

ASX Announcement | 26 October 2023 Raiz Invest (ASX:RZI)

Quarterly Activities Report & Appendix 4C – Q1 FY24

Financial & Investment highlights

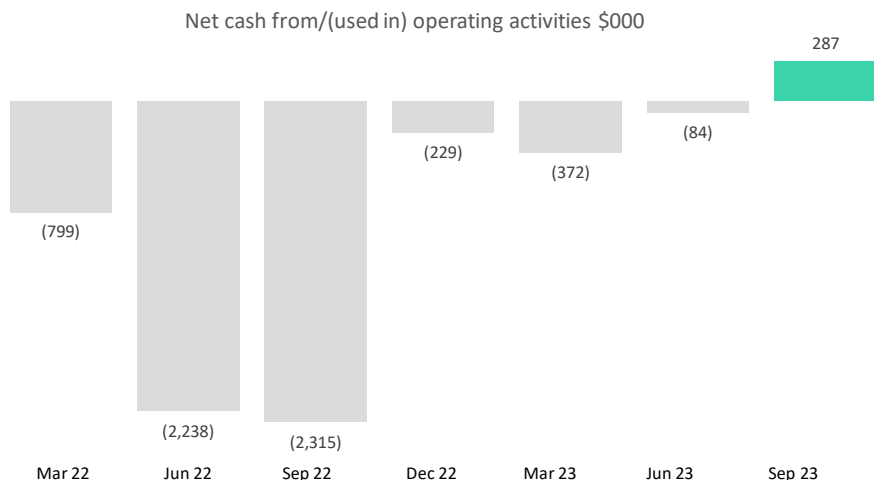
- Total normalised revenue for the Raiz platform accrued in the September 2023 quarter (Q1 FY24) was \$5.16m, up 20.4% on the prior corresponding period (PCP) and 16.8% on a quarter on quarter (QOQ) basis.
- Global active customers reached 679,918 in Q1 FY24, up 1.3% year on year (YOY).
 - ❖ Australian active customers up 2.2% YOY to 296,114
 - ❖ Indonesian active customers down 1.7% YOY to 264,433
 - ❖ Malaysian active customers up 6.1% YOY to 119,371.
- Global funds under management (FUM) was \$1.16bn at end of Q1 FY24, up 19.1% YOY.
 - ❖ Australian retail FUM up 18.0% YOY at \$915.6m (QOQ: +1.0%)
 - ❖ Australian superannuation FUM up 23.8% YOY at \$231.7m (QOQ: +2.9%)
 - ❖ Indonesian FUM up 3.7% YOY to \$1.1m (QOQ: -17.6%)
 - ❖ Malaysian FUM up 13.0% YOY to \$14.4m (QOQ: +7.1%).
- Cash, cash equivalents & term deposits held at 30 September 2023 was \$7.9m.
- Australian operations has improved its operating cash flow positive position.
- Raiz Group remains debt free.

Moving towards positive operating cash flow

The ongoing review of costs has contributed to a Group wide operational cash flow positive quarter, reflecting a turnaround over the PCP (Q1 FY23) period in excess of \$2.3m cash outflow from operating activities.

APPENDIX 4C SUMMARY – FOR THE QUARTER END 30 SEPTEMBER 2023

	<u>Sep Q 23</u> <u>\$000's</u>	<u>Jun Q 23</u> <u>\$000's</u>	<u>Mar Q 23</u> <u>\$000's</u>	<u>Dec Q 22</u> <u>\$000's</u>	<u>Sep Q 22</u> <u>\$000's</u>
Cash flows : operating activities	287	(84)	(372)	(229)	(2,315)
Cash flows : investing activities	(942)	(824)	(926)	(983)	(885)
Cash flows : financing activities	(121)	(124)	(125)	(107)	(132)



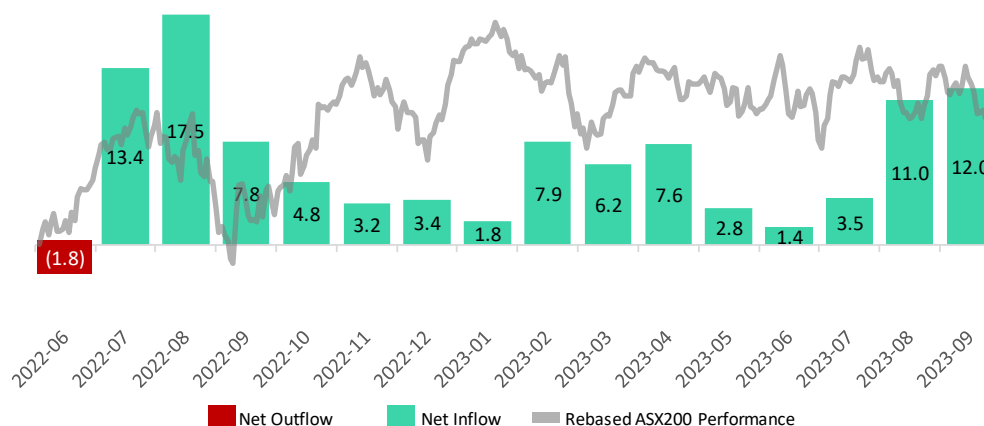
In accordance with listing rule 4.7C, payments made to related parties and their associates incorporate the Directors Fees, remuneration and superannuation at commercial rates.

Raiz grows customers and FUM

Markets have been challenging however, Raiz has continued to demonstrate resilience and has performed well in the circumstances:

ACTIVE CUSTOMER & FUM METRICS – AS AT 30 SEPTEMBER 2023				
		Percent movement		
		Quarter	1-year	2-year
Australian customers (no.)	296,114	+0.1%	+2.2%	+2.4%
Indonesian customers (no.)	264,433	-3.0%	-1.7%	+62.4%
Malaysian customers (no.)	119,371	+2.3%	+6.1%	+46.2%
Active customers (no.)	679,918	-0.8%	+1.3%	+27.4%
Global FUM (\$Am)	1,162.7	+1.4%	+19.1%	+18.5%

Despite significant market volatility, Raiz Australia recorded three months of positive net FUM inflows during the quarter ending 30 September 2023. Net FUM inflows includes all deposits and withdrawals.



Australia

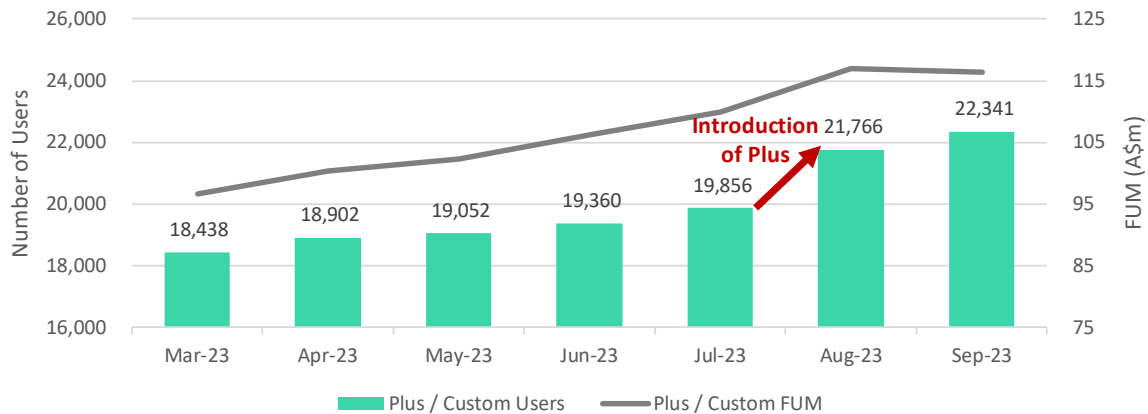
During the quarter, two significant developments were delivered.

A fee increase in the core offering was implemented from 1 August 2023 and first collected on 1 September 2023. Cash receipts from customers of \$5.18m in September quarter include only one month of the fee increase. Minimal customer churn was experienced following the fee increase, a strong testament to the value of Raiz's product offering and customer loyalty.

Raiz Plus, an innovative new product feature was launched on the Raiz platform. Raiz Plus provides customers with the ability to add individual ASX stocks to portfolios. This enhanced functionality empowers our customers to build personalised portfolios, including ASX listed companies, alongside existing ETFs, bitcoin, and Australian residential property.



Plus / Custom Growth



Our focus remains on delivering innovative products our customers need. Product enhancements to our app and additional new customer-led products are set for release this quarter. This in turn will support improved conversion rates and revenue per customer.

Southeast Asia footprint and partners

We continue to progress exiting operations in Indonesia and working with our Malaysian JV partner to move operational control to the local JV partners.

Cash burn for the quarter for both the Indonesian and Malaysian businesses has been in line with expected budgets, which includes a 53.5% reduction in cash used in operating activities from the PCP. No additional capital is being deployed to our Southeast Asia operations.

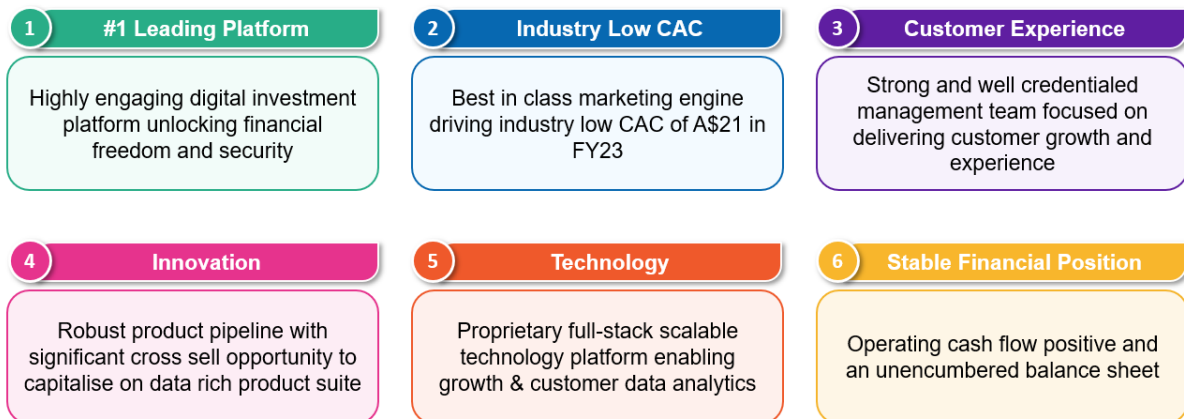
Strategy and milestones

Raiz continues to make headway on executing its strategy, refocussing on the core Australian business. Raiz has solidified its position in Australia and is delivering a cash flow positive business. Some key achievements over the quarter include :

- Launch of the Raiz Plus portfolio.
- Raiz Kids active kid's accounts increasing 11.5% and FUM increasing 22.1% to reach \$24.1m over the quarter.
- The Raiz Property Fund customers have grown to over 13,000 users (+35% QOQ) and FUM to over \$22.3m.
- The Raiz Property Fund purchased its 11th property, located in Sydney.
- The Group delivered its first positive operating cash flow position since Jan 2022
- Building management capability with the hire of a Head of Marketing & Brand.
- Raiz named in CNBC's Top 200 Global Fintech companies in August 2023.
- Raiz awarded Best Fintech App at the August 2023 Fintech Australia Awards.

Strategic Positioning

Award-winning Investment Platform, Delivering on Growth and Innovation



Brendan Malone, Raiz Invest Managing Director and CEO said:

“Positive momentum has continued in the first quarter of the financial year, with the release of our PLUS product and increased fees with minimal customer churn.

We continue to listen closely to our customers, enabling us to plan a strong product development pipeline to enhance our customer experience.

The opportunities in Australia remain very positive for Raiz. We continue our focus on successfully executing our strategy with the goal of being the number one choice for investors, running a profitable business and staying true to our core values.

We have a great team and exceptional customer loyalty and we’re excited about the future for Raiz.”.

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

Raiz is the market leader in Australia for micro-investing. Raiz pioneered the concept of “round-ups” in Australia; when you buy a coffee for \$4.50, the Raiz app automatically rounds-up the \$0.50 change and invests it in a diversified portfolio for you.

Raiz is also a pioneer and market leader in fractionalised investment. Our technology enables our customers to start investing in ETFs, Bitcoin, Raiz Property Fund and up to 50 of the most recognised stocks on the ASX with as little as \$5.00, and once a customer has started there is no minimum investment or withdrawal amount.

Because of the market leading innovations, Raiz remains the number one investment App and a clear leader in the Australian market. To learn more, please visit: www.raizinvest.com.au

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Raiz Invest Limited

ABN

74 615 510 177

Quarter ended ("current quarter")

30 Sep 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		5,180	5,180
1.2 Payments for			
(a) research and development		(416)	(416)
(b) product manufacturing and operating costs		(2,022)	(2,022)
(c) advertising and marketing		(593)	(593)
(d) leased assets		-	-
(e) staff costs		(1,175)	(1,175)
(f) administration and corporate costs		(835)	(835)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		159	159
1.5 Interest and other costs of finance paid		(11)	(11)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		287	287
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		-	-
(d) investments (short term deposit)		-	-
(e) intellectual property		(942)	(942)
(f) other non-current assets		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments (short term deposit)	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(942)	(942)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from changes in ownership interests in subsidiaries	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings from related parties	-	-
3.6	Repayment of borrowings from related parties	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principal payment for leases)	(121)	(121)
3.10	Net cash from / (used in) financing activities	(121)	(121)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,449	8,449
4.2	Net cash from / (used in) operating activities (item 1.9 above)	287	287

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(942)	(942)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(121)	(121)
4.5	Effect of movement in exchange rates on cash held	51	51
4.6	Cash and cash equivalents at end of period	7,724	7,724
	Cash and cash equivalents at end of quarter plus term deposits	7,888	7,888

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,724	8,449
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,724	8,449
	Term Deposits	164	164
	Cash and cash equivalents at end of quarter plus term deposits	7,888	8,613

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	232
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	287
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,724
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,724
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 October 2023
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Authorised by:
(Brendan Malone, Managing Director/CEO)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.