

**ASX Announcement | 27 April 2023**  
**Raiz Invest (ASX:RZI)**

**Quarterly Activities Report & Appendix 4C – Q3 FY23**

**Financial & Investment highlights**

- Total normalised revenue for the Raiz platform in the March 2023 quarter (Q3 FY23) was \$4.4m, flat on the prior corresponding period (PCP) and quarter on quarter (QOQ) basis.
- Global active customers were 685,600 by the end of Q3 FY23, up 9.2% year on year (YOY).
  - ❖ Australian active customers up 0.5% YOY to 294,046
  - ❖ Indonesian active customers up 18.7% YOY to 273,969
  - ❖ Malaysian active customers up 12.6% YOY to 117,585.
- Global funds under management (FUM) was \$1.12bn at end Q3 FY23, up 8.5% YOY.
  - ❖ Australian retail FUM up 7.6% YOY at \$889m (QOQ: +6.3%)
  - ❖ Australian superannuation FUM up 12.1% YOY at \$216m (QOQ: +8.0%)
  - ❖ Indonesian FUM up 53.0% YOY to \$1.2m (QOQ: +12.6%)
  - ❖ Malaysian FUM up 9.1% YOY to \$13.9m (QOQ: +5.8%).
- Cash, cash equivalents & term deposits held at 31 March 2023 was \$9.7m.
- The Australian operations remain operating cashflow positive.

**Raiz continues to deliver cost savings**

The focus on a return on deployed capital has delivered a potential annualised cost base reduction of \$3.7m. Whilst the implementation of actions to achieve this structural change has incurred cash outflow, we are confident these actions will benefit the Company in the long-term and deliver a cash flow positive and sustainable future.

**APPENDIX 4C SUMMARY – FOR THE QUARTER END 31 MARCH 2023**

	<b><u>Mar Q 23</u></b>	<b><u>Dec Q 22</u></b>	<b><u>Sept Q 22</u></b>	<b><u>June Q 22</u></b>
	<b><u>\$000's</u></b>	<b><u>\$000's</u></b>	<b><u>\$000's</u></b>	<b><u>\$000's</u></b>
Cash flows from operating activities	(390)	(239) <sup>1</sup>	(2,330)	(2,238)
Cash flows from investing activities	(926)	(983)	(885)	(817)
Cash flows from financing activities	(107)	(97)	(117)	(128)

Embedded within the operating loss for the quarter were one-off restructuring costs of over \$1.0m that related to the re-structuring operations of the Company, including the exit costs associated with the former Managing Director and Joint Group CEO (International).

In accordance with listing rule 4.7C, payments made to related parties and their associates, including in item 6.1 of Appendix 4C incorporate the Directors Fees, remuneration and superannuation at commercial rates.

<sup>1</sup> Dec Q 22 operating cash outflow has been updated from \$256k to \$239k.

## Raiz grows customers and FUM

ACTIVE CUSTOMER & FUM METRICS – AS AT 31 March 2023				
		Percent movement		
		Quarter	1-year	2-year
Australian customers (no.)	294,046	+2.4%	+0.5%	+11.5%
Indonesian customers (no.)	273,969	-0.7%	+18.7%	+172.2%
Malaysian customers (no.)	117,585	+3.6%	+12.6%	+113.1%
<b>Active customers (no.)</b>	<b>685,600</b>	<b>+1.3%</b>	<b>+9.2%</b>	<b>+63.4%</b>
<b>Global FUM (\$Am)</b>	<b>1,119.84</b>	<b>+6.6%</b>	<b>+8.5%</b>	<b>+59.8%</b>

FUM inflow continued positively for the period resulting in all three countries increasing FUM over the quarter.

### Australia

Customer engagement continues to increase as seen by record high active customers numbers and FUM over the quarter. To continue to drive higher engagement and usage, we are focused on specific product innovations and developments based on customer feedback. Evidence of this has been Raiz Kids, which has seen an increase of 22% over the quarter in active Kids accounts, and an associated FUM increase of 59%.

With strong Super FUM growth over the quarter (8.0% QOQ) we will continue to focus on accelerating this opportunity and enhancing the product offering for the benefit of our members.

### Southeast Asia footprint and partners

In Asia we continue to implement significant reductions in the operating costs associated with product development and customer acquisition (marketing).

We are currently in discussions with a local Indonesian strategic partner, with a view to finalising an Agreement to reduce our interest in PT Raiz Indonesia to below 20%. If agreed, the new strategic partner would take over the daily operations of the Indonesian business from 1 July 2023. It is anticipated that a decision to reduce our equity position or close the Indonesian operations will be made by 5 May 2023.

The cost base in Malaysia continues to reduce whilst maintaining a moderate growth rate in customer numbers over the quarter. Discussions continue with the Malaysian JV partner on reducing Raiz's equity position.

### Brendan Malone, Raiz Invest Managing Director and CEO said:

"Capital management and reduction in cash burn is a continued focus as we execute initiatives to underpin the new direction of the Company, including adjustments to the Southeast Asia strategies. We are confident in continuing to extract operating efficiencies, with cost saving and strategic initiatives being implemented across the Group which will strengthen the Company for a sustainable future.

This quarter saw the last of the significant one-off restructuring payments required to align this new strategy and operating model. We are focused on improving customer retention and experience to ensure we start the new financial year on a revenue and cost run-rate that will see us deliver positive results for the year ahead.



Raiz Kids and Raiz Super have had a great quarter and with the expected improvements from the product innovation pipeline over the coming months, we are confident they will continue to be well received by our customers.”

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

**Authorised for release by The Board of Directors.**

**For further information, please contact:**

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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.

With Raiz, users can automatically invest the virtual 'spare change' from their daily purchases in diversified portfolios constructed of low-cost ETFs. In Australia, this can be done to boost savings both inside and outside of superannuation, the country's compulsory pension system.

Since launching in 2016, Raiz has achieved solid growth, amassing more than 3.4 million downloads, 3,354,000 sign-ups, and over 685,000 Active monthly Customers with over A\$1.1 billion in FUM as of 31 March 2023.

Raiz continues to enhance its platform, as it has since the inception of this award winning, market leading Australian app, with 20 new products and features to date and more to come. With a realignment in our strategy internationally, we currently maintain offices in Malaysia and Indonesia, and are exploring how best to extend our footprint into Thailand and Vietnam.

To learn more, please visit: [www.raizinvest.com.au](http://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 Mar 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,912	14,799
1.2 Payments for		
(a) research and development	(472)	(1,367)
(b) product manufacturing and operating costs	(2,320)	(6,830)
(c) advertising and marketing	(670)	(2,763)
(d) leased assets	-	-
(e) staff costs	(2,149)	(5,460)
(f) administration and corporate costs	(1,258)	(2,988) <sup>1</sup>
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	133	256
1.5 Interest and other costs of finance paid	(18)	(58)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,452	1,452
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(390)</b>	<b>(2,959)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments (short term deposit)	-	-

<sup>1</sup> Administration and corporate costs from Dec 22 quarter has been updated from \$834k to \$817k.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) intellectual property	(926)	(2,794)
	(f) other non-current assets	-	-
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	<b>Net cash from / (used in) investing activities</b>	<b>(926)</b>	<b>(2,794)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from changes in ownership interests in subsidiaries	-	218
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	-	(199)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principle payment for leases)	(107)	(340)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(107)</b>	<b>(321)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>10,918</b>	<b>15,538</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(390)	(2,959)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(926)	(2,794)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(107)	(321)
4.5	Effect of movement in exchange rates on cash held	29	60
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>9,524</b>	<b>9,524</b>
	<b>Cash and cash equivalents at end of quarter plus term deposits</b>	<b>9,688</b>	<b>9,688</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	9,524	10,918
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,524</b>	<b>10,918</b>
	<b>Term Deposits</b>	<b>164</b>	<b>164</b>
	<b>Cash and cash equivalents at end of quarter plus term deposits</b>	<b>9,688</b>	<b>11,082</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,053
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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(390)
8.2	Cash and cash equivalents at quarter end (item 4.6)	9,524
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	9,524
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	24.4
<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:

*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.*

### 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: 27 April 2023

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.