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ASX Release

28 July 2022

Raiz grows Global Active Customer Base and Annual Recurring Revenue base; wins another Industry Award

Quarterly Activities Report & Appendix 4C

Investment highlights

- Total normalised revenue for the Raiz platform up 17.9% on a year-on-year (YOY) basis to \$4.3 million in the June 2022 quarter (Q4 FY22)
- Raiz's Annual Recurring Revenue (run rate) up 21.5% YOY to more than \$14.7 million
- Global Active Customers were 652,702 by end-Q4 FY22, up 42.8% YOY, and 4.0% higher on a QOQ basis
- Total Australian Funds under Management (FUM) up 17.6% YOY to \$940 million at the end of Q4 FY22
- Superannuation FUM up 74.6% YOY to \$186.1 million (including Superstate acquisition)
- Active customers in Raiz's Indonesian business exceeded 250,000 by end of Q4 FY22 – a strong YOY jump of 114.9%
- Active customers in Malaysia approaching 110,000 by end-Q4 FY22, up 66.3% YOY
- As of 30 June 2022, Raiz had cash, cash equivalents and term deposits totalling \$15.7 million

Raiz Invest Limited (ASX: RZI) is a multi-award-winning, micro-investing and fintech platform with operations in Australia and Southeast Asia. Raiz is pleased to provide its Appendix 4C cash flow statement for the quarter ended 30 June 2022 (Q4 FY22), as well as the following business and operational commentary.

Strong YOY growth customer base, FUM and investment account metrics

There has been a raft of negative macro-economic news and geopolitical events that continued to adversely impact sentiment in global financial markets in the June quarter. The increased volatility across domestic and offshore financial markets, cost of living increases and increased mortgage repayments eroded available investible funds.

Raiz's Australian-based FUM was \$940 million at the end of Q4 FY22, up 17.6% on a YOY basis. The Australian FUM slipped by 7.7% on a quarter-on-quarter (QOQ) basis to 30 June. The QOQ FUM decline was much less severe than the drop reported by the Australian S&P/ASX 200 index, a key market benchmark which fell by a substantial 12.4% in the June 2022 quarter.

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Within the headline FUM number of \$940 million, Superannuation FUM continued to report impressive YOY growth, with the end-Q4 FY22 figure of \$186.1 million up 74.6% (including Superestate) on a year ago. Superannuation FUM retreated by 3.3% QOQ to 30 June 2022; an excellent result against a large negative market movement.

Average balances per customer were \$2,582 in Raiz's Q4 FY22, up 0.9% YOY, but down 11.4% on the prior period figure. Total Australian active customers numbered 289,500 at the end of Q4 FY22, up 6.1% YOY.

Q4 FY22 Annual Recurring Revenue (run rate) of \$14.7 million was 21.5% higher YOY (and up 0.2% QOQ). The QOQ gain came on the back of increased maintenance fees.

Raiz continues expanding in its target Southeast Asia markets

Raiz expanded its presence in Southeast Asia over the Q4 FY22 period with active customers up 8.3%, despite heightened investor nervousness and the consensus view that central banks intent on inflation control will continue tightening monetary policy.

Active Customers in Indonesia rose by 114.9% YOY and 9.8% QOQ to 253,420. Active Customers in Malaysia rose by 66.3% YOY and 5.1% QOQ to 109,782. The Company's plans to grow its Southeast Asian footprint via a move into Thailand continues to be delayed as economic uncertainties have necessitated the need to find a new joint venture partner.

During the quarter Raiz Indonesia and Raiz Malaysia have expanded their Raiz Rewards operations, an initiative that has been well received by customers. What is pleasing about the positive customer response in Indonesia and Malaysia is how we can adapt service offerings developed in Australia for these markets.



Key Operational Metrics - Figures 1 – 3

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<p>Global Active Customers</p> <ul style="list-style-type: none"> Active customers increased 4.0% to 652,702 in the June 2022 quarter. Sustained customer growth considering the challenging macro-economic and geopolitical backdrop 	<p>Global Active Customers</p> <ul style="list-style-type: none"> Active customers increased 4.0% to 652,702 in the June 2022 quarter. Sustained customer growth considering the challenging macro-economic and geopolitical backdrop
<p>Revenue Drivers (% move on prior quarter)</p> <ul style="list-style-type: none"> 3.2% decline in normalised revenue, primarily due to material fall in advertising revenue Maintenance fee revenue rose by 0.5% Account fee revenue slipped by 0.8% Advertising revenue dropped by 22.6% Netting revenue declined by 6.1% 	<p>Revenue Drivers (% move on prior quarter)</p> <ul style="list-style-type: none"> 3.2% decline in normalised revenue, primarily due to material fall in advertising revenue Maintenance fee revenue rose by 0.5% Account fee revenue slipped by 0.8% Advertising revenue dropped by 22.6% Netting revenue declined by 6.1%
<p>Australian FUM</p> <ul style="list-style-type: none"> FUM lower on market volatility fed by a host of macro-economic and geopolitical concerns, including persistent inflationary pressures and rising interest rates FUM: \$940 million at the end of Q4 FY22, down 7.7% on Q3 FY22 Superannuation FUM fell by 3.3% to \$186.1 million after a 0.6% gain in the preceding quarter S&P/ASX200 index down 12.4% in the June quarter 	<p>Australian FUM</p> <ul style="list-style-type: none"> FUM lower on market volatility fed by a host of macro-economic and geopolitical concerns, including persistent inflationary pressures and rising interest rates FUM: \$940 million at the end of Q4 FY22, down 7.7% on Q3 FY22 Superannuation FUM fell by 3.3% to \$186.1 million after a 0.6% gain in the preceding quarter S&P/ASX200 index down 12.4% in the June quarter



Successful relaunch of Raiz Kids investment product

The Company relaunched its Raiz Kids product in late April after a period of beta testing with a select group of customers. The product is a simple way for adults to save and invest for their children and/or dependents under the age of 18, giving them the ability to control the access their children have to the account. If required, adults can also create multiple Raiz Kids accounts, each with different settings and permissions.

Raiz wins another industry award

In June 2022, Raiz won the Excellence in Wealth Management (including Personal Financial Management and Robo) Award at the FinTech Australia Awards. This award recognises Fintechs providing innovative, cost-effective and high-quality Investment and Wealth/Asset Management solutions – be they direct to the consumer or to the financial advice and wealth management industry.

Raiz Managing Director/Group CEO George Lucas said: “We continued to implement our strategy of growth in a measured way in the June 2022 quarter. This approach has Raiz well placed to leverage off the inevitable bounce in market sentiment once investor confidence improves. Considering the uncertainties buffeting financial markets, we are pleased our active global customer base grew in the latest quarter.

Group CEO Brendan Malone said: “The team continue to focus on what we do best, customer service. It is their feedback that underpins our new products and features, allowing us to grow our customer base. Although some new features are minor and go unnoticed by most customers, they improve the UX for many. We expect to be delivering Raiz Property Fund, a REIT of residential properties, in the September quarter. We are focusing on our cost structure across our operating entities to ensure we continue to move towards profitability in a controlled and measured manner.

- ENDS -

Market Announcement authorised by:

The Board of Directors – Raiz Invest Limited

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About Raiz

Raiz Invest Limited (ASX:RZI) is a 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 into diversified portfolios. In Australia, this can be done to boost savings both inside and outside of superannuation.

To gain greater insight to the Raiz business and our strategy, watch our short video by visiting <https://raizinvest.com.au/investors/>

Since launching in 2016, Raiz has achieved solid growth, amassing more than 2.90 million downloads, 2,918,000 sign-ups, with over 652,000 active monthly customers and over \$940 million in FUM as of 30 June 2022.

Raiz continues to enhance its platform, adding 19 new products and features since its inception. In addition, Raiz is ramping up its growth and literacy strategy across Asia-Pacific, with offices in Malaysia and Indonesia with plans to expand into Thailand and Vietnam.

To gain greater insight to the Raiz business and our strategy and watch our short video on the company please visit <https://raizinvest.com.au/investors/>.

For more information: www.raizinvest.com.au

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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 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,035	20,086
1.2 Payments for		
(a) research and development	(422)	(1,435)
(b) product manufacturing and operating costs	(1,895)	(6,746)
(c) advertising and marketing	(1,640)	(5,726)
(d) leased assets	-	-
(e) staff costs	(1,866)	(5,818)
(f) administration and corporate costs	(1,650)	(4,327)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid	(19)	(80)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	217	1,298
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,238)	(2,742)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(10)	(78)
(d) investments (short term deposit)	-	-
(e) intellectual property	(807)	(2,956)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(817)	(3,034)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,000
3.2	Proceeds from changes in ownership interests in subsidiaries	-	642
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(18)
3.5	Proceeds from borrowings from related parties	-	-
3.6	Repayment of borrowings from related parties	-	(8)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principle payment for leases)	(128)	(545)
3.10	Net cash from / (used in) financing activities	(128)	2,071

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	18,553	19,199
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,238)	(2,742)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(817)	(3,034)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(128)	2,071
4.5	Effect of movement in exchange rates on cash held	168	44
4.6	Cash and cash equivalents at end of period	15,538	15,538
	Cash and cash equivalents at end of quarter plus term deposits	15,702	15,702

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	15,538	18,553
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)	15,538	18,553
	Term Deposits	164	164
	Cash and cash equivalents at end of quarter plus term deposits	15,702	18,717

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	-
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.

7. Financing facilities <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>	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)	(2,238)
8.2 Cash and cash equivalents at quarter end (item 4.6)	15,538
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	15,538
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.9
<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: 28 July 2022



Authorised by:
 (George Lucas, 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.

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