

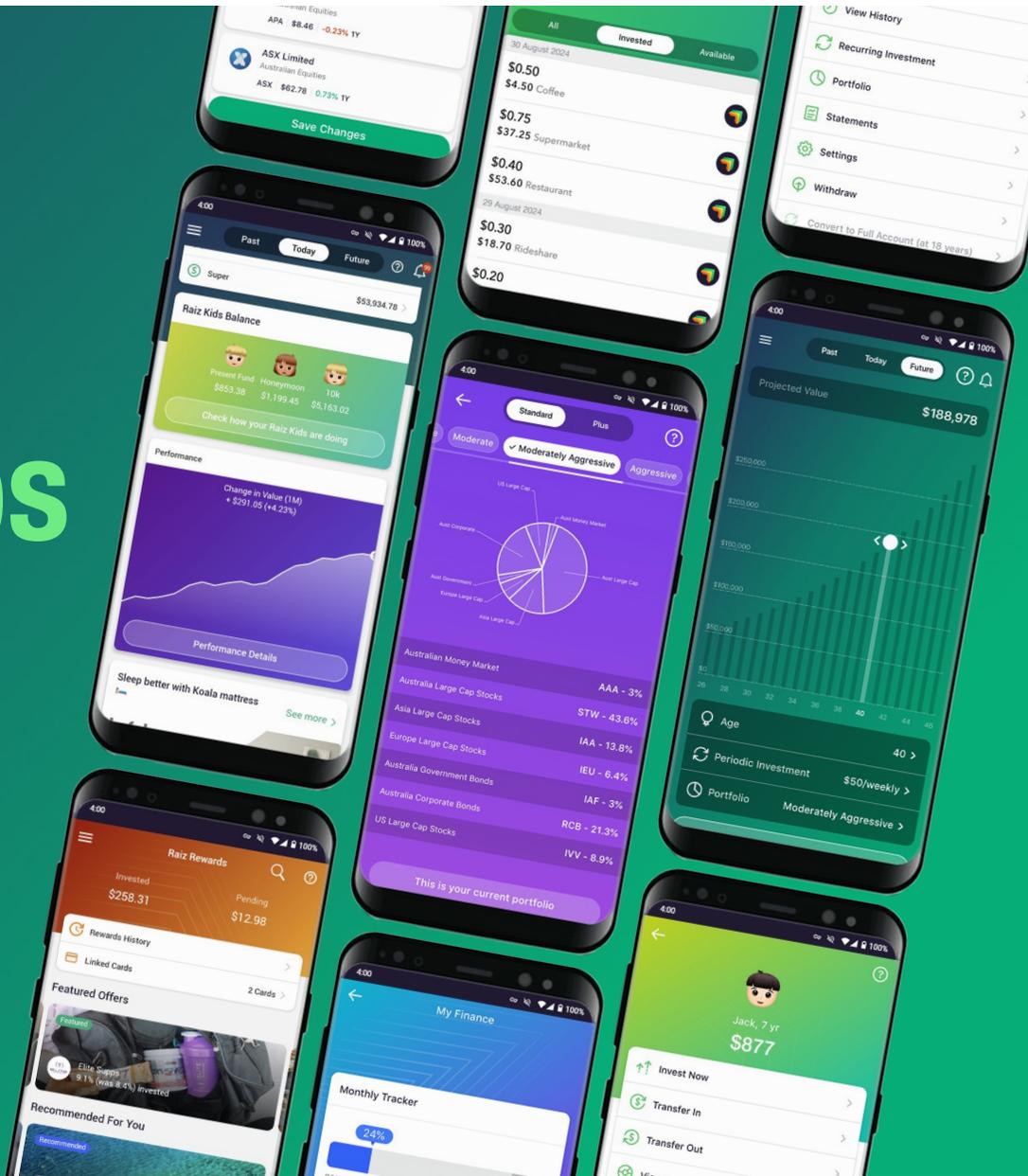


Coffee Microcaps Conference

To be held on 14th March 2024

Raiz Invest – Investing made easy

Level 11, 2 Bulletin Place, Sydney NSW 2000
Announcement authorised by the Board of Directors
Date of release: 12th March 2024



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About Us

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Australia's market-leading WealthTech

Raiz at a glance



- Empowers all Australians with hands on financial experience and education inside and outside of Superannuation
- Raiz allows customers to **invest from as little as \$5**, into diversified portfolios of assets including:
 - ETFs
 - Bitcoin
 - Australian residential property
 - Selected ASX listed stocks
- Provides **personal financial management** tools “My Finance”
- Raiz offers **nine portfolios** ranging from conservative to aggressive, as well as:
 - Emerald portfolio (socially responsible investment theme)
 - Sapphire portfolio (Bitcoin)
 - Property portfolio (Australian residential property)
 - Raiz Plus portfolio (customised, allowing selected ASX listed)
- Raiz was formerly a joint venture with Acorns US, **launched in Australia in 2016** and listed on the ASX in June 2018 (ASX:RZI)



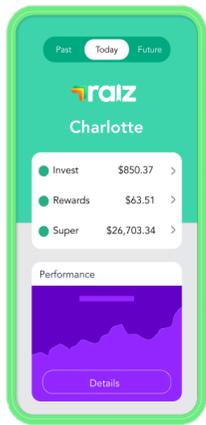
Our digital investment products unlock financial freedom

The comprehensive investment product suite continues to evolve to suit the needs and requests of our customers



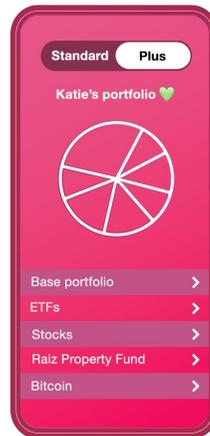
Coffee Microcaps Mar24

Raiz Invest



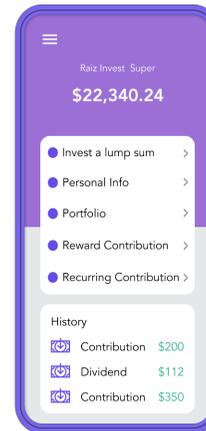
- **Raiz Invest** customers choose to invest in a range of 9 portfolios at varying risk levels
- Customers have the ability to invest spare change automatically through round-ups, recurring investments, lump sum and rewards
- Ability to onboard customers' SMSFs

Raiz Plus



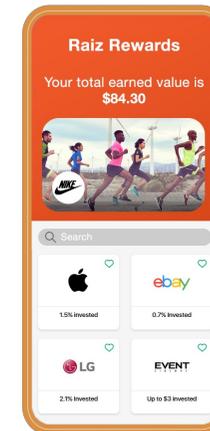
- **Raiz Plus** (launched August 2023) provides customers with the ability to customise their portfolios
- Customers have a choice from our standard portfolios, selected ASX listed stocks, ETFs, the Raiz Residential Property Fund, and Bitcoin

Raiz Invest Super



- **Raiz Invest Super** includes employer Super guarantee contributions and can automated re-occurring voluntary contributions
- With support for Australian residential property investment – Raiz Super is the only super fund to offer this exposure

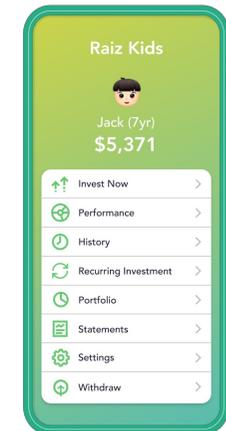
Raiz Rewards



- **Raiz Rewards** is a loyalty program which allows customers to accelerate their Raiz and Super balances through purchases made with partnership brands - cashback



Raiz Kids



- **Raiz Kids** is a simple way to save and invest small amounts regularly for children and dependents who are under the age of 18
- Dependents can have direct access to their own investment portfolio with their parent or guardian's permission

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1H FY24 Financial Results Overview

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Strong revenue growth and disciplined cost control

Strong start to H2 FY24



■ 1H FY24 Key Highlights

- **Strong revenue growth:** Raiz Platform* revenue up 22% on prior corresponding period (pcp) to \$10.7m
 - Active Customers in Australia up 2% on pcp to 293,101
 - Annualised Average Revenue Per User (ARPU) up 21% to \$69 in 1H FY24 compared to \$57 in FY23
 - Australian Funds Under Management (FUM) up 17% on pcp to \$1.2b
- **Disciplined cost control:** Total expenses down 12% on pcp from \$14.8m to \$13.0m
- **Tracking towards positive EBITDA:** EBITDA loss of \$0.5m, reduced by 85% from an EBITDA loss of \$3.0m in 1H FY23
- **Net cash from operating activities of \$1.1m**
- **Significant improvement in profitability:** Loss attributed to owners of parent entity of \$1.5m, compared to a loss of \$4.2m in 1H FY23

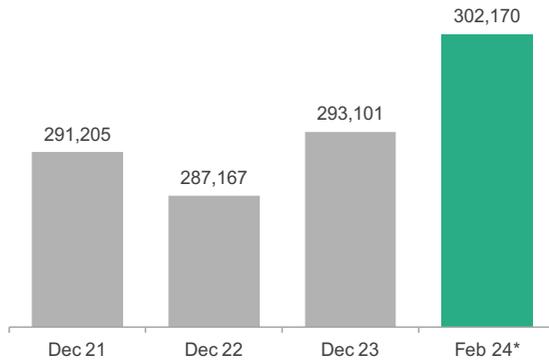
*Raiz Invest Micro-Investing Platform ("Raiz Platform")

Strategic shift focussed on core Australian business

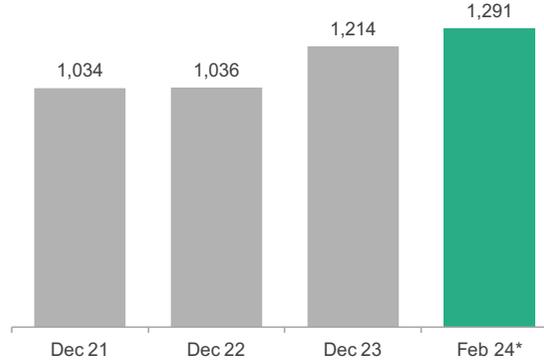
Key financial metrics show solid platform for growth and strong start to 2H FY24

- **Strong start to 2H FY24:** Australian Active Customers of 302,170 and Australian Funds Under Management (FUM) of \$1.3b as at 29 February 2024

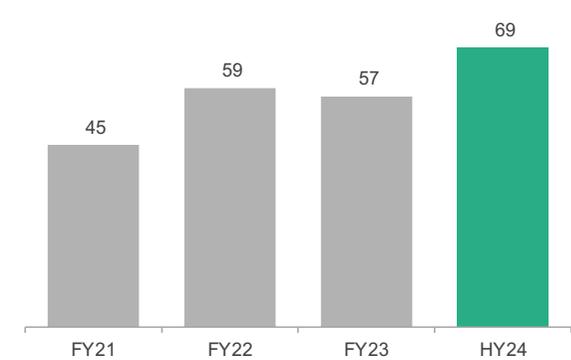
Active Customers (#)



FUM (A\$m)



Annualised Average Revenue Per User (A\$)



- 3% increase in Active Customers from 31 December 2023 to 29 February 2024

- 6% increase in A\$FUM from 31 December 2023 to 29 February 2024

- Focus on increasing ARPU over time driving Lifetime Value

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Our revenue is independent of market performance

~81% of revenue is not impacted by market performance

Sources of Revenue



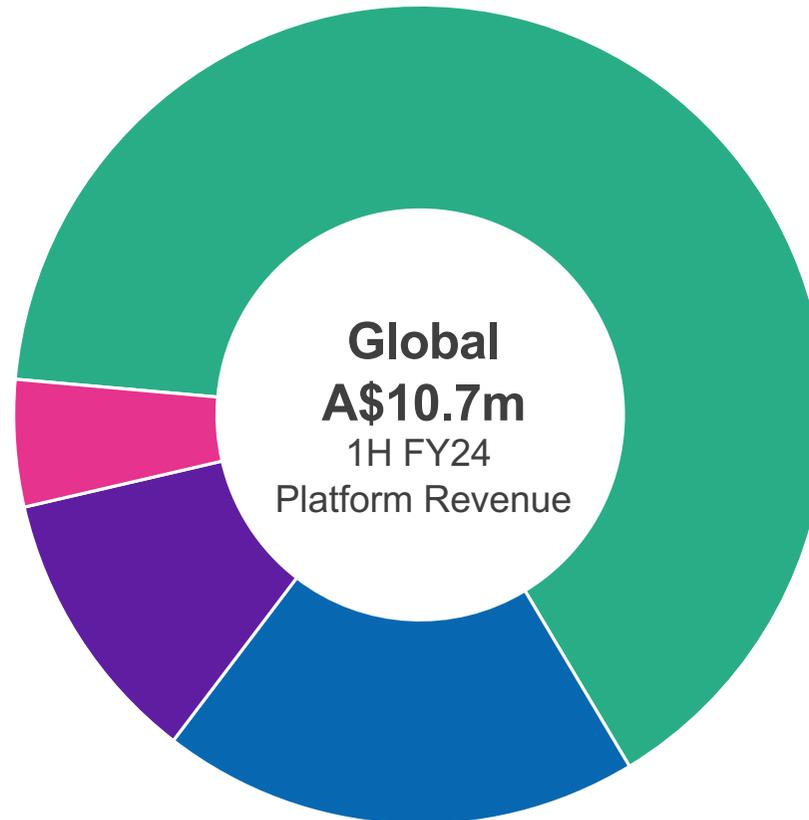
Netting & Interest
5%

Bid/Offer spread captured where an acquisition or disposal of ETF units does not require an on-market transaction



Advertising
11%

Over 1,300 Rewards partners pay to advertise on the Raiz platform, emails and mobile push messaging in Australia



Maintenance Fee
65%

A monthly subscription fee of A\$4.50 per month for Standard Portfolios and A\$5.50 for Raiz Plus



Account Fee
19%

A percentage fee per annum is charged on account balances

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The opportunity ahead

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Marketing Strategy – Seven West Media partnership

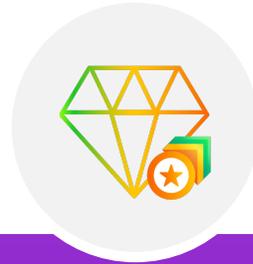
Building awareness and our reputation as a leading wealth management platform



High quality creative combined with high impact, high reach schedule



Alignment with credible talent and Australia's most trusted news brands



Commercial segments and innovation



Data, ad tech and personalisation at scale,



- The '**Raiz Your Game**' campaign is live, running from December 2023 in the Cricket and moving to AFL/AFLW until September 2024.
- Early signs the integrated campaign is performing well with record new Active Customers in early 2024 and success in re-engaging lapsed customers.
- Seven West Media contra spend is a non-cash expense, with \$2.8m in advertising credits remaining which will expire on 31 January 2025.
- It is expected that the marketing campaign through the AFL/AFLW season will fully utilise the remaining balance.

Drive Awareness, Trust and Credibility

Engage all first-time investors, inactive & lapsed customers with the power of Seven

				
#1 MORNING SHOW	#1 NATIONAL NEWS PROGRAM	#1 SUMMER SPORT	#1 WINTER SPORT	
851K DAILY REACH	4.13M WEEKLY REACH	12m SEASON REACH	14M SEASON REACH	5M SEASON REACH

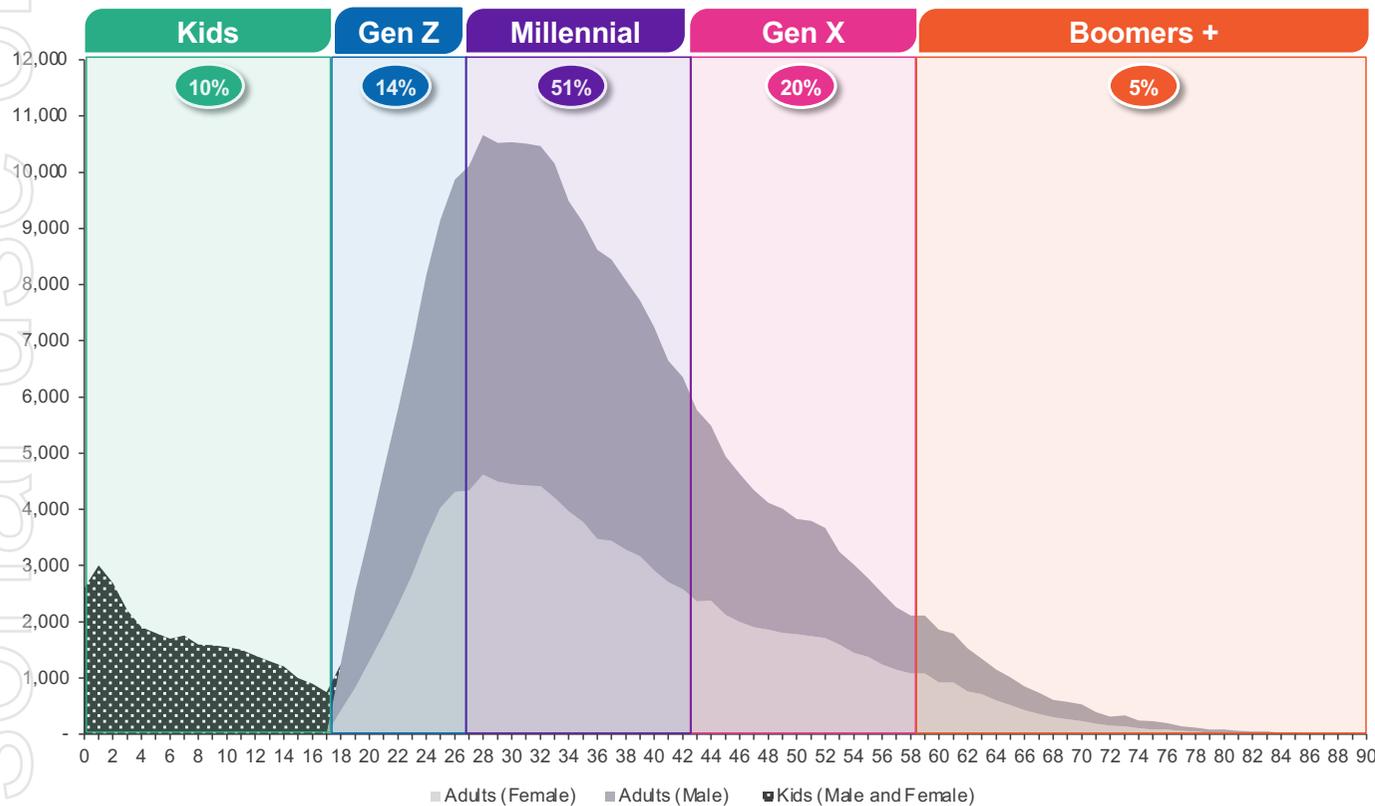
7/7+

Strategy to maximise Lifetime Customer Value

Raiz's product suite maintains engagement as its customers travel through the wealth journey

- Raiz breaks down the barriers to investing for first-time investors, whilst delivering financial education and a hands-on experience.
- Opportunity to build trust, re-engagement with inactive accounts, retain these customers through their wealth journey with investment products like Super.

Distribution of Customers Balances



1

Build the pipeline through Raiz Kids – attract early, engage parents and brand awareness

2

Market leading product for first-time investors

3

High lifetime value with brand loyalty and trust

4

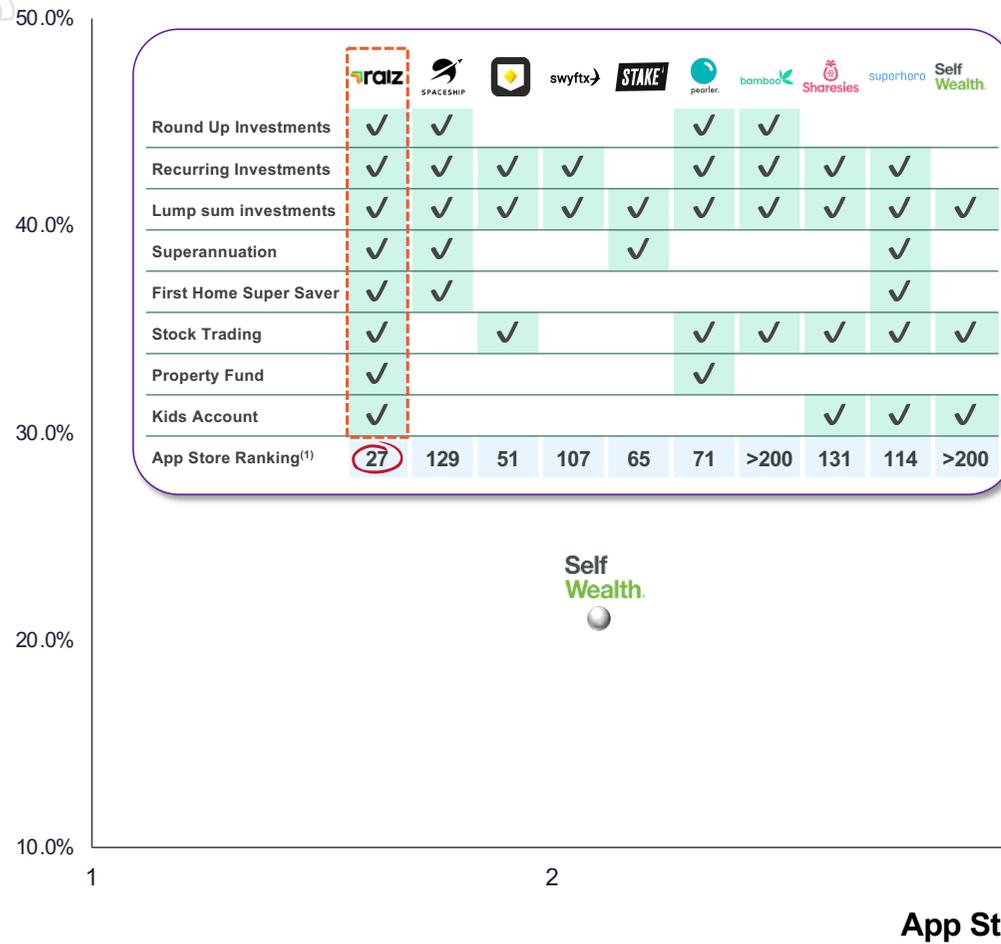
Broader product range appealing to wealth accumulators

Raiz has a comprehensive product offering for retail investors

Products are designed to follow retail investors through their life cycle



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Outside of Commsec Pocket which is universally recognised in Australia, Raiz has the highest Awareness and App store rating out of key competitors



Raiz is ranked **27th** on the iOS app store's Finance chart



superhero



Self Wealth.



bamboo



pearler.

Bubble size based on App Store 'Finance' Ranking

Source: Latest company disclosure, Apple App Store as at 31 January 2024, YouGov research for awareness data, Investment Trends.
 (1) 'Finance' Category App Store Rankings >200 are not specified in App Store rankings.

Executing on the strategy

Detailed planning supported by KPIs

Customer Growth & Experience

- Grow core Australian business to **over 500k Active Customers** in the next three years
- Brand awareness with **Seven West partnership** to drive attraction, conversion and retention

Maintain our brand & reputation

- Deepen **trust and brand loyalty** with exceptional customer service
- **Strong and robust** systems and infrastructure for the financial security of our customers

Exceptional products & service

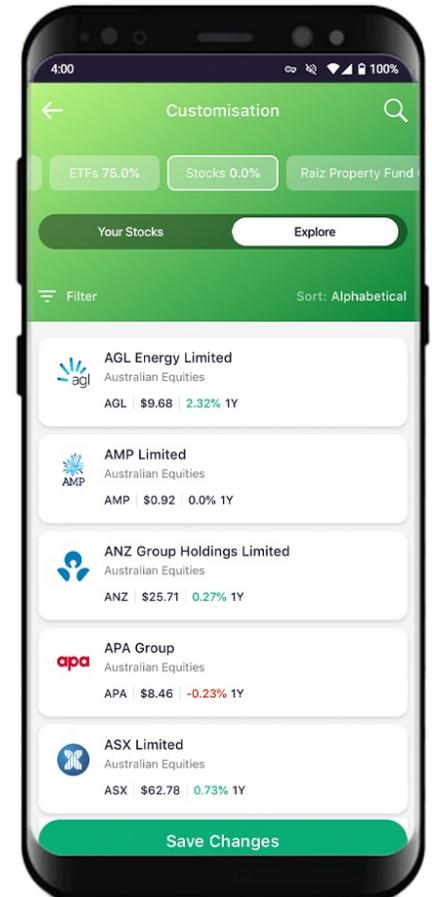
- Maintain our **strong customer retention** with new products and new channels
- Defined product roadmap **based on customer feedback**

Operating leverage

- Australian business generating **positive operating cashflow** to support investment
- **Cross-sell, increase re-engagement rate and develop partnerships** to grow Super product

Sustainable Organisation

- Maintain **efficient use of capital** and prudent cost control strategy, focus on TSR and EPS
- Focus on **talent retention and developing capabilities** of our high performing team



Raiz Investment Highlights

Award-winning investment platform, delivering on growth and innovation

1

#1 Leading Platform

Highly engaging digital investment platform unlocking financial freedom and driving customer growth, with a scalable business model

2

Focus on Lifetime Value

Experienced marketing team, new channel opportunities and strong customer retention delivering revenue growth

3

Exceptional Customer Experience

Strong and well credentialed management team with extensive financial markets and technology experience

4

Continued Focus on Innovation

Robust product pipeline with significant cross sell opportunities to capitalise on our data rich product suite

5

Best-in-class Technology

Proprietary full-stack technology platform enabling growth and providing customer data analytics

6

On the path to positive EBITDA

Operating cash flow positive with strong discipline on cost management



Additional Information

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Consistent and disciplined delivery of our strategy

Focusing on continued growth and customer experience has developed a strong path to profitability



Maintain best-in-class infrastructure



Focus on core Australian business



Continue low cost of customer acquisition



Increase 'Lifetime Value of Customers'



Maintain disciplined focus on costs



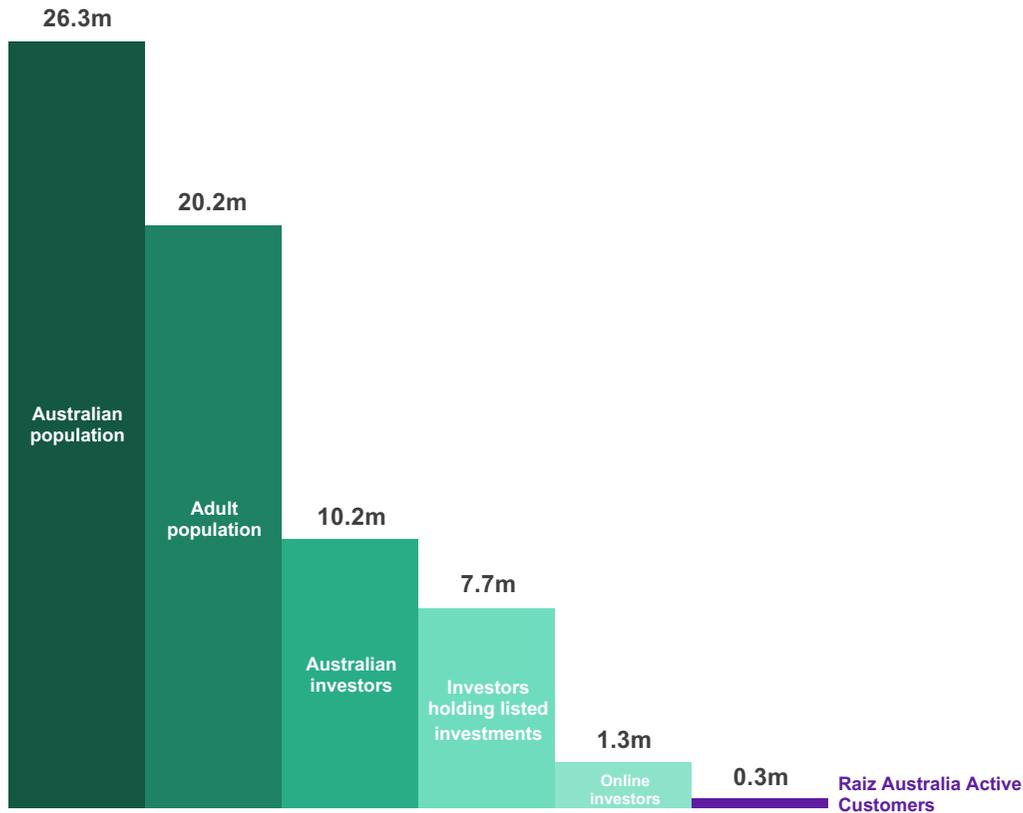
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A large and growing addressable market in Australia

Favourable market dynamics support long term growth in retail investing



Coffee Microcaps Mar24



Raiz breaks down the barriers to investing for first-time investors, whilst delivering financial education and a hands-on experience.

The opportunity for Raiz is to build trust with first-time investors, focus on converting previous sign-ups and retain these customers through their wealth journey with more advanced investment products like Super products.



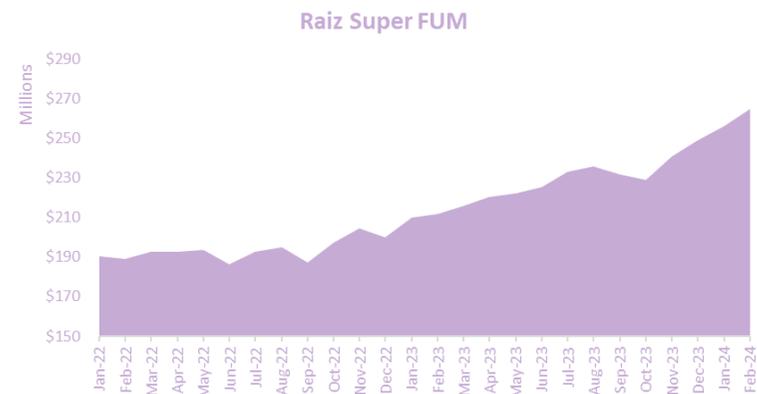
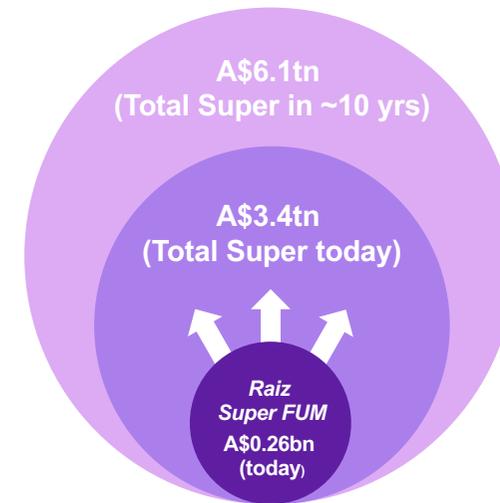
Source: ABS, ASX (ASX Australian Investor Study 2023), Investment Trends (2023 1H Online Investing Report), IBISWorld, Apple App Store (Accessed August 2022).

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Spotlight on Raiz Invest Super

Opportunity to engage first-time investors through their wealth journey

- Raiz has a reinvigorated Super offering, following the Superestate merger into one super product
- The Superannuation industry in Australia currently holds ~A\$3.4tn in AUM
- Growth is supported by Australia's Superannuation Guarantee, requiring compulsory contributions of 11.0% FY24, rising to 12% by FY26
- Raiz capabilities creates opportunities to unlock early millennials and Gen Z members but also Gen X who are in accumulation phase
- Raiz Invest Super has a competitive fee structure, compared to other Super products, and a higher average revenue per user (ARPU) than Raiz Invest



Market information

Share price, capital structure, and substantial shareholders



Share Price & Volume



21 Source: FactSet

Capital structure (8-Mar-24)

Shares on issue	93.4m
Share price	A\$0.375
12-month range	A\$0.30 - A\$0.54
Market capitalisation	A\$35m
Cash, cash equivalents & term deposits 31 Dec 2023	A\$8.6m

Substantial shareholders (8-Mar-24)

	Shares	(%)
1 UBS NOMINEES PTY LTD	9.9m	10.6%
2 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6.8m	7.3%
3 SEVEN WEST MEDIA INVESTMENTS PTY LTD	6.2m	6.6%
4 ACORNS GROW INCORPORATED	5.2m	5.6%
Top 20 shareholders	55.2m	59.1%
Other investors	38.2m	40.9%
Total	93.4m	100.0%

Statement of Financial Performance

Raiz Platform revenue up 22% and significant improvement in EBITDA loss on pcp



A\$'000	HY24	HY23	% vs HY23
Raiz Platform revenue	10,653	8,740	22%
Other Financial Services revenue*	-	544	(100%)
Group revenue	10,653	9,284	15%
Other income	640	608	5%
Employee benefits expenses	(3,300)	(3,956)	17%
Sales and administrative expenses	(3,381)	(3,258)	(4%)
Professional fees	(689)	(1,505)	54%
Marketing expenses	(2,685)	(2,383)	(13%)
Other expenses	(1,694)	(1,786)	5%
EBITDA (Loss)	(456)	(2,996)	85%
Finance cost	(25)	(40)	38%
Depreciation and amortisation expenses	(1,259)	(1,878)	33%
Loss before income tax	(1,740)	(4,914)	65%
Tax (expense) / benefit	(41)	81	(151%)
Loss after income tax	(1,781)	(4,833)	63%
Exchange differences on translation of foreign operations	(86)	90	(196%)
Total comprehensive income (loss) for the year	(1,867)	(4,743)	61%
Loss attributable to Owners of the parent entity	(1,451)	(4,151)	65%

- Revenue from Raiz Platform up 22% on pcp to \$10.7m.
- Total expenses down 12% on pcp from \$14.8m to \$13.0m, primarily due to a reduction in employee benefit expenses and professional fees.
- Marketing expenses increased by 13% to \$2.7m, this includes \$1.3m of non-cash Seven West Media (SWM) advertising spending. Marketing expenses excluding SWM advertising decreased by 20% pcp.
- EBITDA loss of \$0.5m in 1H FY24, a reduction of 85% from an EBITDA loss of \$3.0m in 1H FY23.

*The Other Financial Services segment ceased operations on 30 June 2023.

Statement of Financial Position

Maintaining stability

A\$'000	31 Dec 23	30 June 23
Assets		
Cash and cash equivalents	8,468	8,449
Trade and other receivables	3,995	1,877
Other financial assets	502	677
Other assets	3,293	4,417
Total current Assets	16,258	15,420
Property, plant and equipment	25	77
Right-of-use assets	311	601
Trade and other receivables	34	178
Deferred tax assets	372	454
Intangible assets	27,807	28,019
Total non-current Assets	28,549	29,329
Total Assets	44,807	44,749
Liabilities		
Trade and other payables	4,665	3,645
Preference shares issued to Malaysian JV partner	973	-
Current lease liabilities	344	490
Provisions	428	424
Total current Liabilities	6,410	4,559
Deferred tax liabilities	1,265	1,307
Non-current lease liabilities	10	147
Provisions	350	154
Total non-current Liabilities	1,625	1,608
Total Liabilities	8,035	6,167
Total Equity	36,772	38,582

- As of 31 December 2023: Cash and cash equivalents totaling \$8.5 million (\$8.6 million including term deposits).
- Raiz is currently holding c\$5.7 million in regulatory capital.
- Other Assets: Includes \$2.8m in Seven West Media advertising credits remaining, which will expire on 31 January 2025.
- Net assets of \$36.8 million, includes intangible assets at \$27.8 million.
- Working capital (being current assets minus current liabilities) was \$9.8m at 31 December 2023.

Statement of Cash Flows

Significant improvement on net cash from operating activities

A\$'000	HY24	HY23	% vs HY23
Receipts from customers	11,175	10,008	12%
Payments to suppliers and employees	(10,007)	(12,537)	20%
Finance cost paid	(25)	(40)	38%
Net cash from/(used in) operating activities	1,143	(2,569)	144%
Payments for intangible assets	(1,802)	(1,868)	4%
Net cash used in investing activities	(1,802)	(1,868)	4%
Preference shares issued to Malaysian JV partner	973	-	100%
Proceeds from changes in ownership interests in subsidiaries	-	218	(100%)
Repayment of borrowing from related parties	-	(199)	100%
Principal payment for leases	(270)	(233)	(16%)
Net cash from/(used in) financing activities	703	(214)	429%
Net increase / (decrease) in cash and cash equivalents	44	(4,651)	101%
Cash and cash equivalents at the beginning of the Period	8,449	15,538	(46%)
Effect of movements in exchange rates on cash held	(25)	31	(181%)
Cash & cash equivalents at year end⁽¹⁾	8,468	10,918	(22%)

- Raiz generated positive net cash from operating activities in 1H FY24 of \$1.1m, a significant improvement of \$3.7m (up 144%) from a net outflow of \$2.6m in the pcp.
- Investing Activities: Payment for Intangibles assets decreased by \$0.1m while Raiz continued to invest in new product development and make improvements to existing features.
- As of 31 December 2023, Raiz has cash, cash equivalents totaling \$8.5 million (\$8.6 million including term deposits).
- 3 million preference shares were issued to Malaysian JV partner for 1 Malaysian Ringgit per share (equivalent to \$973,000 in total).



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