



Raiz Invest Limited (ASX:RZI)

Market leading fintech with operations in Australia and Southeast Asia

HY22 RESULTS PRESENTATION | 24 February 2022

Level 11, 2 Bulletin Place, Sydney NSW 2000 – Announcement authorised by George Lucas (Managing Director)

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What is Raiz?

Mobile investment products to unlock financial freedom



Micro investment platform to enable financial freedom in Indonesia, Malaysia and Australia



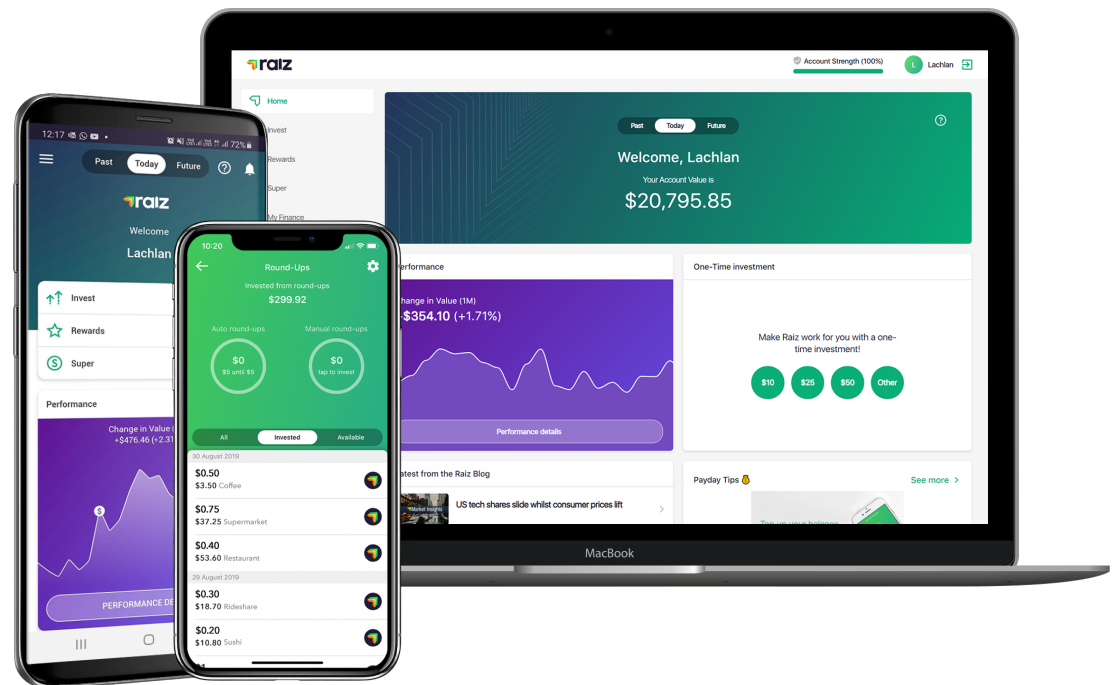
Leading customer service and user experience for attracting and retaining customers



Low customer acquisition cost to help fast-track growth

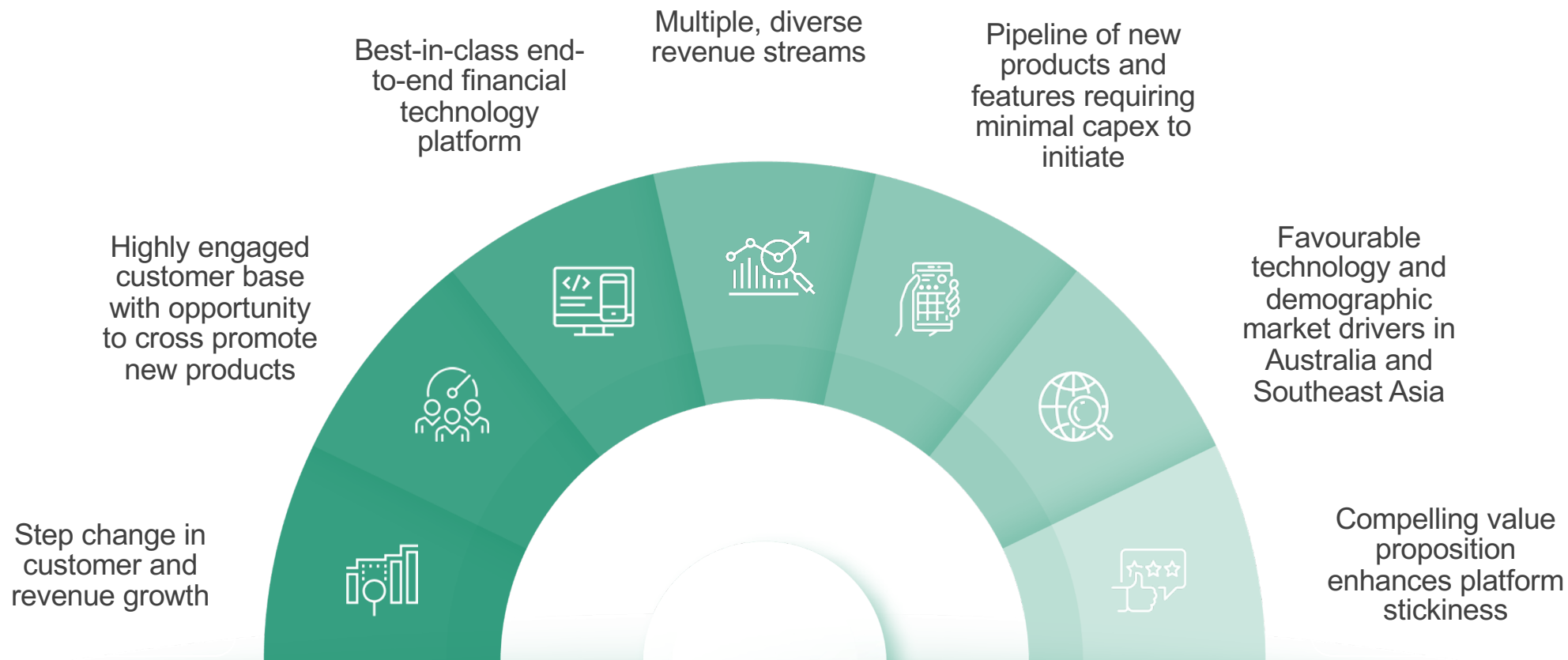


Growing rapidly in Southeast Asia Indonesia, Malaysia & Thailand



Investment Highlights

Award-winning investment platform, delivering on growth and innovation



Corporate and Product Timeline

Continuous delivery of strategy



Corporate History

Mar 15: JV Acorns Grow Inc.	Feb 16: Launch Australia	Jun 17: Start planning Indonesia	Apr 18: Change name to Raiz Invest	Apr 19: Launch Indonesia	Jun 20: Launch Malaysia	Apr 21: Fee increase to \$3.50
			Jun 18: ASX listing – raising \$15m	May 19: JV with PNB/Jewel	Jun 20: Aust business net cashflow positive	Apr 21: \$10m Capital raise & Superstate Ann.
			Dec 18: Received Indonesia licence	Nov 19: Fee increase to \$2.50		Jun 21: Group net cashflow positive
				Nov 19: \$6m Capital raise		Jul 21: Planning Thailand

Product Development in line with customer feedback in Australia

Feb 16: App launch in Australia	May 17: MyFinance launched	Jul 18: Raiz Super launched	Mar 20: Offsetters launched	Jan 21: Custom Portfolio	Jan 22: Raiz Rewards refresh
Nov 16: Raiz Rewards launched	Jun 17: (ESG) Emerald Portfolio	Sept 18: Raiz Chatbot launched	May 20: Sapphire Bitcoin portfolio released	Mar 21: Launched Raiz Home Ownership & SMSF onboarding	
	Nov 17: Raiz Kids launched				








FUM – Year end (Aust only)	-	\$43.28m	\$148.17m	\$254.18m	\$444.70m	\$605.59m	\$1.03bn	\$1.01bn (Jan 22)
Active Customer - Year end	-	65,278	133,896	175,345	211,657	343,573	594,992	608,107 (Jan 22)

Expansions to Date – 31 December 2021

Rapid scaling in its target markets with new territories imminent



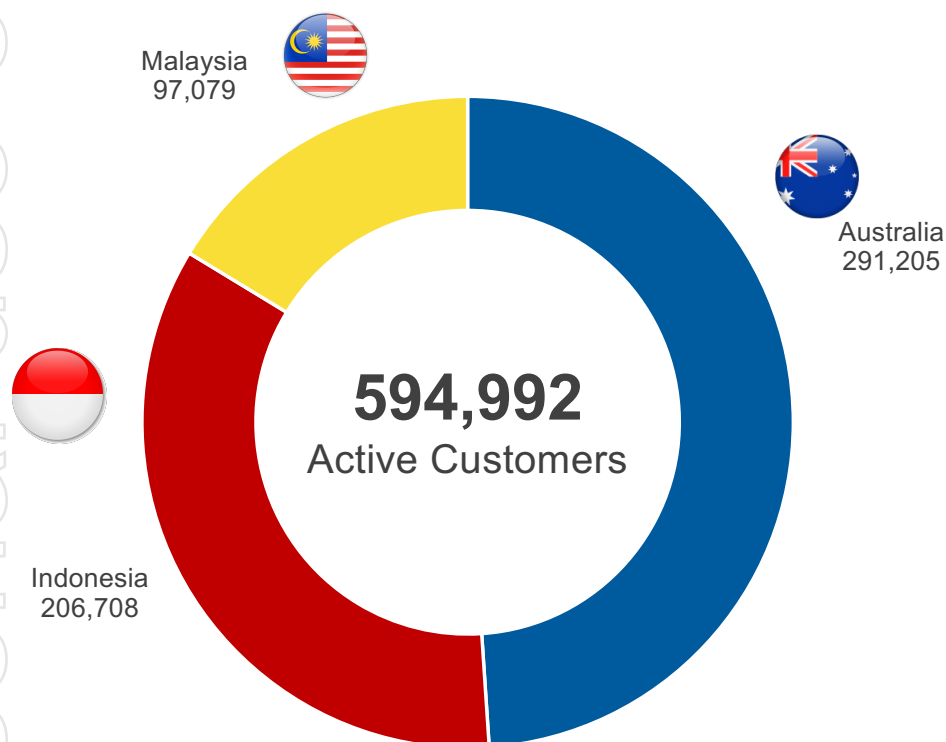
		Total Population	Customer Sign Ups	Investment Accounts	Active Customers
Australia		c.26m	1,180,879	567,069	291,205
Indonesia		c.277m	820,625	469,822	206,708
Malaysia		c.33m	457,869	168,337	97,079
Thailand		c.70m	Targeting 1H'22 launch of Beta Product		
Vietnam		c.98m	Research into this market has begun and qualified for NSW Government grant		
Total		c.504m	2,459,373	1,205,228	594,992

Customer Growth

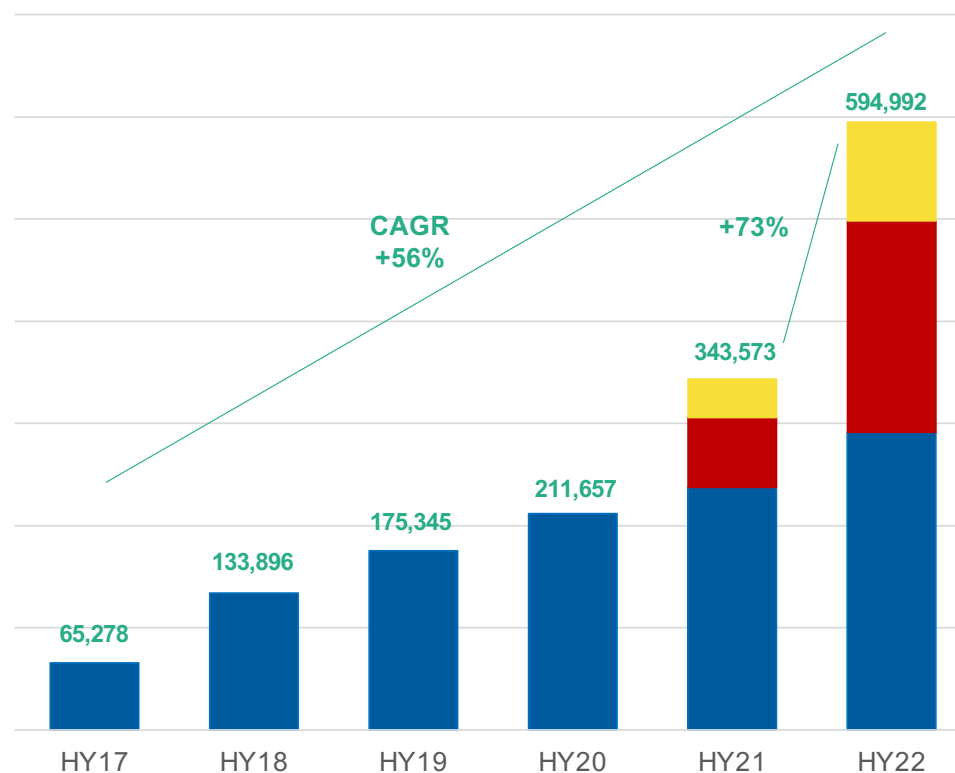
Step change in customer growth achieved through Australia acceleration and Southeast Asia expansion



Active Customer Footprint



Active Customer Growth





1. Raiz Overview and HY22 Highlights

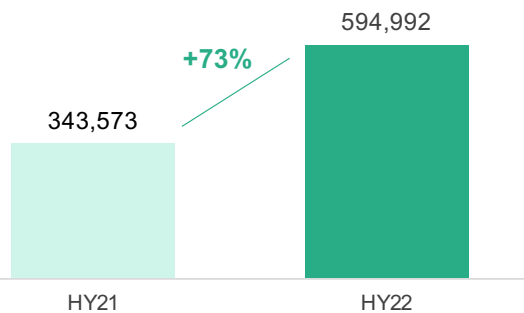
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Key Performance Metrics

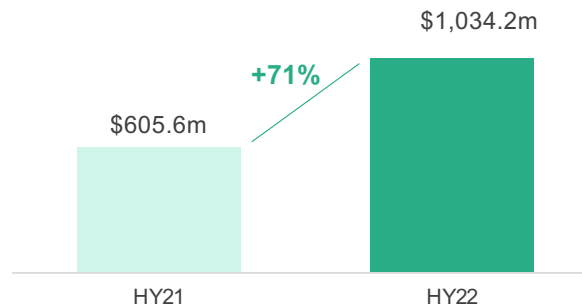
Continued outperformance across the dashboard



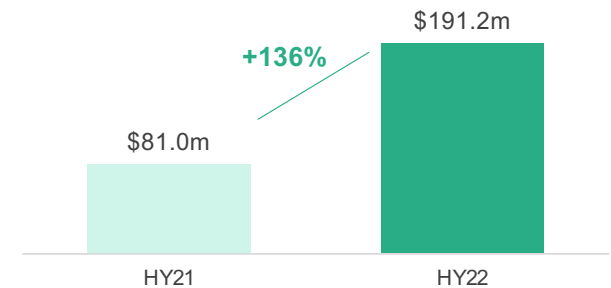
Active Customers¹



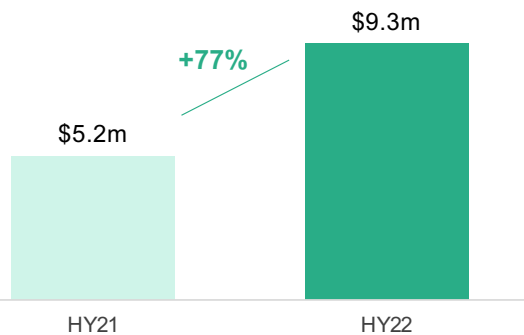
Funds Under Management
(Australia)¹



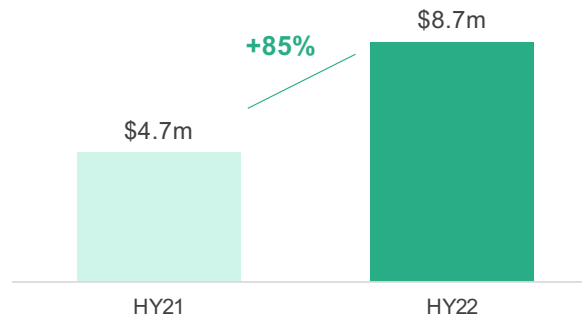
Raiz Super Invested¹



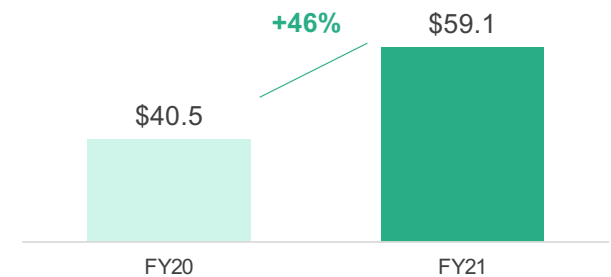
Group Revenue



Micro Investing Platform Revenue



Revenue Per Customer
(Run Rate in Australia)¹



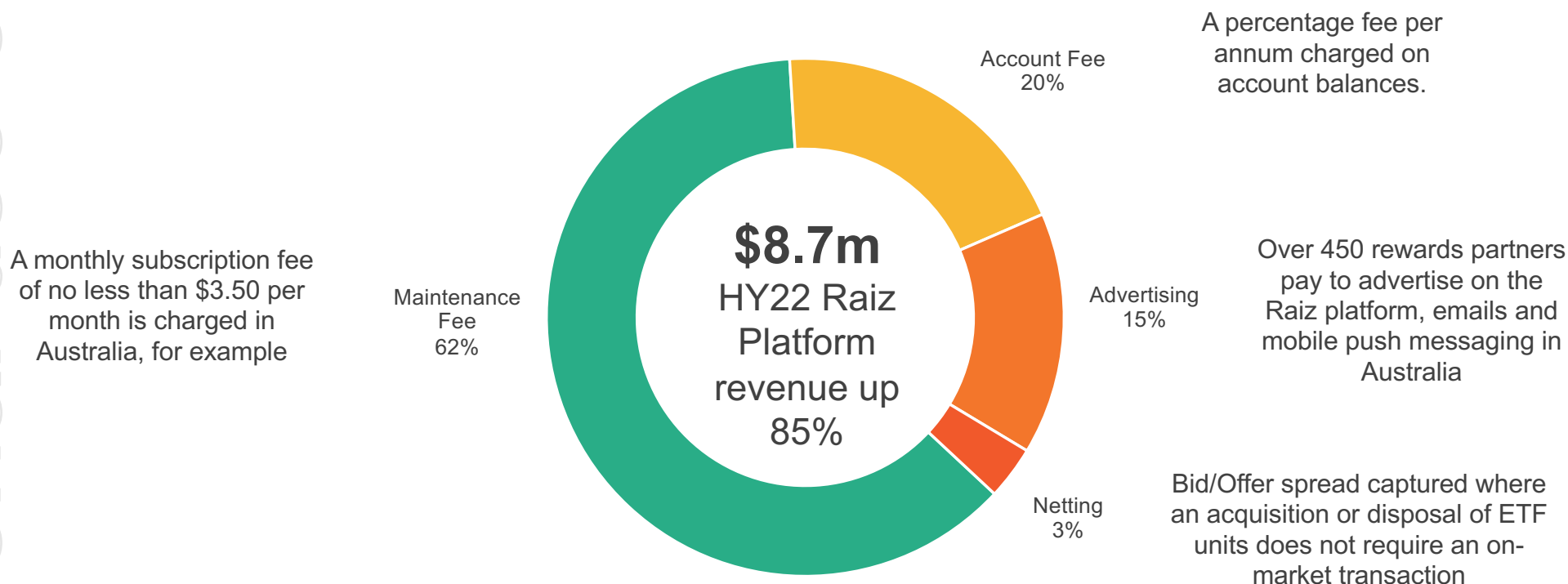
1. Increase on Previous Corresponding Period at 31 Dec ('PCP')

Revenue Streams

Raiz delivered 85% growth in micro investment platform revenue on PCP



Revenue blend by stream



Corporate Highlights

Successfully executing against the growth strategy



Continued customer, FUM and revenue growth: Overcoming COVID related headwinds in operating territories to continue growth with disciplined focus on costs



Growth with low customer acquisition cost (CAC): Acquiring active financial services customers online at a CAC of AU\$12.28 per customer across the Group



Higher margin product penetration: Superannuation, SMSF, Sapphire and Custom portfolio products all gaining traction



Southeast Asia expansion: Accelerated uptake in Indonesia and Malaysia, preparation completed for Thailand launch, and incorporation in Vietnam has started



Right-size organisation: Continued strengthening of board & management structure to drive the next leg of growth



Industry recognition: Recognised by Deloitte in Top 50 fast growing Australian tech companies for 2020 and Top 500 for Asia Pacific and winner of Best FinTech Australia Superannuation Service 2021 and Best Wealth Management Platform 2021



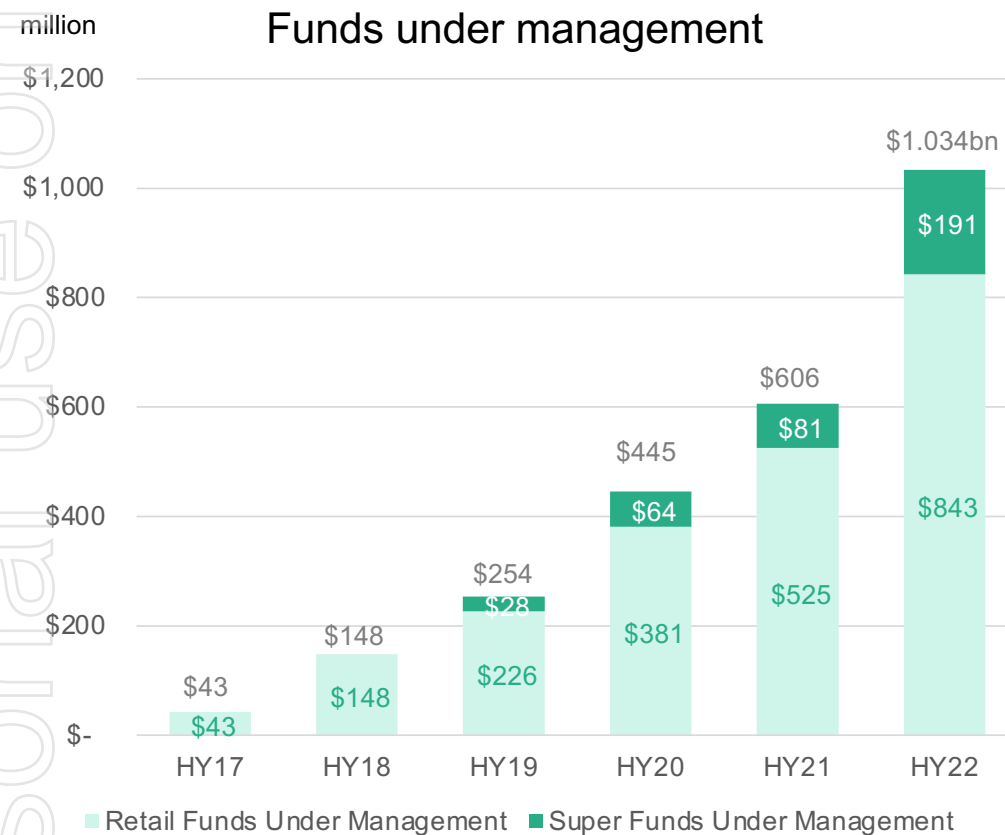
2. Strategy & Execution Overview

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Raiz Invest Australia

Core investment platforms resilient over the past 5 years exhibiting continued growth



FUM increased to \$1,034m at end of HY22 (up 70.8% on HY21)



Continued growth in Raiz Super to \$191m at end of HY22 (up 136.0% on HY21)



63% of FUM is comprised of account balances of greater than \$10,000



Raiz Super is marketed to existing database producing a very low CAC



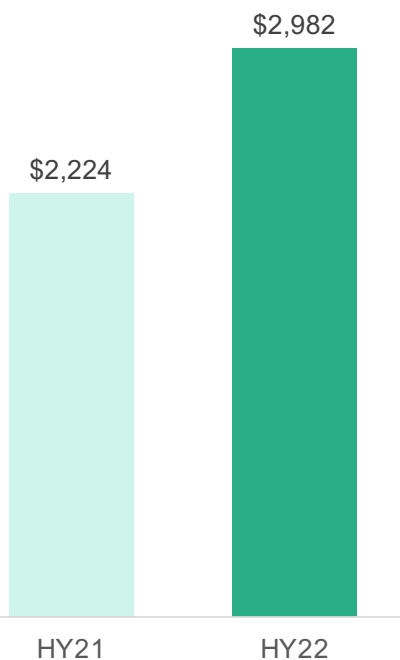
Additional product offerings underpinning continued revenue growth in FY22

Key Indicators Australia

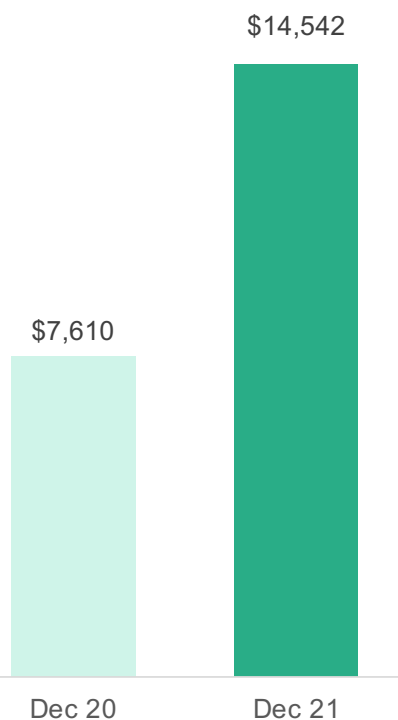
Momentum continues strongly in HY22



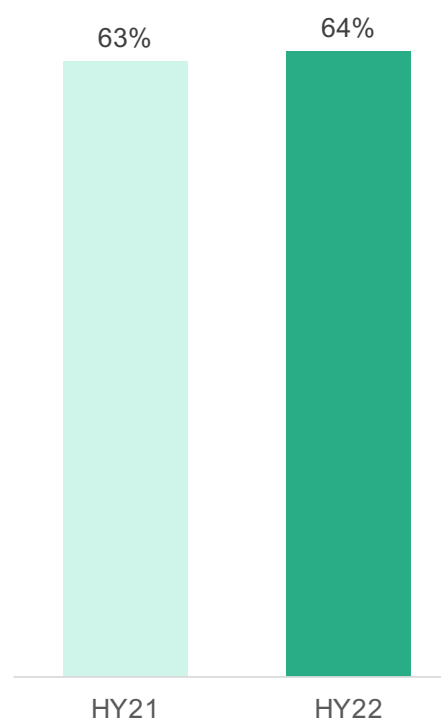
Average Balance
At 31 Dec



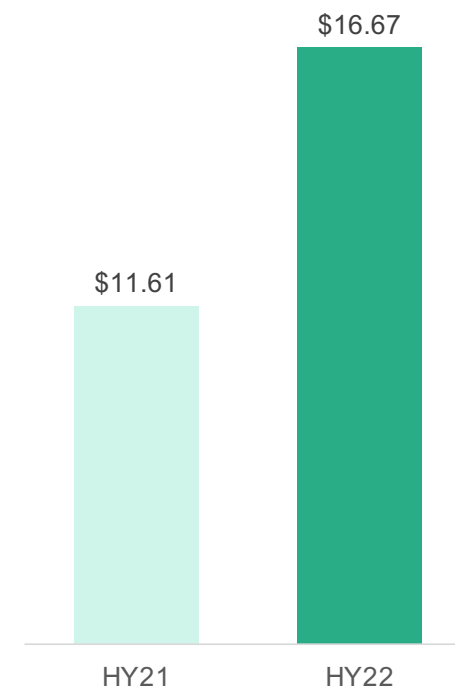
Recurring Revenue*
Annual Run Rate (\$'000)



Gross Margin (%)
Raiz Micro Investing Platform



Average CAC



* Recurring Revenue includes Account Fee/Transaction Fee and Maintenance Fee

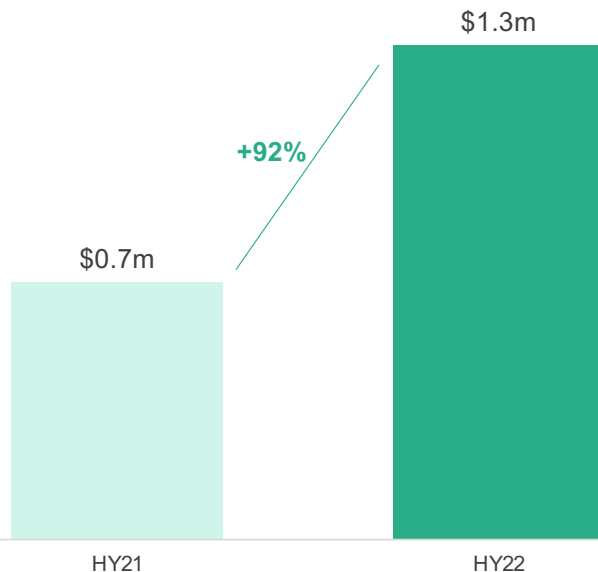
Raiz Rewards

Brands attracts members, members attract brands and Raiz Rewards attract loyalty



Raiz Rewards is a loyalty program allowing users to fast-track their Raiz accounts & Super balances through purchases made with partnership brands

Raiz Rewards advertising revenue



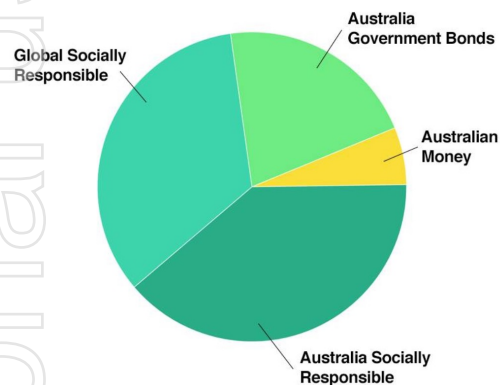
Select Rewards Partners



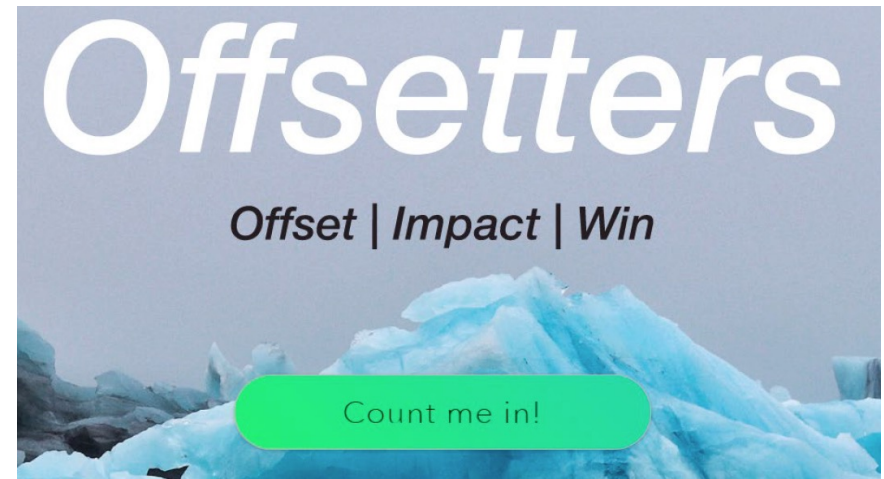
We listen to our customers – ESG

- We have developed our products in line with customer requests – an example being ESG driven engagement

Emerald Portfolio



Plant a tree in December



Key Focus Areas

Continued focus on growing the Australian business and executing the Southeast Asia growth strategy



Grow the business in all geographies



Maintain disciplined focus on costs



Focus on low cost of customer acquisition to drive new accounts



Increasing territories, customers and products to maximise growth



Increase 'Lifetime Value of Customers' through new products and services



Prepare launch of Thailand and Vietnam businesses



Utilise best-in-class infrastructure to launch customer-focused products



3. Financial Overview

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Profit & Loss

To be read in conjunction with the Financial Report for the half-year ended 31 December 2021



\$000	HY21	HY22	% vs HY21
Micro Investing Platform	4,692	8,660	85%
Other Financial Services	529	604	14%
Group Revenue	5,221	9,264	77%
Other Income	472	481	2%
Employee benefits expense	(1,936)	(3,449)	78%
Sales and administrative expense	(1,918)	(3,339)	74%
Professional fees	(539)	(1,234)	129%
Marketing expenses	(1,414)	(2,611)	85%
Other expenses	(1,433)	(1,515)	6%
EBITDA (Loss)	(1,547)	(2,403)	55%
Finance cost	(22)	(40)	82%
Depreciation and amortisation expense	(1,323)	(1,505)	14%
Loss before income tax	(2,892)	(3,948)	37%
Tax (expense)/benefit	(11)	(74)	573%
Loss After income tax	(2,903)	(4,022)	39%
Exchange differences on translation of foreign operations	(148)	(41)	(72%)
Total comprehensive income (loss) for the year	(3,051)	(4,063)	33%
Loss attributable to Owners of the parent entity	(2,247)	(3,243)	44%

- Group revenue up 77% year on Year (YOY) to \$9.3m
- Micro Investing Platform revenue up 85% YOY driven by customer growth, premium product offering (Sapphire and Custom Portfolios) and fee increase effective 1 April 2021
- Growing operations in Australia (including acquisition of Superestate) and Southeast Asia contributing to 74% increase in Sales & Administrative expense
- Marketing spending up 85%, delivering 73% growth in global active customers
- Higher gross margin at 64% for Raiz Micro Investing Platform In Australia in HY22

Statement of Cash Flows

To be read in conjunction with the Financial Report for the half-year ended 31 December 2021



\$000	HY22	HY21
Receipts from customers	9,977	5,555
Payments to suppliers and employees	(9,688)	(6,903)
Government grants and tax incentives	-	999
Finance cost paid	(38)	(20)
Net Operating Activities	251	(369)
Payment for fixed assets	(68)	(86)
Payment for intangible assets	(1,398)	(886)
Net Investing Activities	(1,466)	(972)
Proceeds from capital raising	2,000	-
Proceeds from changes in ownership interests in subsidiaries	642	-
Share issue costs	(18)	-
Repayment of borrowing from related parties	(8)	(38)
Principal payment for leases	(276)	(270)
Net Financing Activities	2,340	(308)
Net increase/(decrease) in cash and cash equivalents	1,125	(1,649)
Cash and cash equivalents at the beginning of the Period	19,199	12,900
Effect of movements in exchange rates on cash held	40	(126)
Cash & cash equivalents at year end	20,364	11,125

- Net cash inflow from operating activities for HY22 was \$251k. December quarter was the third consecutive quarter with positive operating cashflow.
- Australian business continues to be operating cash flow positive
- In July 2021, our joint venture partner, Permodalan Nasional Berhad (PNB), contributed \$642k capital to our Malaysian operations.
- In December 2021, Seven West Media (ASX: SWM) took a strategic 6.6% stake in the Company for \$10 million (including \$8 million for advertising credit and \$2 million cash).
- As of 31 December 2021, Raiz had a strong balance sheet with cash, cash equivalents and term deposits totalling \$20.5 million, up 81% from HY21
- Working capital of \$20 million after deducting regulatory capital
- \$1 million government grants received in January 2022

Statement of Financial Position

To be read in conjunction with the Financial Report for the half-year ended 31 December 2021



\$000	HY22	FY21
Assets		
Cash and cash equivalents	20,364	19,199
Trade and other receivables	3,701	1,737
Other financial assets	748	547
Other assets	8,662	298
Total Current Assets	33,475	21,781
Property, plant and equipment	145	96
Right-of-use assets	1,217	521
Deferred tax assets	652	519
Intangible assets	27,498	19,121
Total Non-Current Assets	29,512	20,257
Total Assets	62,987	42,038
Liabilities		
Trade and other payables	6,955	2,862
Current lease liabilities	446	233
Provisions	566	403
Total Current Liabilities	7,967	3,498
Trade and other payables	199	199
Deferred tax liabilities	952	746
Non-current lease liabilities	786	273
Provisions	116	80
Total Non-Current Liabilities	2,053	1,298
Total Liabilities	10,020	4,796
Total Equity	52,967	37,242

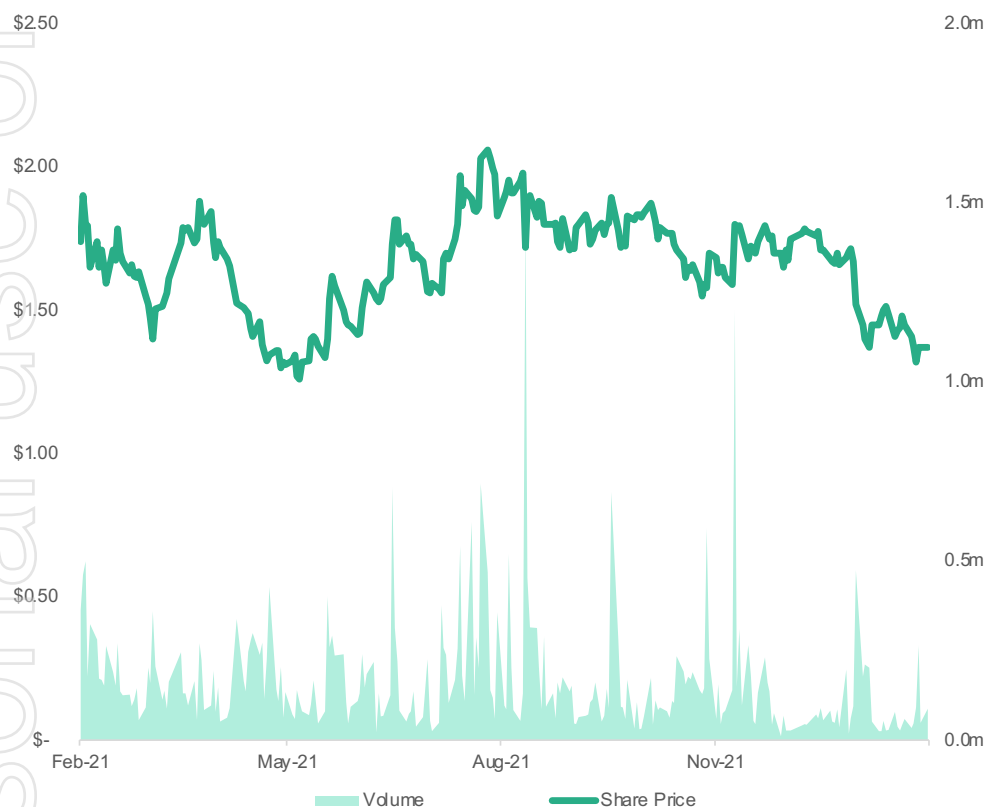
- As of 31 Dec 2021, Raiz had a strong balance sheet with cash, cash equivalents and term deposits totalling \$20.5 million
- Raiz is currently holding \$5.5 million (maximum requirement of around \$5.7 million) in regulatory capital
- Net assets of \$53.0 million, includes intangible assets at \$27.5 million and cash, cash equivalents and term deposits at \$20.5 million
- Key assumptions used in Value-In-Use calculation to justify Intangible assets include terminal value growth rates at 9% p.a. and discount rate at 12% p.a.
- Unencumbered balance sheet

Raiz Invest – Market Information

Share price, capital structure and significant shareholders



Share Price & Volume



Capital Structure

Shares on Issue*	93.4m
Share Price*	\$1.37
12 month Range*	\$2.06 - \$1.26
Market Cap*	\$128.0m
Net Cash & term deposits 31 December 2021	\$20.5m

Top Shareholders*		Shares	(%)
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6.7m	7.2%
2	SEVEN WEST MEDIA INVESTMENTS PTY LTD	6.2m	6.6%
3	CITICORP NOMINEES PTY LIMITED	5.3m	5.6%
4	ACORNS GROW INCORPORATED	5.2m	5.6%
5	GEORGE LUCAS & RELATED ENTITIES	4.5m	4.8%
Top 20		52.1m	55.7%
Other Investors		41.4m	44.3%
Total		93.4m	100.0%

* As at 21 February 2022



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