

— **Exclusive**

# NAB Ventures, Grok Ventures and Perennial tip \$35m into Spriggy

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Children's pocket money app Spriggy has raised \$35 million in a series-B funding round led by NAB Ventures, with Perennial Value Management and Mike Cannon-Brookes' Grok Ventures also tipping in, as the company looks to tap a growing need to raise the financial literacy of young consumers.

Sydney-based Spriggy plans to use the funding to triple its 35-person team and expand the features of the mobile app and personalised prepaid card for young people over the next two years.





Spriggy co-founders and co-CEOs Mario Hasanakos and Alex Badran plan on tripling the business with the \$35 million in funding.

The funding round follows an earlier raising led by Grok Ventures. The company also counts venture capital firm Alium Capital as a backer.

“The families we work with are not shy at all in telling us what they want,” said Alex Badran, co-founder and co-chief executive at Spriggy.

“When you solve one problem for a parent, they then want you to solve a bunch of other problems too.”

These problems largely revolve around teaching children to handle and interact with money to establish financial habits that will serve them well into their adult lives.

“The biggest pain point or mistake we see is parents forgetting to pay pocket money because they don’t have cash on them, or they’re just busy running the household,” said Mario Hasanakos, Spriggy’s co-founder and co-CEO.

“That means the child doesn’t have regular exposure to money and then they don’t build those regular habits over time.”

## Falling financial literacy

As it stands, the financial literacy of Australian young people is slipping. The performance of Australian 15-year-olds in the OECD’s 2018 Program for International Student Assessment financial literacy assessment fell by 15 points – the equivalent of half a year of schooling – since 2012.

In response, there is a push to adapt the school curriculum to better include fundamental financial concepts, including representing monetary values, rounding up to the nearest 5¢, or solving simple and compound interest problems.

But the proliferation of low-friction trading apps like Robinhood, and the wave of speculative crypto investing, as well as buy now, pay later services means the risk of young people mismanaging money is growing, said Todd Forrest, NAB Ventures managing director.

“It’s so easy for young people to set up 10 different accounts, trade on credit and they can lose their money so quickly,” Mr Forrest said.

“That’s why we’re investing in Spriggy, which is building tools for young people to manage money in a completely digital environment, which is exactly how it works for adults.”

Spriggy’s aggressive product roadmap aims to cover earning, spending and saving, and it is expecting to grow its existing 500,000-strong user base.

The trend in financial services is moving towards personal products, bundled around experiences and relationships, Mr Badran said.

Buy now pay later outfit Afterpay last week flagged its Afterpay Money app, featuring budgeting and saving tools, will hit devices in October. And Bendigo Bank-backed Up Banking has hit 400,000 users with its redesigned budget tracking and savings app.

While NAB Ventures is only an investor in Spriggy at this point, the door is open to leverage the partnership and potentially gain access to the National Australia Bank’s customers and develop aligned products.

“It’s a really strategic investment for the bank,” Mr Forrest said. “We can help them grow more effectively and we can bring this service to our members.”

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