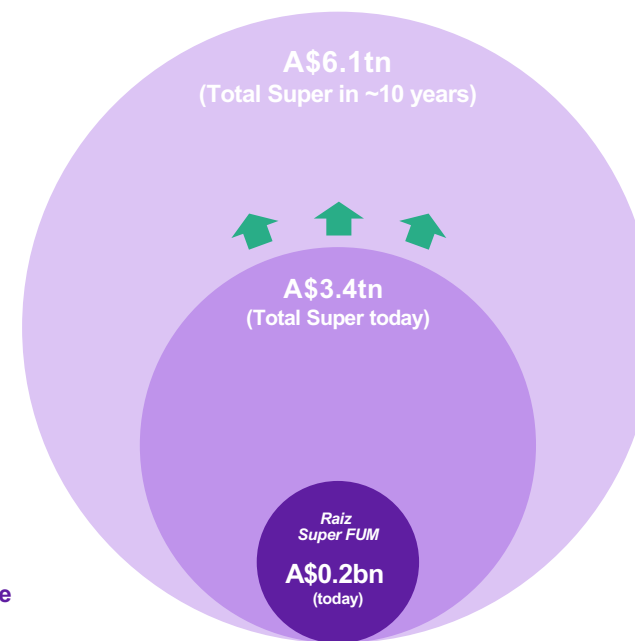
Favourable market dynamics support a large addressable market opportunity in Australia

Investing



Superannuation

- The Superannuation industry in Australia currently holds ~A\$3.4tn in AUM
- Growth is supported by Australia's Superannuation Guarantee, requiring compulsory contributions of 10.5% currently and raising to 12% by July 2025
- Raiz capabilities creates option to unlock early millennials as well as Gen Z and older in accumulation mode



Raiz currently has <1bp of the A\$15tn Australian Wealth Market⁽¹⁾

Management strategic outlook



Strategic review clearly provides confirmed target operating model and clear path to profitability

Grow core Australian Business	<ul style="list-style-type: none">▪ Continue to grow core Australian business and improve product offering▪ Structured marketing campaigns developed for new and re-engagement of in-active customers▪ Increase share of wallet bringing revenue growth & engagement through educational modules
Southeast Asia operations	<ul style="list-style-type: none">▪ Change from current owner-operator model to licensed based agreements with strong JV partners▪ Reduce equity position / capital commitments and review growth costs and resource allocations▪ Continue with Thailand and Vietnam opportunities under the new operating model
Product Innovation & User Experience	<ul style="list-style-type: none">▪ Further value add product suite to the existing core platform and customer requests▪ Focus on product development through the customer lifetime financial journey▪ Product innovation and enhancement of Superannuation, Raiz Kids offering & Property fund
Operating leverage & execution success	<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 product development▪ Maintain strong compliance and governance framework and quality high performing team
Cost focus	<ul style="list-style-type: none">▪ Continue to reinvest into product development research and innovation▪ Maintain discipline on all costs across the Group to ensure capital is deployed for improved ROI▪ Work through cost synergies across the Group for efficiencies and cost savings including JV partnerships

Appendix



Raiz at a glance



Category leader and creator of Financial Wellness

Business description

- Raiz (formerly a joint venture with Acorns US) launched in Australia in 2016. As at 31 January 2023, Raiz has over 3.28m Customer Sign Ups, 1.65m Investment Accounts, 684k Active Customers and over A\$1.1 billion in FUM
- Listed on the ASX in June 2018 (ASX:RZI)
- Presence across Australia, Indonesia, Malaysia & Thailand
- Raiz allows customers to invest small amounts of money into a diversified portfolio of assets – breaking down the barriers to investing
- 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 with a residential property asset class

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

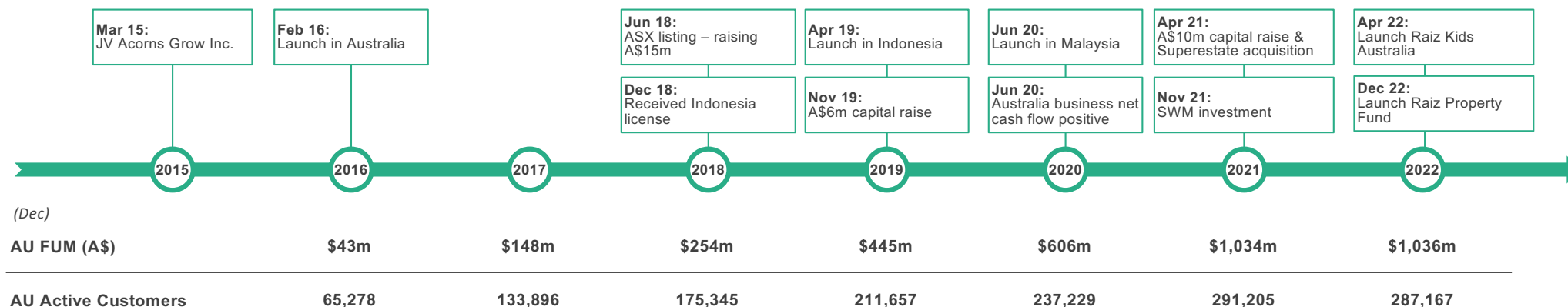


Brand and effective marketing delivering customer growth at low cost of acquisition



Powerful financial profile with significant operating leverage

Company history



(Dec)

AU FUM (A\$)

\$43m

\$148m

\$254m

\$445m

\$606m

\$1,034m

\$1,036m

AU Active Customers

65,278

133,896

175,345

211,657

237,229

291,205

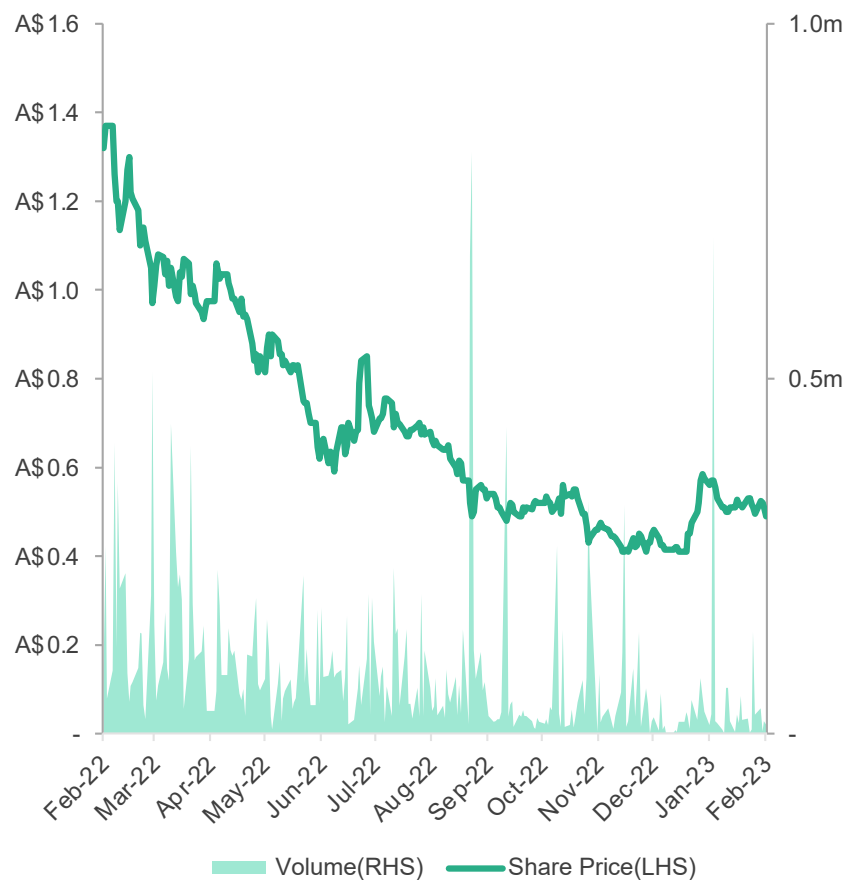
287,167

Market information

Share price, capital structure, and significant shareholders



Share Price & Volume



Capital structure (24-Feb-23)

Shares on issue	93.4m
Share price	A\$0.49
12 month range	A\$1.37 – A\$0.41
Market capitalisation	A\$45.8m
Cash & term deposits 31 December 2022	A\$11.1m

Top shareholders (24-Feb-23)

	Shares	(%)
1 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6.5m	6.9%
2 SEVEN WEST MEDIA INVESTMENTS PTY LTD	6.2m	6.6%
3 UBS NOMINEES PTY LTD	5.4m	5.9%
4 ACORNS GROW INCORPORATED	5.1m	5.6%
5 BBH-GL NOMINEES PTY LTD <Back Beach P/L & Family Account>	4.5m	4.8%
Top 20	51.8m	55.4%
Other investors	41.6m	44.6%
Total	93.4m	100.0%



Thank you!

Investor and media enquiries:

Brendan Malone / Grant Brits

ir@raizinvest.com.au

ASX:RZI