ASX Announcement | 26 July 2024
Raiz Invest Limited (ASX:RZI)

Revenue up 28.1% on PCP to $5.5m | FUM up 23.4% on PCP to $1.4bn

Raiz Invest Limited (ASX:RZI) ("Raiz"), a leading investment app, is pleased to present its Quarterly Activities Report & Appendix 4C for the quarter ending 30 June 2024 ("Q4 FY24").[1]

Key Highlights – Australian Operations

- **Revenue growth of 28.1% YOY:** Revenue in Q4 FY24 was $5.5m, up 3.1% quarter on quarter (QOQ) and up 28.1% on the prior corresponding period (PCP or YOY).
- **Steady growth of Active Customers[2]:** Up 3.7% YOY to 306,776 at 30 June 2024. Active Customers were 308,653 at 25 July 2024.
- **Increased engagement with existing customers:** Raiz Plus accounts up 6.5% QOQ to 30,119, Raiz Kids accounts up 8.0% QOQ to 40,952 and Super Customers up 7.7% QOQ to 11,558.
- **Strong growth in Funds Under Management (FUM):** Total FUM of $1.4bn at 30 June 2024, up 23.4% YOY (QOQ: +4.1%), Retail FUM up 22.2% YOY to $1.1bn (QOQ: +3.8%) and Superannuation FUM up 28.1% YOY to $288m (QOQ: +5.4%).
- **Steady ARPU:** Annualised Average Revenue Per User (ARPU) of $72.2 in Q4 FY24.[3]
- **#2 Top Performing Balanced Super Fund:** Raiz Super's Moderately Aggressive option was the #2 top performing Balanced Super Fund in FY24, with a return of 12.1%.[4]
- **Four consecutive quarters of positive operating cash flow:** Stable underlying cost base and cash balance of $8.5m as at 30 June 2024, up $1.7m from 30 June 2023. The Group's cash balance was $9.7m as at 30 June 2024.
- **Tracking towards positive EBITDA:** Our momentum, growing FUM, product innovation, and attentive listening to our customers will drive continued growth in the first half of FY25.

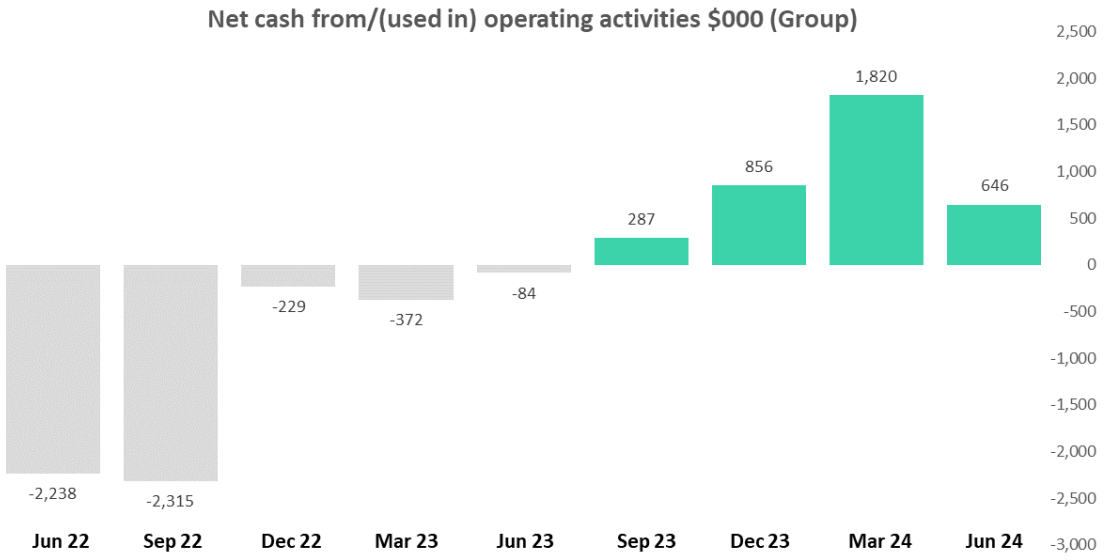
Positive Operating Cash Flow for four consecutive quarters

APPENDIX 4C SUMMARY (GROUP*) – FOR THE QUARTER ENDING 30 JUNE 2024

	Jun Q 24 $000's	Mar Q 24 $000's	Dec Q 23 $000's	Sep Q 23 $000's	Jun Q 23 $000's
Cash flows : operating activities*	646	1,820[5]	856	287	(84)
Cash flows : investing activities*	(707)	(758)	(860)	(942)	(824)
Cash flows : financing activities*	(63)	311	824	(121)	(124)

* Including South East Asia Operations.

[1] Financial results presented in this report are based on unaudited accounts.
[2] Active Customers are defined as having $1.00 or more in their account, which means they are charged a monthly fee.
[3] A correction on the Australian Annualised ARPU for Q3 FY24 in the previous 4c commentary: the updated figure is $71.7.
[4] Source: SuperRating.
[5] Raiz received $1.665m government grants and tax incentives in Q3 FY24.



Increased engagement with existing customers

Over the past year, Raiz has invested in new product development to help customers grow their wealth, aiming to enhance engagement with investors at all stages of their lives. The success of this strategy is seen in the strong uptake across Raiz's diversified product suite in 2H FY24.

Revenue from the Australian operations increased by 28.1% YOY (QOQ: +3.1%) to $5.5m in Q4 FY24 and total FUM was $1.4bn at 30 June 2024, up 23.4% YOY (QOQ: +4.1%).

Growth in Active Customers was relatively modest, however total FUM increased significantly. Delivering multiple product offerings has led to increased engagement and helped client retention, contributing to higher FUM and revenue. The average account balance increased by 19.0% YOY from $3,823 at 30 June 2023 to $4,551 at 30 June 2024.

- **Raiz Plus** was launched in August 2023, offering customers the ability to add selected ASX-listed stocks, Exchange Traded Funds (ETFs), residential property fund and Bitcoin to build customised portfolios. An additional 25 ASX-listed stocks and 11 ETFs will be added to Raiz Plus this month delivering a total of 150 investment options. In Q4 FY24, the retail Plus accounts increased by 6.5% QOQ to 30,119 and FUM increased by 8.6% QOQ to $177m.
- **Raiz Invest Super** includes employer super guarantee contributions and recurring voluntary contributions. Superannuation customers increased by 24.1% YOY to 11,558 (QOQ: +7.7%) and FUM increased 28.1% YOY to $288m (QOQ: +5.4%). Raiz Super's Moderately Aggressive option was the #2 top performing Balanced Super Fund in FY24, with a return of 12.1%.
- **Raiz Kids** is an easy way to save and invest small amounts regularly for children and dependents under the age of 18. Raiz Kids accounts increased by 44.4% YOY to 40,952 (QOQ: +8.0%) and FUM increased by 121.4% YOY to $44m (QOQ: +15.6%).
- **Raiz Property:** The fund acquired a new property in Melbourne, with settlement due on 29 July 2024, being our 12th property. Total FUM was $27m at 30 June 2024, up 32.4% YOY.

Refreshing the marketing strategy

In addition to the existing AFL/AFLW Seven West Media campaign and The Morning Show, we have continued to develop and refine our marketing activities and channels which has contributed to the customer growth and re-engagement over the past 6 months.

Raiz is advancing its operations by harnessing the power of Generative AI tools to enable efficient and intelligent scaling. Our multi-phase initiatives are revolutionising our internal marketing

capabilities, resulting in stronger client acquisition as these strategies are deployed. By leveraging Generative AI, Raiz is poised to significantly enhance operational efficiency.

We expect a higher number of customer conversions over the next six months as a result of these new initiatives and channels, together with the SWM campaign weighted towards the second half of the AFL/AFLW season, including the Grand Final. The SWM marketing campaigns utilise advertising credit and constitute a non-cash expense.

Product innovation

Raiz remains committed to ongoing product innovation to ensure the product suite evolves in response to the dynamic needs and preferences of our target customers. Specific initiatives include:

- **Open Banking:** This quarter Open Banking (Consumer Data Right) was introduced in the app, providing customers greater control over their financial data. This enhancement allows new bank accounts to be linked, making it easier and safer for customers to share their data with Raiz, ultimately improving the customer experience.
- **Plus Portfolios into Super offering:** In July 2024, we launched the Plus Portfolio in the Raiz Invest Super offering, allowing Super customers to customise their Super portfolios with Plus Portfolio, a feature that has been requested by our members.
- **Expanded Plus investment choices**: expanding the Raiz Plus investment options to 150 in July 2024.
- **Refreshed and automated Raiz Rewards offering**: Automatic Rewards is now live with 15 merchants allowing rewards to be automatically tracked and invested if the transaction account is linked to Raiz. We have seen over 4,700 eligible rewards tracked within the first 25 days.

Focus on core Australian business

Raiz has exited operations in Indonesia and is in the process to divest its operations in Malaysia, in order to focus on the growth potential in the core Australian business.

Raiz launches Investor Hub

Raiz is pleased to announce the launch of Investor Hub, an interactive platform designed to maximise engagement and increase communication with our existing shareholders and potential new investors including a Q&A facility.

Raiz will regularly upload new content to Investor Hub, including videos accompanying announcements and financial results allowing investors to more easily keep up to date with our activities and operations.

These Q4 FY24 results are supported by a short video on the Raiz Investor Hub - https://investorhub.raizinvest.com.au/link/WrAzYP

In accordance with listing rule 4.7C, payments made to related parties and their associates incorporate Directors Fees, remuneration and superannuation at commercial rates.

Brendan Malone, Raiz Invest Managing Director and CEO said:

“Over the past year, I am very pleased to report that we have delivered on two significant operational milestones – transitioning into a sustainable operating cash flow positive company, and divesting the operations in South East Asia in order to refocus on our core Australian business. In addition, and in a challenging market for customer acquisition, we have successfully increased engagement with existing customers through the strong uptake of new products, which has led to a significant growth in our FUM, average account balance and ARPU over the past year.

In FY25, we will continue to expand our product suite, with new additions to the Plus portfolio, incorporating Plus into the Super offering, launching automatic Raiz Rewards, and improving our marketing processes through AI tools to boost awareness, engagement, and retention.

We have a scalable platform for growth with a low marginal cost of trading and we continue to pursue both organic and inorganic growth opportunities to accelerate our growth trajectory."

Ends

Authorised for release by The Board of Directors.

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About Raiz Invest Limited

Raiz Invest Limited (ASX: RZI) is a multi-award-winning micro-investing and fintech platform to help all Australians create wealth. Raiz pioneered the 'Round-Up' concept in Australia – where everyday purchases are rounded-up to the next dollar and the difference is invested into a Raiz Invest account – opening opportunities for first-time investors.

Since launching in 2016, Raiz has led the market by offering innovative products and features alongside an advanced user experience and exceptional customer service. With 9 diverse portfolios to choose from, users of the Raiz platform can invest in up to 99 of the most recognised stocks on the ASX, ETFs, Bitcoin, and the Raiz Residential Property Fund, from as little as $5. Products range from Raiz Kids to Raiz Invest Super with a product to suit every life stage.

Raiz has also launched sophisticated products, like the customisable Plus portfolio to accommodate investors at all levels of experience and risk appetite. Raiz remains the number one investment app. To find out more, please visit www.raizinvest.com.au or the Investor Hub https://investorhub.raizinvest.com.au/ .

With the launch of Investor Hub, Raiz encourages shareholders and interested parties to:

- Visit the Raiz Investor Hub: https://investorhub.raizinvest.com.au/
- Sign up for an Investor Hub account: https://investorhub.raizinvest.com.au/auth/signup
- Post questions in the Q&A function

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Raiz Invest Limited	
ABN	**Quarter ended ("current quarter")**
74 615 510 177	30 June 2024

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	6,245	22,971
1.2	Payments for		
	(a) research and development	(379)	(1,592)
	(b) product manufacturing and operating costs	(2,145)	(8,224)
	(c) advertising and marketing	(510)	(2,240)
	(d) leased assets	-	-
	(e) staff costs	(1,464)	(5,433)
	(f) administration and corporate costs	(1,282)	(4,201)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	191	706
1.5	Interest and other costs of finance paid	(10)	(43)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	1,665
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**646**	**3,609**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments (short term deposit)	-	-
	(e) intellectual property	(707)	(3,267)
	(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**	**(707)**	**(3,267)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from changes in ownership interests in subsidiaries	-	-
3.3	Proceeds from exercise of options	-	405
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings (JV Partner PNB)	-	973
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principal payment for leases)	(63)	(427)
3.10	**Net cash from / (used in) financing activities**	**(63)**	**951**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**9,858**	**8,449**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	646	3,609
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(707)	(3,267)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(63)	951
4.5	Effect of movement in exchange rates on cash held	4	(4)
4.6	**Cash and cash equivalents at end of period**	**9,738**	**9,738**
	Cash and cash equivalents at end of quarter plus term deposits	**9,902**	**9,902**

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	9,738	9,858
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)**	**9,738**	**9,858**
	Term Deposits	**164**	**164**
	Cash and cash equivalents at end of quarter plus term deposits	**9,902**	**10,022**

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	260
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** *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.*	**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)	646
8.2	Cash and cash equivalents at quarter end (item 4.6)	9,738
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	9,738
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/A

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.

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:

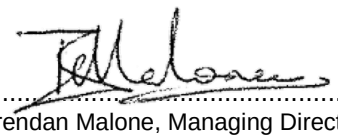
Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: 26 July 2024 .....

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.