

ASX Release

28 July 2021

Raiz ends FY21 strong, achieving record results for the quarter – Quarterly Activities Report & Appendix 4C

Investment highlights

- Raiz achieved record Global Active Customers, and Funds Under Management (FUM) for the quarter
- Record revenue in Q4 FY21 with total normalised revenue for Raiz platform up 76.7% year on year (YoY) to \$3.6 million
- Global Active Customers up 86.7% YoY to 456,927
- Australian FUM up 76.3% YoY to \$799.6 million
- Superannuation FUM up 53.0% YoY to \$106.6 million
- Continued strong growth across Indonesia and Malaysia despite challenges caused by the Covid-19 pandemic
- The operational cashflow was \$481,000 (positive) in Q4 FY21 and the Australian business's operational cashflow was \$1,402,000 (positive)
- Agreed to acquire Superestate, which will provide Raiz with the capability to offer residential property as an asset class both inside and outside of superannuation
- Raised \$10.4 million via an institutional Placement and Share Purchase Plan
- As of 30 June 2021, Raiz has a strong balance sheet with cash, cash equivalents and term deposits totalling \$19.4 million

Raiz Invest Limited ('Raiz' or 'the Company') (ASX: RZI), Australia's largest mobile-first financial services platform, is pleased to provide its Appendix 4C cash flow statement for the quarter ended June 30, 2021 (Q4 FY21), along with the following business and operational update.

Further Record results across key metrics

In Q4 FY21, Raiz achieved record results for the fourth consecutive quarter for Global Active Customers and Funds Under Management (FUM). Global Active Customers increased by 8.9% to 456,927 quarter on quarter and Australian FUM grew to \$799.6 million, a rise of 15.2%. Superannuation FUM also grew by an impressive 15.2% to \$106.6 million in the period.

The Australian operation remained operating cashflow positive and normalised revenue grew by 17.4% in Q4 FY21.

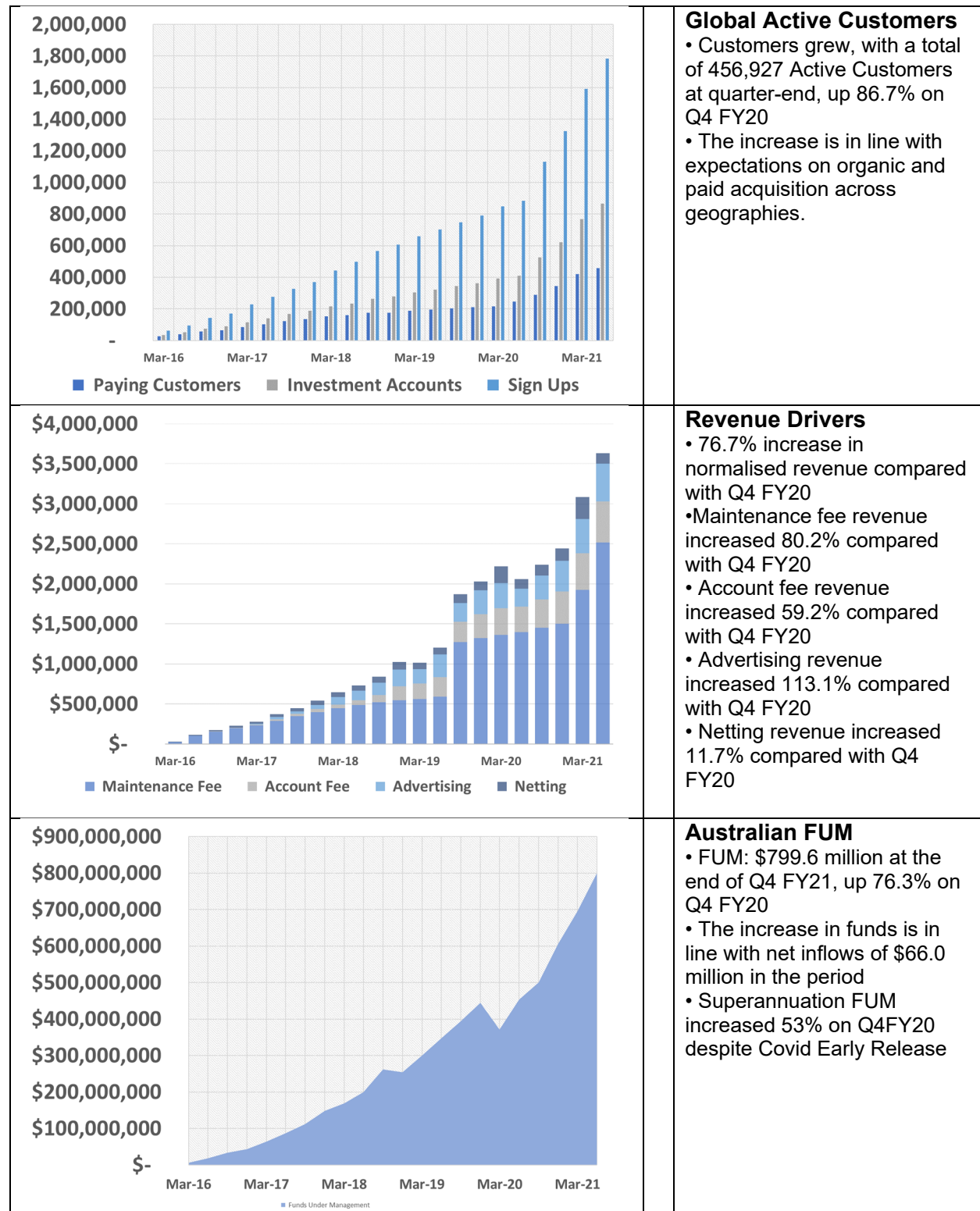
The growth across these key metrics came despite a fee increase implemented from 1 April 2021, a testament to the Company's strong brand and products.

The Company's year on year growth figures continue to be impressive. During the financial year, Global Active Customers, Australian FUM, and Superannuation FUM rose by 86.7%, 76.3%, and 53% respectively. Year on year, normalised revenue for the Raiz platform has grown by 76.7%.



With the continued significant growth in Australian FUM, Raiz remains on track to reach its target of \$1 billion by the end of December 2021.

Figures 1 – 3 below show Raiz's growth across its key operational metrics.





Acquisition of Superestate to further accelerate growth in Australia

In April, Raiz agreed to acquire the holding company of Superestate, a niche integrated superannuation and Australian residential property investment platform.

The proposed acquisition also includes Vali, a property data & technology platform, which has a database of more than 13.5 million property valuations and is integral to the investment strategy of the residential property fund.

Completion of the acquisition is expected on 28 July 2021 and new shares are expected to be issued on or around 29 July 2021. For further details on the acquisition see the ASX announcement released on 28 April 2021.

Strong growth in Indonesia and Malaysia despite Covid-19-induced headwinds

Growth across Southeast Asia is meeting the Company's expectations despite the ongoing impacts of Covid-19 on Raiz's two markets in the region, Indonesia, and Malaysia.

Although the pandemic situation in these countries is not having a material impact on Raiz's business, the Company remains deeply concerned about its staff, their family, and customers located there.

Indonesia and Malaysia were also in a fasting month during the quarter which began in mid-April and ended in mid-May.

Despite these disruptions, growth in these markets was strong. During Q4 FY21, Active Customers in Indonesia grew by 17.2% to 117,923 while Active Customers in Malaysia rose by 19.6% to 66,028.

The company is pleased that these growth numbers are continuing in the new year and we also continue the expansion into Thailand.

Corporate

During the quarter, the Company raised a total of \$10.4 million from an institutional placement and subsequent Share Purchase Plan (SPP).

The oversubscribed institutional placement saw Raiz receiving firm commitments of \$10.2 million from new and existing shareholders. The SPP raised an additional \$218,700.

Raiz is using the capital to accelerate customer growth, develop new products and services, expand into new geographies and integrate the acquisition of Superestate.

For further details of the Placement and SPP, see the ASX announcements released on 30 April 2021 and 25 May 2021 respectively.

The Company ended the quarter with a strong balance sheet. As at 30 June 2021, Raiz had \$19.4 million in cash, cash equivalents and term deposits.



Raiz Managing Director/Group CEO George Lucas said: “We are very pleased to have achieved a fourth consecutive quarter of record growth. With sustained strong performance across our key metrics and capital raised to pursue additional growth initiatives, we remain on track to have \$1 billion in FUM by the end of the calendar year.

“The whole business was operational cashflow positive for the quarter, to the tune of \$481,000 and the Australian business was operational cashflow positive generating \$1,402,000.

“Management globally continues to execute well, acquiring new customers, ensuring great customer service and user experience, listening to customer feedback, and then developing new products and features based on this feedback, which creates word of mouth to acquire new customers.

“Meanwhile, our growth in Southeast Asia remains robust despite some of the challenges caused by the Covid-19 pandemic. We believe that there remains a significant opportunity to grow our product range in Malaysia and Indonesia and we have a number of strategic product initiatives, based on customer feedback, related to these countries underway.”

- ENDS -

Market Announcement authorised by:

George Lucas – MD /Group CEO

Raiz Invest Limited

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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 1.8 million downloads, 1,784,000 sign-ups, with over 456,000 Active monthly Customers and over \$799 million in FUM as at 30 June 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, won the 2018 Australian FinTech Award for FinTech Innovation in Wealth Management (Robo-Advice) and won Best Fintech Superannuation Service/Platform at the 2020 FinTech Awards. Raiz Invest



Super was also a finalist in the SuperRatings Best Innovation for 2020 at the Superannuation awards. Raiz was ranked #27th in Deloitte's Fast 50 winners Report for 2020. The Raiz platform continues to grow with over 18 new products and features released since launch.

Raiz Invest Limited has offices in Indonesia and Malaysia as part of the growth and expansion strategy of the business throughout Southeast Asia.

For more information: www.raizinvest.com.au

This document has been prepared for informational purposes only and is not intended to amount to financial product advice or a recommendation in relation to any investments or securities. You should not rely on it to make investment decisions. This document contains general factual information only and has not been independently verified. Any opinions or information expressed in the document are subject to change without notice.



Appendix 4C

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

Name of entity

Raiz Invest Limited

ABN

74 615 510 177

Quarter ended ("current quarter")

30 June 2021

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	4,838	13,648
1.2 Payments for		
(a) research and development	(307)	(1,180)
(b) product manufacturing and operating costs	(1,302)	(4,408)
(c) advertising and marketing	(875)	(3,069)
(d) leased assets	-	-
(e) staff costs	(995)	(3,655)
(f) administration and corporate costs	(950)	(2,985)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	11
1.5 Interest and other costs of finance paid	(13)	(46)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	84	1,083
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	481	(601)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities (Superestate Pty Ltd)	(87)	(87)
(b) businesses	-	-
(c) property, plant and equipment	-	(90)
(d) investments (short term deposit)	-	-
(e) intellectual property	(509)	(1,883)
(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	(596)	(2,060)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10,419	10,419
3.2	Proceeds from changes in ownership interests in subsidiaries	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(663)	(663)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(8)	(49)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principle payment for leases)	(114)	(546)
3.10	Net cash from / (used in) financing activities	9,634	9,161

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,731	12,900
4.2	Net cash from / (used in) operating activities (item 1.9 above)	481	(601)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(596)	(2,060)

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)	9,634	9,161
4.5	Effect of movement in exchange rates on cash held	(51)	(201)
4.6	Cash and cash equivalents at end of period	19,199	19,199
	Cash and cash equivalents at end of quarter plus term deposits	19,363	19,363

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	19,199	9,731
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)	19,199	9,731
	Term Deposits	164	164
	Cash and cash equivalents at end of quarter plus term deposits	19,363	9,895

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	-
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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	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)	481
8.2	Cash and cash equivalents at quarter end (item 4.6)	19,199
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	19,199
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <i>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.</i>	N/A
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:	
<i>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.</i>		

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: 28 July 2021



Authorised by:
(George Lucas, 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.