

## ASX Announcement | 26 November 2024 Raiz Invest Limited (ASX:RZI)

### Chair's Address, CEO's Address, and CEO Presentation

Raiz Invest Limited (ASX:RZI) (**Company**) is pleased to release the following documents to be presented at its 2024 Annual General Meeting being held at 11:00am (Sydney time) today:

- Chair's Address
- CEO's Address
- CEO Presentation

\*\*\*Ends\*\*\*

*Authorised for release by The Board of Directors.*

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### About Raiz Invest Limited

**Raiz Invest Limited** (ASX: RZI) is a multi-award-winning micro-investing and fintech platform to help all Australians create wealth. Raiz pioneered the 'Round-Up' concept in Australia – where everyday purchases are rounded-up to the next dollar and the difference is invested into a Raiz Invest account – opening opportunities for first-time investors.

Since launching in 2016, Raiz has led the market by offering innovative products and features alongside an advanced user experience and exceptional customer service. With 9 diverse portfolios to choose from, users of the Raiz platform can invest in up to 99 of the most recognised stocks on the ASX, ETFs, Bitcoin, and the Raiz Residential Property Fund, from as little as \$5. Products range from Raiz Kids to Raiz Invest Super with a product to suit every life stage.

Raiz has also launched sophisticated products, like the customisable Plus portfolio to accommodate investors at all levels of experience and risk appetite. Raiz remains the number one investment app. To find out more, please visit [www.raizinvest.com.au](http://www.raizinvest.com.au) or the Investor Hub <https://investorhub.raizinvest.com>.



**ASX Announcement | 26 November 2024**  
**Raiz Invest Limited (ASX:RZI)**

**2024 Annual General Meeting - Chair's Address**

On behalf of the Board, I'm very pleased to report that Raiz has made significant progress on key strategic priorities over the past year. We are excited about driving stronger performance outcomes and continuing to execute on our strategy as we move into 2025.

In line with our vision to be Australia's leading direct retail wealth platform the Board and management team remained focused on building a sustainable, more profitable business.

By refocussing on our core Australian operations, Raiz achieved revenue growth, delivered four consecutive quarters of positive operating cash flow and achieved a stable cost base, whilst undertaking the move out of SE Asia.

For FY25 a primary focus of the Board will be to oversee the successful delivery of the key pillars of our strategy:

- Building brand awareness and strengthening our reputation
- Growing the customer base and delivering a leading customer experience
- Developing new products and services that our customers value
- Building and enhancing the capability of our team to deliver results
- Managing the efficient use of capital and preparing for future opportunities.

The Raiz team adopts a continuous improvement approach to ensuring that the customer experience meets and exceeds expectations. In line with our commitment to ongoing innovation, we will continue to develop products that meet customer needs across their lifetimes and to enhance the look and functionality of the Raiz App.

On the marketing front we implemented our new Marketing Strategy focussed on building brand awareness and improving customer acquisition, conversion and retention rates. The team has also worked hard to develop and implement AI driven data analytics to support customer engagement and retention. In addition, we have established various partnerships targeting specific customer cohorts and working alongside our marketing campaigns.

The combined impact of these activities saw an uplift in customer numbers for FY24. As these marketing initiatives are further refined, we are seeing customer numbers accelerate with customers numbers growing by over 8,500 so far in FY25.

The SWM campaign comes to an end in January 2025. With AI capabilities and digital marketing now driving stronger growth, as well as improving our customer conversion and retention rates, we are confident that Raiz is well positioned to meet our customer growth targets.



In addition, a white-label solution for the wealth management industry is at pilot stage and will be promoted in 2025. Simultaneously, we continue to identify and evaluate opportunities for strategic acquisitions that will deliver value for all stakeholders.

During the year the Board has worked closely together with the management team to reposition the business model. I thank my fellow directors for their ongoing efforts and strong contribution in supporting this work. We also acknowledge the contribution of Director, Robert Hines who joined Raiz as a casual appointee this time last year and has chosen not to stand for election today. Thank you, Rob.

Your CEO and Managing Director, Brendan Malone has worked incredibly hard leading the team to deliver on our strategy. We are proud with what was achieved in FY24. The core fundamentals of the business provide a strong platform to build on these positive results into 2025 and beyond.

The Board and management team remain acutely aware of the expectations of our shareholders, please rest assured that we are working hard to restore the value that we know Raiz and our shareholders deserve.

We acknowledge the ongoing support of our shareholders and our people who work hard to deliver great outcomes for our customers. Thank-you for your ongoing loyalty to Raiz.

### **2024 Annual General Meeting - CEO's Address**

This is my third AGM address to our shareholders as Managing Director and CEO of Raiz. Each year at this time of year, it is rewarding to reflect what we have achieved.

The last financial year was a particularly significant for the company. We hit major operational milestones, including improved profitability, streamlined operations with a focus on our core Australian business and we are seeing positive momentum across all key metrics.

This time last year I outlined our three short-term goals:

- Focus on efficient capital deployment and restructure operations,
- Execute on our growth strategy and
- Prioritise product development.

I am pleased to report that we delivered on these three goals in FY24.

Before I get into the key milestones achieved, I want to zoom out a little and remind shareholders of the bigger picture - Our vision and values.

Raiz has always had a customer centric focus. Our purpose revolves around making it easier for our customers to save and invest. We listen to our customers; we prioritise customer service and get great customer satisfaction results. We are continually innovating to give our customers what they want and need.



Over the past year, we achieved high customer retention rates driven in part by our focus on innovation and the launch of new products. A key highlight was the strong uptake of these new products by our existing customer base.

However, new customer acquisition was below our expectations. The partnership with Seven West Media did not deliver the numbers we were expecting. That said, with the broader implementation of our marketing strategy in the second half of FY24 focussing on customised digital strategies, we have early evidence that our strategy is now tracking closer to our customer growth expectations.

Key achievements in FY24 include:

- Australian revenue of \$21m in FY24, up 19% YOY
- Positive EBITDA of \$1.3m for Australian operations in FY24
- Our PLUS product into Retail – won the 2024 Finder Investment Innovation Award.
- Superratings #1 and # 2 rated funds
- Following the recent placement at a premium, we have over \$12.3m in cash at 30 Sep 2024.

Drilling down into the key metrics, you can see from the graphs that all metrics are heading in the right direction including Customer numbers, FUM, revenue, gross margin and capital expenditure.

Year on Year and now quarter on quarter, day by day we are deepening our relationship with our customers. Within each product, portfolio or new feature we have continued to increase customer engagement, increase cross-selling within the Raiz ecosystem and increase ARPU. Our product development is based on customer feedback and listening to what they want, and we can clearly see that this has led to the strong uptake of new products.

Raiz aims to build a long-term relationship with retail investors throughout their wealth creation journey. Our value proposition to attract and retain customers continues to strengthen and the market opportunity for growth remains significant. Raiz currently has over 315K Active Customers with a significant opportunity to increase the share of wallet. We also recognise the large pool of potential new customers is many times larger.

Growing FUM is a strong indicator of positive customer sentiment. FUM has increased by over 31.8% in FY24 YOY, which is significantly more than market gain, which demonstrates net inflows onto the Raiz platform.

It is pleasing to see the FUM growth across all products. We know that our customers savings habits improve over time and the longer customers remain on our platform, the more likely they are to increase both the frequency and dollar amount of savings. The other benefit of our increasing FUM is that it enables supply-side cost efficiencies, in terms of lower input fees and we also become a more attractive partner for new product development and partnerships.



There are many potential partners and stakeholders out there who are interested in our retail consumer base of 315K and our \$1.5b FUM and we will work together to leverage these assets.

Our long-term vision is to help Australians to create wealth with a focus on sustainable earnings growth. Our four strategic growth pillars revolve around brand & reputation, exceptional products, customer experience, and building a sustainable operation. Over the past year, we continued to develop team capabilities, our systems and our know-how - all strong contributors to the positive momentum.

For FY25 and beyond, we know the existing opportunity and we are focused on many initiatives to execute on our growth strategy, including:

1. Building our brand and reputation: through new channels, targeted AI driven re-engagement with multiple product touch points and enhanced financial education.
2. Exceptional Product: Innovations like a white label solution, Raiz jars, Super enhancements, payment rail and app design.
3. Customer Experience: Maintaining exceptional customer service.
4. Maintaining a sustainable operation: We have a strong team and culture, with resilient and secure systems. Our low-cost model is scalable, and well positioned for years ahead.

We will continue to manage costs and capital in the best interest of the company and its shareholders.

New customer acquisition is critical for Raiz. We need to acknowledge that the economic environment for new customer acquisition was challenging in FY24, primarily due to cost of living pressures, and those extra dollars were spent on the mortgage or at the supermarket. Our increased focus on re-engagement and retention worked well in this environment.

We continue our highly successful digital marketing. This slide shows that we have refined our messaging and content for different audiences. We engage with partners right across the media landscape, including mainstream channels, commercial radio, the big digital channels such as YouTube, Meta and Instagram, as well as niche influencers in fintech and podcasts.

We have formed valuable working relationships with the Woman's Agenda, Woman's network Australia, NSW Touch football and the Ladies Finance Club. We have also formed strategic partnerships with the Australian Shareholders Association, Aussie Athlete Fund and Future Generation Fund.

In FY25, we remain absolutely focused on new customer acquisition, and we were very pleased to report in Q1 that there was an acceleration in the growth rate of new customers, reenforcing our confidence in the strategy.

We welcomed SSGA to our register as a strategic shareholder. We were particularly pleased that we were able to complete the placement in August at an 11.4% premium. SSGA undertook extensive due diligence on our operations including a detailed



scoping of the market opportunity for a co-branded series of products. SSGA is the 4th largest asset manager in the world, and we believe that their decision to invest in Raiz as part of their Australian growth strategy, provides clear evidence that we are on the right path.

We are at the early stages of this relationship and there are multiple opportunities for collaboration which include:

- Marketing
- Content
- Products
- Insights
- Collaboration

We look forward to updating the market over the months ahead as new initiatives are developed and launched.

Raiz has a strong balance sheet and is well positioned for industry consolidation. As you can see from the table on the slide, Raiz has a comprehensive product offering for retail clients and a unique subscription business model, rather than a brokerage transaction model, which is more common with retail brokers. We have a scalable technology platform with a low marginal cost of trading. There are many retail investors out there, with a share portfolio of between \$10K-\$50k, who trade less than once a week, who would be better served on our PLUS portfolio. We will continue to drive this message.

In summary, in FY24 we made significant progress in a difficult environment for cash-constrained retail investors, and we are now in a strong position to continue to deliver on growth and innovation in FY25 and beyond. We have a compelling investment thesis with a:

- SCALABLE MODEL
- SOLID TRACTION
- CUSTOMER FIRST
- NEW MARKETS
- EXPANDED RESOURCES
- WELL FUNDED

We will continue to execute on our strategic initiatives to deliver shareholder value and an innovative, secure product offering to our customers. I am excited to move forward with our white-label solution which is generating strong interest across the wealth advisory and financial planning world.

I would like to sincerely thank Shareholders for your continued support. Thank you to the Non-Executive Directors for your continued support. To our loyal customers – Thank you.

To our awesome and professional staff – you have all supported me in many ways over these transition years and we all see a significant bright future at Raiz. You



continually look after each other, our customers and drive for growth and improvement personally and in the business every second of everyday. Thank you.

\*\*\*Ends\*\*\*





# FY24 AGM

26 November 2024

Raiz Invest— Investing made easy

Level 9, 2 Bulletin Place, Sydney NSW 2000  
Announcement authorised by the Board of Directors

26 November 2024





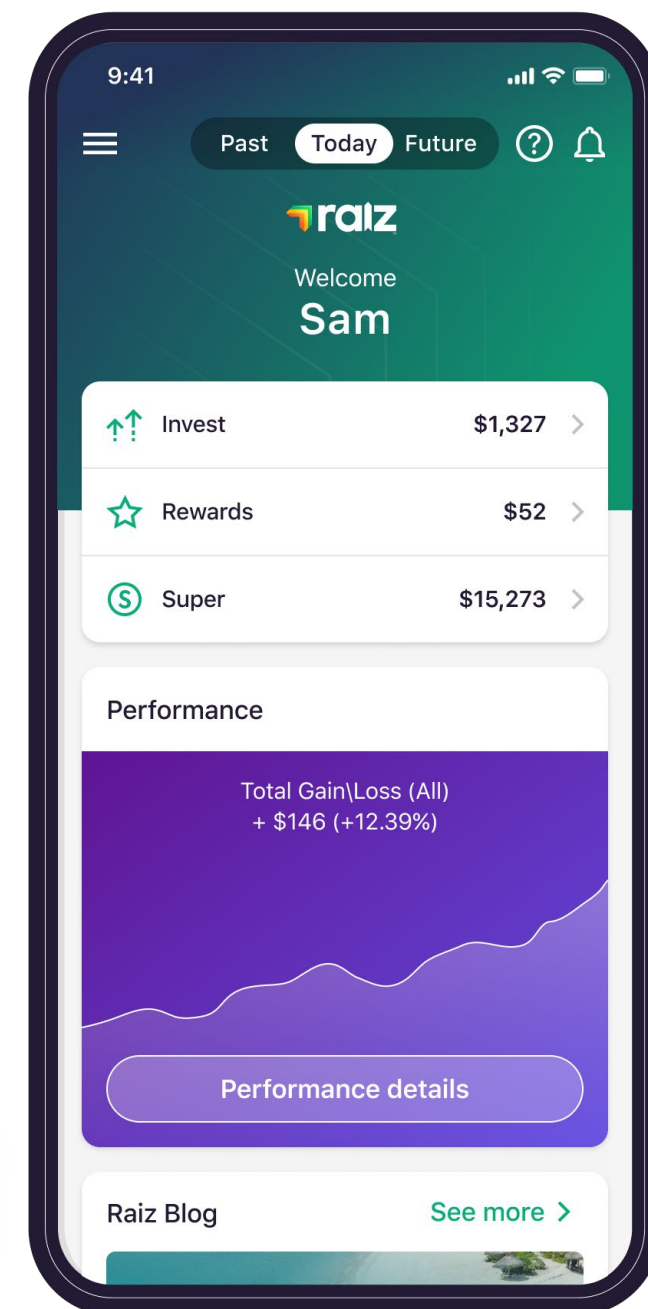
# Key milestones achieved

Improved profitability, focused execution and streamlined operations



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- ✓ **Strong revenue growth:** Australian revenue of \$21m in FY24, up 19% YOY
- ✓ **Improved profitability:** Positive EBITDA of \$1.3m for Australian operations in FY24
- ✓ **Positive cash flow:** Four consecutive quarters of positive operating cash flow in FY24
- ✓ **Proven scalability:** Stable cost base with total expenses down 4% YOY in FY24
- ✓ **Increased ARPU:** Strong uptake of new products by existing customers
- ✓ **Product Innovation:** Plus product into Retail
- ✓ **Driving growth in Super:** Plus product into Super (released 29<sup>th</sup> July 2024)
- ✓ **Top rated fund performances:** Superratings #1 and #2 rated funds
- ✓ **Streamlined operations:** Closed Indonesia and Malaysia
- ✓ **Strengthen Balance Sheet:** Strong cash position with over \$12.3m (30 Sept 2024)

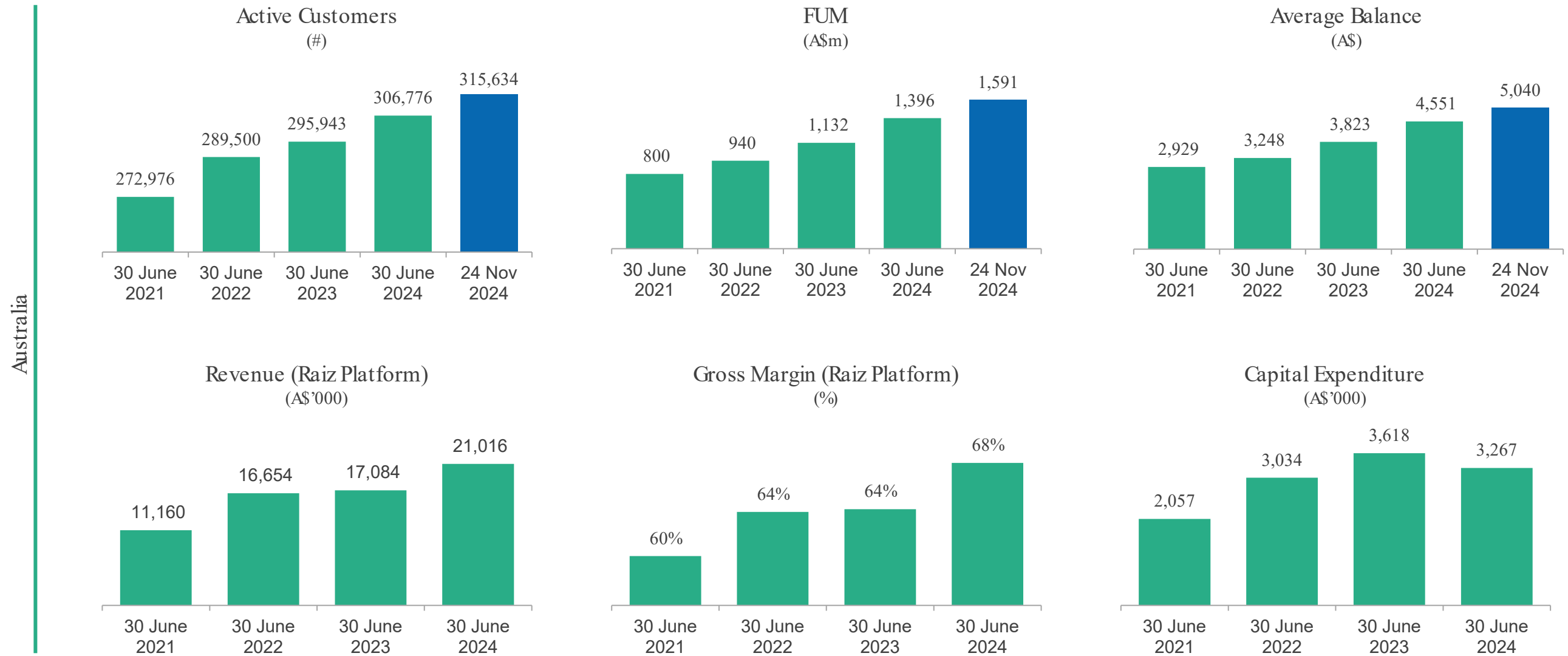


# Strong performance across key metrics

Solid proven platform for ongoing growth and path to profitability

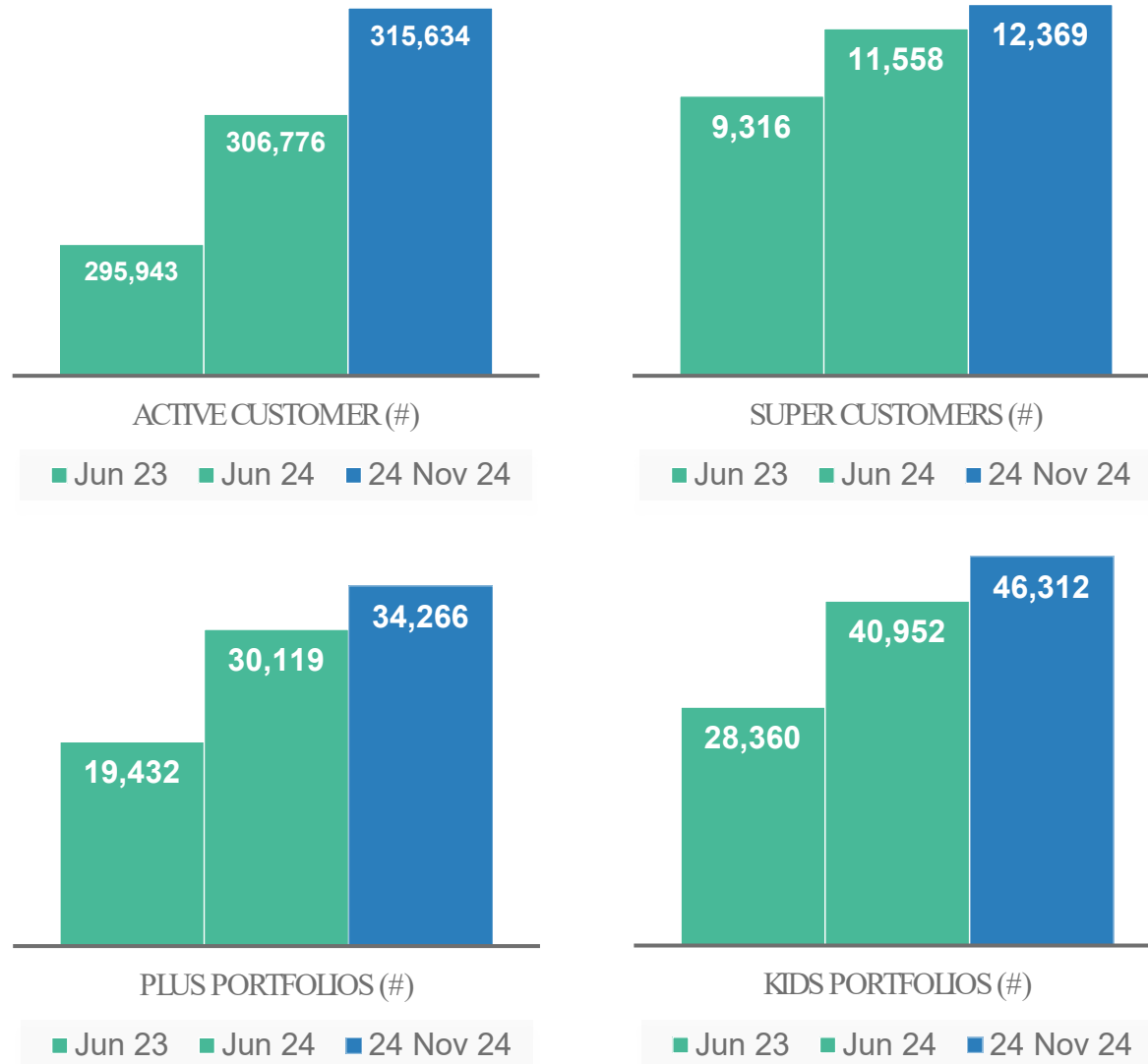


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# Strong uptake of new products

Increased engagement with existing users, increased cross-promotion and ARPU

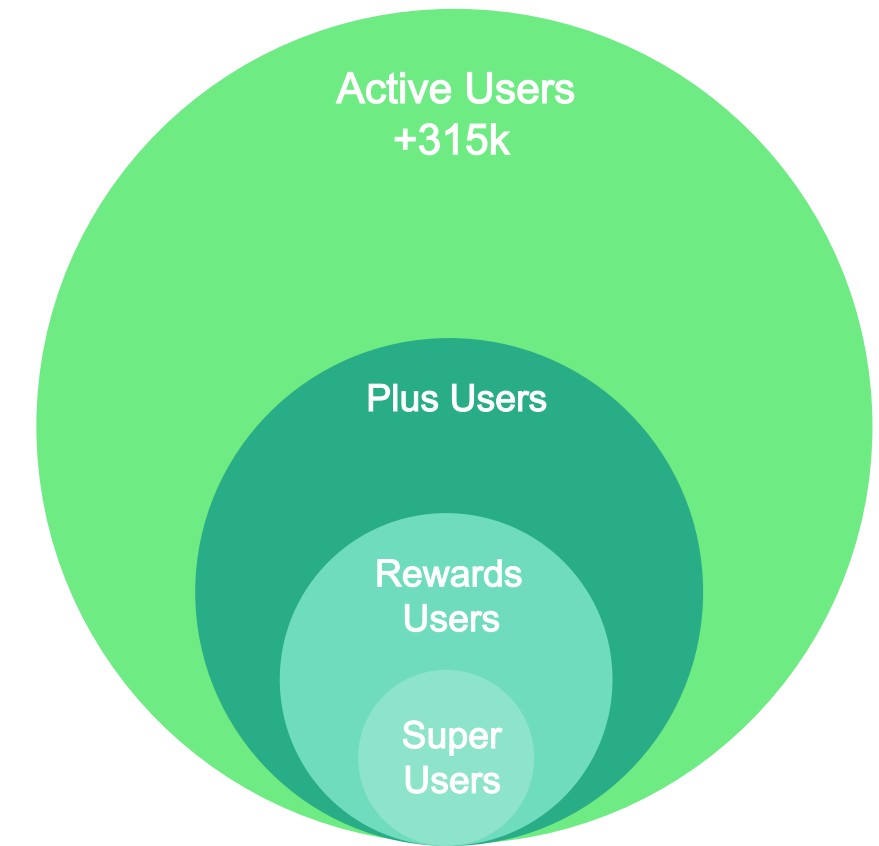
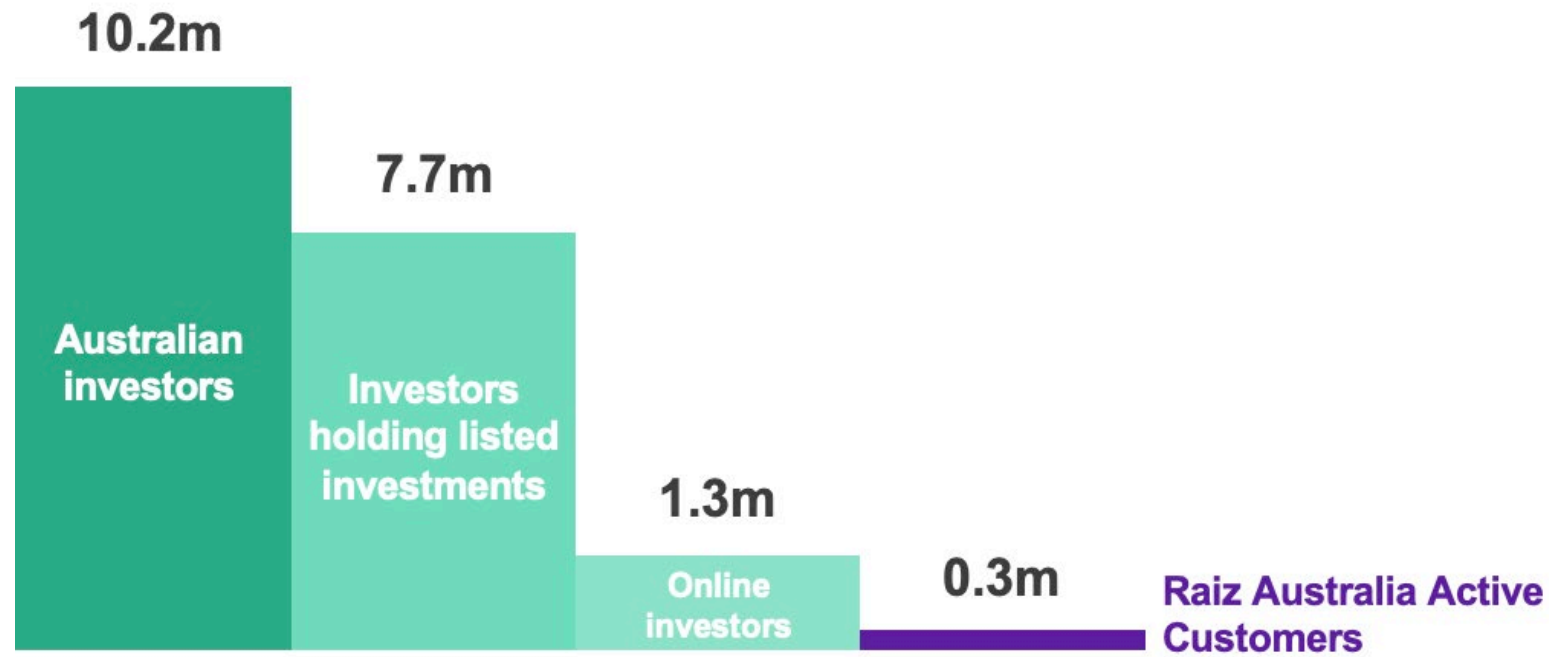


- Increased engagement with existing users
- Increased cross-promotion within the product ecosystem
- Product development based on customer feedback leads to higher new product uptake
- Increased ARPU, reflecting both fee increase and changing product mix towards Plus and Super
- Stronger value proposition to attract new customers and retain through the life cycle

# Retail investing is a large and growing market

Raiz creates a long-term relationship with retail investors throughout their wealth journey

Raiz is a market leader with first-time investors



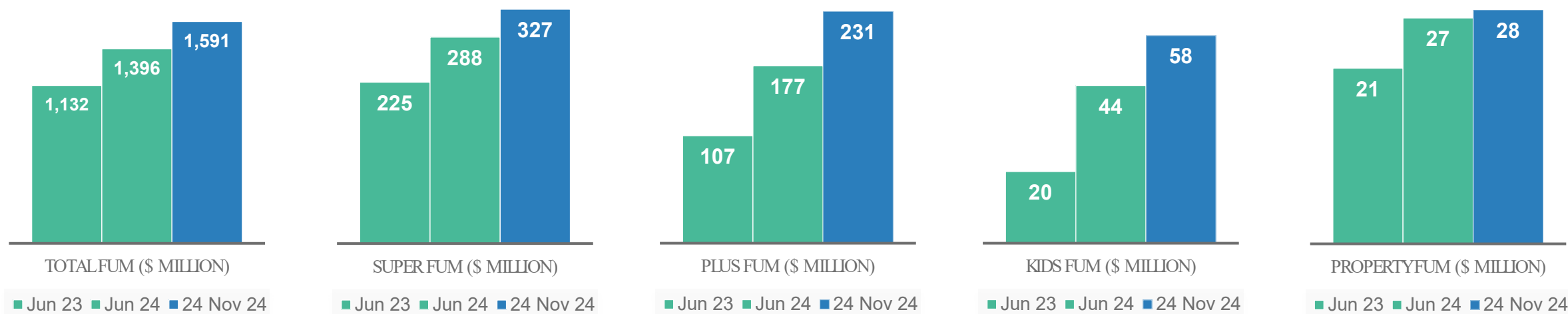
\*Source: ABS, ASX (ASX Australian Investor Study 2023), Investment Trends (2023 1H Online Investing Report), IBISworld, Apple App Store (Accessed August 2022).

# Significant increase in FUM

Increased engagement with existing users



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- **Net inflows:** Increase in FUM includes market returns and net inflows
- **Savings habits improve over time:** The longer customers remain on the Raiz platform, the more they increase both the frequency and dollar value of investments; driving FUM growth
- **Attractive ecosystem partner:** Large and growing FUM makes Raiz a more attractive partner for marketing and promotional opportunities

5-star Google Play Store Reviews for the Raiz app - Jan 2024

“Very easy to understand and extremely easy to use.”

“This is the one.”



## LONG TERM FOCUS

Helping Australians to create wealth

## EVERYDAY FOCUS

Engage existing customers & attract new customers

## FOUR STRATEGIC PILLARS

Brand & reputation

Exceptional products

Customer experience

Sustainable operation

## FY25 OPERATIONAL TACTICS

New customer channels  
Reengagement targeting  
AI messaging  
Multiple product touch points  
Education Hub

White label solution  
Raiz Jars  
Raiz Super enhancements  
Upgrade payment rails  
App upgrade

Exceptional customer service  
Listen to our customers  
Customer satisfaction >95%

Strong people and culture  
Resilient and secure systems  
Efficient use of capital  
Scalable lowcost model  
Cost management

# Investing in new digital channels and strategic partnerships

Focus on re-engagement and brand awareness for new customer acquisition

Mainstream channels with simple brand messaging

Leveraging Channel 7



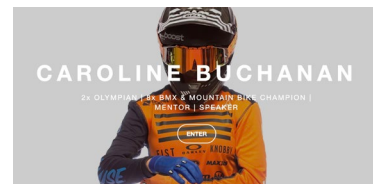
Commercial radio ads



Investing in digital online viewing apps

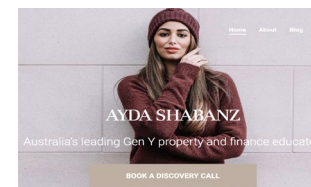
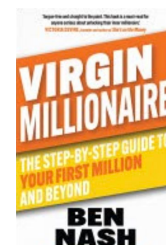


Niche influencers with customised messages



Creating our own Podcast channel releasing Dec 24

Our Guests:



Strategic partnerships



# Strategic partnership with State Street Global Advisors












Large global asset manager supporting our focus on growth

**STATE  
STREET  
GLOBAL  
ADVISORS**

- **Global leader:** State Street is the <sup>th</sup>4 largest asset manager worldwide
- **Marketing:** Promote Raiz to their substantial network of institutional and HNW clients in Australia
- **Content:** Provide new financial education materials for Raiz customers
- **Products:** Develop innovative offerings like new ETFs, Super retirement portfolios
- **Insights:** Create a Raiz Customer Sentiment Index based on SSGA consumer data insights
- **Collaboration:** Ongoing review of global market trends, customer needs and new ideas

# The competitive landscape is changing

Raiz is well positioned for industry consolidation

											
Round Up Investments	✓	✓					✓	✓			
Recurring Investments	✓	✓		✓	✓		✓	✓	✓	✓	
Lump sum investments	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Superannuation	✓	✓				✓				✓	
First Home Super Saver	✓	✓								✓	
Stock Trading	✓		✓	✓			✓	✓	✓	✓	✓
Property Fund	✓						✓				
Kids Account	✓						✓		✓	✓	✓
Cashback Rewards	✓				✓						
Social Responsibly themed investing	✓			✓							
Brokerage Free	✓	✓					✓				
App Store Ranking <sup>(1)</sup>	35	195	101	60	132	59	69	>200	136	155	>200

## Raiz delivers:

- a comprehensive offering for retail investors
- the highest app store ranking relative to competitors
- a scalable technology platform and low marginal cost of trading including brokerage free trading
- the lowest cost online trading platform for retail investors with a share portfolio <\$50K who trade less than once a week

Source: Latest company disclosure. Apple App Store as at 1 October 2024. YouGov research for awareness data. Investment Trend

(1) 'Finance' Category App Store Rankings >200 are not specified in App Store rankings.

# Investment Highlights

Compelling investment thesis

1



## SCALABLE MODEL

Proven scalable technology and business model as company transitions to operating profitability

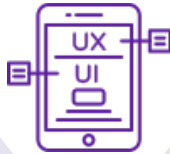
2



## SOLID TRACTION

Expanded ecosystem of partners and marketing strategies is driving acceleration of new customer acquisition

3



## CUSTOMER FIRST

Customer centric culture is driving an exceptional customer experience

4



## NEW MARKETS

Upcoming launch of white label solutions to open new product distribution channels

5



## EXPANDED RESOURCES

Ability to leverage the capabilities of State Street Global Advisors to improve customer engagement and expand product suite

6



## WELL FUNDED

Strong balance sheet and well funded to execute on growth strategy as competitive landscape changes



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