

30 April 2021

ASX/Media Release

**RAIZ SUCCESSFULLY RAISES \$10.2 MILLION VIA AN INSTITUTIONAL PLACEMENT,
AND LAUNCHES SHARE PURCHASE PLAN**

Highlights

- Firm commitments to raise \$10.2 million via an oversubscribed Placement (**Placement**) strongly supported by new and existing shareholders;
- Following settlement of the Placement, Raiz will offer Eligible Shareholders¹ the opportunity to participate in a Share Purchase Plan (**SPP**), also at \$1.50;
- Funds to be used to accelerate customer growth, develop new products and services, expand into new geographies and integrate the acquisition of Superestate; and
- Investor webinar to be held at 10:30am today (details below).

Raiz Invest Limited (ASX: RZI) (**Raiz or The Company**) has successfully completed the placement of 6,800,000 new fully paid ordinary shares at \$1.50 a new share, raising a total of \$10.2 million.

Pricing for the Placement was determined via an institutional book-build and the placement price of \$1.50 represents a 9.4% discount to the final closing price of \$1.655 on 27 April 2021.

Raiz MD and Group CEO George Lucas said: “The support for this placement from existing and new institutions, including a Southeast Asian family office, strongly endorses the Company’s progress and their confidence in our future potential.

“On Tuesday 27 April 2021, we announced record results for Normalised Revenue, Active Customers and Funds Under Management, achieved in the quarter to 31 March 2021. The funds from this placement will be used to accelerate customer growth, develop new products and services, expand into new geographies and integrate the acquisition of Superestate.

“We will continue to execute our strategy, leveraging our mobile first platform to add new customers and expand the product and service range. Southeast Asian growth remains well on track.”

Placement and SPP

The Placement will see the issue of 6,800,000 new, fully paid ordinary shares (**new shares**) at \$1.50 per share. The new shares will rank equally with existing ordinary shares on issue.

The Placement will be facilitated via Raiz’s existing 7.1A placement capacity. New shares issued under the Placement will be issued in two tranches on 6 and 19 May and begin trading on the ASX on Friday 7 May and Thursday 20 May respectively.

¹ Eligible Shareholders are shareholders with a registered address in Australia or New Zealand on the register as at 7:00 pm (Sydney time) on Thursday 29 April 2021.



PAC Partners acted as Lead Manager to the Placement. A copy of the Investor Presentation provided to institutional investors is attached to this announcement.

Following completion of the settlement of the Placement, Raiz will offer Eligible Shareholders the opportunity to participate in a non-underwritten Share Purchase Plan (**SPP**) at \$1.50. The SPP will be capped at \$3 million and is expected to open on Friday 7 May 2021 and close at 5:00 pm on Friday 21 May 2021. Further information regarding the SPP will be provided to Eligible Shareholders in due course.

Investor Webinar – Friday 30 April 2021 at 10:30am

Raiz Chairman Kevin Moore, MD/Group CEO George Lucas, and Group COO Brendan Malone will host a webinar at 10:30am (AEST) today, to discuss the March quarter business update, Superstate acquisition and capital raising.

Please register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_tOrdutolQPmEPyEpGYwyXA

This announcement was authorised by George Lucas, MD/Group CEO.

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About Raiz

Raiz Invest Limited (ASX: RZI) is Australia's largest, mobile-first financial services platform designed to boost investing and savings in and outside of superannuation, available via the Raiz app or its website. To gain greater insight to the Raiz business and our strategy, watch our short video by visiting <https://raizinvest.com.au/investors/>

Since launching in 2016 Raiz has achieved solid growth, amassing more than 1.6 million downloads, over 1,590,000 sign-ups, with over 419,000 active monthly customers and over \$694 million in funds under management as at 31 March 2021.

Raiz was awarded Australia's Investment Innovator of the Year at the 2017, 2018 and Investment Platform Innovator of the Year 2019 FinTech Business Awards and won the 2018 Australian FinTech Award for FinTech Innovation in Wealth Management (Robo-Advice). Raiz Invest Super was also a finalist in the SuperRatings Best Innovation for 2020 at the Superannuation awards. The platform continues to grow with over 13 new products and features releases since launch.

Raiz Invest Limited operates in Australia, Indonesia and Malaysia as part of the growth and expansion strategy of the business throughout Southeast Asia.

For more information visit: www.raizinvest.com.au

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This release is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any shares in Raiz in any jurisdiction. This release does not constitute financial product advice and does not and will not form part of any contract for the acquisition of SPP Shares.

*This release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**Securities Act**) or the securities law of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account of benefit of, persons in the United States, unless they have been registered under the Securities Act (which Raiz has no obligation to do or to procure) or are offered and sold in a transaction exempt form, or not subject to, the registration requirements of the Securities Act. Accordingly, the securities to be offered and sold in the SPP may only be offered and sold outside the United States in “offshore transactions” (as defined in Regulation S under the US Securities Act (**Regulation S**)) in compliance with Regulation S.*



A mobile-led financial services platform

Capital Raising Presentation

April 2021

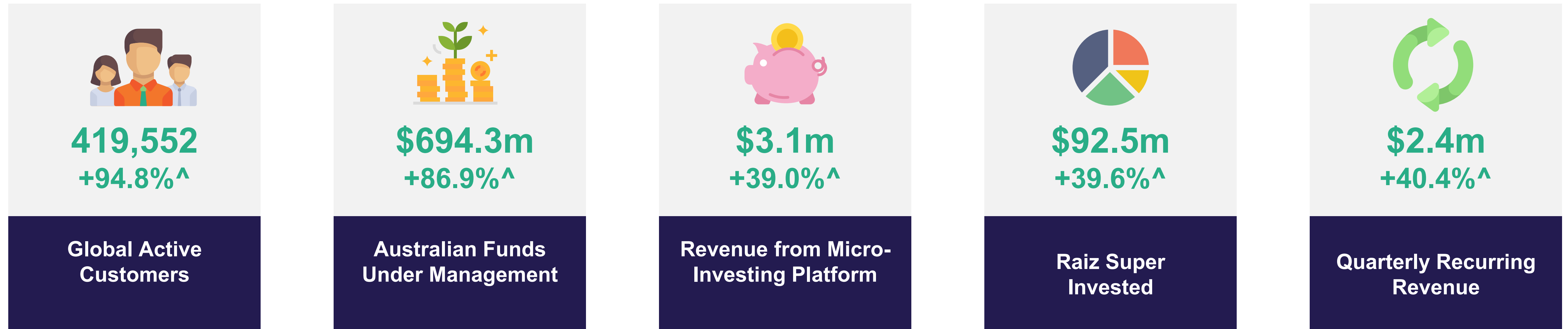
Raiz Invest Limited (ASX: RZI)
Level 11, 2 Bulletin Place, Sydney NSW 2000



Executive Summary

<div>1</div> <div>Acquisition of Superstate</div>	<div>2</div> <div>Australian Platform Update</div>	<div>3</div> <div>South East Asian Platform Update</div>	<div>4</div> <div>Capital Raising</div>
<ul style="list-style-type: none"> Raiz has agreed to acquire 100% of the Superstate business via an issue of 5.3m RZI ordinary shares The acquisition will provide the IP for Raiz to issue a new asset class – residential property – in and outside super, in line with strategy of adding new products & services, e.g. the successfully addition of a portfolio with Bitcoin Brings 6,000+ customers and \$70m of FUM in Superannuation that can be transitioned onto the Raiz platform over time Vali – Property Data & Technology Platform complementing Raiz current data analytics capabilities as well as Raiz Home Ownership 	<ul style="list-style-type: none"> Raiz delivered micro investment platform revenue of \$3.1m in the Mar-21 quarter, +26.6% on Dec-20 quarter (+39.0% on PCP), driven by increases in active customers and increasing revenue per customer Australian Active Customer numbers end of Mar-21 quarter of 263,723, +11.2% on Dec-20 quarter (+22.4% on PCP) Average revenue per customer of \$11.73 in Mar-21 quarter, +13.9% on Dec-20 quarter (+13.8% on PCP) No net churn from fee increase, which will deliver considerable revenue uplift Customised Portfolios, Raiz Home Ownership and SMSF onboarding released in the CYQ1 2021 	<ul style="list-style-type: none"> Strong customer growth continues Both Indonesia and Malaysian platforms now generating small, but growing revenues Increased marketing spend planned in CY'21 to further accelerate growth Additional products & features to be progressively added in each country as platform scales Work in Thailand underway with research into Vietnam commenced 	<ul style="list-style-type: none"> Raiz will undertake a \$9.0m institutional placement (with an ability to accept an additional \$2.0m in oversubscriptions) and a \$3.0m Share Purchase Plan to existing shareholders Accelerate Australian customer acquisition and product development, including integration costs (working capital, legal & technical) for Superstate Accelerate growth of current Southeast Asian operations including customer acquisition and new product initiatives Thailand market entry & Vietnam study Cash position including term deposit at March 31st (pre raise) of \$9.9m inclusive of \$5.0m ringfenced for regulatory capital

Highlights – March 2021



Highlights

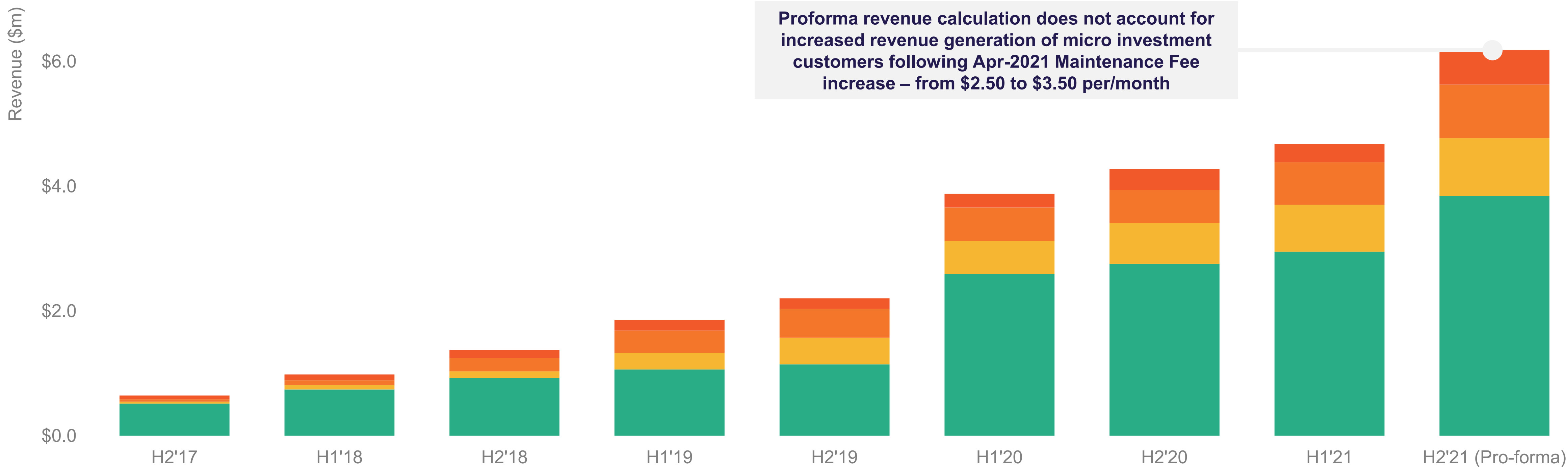
- Acquiring financial services customers online, is what we do well, with an average CAC in Australia of \$9.89 in FY'21.
- Strong uptake of recently introduced higher margin products in Australia continues – Superannuation, Sapphire and Custom portfolio
- Strengthening board & management structure to drive the next phase of growth.
- Growing revenues from both Indonesia and Malaysian platforms
- Implementation of fee increase on Australian platform undertaken, with no net churn effective 1 April 2021
- Continued excellence in product delivery with Custom Portfolios, Raiz Home Ownership and SMSF onboarding released in CY21 to date

[^] Increase from Q3 FY'20

Solid revenue growth from increasingly diverse base



Raiz delivered 39.0% growth in micro investment platform revenue in the Mar-2021 quarter (against pcg), driven by increases in active customers and increasing revenue per customer



Maintenance Fee	Account Fee	Advertising	Netting
<ul style="list-style-type: none">A monthly Maintenance Fee is charged for active account balances of less than \$15k, (\$20k for Custom portfolio and all balance for Sapphire portfolio) this fee varies based on the type of portfolio a customer selects	<ul style="list-style-type: none">A fee of 0.275% p.a. is charged on account balances equal to or greater than \$15k (\$20k for customers in Custom Portfolio)Account fee is charged on all balances for Sapphire Portfolio	<ul style="list-style-type: none">Over 270 rewards partners that pay to advertise on the Raiz platform, emails and mobile push messagingAdvertisers create loyalty by investing cash back into Raiz accounts or as a voluntary contribution into Raiz Invest Super Accounts	<ul style="list-style-type: none">Where acquisition or disposal of ETF units does not require an on-market transaction, Raiz nets transaction, instead of paying away the bid/offer spread to the market based on the disclosed Netting Policy

H2'21 Pro-forma calculated using doubling Q3'21– it is not a forecast

Revenue Model

Raiz charges a range of different fees, dependent on the type of portfolio a customer chooses, the amount of FUM held in the portfolio and the country that the customer is using the platform

Conservative to Aggressive Portfolio			Emerald Portfolio			Sapphire Portfolio		Custom Portfolio			Indonesia		Malaysia		
Account Balance	Sub \$15k	+\$15k	Account Balance	Sub \$15k	+\$15k	All Portfolios	All Portfolios	Account Balance	Sub \$20k	+\$20k	Account Balance	All Portfolios	Account Balance	Sub MYR 6,000	+MYR 6,000
Account Fees	n/a	27.5bps p/a	Account Fees	n/a	27.5bps p/a	Account Fees	27.5bps p/a	Account Fees	n/a	27.5bps p/a	Deposit Transaction Fee	Rp. 3,000	Account Fees	MYR 1.5	30.0 bps p.a. of FUM
Maintenance Fee	\$3.50 p/m	\$0	Maintenance Fee	\$3.50 p/m	\$0	Maintenance Fee	\$3.50 p/m	Maintenance Fee	\$4.50 p/m	n/a	Trail	~0.15%	Trail	0.30%	
Active Customers	184,272 (31 Mar 2021)		Active Customers	32 076 (31 Mar 2021)		Active Customers	39.751 (31 Mar 2021)	Active Customers	7,624 (31 Mar 2021)		Active Customers	100,641	Active Customers	55,188	

Fee increase now implemented resulting in no net churn and delivering considerable revenue and margin uplift

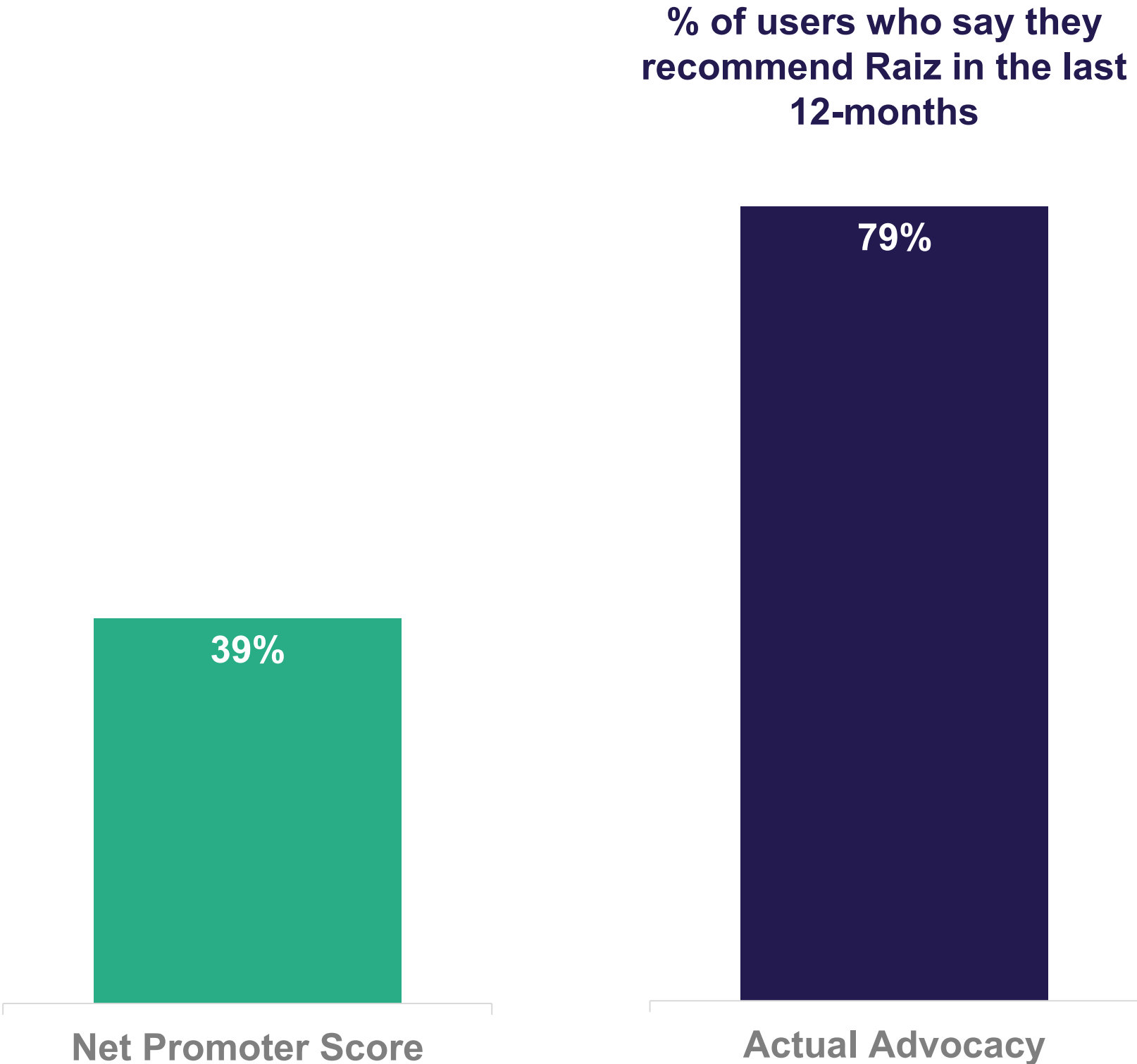
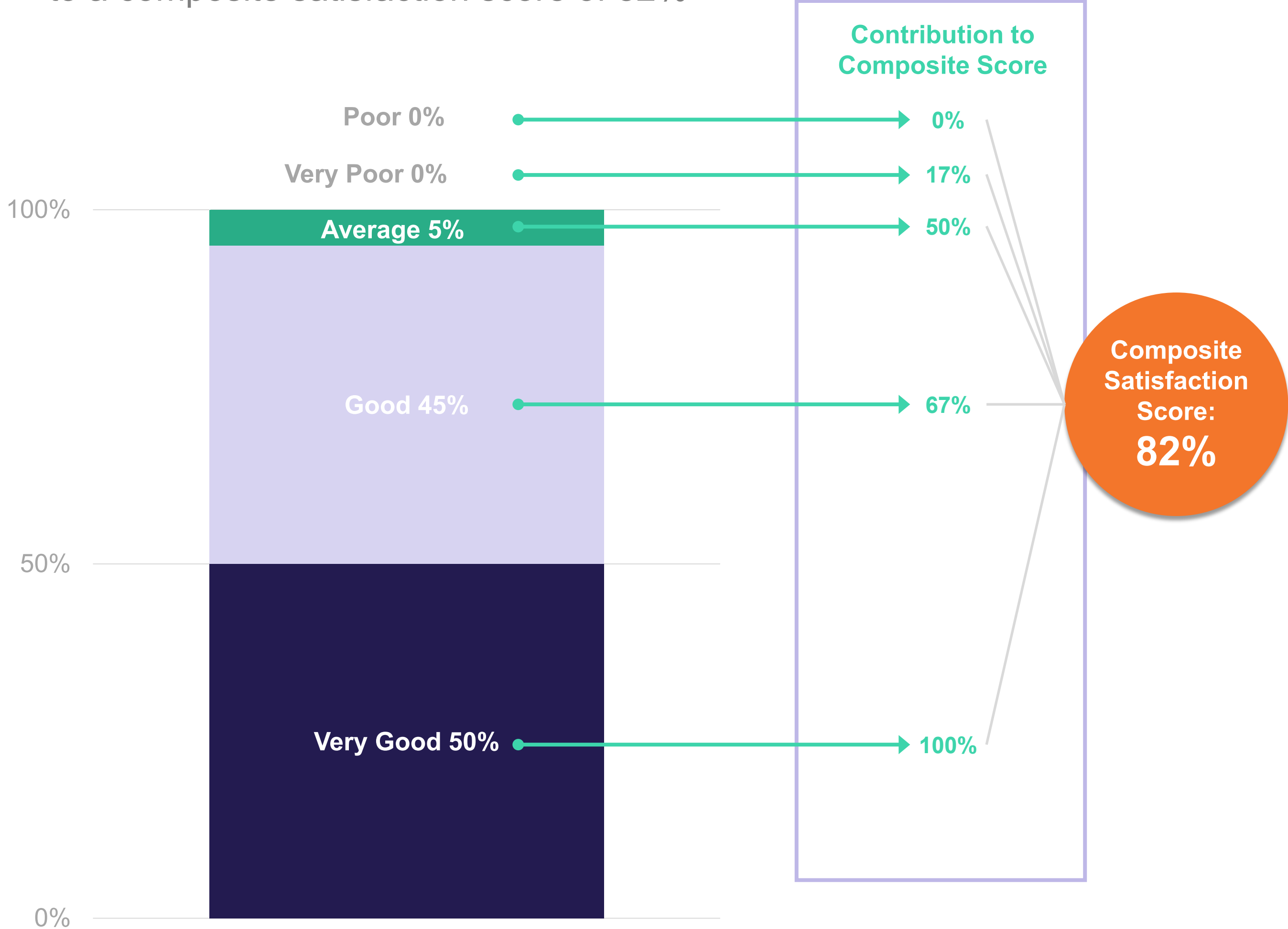
Revenue stream very granular with majority of customers paying a subscription fee
 The recent fee increase, with no net client churn, illustrates the non-transactional qualities of the business model

Account Fees and Underlying Issuer Fees are current as per PDS dated 1st March 2021
 Active Customers as at 31st March 2021

Strong Brand

Raiz recently increased the maintenance fee (1 April 2021), with no net churn

- Half of our customers who were surveyed rate their overall satisfaction as ‘**very good**’ and 45% rate it as ‘**good**’ – equating to a composite satisfaction score of 82%
- Customers surveyed are likely to recommend Raiz. Raiz has a high **Net Promoter Score (NPS)** and very high actual advocacy



Source: Investment Trends. November 2020 Raiz Client Satisfaction Report

Delivering on our Strategy



Drive Customer Growth & Revenue

- Invest in marketing across Australia, Indonesia and Malaysia, sustaining low cost of customer acquisition to drive growth of customers
- Acquisition of customer bases and products that can be integrated into Raiz's existing product mix to drive revenue per customer growth



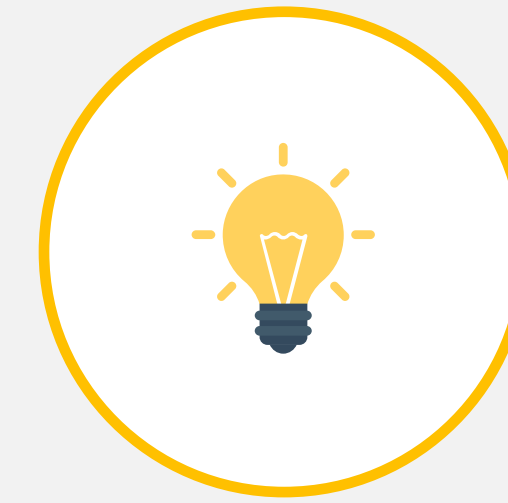
Develop New Products & Sales Channels

- Development of additional products driven by customer feedback
- Focus on:
 - a) Improving user experience
 - b) Adding new customers
 - c) Increase revenue per customer
 - d) Improving customer retention and engagement



Expand Into New Markets

- Continue to expand in South East Asia, with focus on growing customer numbers in Malaysia and Indonesia
- Apply same model tested in Australia to gather customer feedback and improve the user experience and add additional products
- Progress platform development and launch process for both Vietnam and Thailand



Maintain Platform Leadership

- The Raiz platform is a scalable end to end solution automating the registry, operations, administration, funds management, marketing, customer communication and relationship management – 100% owned by Raiz
- Raiz operates globally with 45 staff and has KYC over 750k people globally in 5 years
- Ongoing improvements to the platform



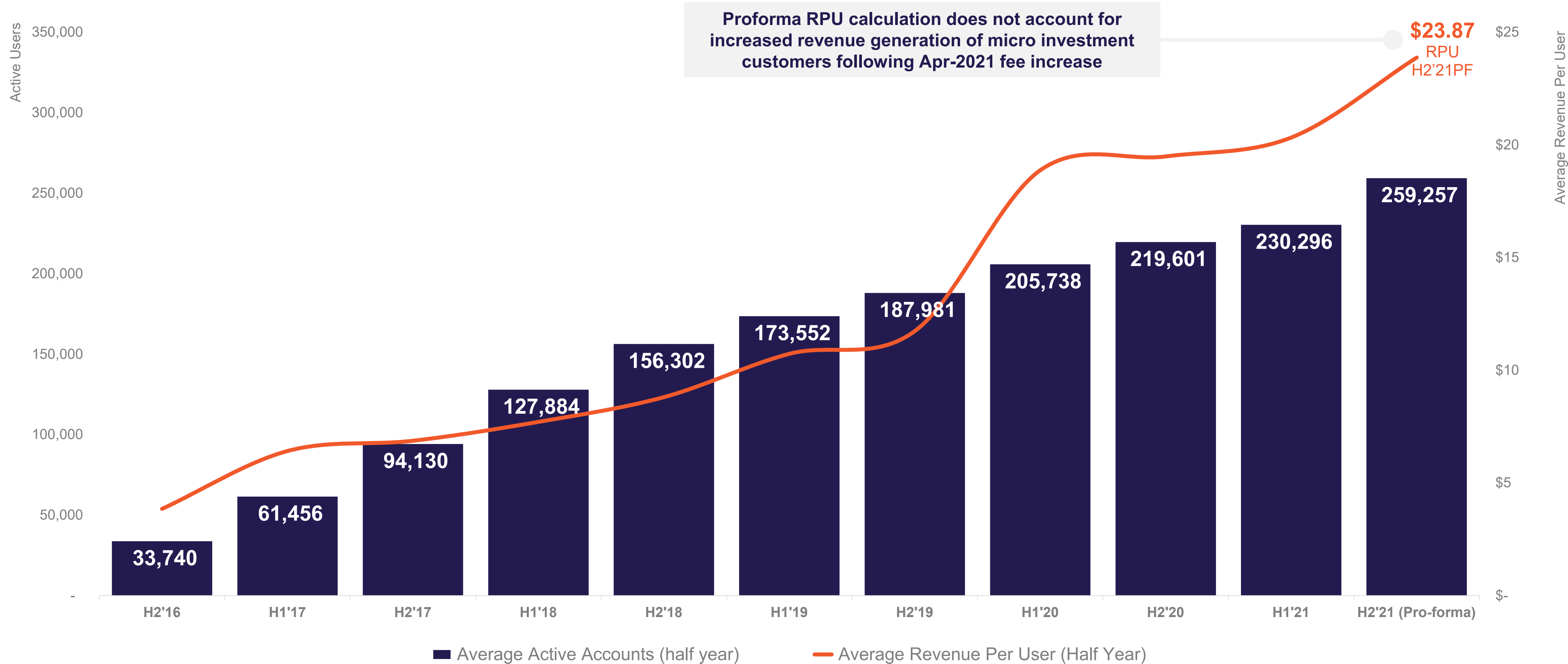
Acquisition & Capital Raising

- Proposed acquisition of Superstate and Capital raising allows Raiz to:
- Accelerate customer growth & new product development
 - Accelerate expansion into all key and additional markets
 - Accelerate product improvement initiatives

Raiz business model is a function of growth of active customers and revenue per customer



Australian Active Customer growth accelerating



**Average revenue per active customer calculated as total micro investment platform revenue for the half-year divided by average active customers in the half-year
H2'21 Pro-forma calculated using Q3'21 as a run-rate for the half ending June-30 CY'21 based on management forecast*

Acquisition Overview

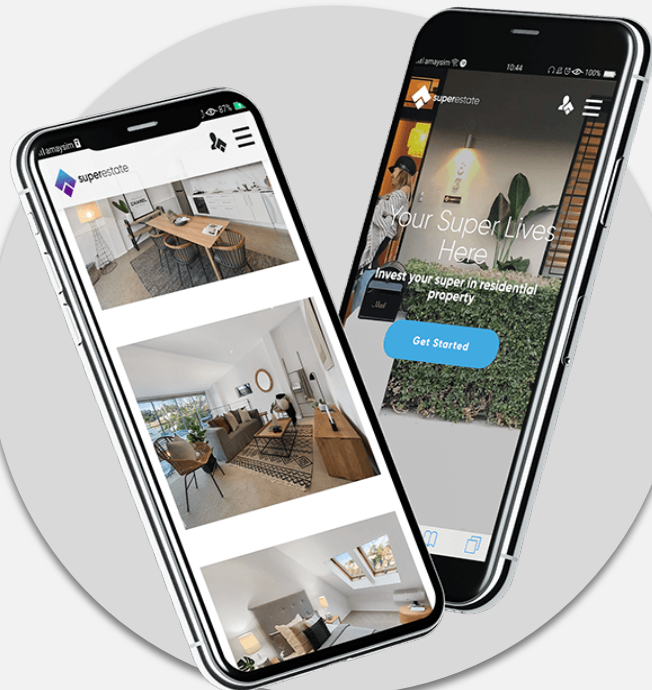


Superestate Acquisition

Raiz has agreed to acquire 100% of the Superestate business via an issue of 5.3m RZI ordinary shares

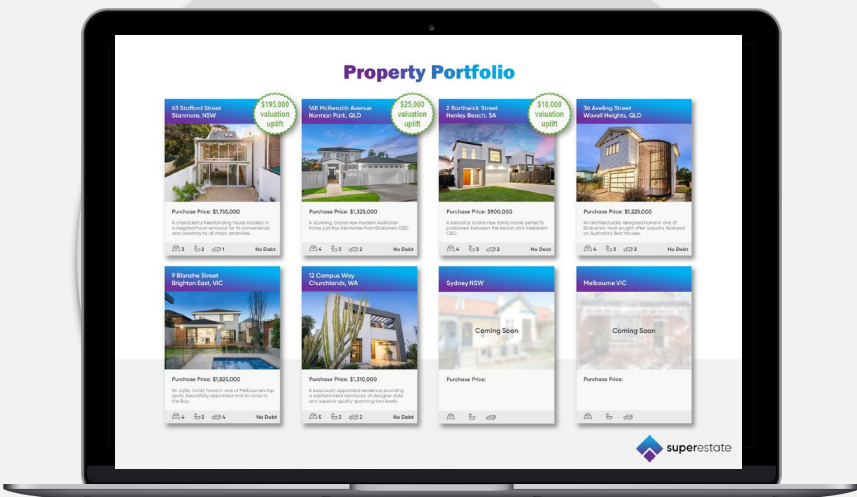


An Integrated Superannuation & Australian Residential Property Platform



Retail Superannuation Fund

Assets Under Management: +\$70m
Number of Members: +6,000
(included assets in property fund)



Residential Property Fund

Assets Under Management: +\$20m
Number of Houses: 8



Property Data & Technology Platform

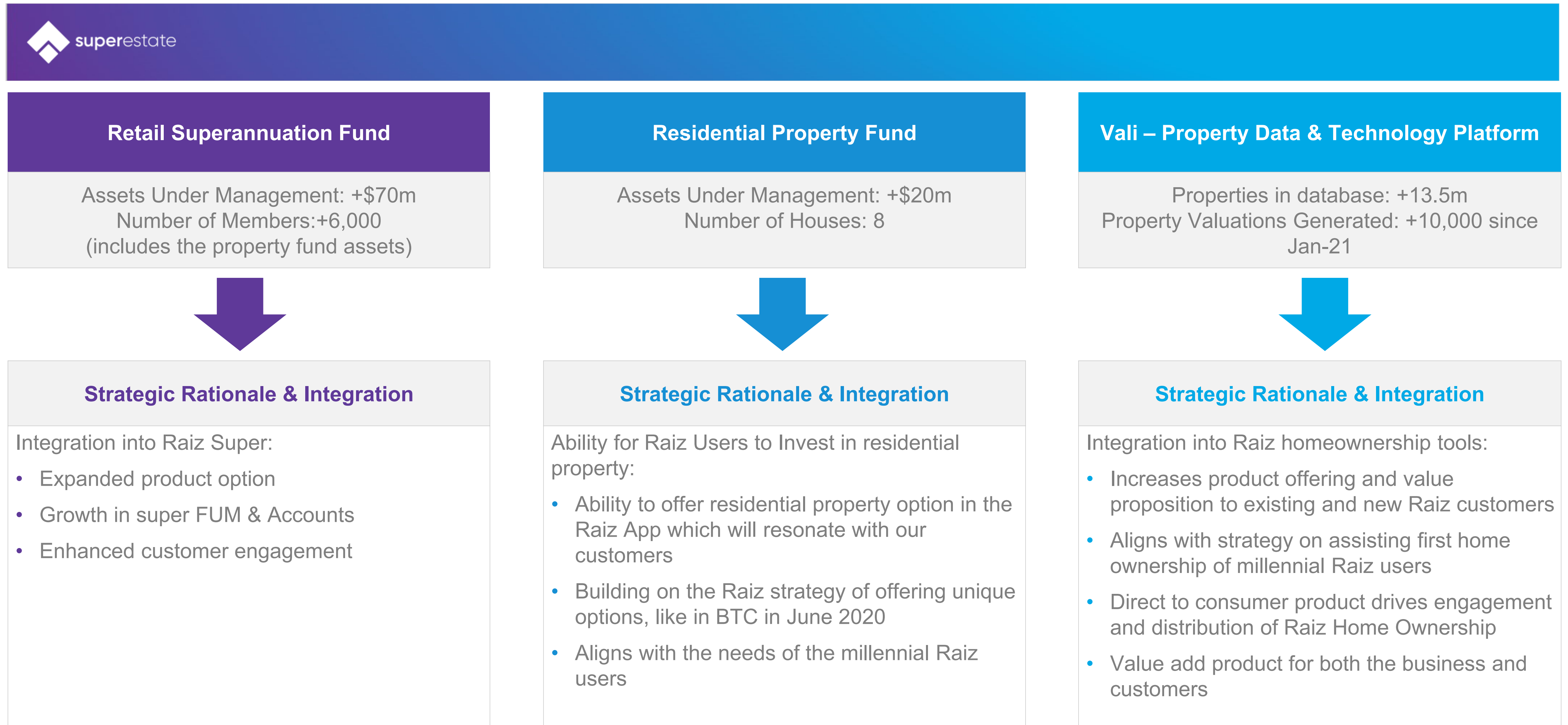
Properties in database: +13.5m
Property Valuations Generated:
+10,000 since Jan-21

Key Terms of Share Purchase Agreement ('SPA')

Consideration	Purchase of 100% of Superestate Pty Ltd for 5,300,000 RZI shares – no cash
Escrow Conditions	<p>RZI shares issued as consideration subject to voluntary escrow:</p> <ul style="list-style-type: none">• Key management personnel of Superestate (>50% of shares issued) subject to 24-month escrow period• Remaining shares issued are generally escrowed - (8% for 3 months, 6% for 6 months + 31% for 12 months from the completion date of the acquisition
Valuation & Pricing	<p>Shares issued as consideration to be issued at a price equal to the 10-day Volume Weighted Average Price ('VWAP') of RZI shares. This is mainly for goodwill calculation.</p> <p>VWAP of \$1.7845 implies a valuation of \$9.4m for the Superestate business</p> <p>Superestate business to be acquired on a debt-free / cash-free basis</p>
Summary of Condition Precedents	Completion is conditional on satisfaction with due diligence, necessary third party consents and agreements in connection with the transaction, new agreements with key employees, and discharge of specified liabilities.
Ranking	New shares issued under the acquisition will rank equally with existing RZI shares on issue

Acquisition Rationale & Integration

Clear strategic plan to integrate each division in multiple elements of the Raiz business model and drive both revenue and cost synergies



South East Asian Platform Update



Raiz Invest Indonesia

Strong customer acquisition continues with platform now generating initial revenues

Indonesia Fee Structure	
Account Balance	All Portfolios
Transaction Fee ¹	Rp. 3,000
Trail	~0.15%
Active Customers ²	100,641

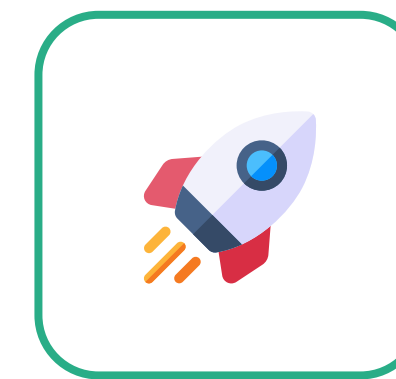
- Increased marketing spend in CY'21 continuing to accelerate growth
- JV has been established to deliver new insurance products and services via the Raiz Indonesian platform
- Planning to launch higher revenue/margin closed end funds on the platform
- Planning at launching Raiz Rewards

¹Transaction fees charged upon Deposits / Withdrawals, AUD / IDR cross-rate AUD = ~11,000 Rp
²As at March 2021

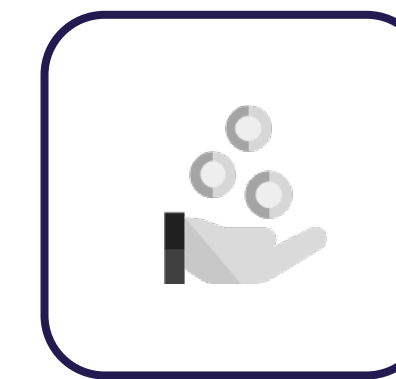
Strategic Pathway



Build Platform
for region



Full-scale
launch



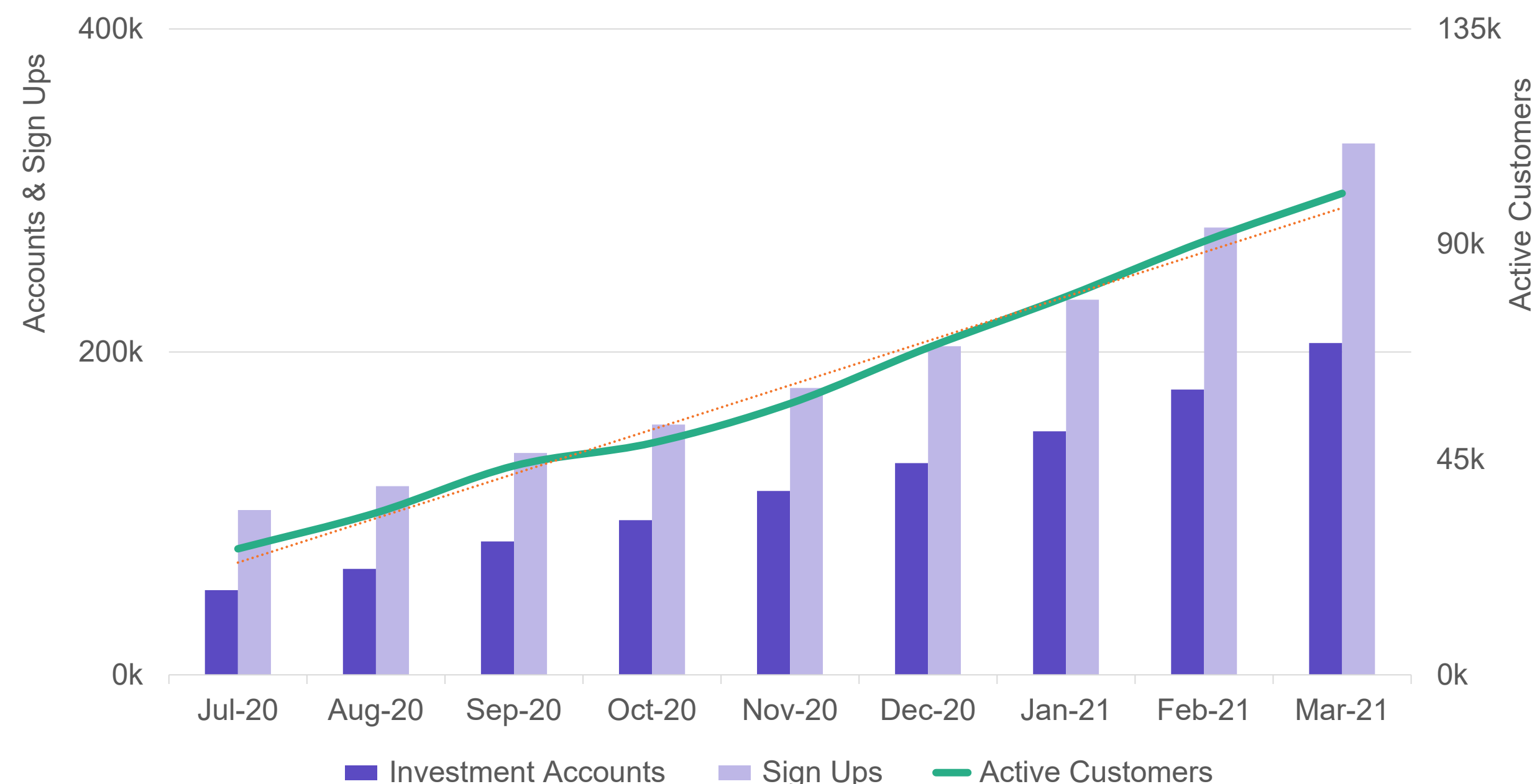
Round Ups



Personal
Finance



Raiz Rewards

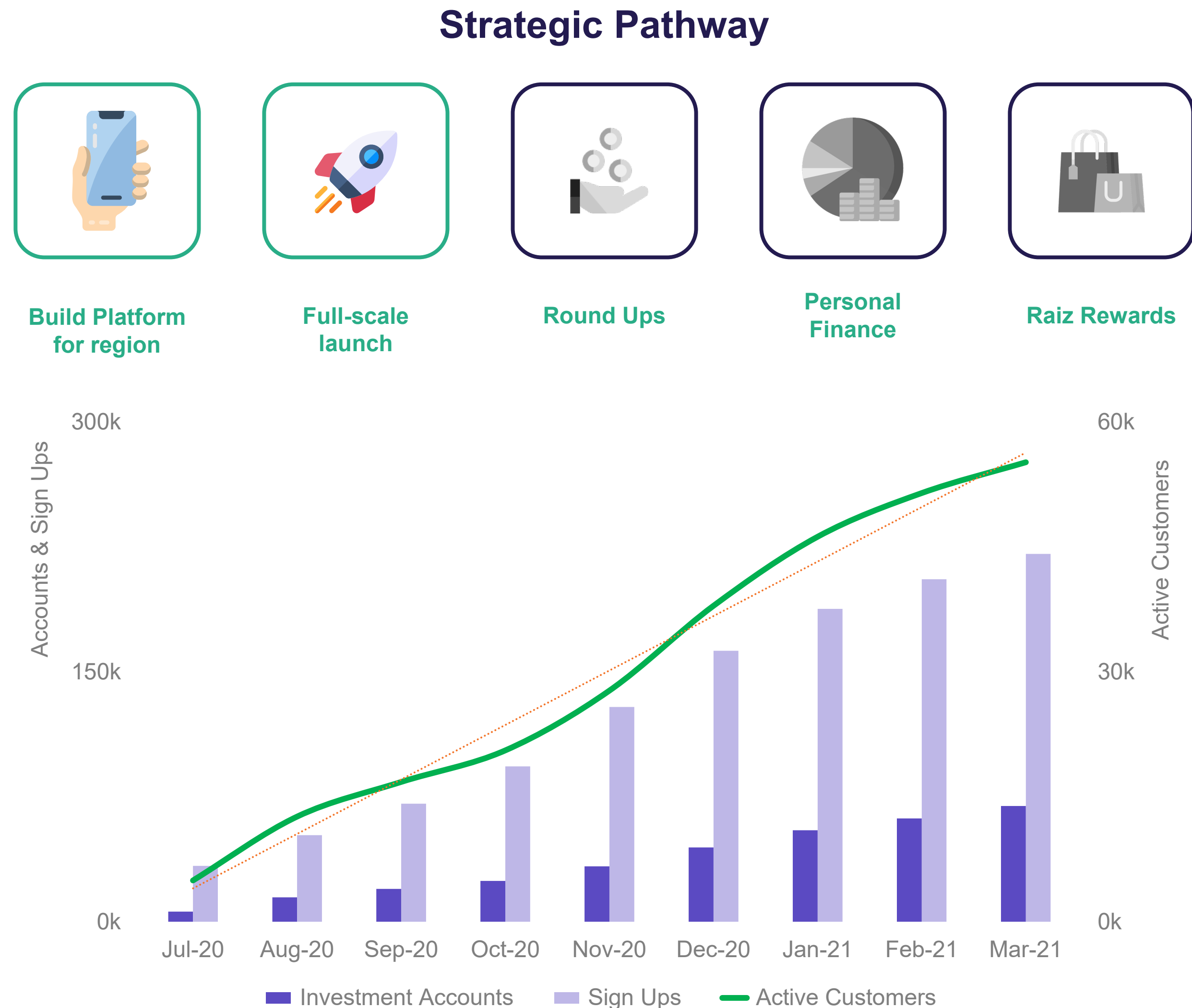


Raiz Invest Malaysia

Strong customer acquisition continues with platform now generating initial revenues

Malaysia Fee Structure	
Account Balance	Sub MYR 6,000
Account Fees ¹	MYR 1.5
Trail	0.30%
Active Customers ²	55,188

- Working to deliver new portfolio into the Malaysian Raiz app
- Working on delivering a Bahasa version of the Raiz App into the Malaysian market
- Planning at launching Raiz Rewards in Malaysia when approaching 80,000 paying customers



¹Transaction fees charged upon Deposits / Withdrawals, AUD / MYR cross-rate AUD = ~3.2 MYR
²As at March 2021

Capital Raising Overview



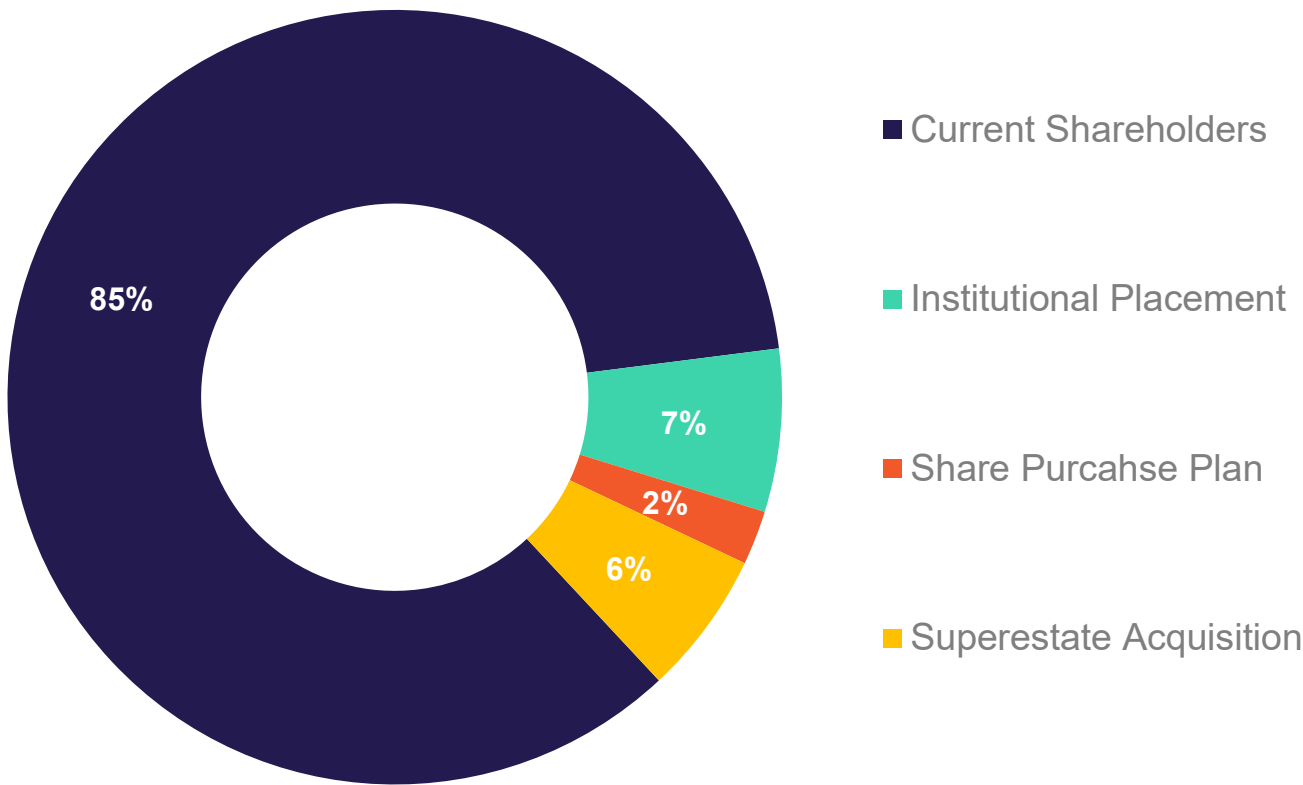
Capital Raise Overview

Raiz will undertake a \$9.0m institutional placement (with an ability to accept oversubscriptions of up to \$2.0m) & a \$3.0m Share Purchase Plan to existing shareholders

OFFER DETAILS Placement & Share Purchase Plan (SPP)	Offer Size & Structure	Institutional placement raising up to A\$9.0 million (with an ability to accept oversubscriptions of up to A\$2.0 million) and an SPP to raise up to A\$3.0 million.
	Placement	Placement will result in a minimum of 6,000,000 million new shares being issued. The placement is not underwritten.
	SPP	Raiz will offer all eligible shareholders the opportunity to participate in a non-underwritten SPP.
		The SPP is capped at A\$30,000 per eligible shareholder with registered address in Australia at 7.00pm (AEDT) Tuesday 27 April 2021.
	Ranking	The SPP aims to raise up to A\$3.0 million. The SPP is scheduled to open on Monday 10 May 2021 and scheduled to close at 5.00pm (AEDT) Monday 24 May 2021
		New shares issued under the Placement and SPP will rank equally with existing RZI shares on issue.
	Offer Price	The institutional placement and share purchase plan is priced at \$1.50 per share, representing a discount of: <ul style="list-style-type: none"> 9.4% to last traded price of \$1.6550 per share 10.2% to the 5-day VWAP of \$1.6698 per share 15.5% to the 15-day VWAP of \$1.7749 per share
	Lead Manager	PAC Partners Securities Limited

Capital Structure	\$9.0m Placement & SPP ¹	\$11.0m Placement & SPP
Existing Shareholders	75,015,362	75,015,362
Participants in Placement	6,000,000	7,333,333
Share Purchase Plan ('SPP') ²	2,000,000	2,000,000
Superestate Scrip Consideration ³	5,300,000	5,300,000
Total	88,315,362	89,648,695

Capital Structure Post Capital Raising, SPP & Acquisition^{1,2,3}



¹Based on capital raising of A\$9.0m (excluding any funds raised via oversubscriptions)

²Based on A\$3.0m being raised under the SPP

³5.3m shares paid at as scrip consideration for the acquisition of Superestate

Capital Raise Overview



Raiz will undertake a \$9.0m institutional placement (with an ability to accept oversubscriptions of up to \$2.0m) & a \$3.0m Share Purchase Plan to existing shareholders

Use of Funds ¹				Capital Raising Timetable ²										
<div><table><tr><td>■ Additional Regulatory Capital</td><td>■ Marketing</td></tr><tr><td>■ Indonesia</td><td>■ Malaysia</td></tr><tr><td>■ Thailand & Vietnam</td><td>■ Acquisition Integration</td></tr><tr><td>■ Capital Raising Costs</td><td></td></tr></table></div>				■ Additional Regulatory Capital	■ Marketing	■ Indonesia	■ Malaysia	■ Thailand & Vietnam	■ Acquisition Integration	■ Capital Raising Costs		Trading Halt		Wednesday 28 April 2021
■ Additional Regulatory Capital	■ Marketing													
■ Indonesia	■ Malaysia													
■ Thailand & Vietnam	■ Acquisition Integration													
■ Capital Raising Costs														
				Bookbuild conducted for Placement		Wednesday 28 April 2021								
				Record Date for SPP		7.00pm (AEST) Thursday 29 April 2021								
				Announcement of Placement and SPP		Friday 30 April 2021								
				Settlement of Capital Raising		Wednesday 5 May 2021								
				Issue of New Shares		Thursday 6 May 2021								
				Trading of New Shares		Friday 7 May 2021								
				SPP Offer Opens		Friday 7 May 2021								
				SPP Offer Closes		Friday 21 May 2021								
				Announcement of SPP results		Tuesday 25 May 2021								
				Issue Date		Wednesday 26 May 2021								
				Quotation of New Shares on ASX		Thursday 27 May 2021								
Use of Funds	Comment	\$9.0m Placement	\$11.0m Placement											
Additional Regulatory Capital	Increase reg capital for liquidity and best management practices	\$2.0m	\$2.0m											
Marketing (Global)	Drive customer growth and look into new channels for marketing across the Group	\$3.5m	\$4.5m											
Indonesia	Product Development of insurance (pension product) and Closed End Fund as well as working capital	\$2.0m	\$2.5m											
Malaysia	Continued product development and working capital	\$1.25m	\$1.5m											
Thailand & Vietnam	Establishment costs and technology development	\$1.75m	\$2.0m											
Acquisition Integration	Technology integration and regulatory requirements needed	\$1.0m	\$1.0m											
Capital Raising Costs	Costs associated with capital raise and lodgement requirements	\$0.5m	\$0.5m											
Total		\$12.0m	\$14.0m											

¹Based on minimum of \$9.0m total placement funds being raised and \$3.0m SPP

²Dates are indicative only and subject to change at the discretion of Raiz Invest Limited

Funding Overview & Strategy

Funds will be used to accelerate Raiz's growth strategy



Drive Customer Growth

- Funds will be used to accelerate marketing across Australia and South East Asia, driving customer growth



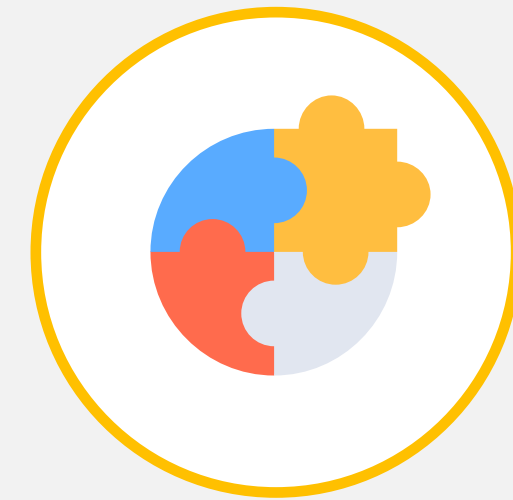
Develop New Products & Sales Channels

- Intergrating SuperEstate and a realestate option into the Raiz Platform
- Adding closed end funds to the Indoneisan Platform
- Adding insureance to the Indonesian Platform
- Adding new portfolio options to the Malaysian Platform



Expand into New Markets

- Funds will also be used to accelerate expansion into Vietnam and Thailand
- Apply same model tested in Australia to gather customer feedback and improve the user experience and add additional products



Acquisition Integration

- Funds will be used to integrate the Superestate into the existing Raiz platform

Outlook



FY'21 Focus Areas

Raiz strategy remains the same - focusing on growing the domestic business and executing the Asian growth strategy



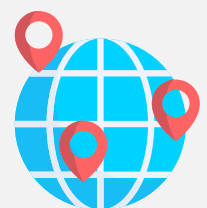
- Continue to grow the business in all geographies and maintain a disciplined focus on costs



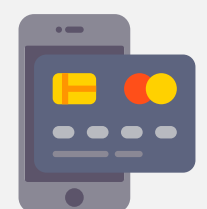
- Focused on driving customer growth at a low cost of customer acquisition globally



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



- Drive customer start-up growth in Indonesia and Malaysia, prepare Thailand for launch, and research Vietnam market



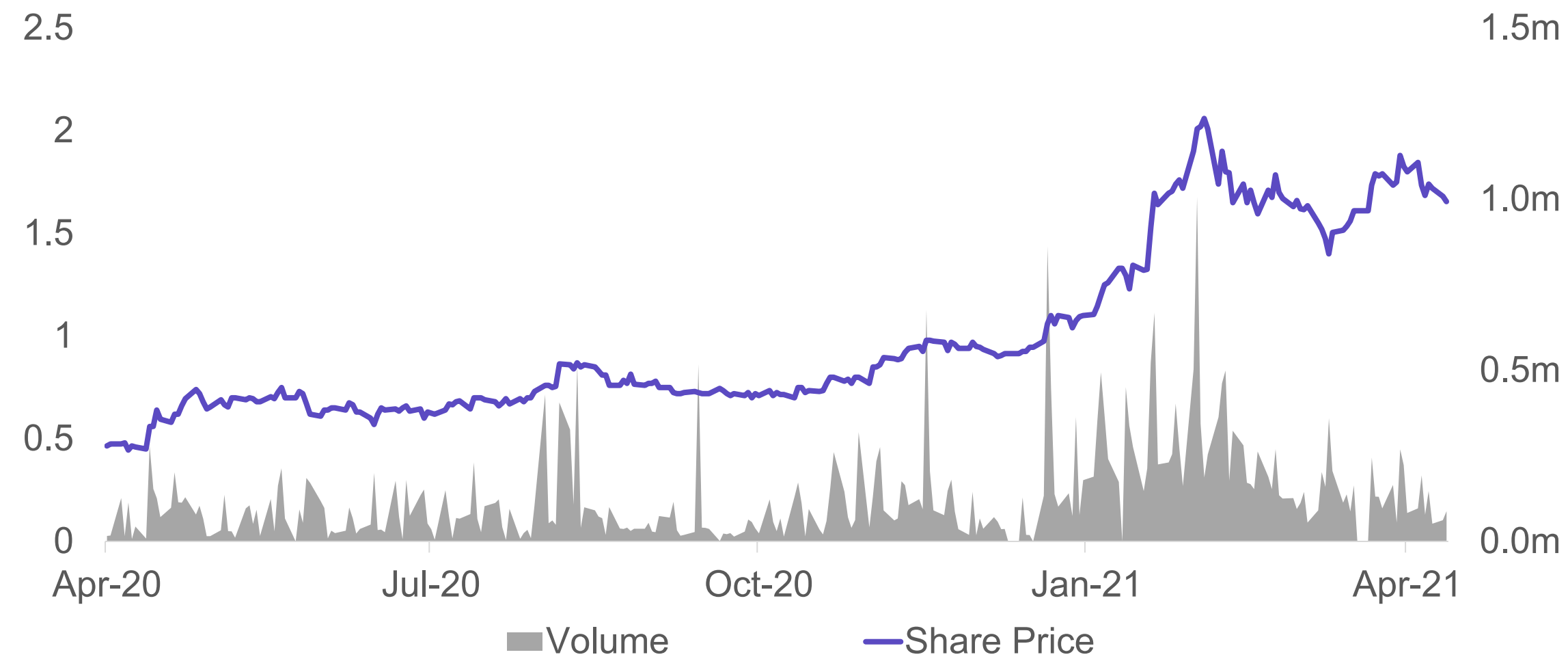
- Continue to develop and launch new products driven by customer demand and feedback, as well as maintain the infrastructure as best in class

Appendix



Raiz – Market Stats

Share Price & Volume



Top Shareholders ¹		Shares	(%)
1	George Lucas & Related Entities	6.8m	9.0%
2	Acorns Grow Incorporated	5.8m	7.8%
3	HSBC Custody Nominees	5.2m	6.9%
4	Peter Anthony Fay & Related Entities	3.1m	4.1%
5	CitiCorp Nominees	2.4m	3.2%
Top 10		32.1m	42.8%
Top 20		43.0m	57.3%

Capital Structure

Shares on Issue ¹	75.0m
Share Price ¹	\$1.655
12 month Range ¹	\$2.20 - \$0.30
Market Cap ¹	\$124.1m
Net Cash & term deposits Mar-21	\$9.9m

¹As at April 2021

Key Risks Specific To Raiz

Overview of Risks

This section describes some of the potential risks associated with an investment in Raiz Invest Limited (Raiz). It does not list every risk that may be associated with Raiz and the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of Raiz, its Directors and Management. The risks included in this section have been selected based on an assessment of a combination of the probability of the risk occurring and the consequences if that risk materialised. The assessment is based on the knowledge of the directors and management of Raiz as at the date of this document. The risks will change or other risks will emerge after that date. The risks outlined in this section should be considered in conjunction with the other information disclosed in this document and in the company's periodic and continuous disclosure announcements disclosed via the ASX and available at www.asx.com.au (company code: RZI) or www.raizinvest.com.au

Before investing or increasing your investment in Raiz, you should consider whether this investment is suitable for you having regard to publicly available information and your personal circumstances and following consultation with your professional advisors. The risks identified in this section are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor.

The risks below are not listed in any particular order.

5 year operating history and historical losses

The Raiz Group's main operating entity, Raiz Invest Australia, which undertakes the Raiz Invest Australia business, has just over five year operating and performance history. The Raiz Group business to date has generated historical losses.

Accordingly, the Raiz Group's limited financial and operating track records are not sufficient to provide any certainty or assurance that the Raiz Group can or will achieve the business strategy objectives.

Loss of key suppliers

The Raiz Group business uses and depends heavily on certain key suppliers. There can be no guarantee that these relationships with key suppliers will continue or, if they do continue, that these relationships will continue to be successful and commercially viable for the Raiz Group.

Loss of key management personnel

The Raiz Group's ability to effectively execute its growth strategy depends upon the performance and expertise of its key management personnel. The loss of these key management personnel, or any delay in their replacement, may adversely impact the Raiz Group's future business and financial performance.

Need to attract customers to the Raiz platform

The Raiz Group's operations and revenues rely heavily on its ability to attract customers to use the Raiz Group's products. Poor uptake of the Raiz Group's products and services will adversely affect the Raiz Group's financial performance.

Competition

The Board considers that the Raiz Group has a competitive advantage and strong brand.

However, there is always the risk of new entrants in the market or that an existing financial services organisation may disrupt the Raiz Group's business operations and market share.

No assurance that future plans will be commercially successful

The Raiz Group intends to expand its business by, amongst other things, expanding the product range, smartphone application features and market presence in existing markets as well as new markets in select parts of the world, in particular South East Asia. These expansion plans involve many risks, including but not limited to capital expenditures incurred in respect of the costs of setting up new facilities, increased marketing and promotional expenses as well as other working capital requirements.

Data security and electronic delivery risk

As the Raiz Group's main customer product is an online financial product, the Raiz Group is dependent on the performance, reliability and availability of its technology platforms, communications systems, servers and the internet in order to provide its services. Any disruption or failure of the Raiz Group's technology systems, including those provided by third party providers, may adversely affect the Raiz Group's business and financial position.

Key Risks Specific To Raiz (Continued)

General risks relevant to investing Raiz

Economic Conditions: Raiz's business is exposed to changes in general global economic conditions. For example, adverse macroeconomic conditions, such as economic recessions, downturns or extended periods of uncertainty or volatility, may influence pricing of products, thereby affecting Raiz's future financial performance, operating performance and share price

Taxation risk: There is the potential for changes to tax laws in both Australia, Malaysia, Indonesia, Vietnam and Thailand. Any change to the current rates of taxes imposed on Raiz is likely to affect returns to Raiz's shareholders. An interpretation of taxation laws by a relevant tax authority that is contrary to view of those laws adopted by Raiz may lead to an increase in the amount of tax to be paid by Raiz or cause changes in the carrying value of tax assets in Raiz financial statements. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns

Market Conditions: Stock market conditions may affect the value of Raiz quoted securities regardless of Raiz's operating performance. Stock market conditions are affected by many factors such as:

- general economic outlook;
 - introduction of tax reform or other new legislation;
 - interest rates and inflation rates;
 - change in investor sentiment toward particular market sectors;
 - the demand for, and supply of, capital; and
 - terrorism or other hostilities
- Pandemic

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither Raiz nor its directors warrant the future performance of Raiz, or any return on an investment in Raiz

Shareholders may suffer dilution: In the future, Raiz may elect to issue shares or engage in fundraisings, including to fund acquisitions that Raiz may decide to make. While Raiz will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), shareholders may be diluted as a result of such future issues and fundraisings

Currency movements may be unfavourable: Raiz does not maintain a formal foreign currency hedging policy. Accordingly, adverse movements in the exchange rate between the Australian dollar and any other foreign currencies as a result of Raiz's operations and any other future international expansion, may cause Raiz to incur foreign currency losses. Such losses may impact and reduce Raiz profitability and ability to pay dividends and fund its operations

Force majeure events may occur: Events may occur within or outside Australia and Southeast Asia that could impact upon the Australian or global economy, Raiz's operations and/or the price of Raiz's shares. The events include, but are not limited to, acts of terrorism, outbreaks of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on Raiz's operations and its ability to conduct its business. Raiz has only a limited ability to insure against some of these risks.

COVID-19 and long-term impacts: The impact and ongoing implications of COVID-19 will continue to cause broader global economic impact with the threat of ongoing waves. Given the high degree of uncertainty surrounding the extent and duration of COVID-19, it is not possible to assess the impact on Raiz's business with certainty. However, preventative measures have affected, and can be expected to continue to adversely affect, consumer behaviour and business activity and precipitate sudden changes and volatility in regional and global economic conditions and financial markets.

Key Risks Specific To Raiz (Continued)

General risks relevant to investing Raiz (continued)

General investment risks: The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the shares to trade at prices below the price at which the shares are being offered under the Placement. There is no assurance that the price of the shares will increase following their issue and quotation on the ASX, even if Raiz earnings or sales increase. Some of the factors which may affect the price of the Shares include:

- fluctuations in the domestic and international market for listed stocks;
- general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices or changes to government fiscal, monetary or regulatory policies, legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which Raiz operates; and
- general operational and business risks

Other factors which may negatively affect investor sentiment and influence Raiz share price specifically or the stock market more generally, include acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events

Additional requirements for capital

The Raiz Group may seek to exploit opportunities of a kind that will require it to raise additional capital from equity and/or debt sources in the future. There can be no assurances that the Raiz Group will be able to raise such capital on favourable terms if at all. If the Raiz Group is unable to obtain such additional capital, it may be required to reduce the scope of its current or anticipated business activities, which could adversely affect its business, financial condition and operating results.

Expansion into new global markets:

As the Raiz Group expands its presence in new international jurisdictions, such as certain Southeast Asia countries, it will become subject to the risks associated with doing business in regions that may have political, legal and economic instability and unfamiliar legal and regulatory systems and frameworks. This gives rise to risks relating to labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in foreign jurisdictions in which the Raiz Group may operate. This could interrupt or adversely affect parts of the Raiz Group's business and may have an adverse effect on the Raiz Group's operations and financial performance.

Loss of Instreet Investment AFSL

If Instreet Investment loses, or has restrictions imposed on its AFSL, so as to prevent it from continuing its present business operations, the Raiz Group will need to identify an alternate way to continue operating the Raiz Group business. Any loss or restriction on the Instreet Investment AFSL is likely to have a material adverse effect on revenue margins, profitability and the Raiz Group's operations.

SUMMARY OF MATERIAL RISKS SPECIFIC TO THE FUND

Performance risk

There is a risk that the value of an investor's Raiz Investment Account can go up or down. Returns are not guaranteed and a customer may lose money. The rate of return varies, so future returns may differ from past returns. In addition, risk impacts differ for individual customers depending on age, investment time frame, other investments held and risk tolerance.

Market risk

Changes in financial markets, the economy, political changes, technological developments and changes in market sentiment continually affect the value of investments in the portfolios and the level of income they generate.

Interest rate risk

Changes in interest rates can directly and indirectly affect investment value and returns. For example, an increase in official interest rates can result in a fall in the value of fixed interest securities.

Foreign Selling Restrictions

International Offer Restrictions

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Investing in the shares involves risks. Canadian investors should refer to the section entitled “Key Risks” section contained within the Presentation for additional information

Important Information



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