



ASX Announcement | 22 April 2024 Raiz Invest Limited (ASX:RZI)

Revenue up 29% on PCP to \$5.6m and increase in ARPU

Raiz Invest Limited (ASX:RZI) ("Raiz"), a leading investment app, is pleased to present its Quarterly Activities Report & Appendix 4C for the quarter ending 31 March 2024 ("Q3 FY24").

Key Highlights

- **Annual revenue growth of 29.2%:** Group revenue in Q3 FY24 was \$5.6m¹, up 2.7% quarter on quarter (QOQ) and up 29.2% on the prior corresponding period (PCP or YOY).
- **Continued growth in Australian Active Customers²:** Up 3.7% QOQ to 303,938 at 31 March 2024 and up 3.4% YOY.
- **Existing customers investing more:** Strong growth in Funds Under Management (FUM) with total FUM of \$1.34bn at 31 March 2024, up 10.5% QOQ and up 21.4% YOY.
 - **Strong uptake of new products:** Retail PLUS users up 17.8% QOQ to 28,291, Super FUM up 10% QOQ to \$273.8m and Raiz Kids accounts up 12.1% QOQ to 37,904.
 - **Steady increase in ARPU:** Annualised Average Revenue Per User (ARPU) of \$75 in Q3 FY24, up 9.3% compared to 1H FY24.
- **Successful launch of AFL/AFLW marketing campaign:** Launched in March 2024 with Seven West Media (SWM) with promising early signs.
- **Exited Indonesian operations:** One-off costs incurred of \$623k in Q3 FY24.
- **Positive operating cash flow of \$1.82m:** Includes \$1.67m in R&D rebate and closure costs of Indonesia (\$623k). Underlying cost base is stable.
- **Tracking towards positive EBITDA:** Attractive product suite, active marketing campaign and stable underlying cost base expected to contribute to a strong 2H FY24.

Key Financial Metrics

- Active customers:
 - ❖ Australia up 3.4% YOY to 303,938 (QOQ: +3.7%)
 - ❖ Malaysia up 4.6% YOY to 122,951 (QOQ: +5.1%)
- Funds Under Management (FUM) total \$1.34bn:
 - ❖ Australian retail up 20.0% YOY to \$1.07bn (QOQ: +10.6%)
 - ❖ Australian superannuation up 26.9% YOY to \$273.8m (QOQ: +10%)
 - ❖ Malaysian FUM up 31.4% YOY to \$18.3m (QOQ: 22.7%).
- Cash, cash equivalents & term deposits held totaled \$10.0m, up from \$8.6m at 31 December 2023.

¹ Financial results presented in this report are based on unaudited accounts.

² Active Customers are defined as having \$1.00 or more in their account, which means they are charged a monthly fee.

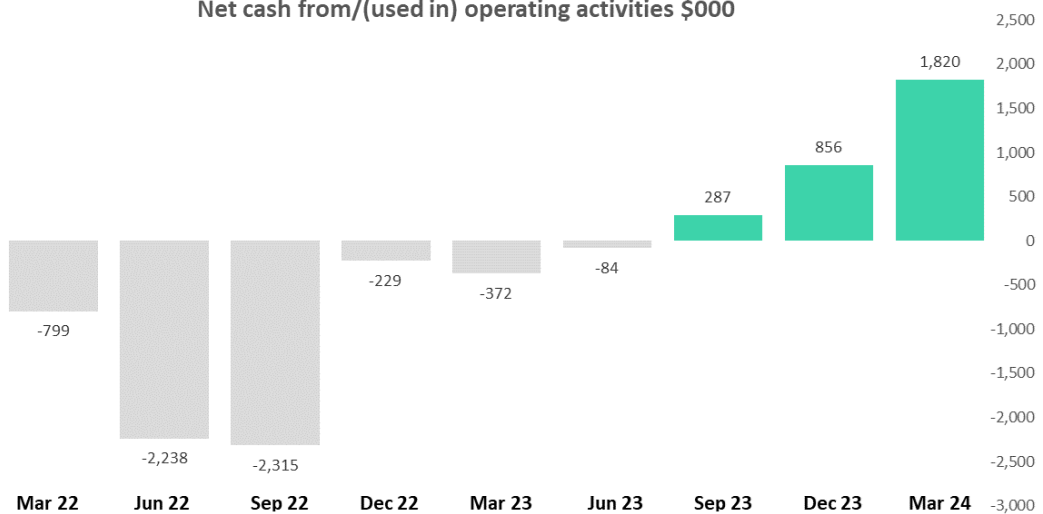


Positive Operating Cash Flow for three consecutive quarters

APPENDIX 4C SUMMARY – FOR THE QUARTER END 31 MARCH 2024

| | <u>Mar Q 24</u> <u>\$000's</u> | <u>Dec Q 23</u> <u>\$000's</u> | <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> |
|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Cash flows : operating activities | 1,820 | 856 | 287 | (84) | (372) |
| Cash flows : investing activities | (758) | (860) | (942) | (824) | (926) |
| Cash flows : financing activities | 311 | 824 | (121) | (124) | (125) |

Net cash from/(used in) operating activities \$000



Existing customers are investing more and demand is strong for new products

Revenue from the Australian operations increased by 2.2% QOQ (29.4% YOY) to \$5.4m. Active Customers increased by 3.7% QOQ to 303,938 and total FUM was \$1.34bn at 31 March 2024, up 10.5% QOQ and up 21.4% YOY.

Raiz is focused on increasing the lifetime value of customers by developing customer centric products to help customers grow their wealth at all stages of their lives.

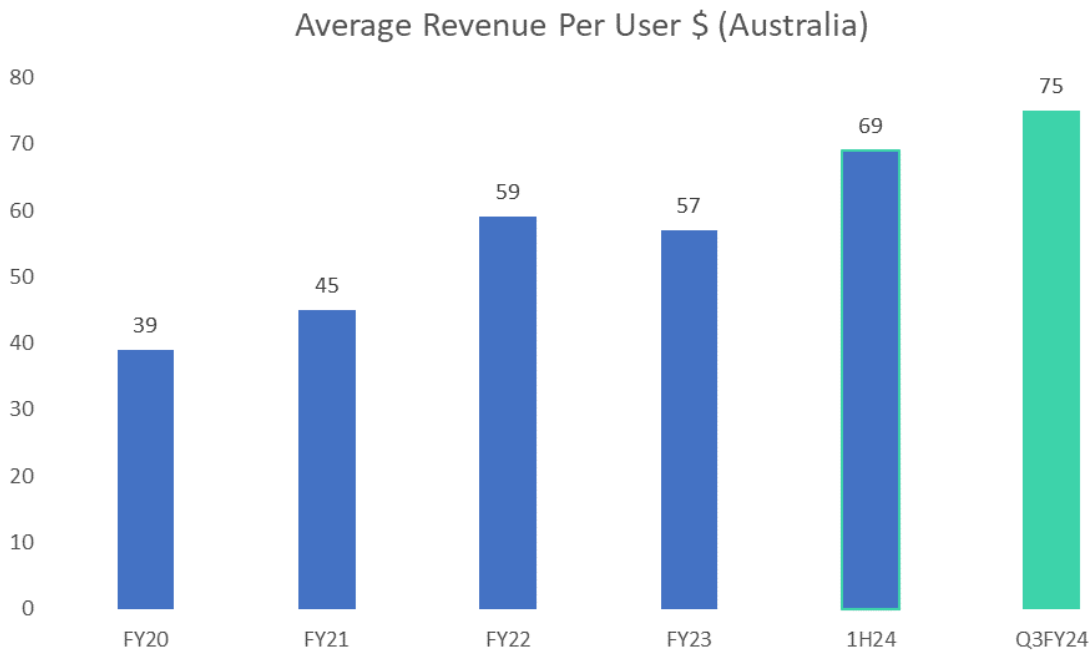
Raiz Plus was launched in August 2023 and provides customers with the ability to add individual ASX listed stocks to build customised portfolios. In Q3 FY24, 26 ASX-listed stocks and 15 ETFs were added to the Plus investment offering, and there are now 115 specific investment options in the Plus product. In Q3 FY24, the retail Plus users increased by 17.8% QOQ to 28,291 and retail Plus FUM increased by 24.4% QOQ to \$156m.

Raiz Invest Super includes employer super guarantee contributions and recurring voluntary contributions. Australian superannuation FUM increased 26.9% YOY to \$273.8m (QOQ; +10.0%).

Raiz Kids is an easy way to save and invest small amounts regularly for children and dependents who are under the age of 18. Raiz Kids accounts increased by 12.1% QOQ to 37,904 and Raiz Kids FUM increased by 27.3% QOQ to \$37.9m.



Increased engagement with existing customers, through increased FUM and the strong uptake of new products, has led to a 9.3% increase in Annualised ARPU in Q3 FY24 to \$75, compared to 1H FY24.



Successful launch of AFL/AFLW marketing campaign with Seven West Media

The new AFL/AFLW Seven West Media campaign launched in March 2024. Over 170 ad spots are rolling out in the AFL coverage across Channel 7, 7Mate and AFL7 – Fox Footy between March and June. Early results are very encouraging.

Led by Seven’s AFL commentator and ex-AFLW player Abbey Holmes, the campaign is designed to focus on brand awareness, product consideration and customer conversion.

Budget spend is weighted towards the second half of the season, including placements in the finals and the Grand Final and expect a higher number of customer conversions are expected in this period.

These marketing campaigns utilise SWM advertising credit and constitute a non-cash expense.

Product innovation

Raiz is committed to ongoing product innovation to ensure it’s product suite evolves in response to the dynamic needs and preferences of our target customers. Specific initiatives include:

- **Open Banking:** Open Banking (Consumer Data Right) due to be released in the app to give customers more control over their financial data, making it easier and safer to share their data with Raiz to maximise our customer’s experience.
- **Plus Portfolios into Super offering:** Finalising the legal, regulatory and compliance requirements to allow Super customers to customise their Super portfolios with Plus portfolios and a new insurance offering.
- **Expanded Plus investment choices:** Raiz continues to engage with its customers and listen to their needs. For example, Raiz Plus will expand the individual investment options to 150 by 30 June 2024.
- **Refreshed and automated Raiz Rewards offering:** A new offering is being finalised with Raiz rewards to drive personalised engagement and help customers save money.



Southeast Asia footprint and partners

Indonesia: Raiz has exited its Indonesian Joint Venture operations.

Malaysia: The Malaysian business is undergoing strategic review and continues to focus on reducing costs and improving efficiencies. Our JV partner PNB has committed an additional RM3m in the June 2024 quarter.

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

Brendan Malone, Raiz Invest Managing Director and CEO said:

“We are very pleased to deliver strong annualised revenue growth as a result of new customer acquisition, the increased engagement of our existing customer base and an increase in ARPU. We have developed a suite of products and services designed to suit customers at different stages of their wealth creation journey and these results show that our product strategy is delivering. Our FUM has grown substantially quarter on quarter, driven by the strong uptake of our new products including Raiz Plus, Raiz Super and Raiz Kids.

“We will continue to increase brand awareness over the next six months through the high profile AFL/AFLW campaign and we remain on the path to achieve positive EBITDA.”

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 Residential Property Fund and up to 75 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")

31 March 2024

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|-----------------------------------------------------------|------------------------------------|------------------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 5,790 | 16,726 |
| 1.2 Payments for | | |
| (a) research and development | (385) | (1,213) |
| (b) product manufacturing and operating costs | (2,023) | (6,079) |
| (c) advertising and marketing | (647) | (1,730) |
| (d) leased assets | - | - |
| (e) staff costs | (1,531) | (3,969) |
| (f) administration and corporate costs | (1,239) | (2,919) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 198 | 515 |
| 1.5 Interest and other costs of finance paid | (8) | (33) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | 1,665 | 1,665 |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | 1,820 | 2,963 |
| 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 | (758) | (2,560) |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 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 | (758) | (2,560) |

| | | | |
|-------------|-----------------------------------------------------------------------------------------|------------|--------------|
| 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 | 405 | 405 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings (JV Partner PNB) | - | 973 |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (Principal payment for leases) | (94) | (364) |
| 3.10 | Net cash from / (used in) financing activities | 311 | 1,014 |

| | | | |
|-----------|------------------------------------------------------------------------------|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 8,469 | 8,449 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 1,820 | 2,963 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (758) | (2,560) |

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---------------------------------------------|-----------------------------------------------------------------------|------------------------------------|------------------------------------------------|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 311 | 1,014 |
| 4.5 | Effect of movement in exchange rates on cash held | 16 | (8) |
| 4.6 | Cash and cash equivalents at end of period | 9,858 | 9,858 |
| | Cash and cash equivalents at end of quarter plus term deposits | 10,022 | 10,022 |

| 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 | 9,858 | 8,469 |
| 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) | 9,858 | 8,469 |
| | Term Deposits | 164 | 164 |
| | Cash and cash equivalents at end of quarter plus term deposits | 10,022 | 8,633 |

| 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 | 512 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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.

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


| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 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) | 1,820 |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 9,858 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 Total available funding (item 8.2 + item 8.3) | 9,858 |
| 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: 22 April 2024

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.