



# Coffee Microcaps Conference

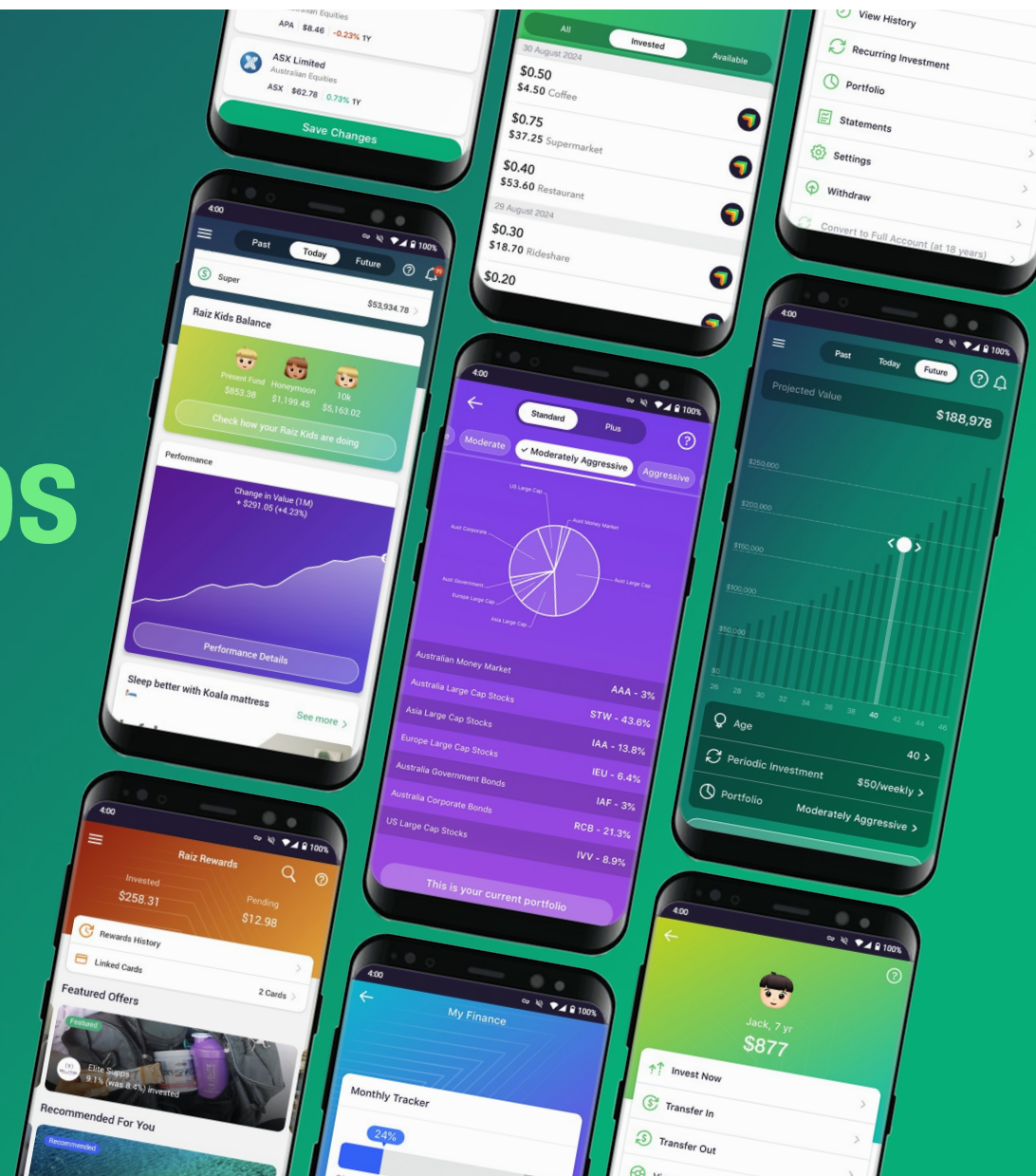
To be held on 14<sup>th</sup> March 2024

**Raiz Invest – Investing made easy**

Level 11, 2 Bulletin Place, Sydney NSW 2000

Announcement authorised by the Board of Directors

Date of release: 12<sup>th</sup> March 2024



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# About Us

Coffee Microcaps : 14<sup>th</sup> March 2024

# 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)

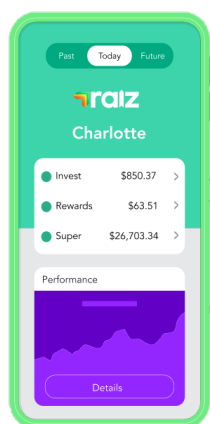


# Our digital investment products unlock financial freedom

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

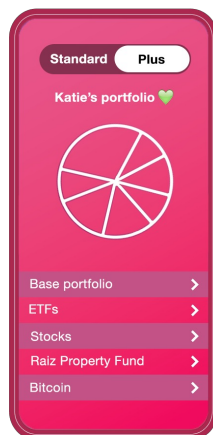


## Raiz Invest



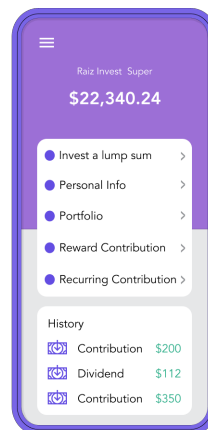
- **Raiz Invest** customers choose to invest in a range of 9 portfolios at varying risk levels
- Customers have the ability to invest spare change automatically through round-ups, recurring investments, lump sum and rewards
- Ability to onboard customers' SMSFs

## Raiz Plus



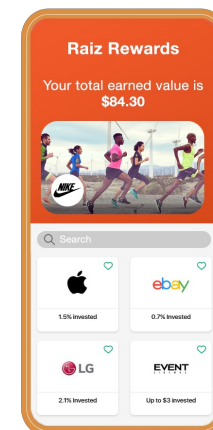
- **Raiz Plus** (launched August 2023) provides customers with the ability to customise their portfolios
- Customers have a choice from our standard portfolios, selected ASX listed stocks, ETFs, the Raiz Residential Property Fund, and Bitcoin

## 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

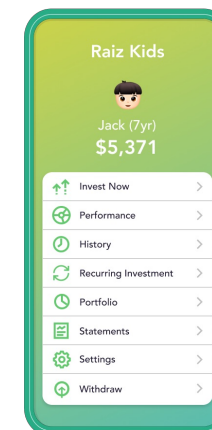
## Raiz Rewards



- **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



# 1H FY24 Financial Results Overview

Coffee Microcaps : 14<sup>th</sup> March 2024

# 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

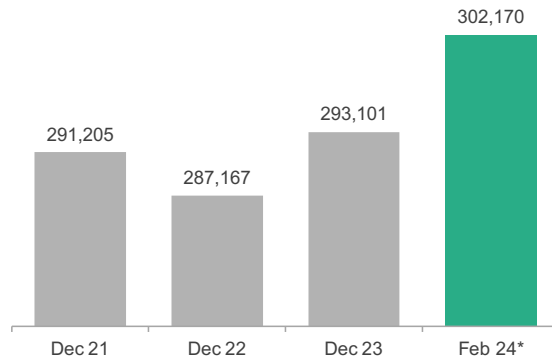
\*Raiz Invest Micro-Investing Platform ("Raiz Platform")

# Strategic shift focussed on core Australian business

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

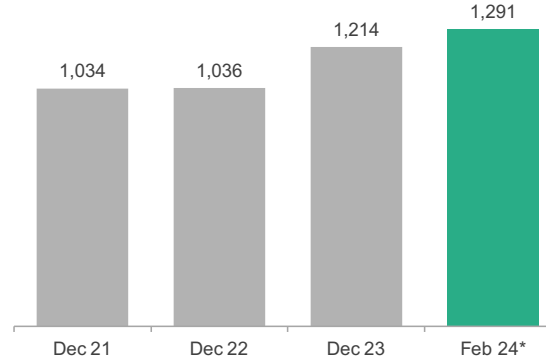
- **Strong start to 2H FY24:** Australian Active Customers of 302,170 and Australian Funds Under Management (FUM) of \$1.3b as at 29 February 2024

Active Customers (#)



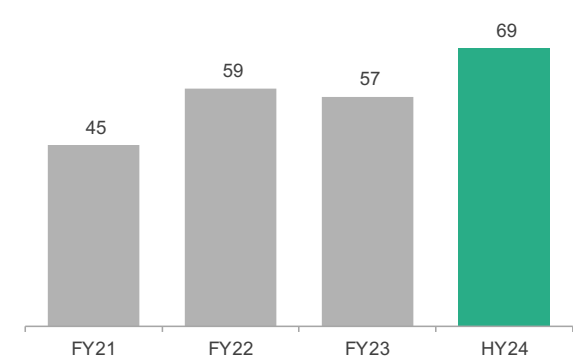
- 3% increase in Active Customers from 31 December 2023 to 29 February 2024

FUM (A\$m)



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

Annualised Average Revenue Per User (A\$)



- Focus on increasing ARPU over time driving Lifetime Value

## Our revenue is independent of market performance

~81% of revenue is not impacted by market performance

### Sources of Revenue



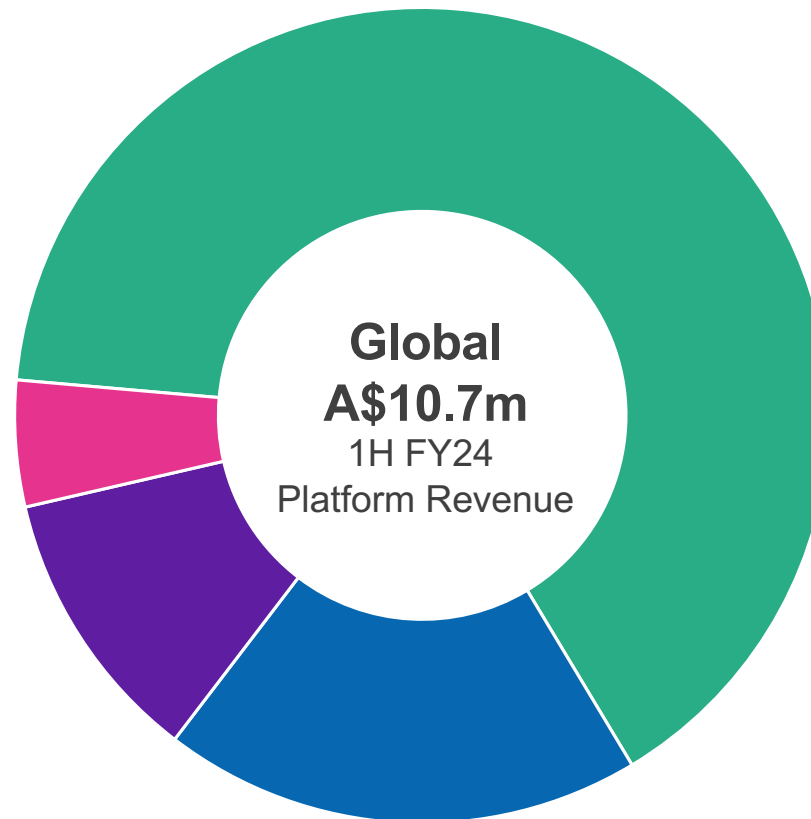
#### Netting & Interest 5%

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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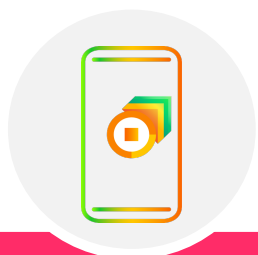


# The opportunity ahead

Coffee Microcaps : to be held on 14<sup>th</sup> March 2024

## 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

**7 7+**



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

**7 NEWS**

**7 NEWS**  
.com.au



Commercial segments and innovation

**THE MORNING SHOW**

**7 Shop**



Data, ad tech and personalisation at scale,

**7 RED IQ**

**7+**

- 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



The image features five hosts of Seven Network programs standing in a row. From left to right: a man in a white shirt, a woman in a pink dress, a man in a dark suit and red tie, a man in a dark suit and patterned tie, a man in a dark suit and blue tie, and a woman in a green blazer holding a red AFL football. The background is a collage of program-related imagery: a blue abstract shape for The Morning Show, a green field for 7 News, a red cricket ball for 7 Cricket, a blue and red AFL logo for AFL, and a red W logo for W.

Program	Rank	Reach
THE MORNING SHOW	#1 MORNING SHOW	851K DAILY REACH
7 NEWS	#1 NATIONAL NEWS PROGRAM	4.13M WEEKLY REACH
7 CRICKET	#1 SUMMER SPORT	12m SEASON REACH
AFL	#1 WINTER SPORT	14M SEASON REACH
W	#1 WINTER SPORT	5M SEASON REACH

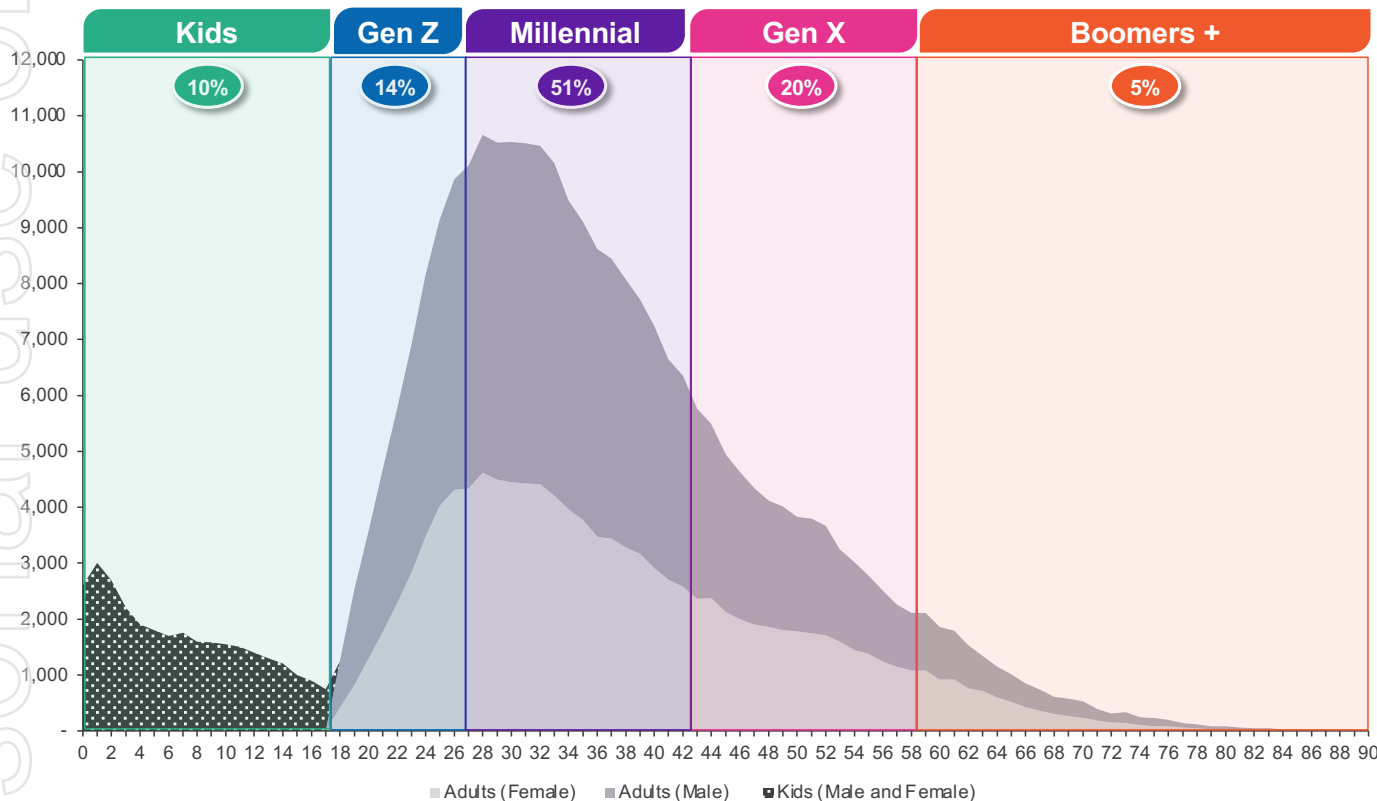
7 / 7+

# 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

personal use only

# Raiz has a comprehensive product offering for retail investors

Products are designed to follow retail investors through their life cycle



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

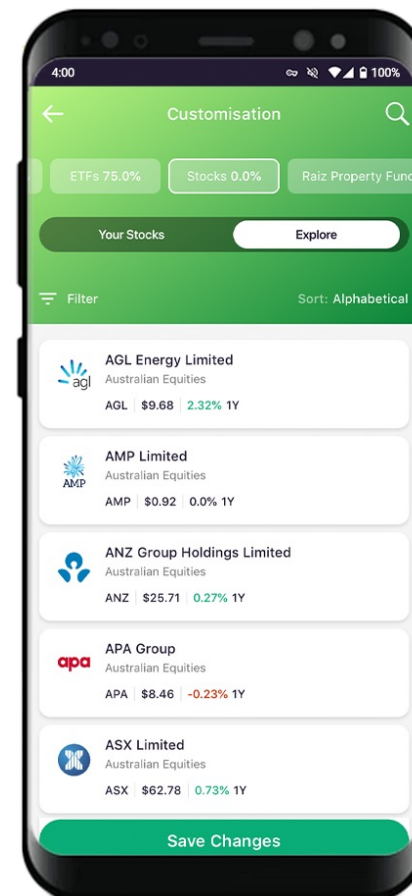
- Maintain our **strong customer retention** with new products and new channels
- Defined product roadmap **based on customer feedback**

## 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

Coffee Microcaps : to be held on 14<sup>th</sup> March 2024

# 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'

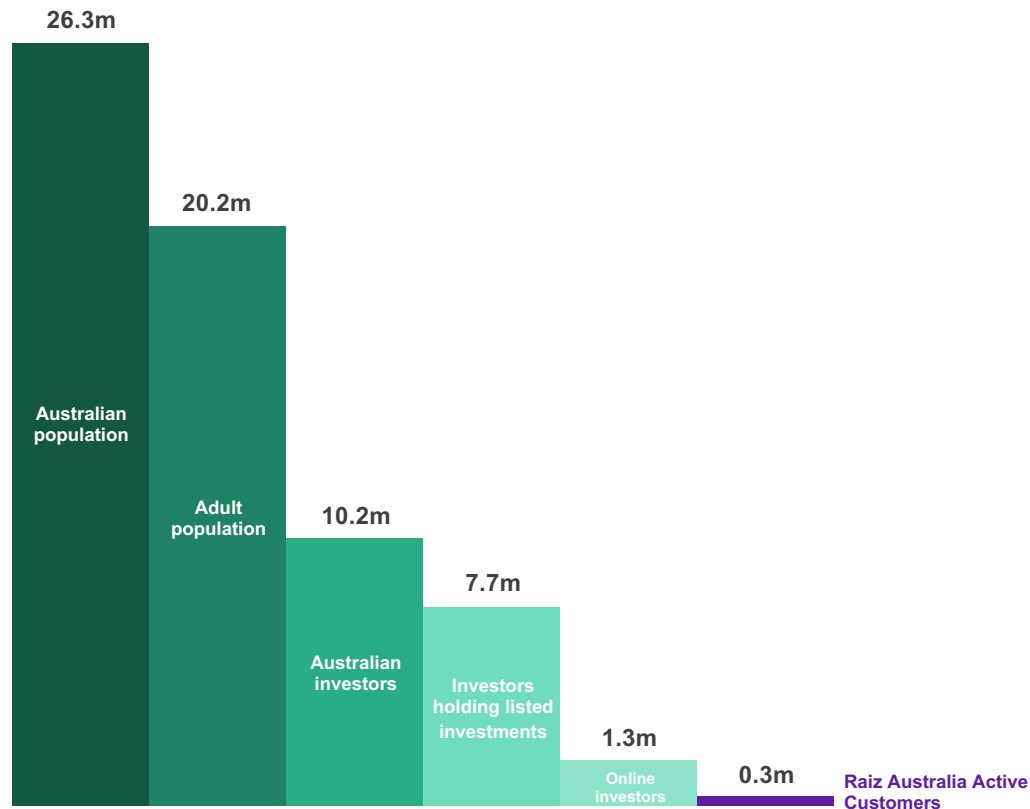


Maintain disciplined focus on costs



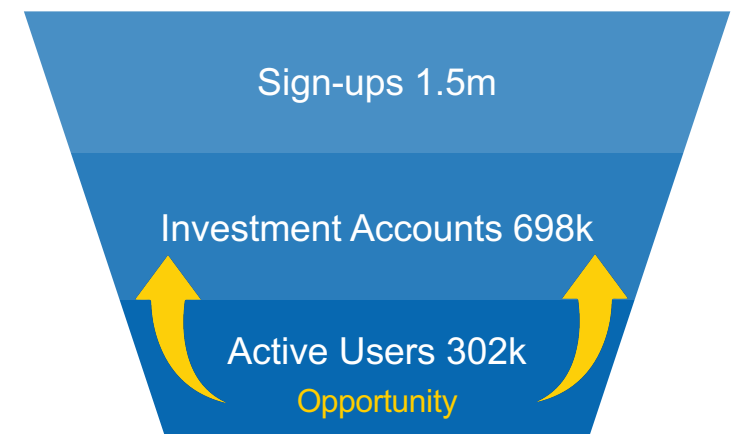
## A large and growing addressable market in Australia

Favourable market dynamics support long term growth in retail investing



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

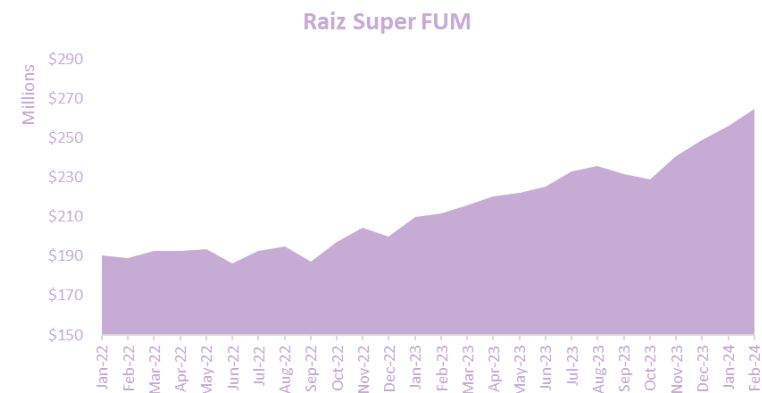
The opportunity for Raiz is to build trust with first-time investors, focus on converting previous sign-ups and retain these customers through their wealth journey with more advanced investment products like Super products.



## 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



### 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%)
<b>Group revenue</b>	<b>10,653</b>	<b>9,284</b>	<b>15%</b>
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%
<b>EBITDA (Loss)</b>	<b>(456)</b>	<b>(2,996)</b>	<b>85%</b>
Finance cost	(25)	(40)	38%
Depreciation and amortisation expenses	(1,259)	(1,878)	33%
<b>Loss before income tax</b>	<b>(1,740)</b>	<b>(4,914)</b>	<b>65%</b>
Tax (expense) / benefit	(41)	81	(151%)
<b>Loss after income tax</b>	<b>(1,781)</b>	<b>(4,833)</b>	<b>63%</b>
Exchange differences on translation of foreign operations	(86)	90	(196%)
Total comprehensive income (loss) for the year	(1,867)	(4,743)	61%
<b>Loss attributable to Owners of the parent entity</b>	<b>(1,451)</b>	<b>(4,151)</b>	<b>65%</b>

- 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.

# Statement of Financial Position

Maintaining stability

A\$'000	31 Dec 23	30 June 23
<b>Assets</b>		
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
<b>Total current Assets</b>	<b>16,258</b>	<b>15,420</b>
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
<b>Total non-current Assets</b>	<b>28,549</b>	<b>29,329</b>
<b>Total Assets</b>	<b>44,807</b>	<b>44,749</b>
<b>Liabilities</b>		
Trade and other payables	4,665	3,645
Preference shares issued to Malaysian JV partner	973	-
Current lease liabilities	344	490
Provisions	428	424
<b>Total current Liabilities</b>	<b>6,410</b>	<b>4,559</b>
Deferred tax liabilities	1,265	1,307
Non-current lease liabilities	10	147
Provisions	350	154
<b>Total non-current Liabilities</b>	<b>1,625</b>	<b>1,608</b>
<b>Total Liabilities</b>	<b>8,035</b>	<b>6,167</b>
<b>Total Equity</b>	<b>36,772</b>	<b>38,582</b>

- 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%
<b>Net cash from/(used in) operating activities</b>	<b>1,143</b>	<b>(2,569)</b>	<b>144%</b>
Payments for intangible assets	(1,802)	(1,868)	4%
<b>Net cash used in investing activities</b>	<b>(1,802)</b>	<b>(1,868)</b>	<b>4%</b>
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%)
<b>Net cash from/(used in) financing activities</b>	<b>703</b>	<b>(214)</b>	<b>429%</b>
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%)
<b>Cash &amp; cash equivalents at year end<sup>(1)</sup></b>	<b>8,468</b>	<b>10,918</b>	<b>(22%)</b>

- 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 pcg.
- 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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