

ASX Release

27 October 2021

Raiz on track to achieve \$1bn FUM target early following another quarter of strong growth – Quarterly Activities Report & Appendix 4C

Investment highlights

- Total normalised revenue for Raiz platform up 86.8% same period year on year (YOY) to \$4.2 million
- Global Active Customers up 85.2% YOY to 533,755
- Australian FUM up 93.8% YOY to \$970.2 million
- Superannuation FUM up 158.7% YOY to \$183.7 million
- Raiz's Annual Recurring Revenue (run rate) up 89.2% YOY to \$13.7 million
- Raiz group remained operating cash flow positive in Q1 FY22, the second quarter in a row. Australian business has achieved operating cash flow positive for 8 consecutive quarters
- Completed the acquisition of Superestate, boosting FUM and providing Raiz with the capability to offer residential property as an asset class both inside and outside of superannuation
- Announced plans to invest \$1.5m in Malaysia operation alongside joint venture partner Permodalan Nasional Berhad
- Announced changes to senior leadership structure and Board, positioning Raiz well for its next phase of growth
- As of 30 September 2021, Raiz had cash, cash equivalents and term deposits totalling \$19.5 million
- In late October Raiz appointed Harvey Kalman as Chair as part of the ongoing changes in board structure to position Raiz for strong growth both in Australia and Southeast Asia.

Raiz Invest Limited ('**Raiz**' or 'the **Company**') (ASX: RZI), 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, is pleased to provide its Appendix 4C cash flow statement for the quarter ended 30 September 2021 (Q1 FY22), along with the following business and operational commentary.



Strong FUM growth continues as we approach the \$1bn FUM milestone

During the quarter, Raiz saw very strong increases in revenue, FUM, Super FUM, and super customers which were partly driven by the completion of the Company's previously announced acquisition of Superestate (see ASX Announcement: 28 April 2021).

Raiz achieved normalised revenue of \$4.2 million during the quarter, up 15.0% on the last quarter. Thanks to sustained strong growth across key metrics, the Company's Annual Recurring Revenue (run rate) also rose during the quarter by 12.7% to \$13.7 million.

Raiz's Global Active Customers increased by 16.8% to 533,755 quarter on quarter and Australian FUM grew to \$970.2 million, a rise of 21.3%. Superannuation FUM also grew by an impressive 72.3% to \$183.7 million in the period.

With the continued significant growth in Australian FUM, Raiz is on track to hit its \$1 billion FUM target ahead of its previously announced target of 31 December 2021.

In addition to supporting FUM and revenue growth, the acquisition of Superestate – the first in the Company's five-year history – has opened up the new investment channel of residential property for its customers.

The acquisition also includes Vali, a property data platform with a database of more than 13.5 million property valuations that is integral to the investment strategy of the residential property fund.

Increasing investment in Southeast Asia business

Despite the ongoing restrictions caused by the pandemic and a recent period of fasting in Malaysia and Indonesia, Raiz continues to see encouraging uptake of its platform in these markets.

During Q1 FY22, Active Customers in Indonesia grew by 38.1% to 162,847 while Active Customers in Malaysia rose by 23.6% to 81,635.

Raiz also announced in July that it had invested alongside its joint venture partner, Permodalan Nasional Berhad (PNB), RM6.7 million (A\$2.1 million) in their Malaysian operation.

Raiz will contribute RM4.7 million (A\$1.5 million) while PNB is providing the remaining A\$642,000 via its wholly-owned subsidiary.

The Company expects this capital to fund approximately two years of operation in Malaysia, supporting the business in becoming cash flow positive within the next few years.



Key Operational Metrics - Figures 1 – 3

<p>■ Paying Customers ■ Investment Accounts ■ Sign Ups</p>	<p>Global Active Customers</p> <ul style="list-style-type: none"> • Customers grew 16.8% to 533,755 from last quarter. • The increase is in line with expectations on organic and paid acquisition across geographies.
<p>■ Maintenance Fee ■ Account Fee ■ Advertising ■ Netting</p>	<p>Revenue Drivers</p> <ul style="list-style-type: none"> • 15.0% increase in normalised revenue compared with Q4 FY21 • Maintenance fee revenue increased 5.1% compared with Q4 FY21 • Account fee revenue increased 50.8% compared with Q4 FY21 • Advertising revenue increased 32.0% compared with Q4 FY21 • Netting revenue increased 6% compared with Q4 FY21
<p>■ Funds Under Management</p>	<p>Australian FUM</p> <ul style="list-style-type: none"> • FUM: \$970.2 million at the end of Q1 FY22, up 21.3% on Q4 FY21 • Superannuation FUM increased 72.3% to \$183.7 million on Q4 FY21 • Raiz is on track to hit \$1 billion in Australian FUM ahead of its previously announced target



Corporate

During the quarter, Raiz announced changes to its senior leadership structure and Board. The changes will allow Mr Lucas to focus on Raiz's global expansion while Mr Malone continues to lead the Australian business towards its goal of hitting \$1bn FUM before year-end.

These changes see Brendan Malone being appointed as Joint Group CEO alongside George Lucas who will continue in his role as Managing Director as well.

On September 27, Raiz announced that its Annual General Meeting will be held on 26 November 2021 at 11 am AEDT as a virtual meeting. More details will be provided in an upcoming Notice of Meeting announcement.

The Company ended the quarter with \$19.5 million in cash, cash equivalents and term deposits.

Raiz Managing Director/Joint Group CEO George Lucas said: "Seven years ago, the concept of an investment app accessible to anyone on a smartphone with as little as \$5 to invest was no more than a pipe dream.

"The global Raiz team have worked hard to make this dream come true – and you can see what has been achieved in Australia and Southeast Asia. This success has been achieved notwithstanding a pandemic that has gripped the world for nearly two years. I am very proud of Brendan and what the Raiz team has done.

"We start the new fiscal year on a positive note, with continued strong growth across all key metrics. Thanks to our recently completed acquisition of Superestate, we saw a boost to FUM which is now edging close to our \$1 billion year-end target.

"We continue to be encouraged by our growth in Southeast Asia and recently increased our investment in our Malaysian business alongside our joint venture partner. With continued refinement to our platform and an ongoing focus on customer experience, we plan to build Raiz into a stronger more profitable company in the years ahead."

- ENDS -

Market Announcement authorised by:

George Lucas – MD /Joint 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 2.2 million downloads, 2,135,000 sign-ups, with over 533,000 Active monthly Customers and over \$970 million in FUM as at 30 September 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

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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 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,941	4,941
1.2 Payments for		
(a) research and development	(310)	(310)
(b) product manufacturing and operating costs	(1,566)	(1,566)
(c) advertising and marketing	(1,224)	(1,224)
(d) leased assets	-	-
(e) staff costs	(1,058)	(1,058)
(f) administration and corporate costs	(651)	(651)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(12)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	121	121
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	(539)	(539)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(539)	(539)

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	642	642
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(8)	(8)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principle payment for leases)	(136)	(136)
3.10	Net cash from / (used in) financing activities	498	498

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19,199	19,199
4.2	Net cash from / (used in) operating activities (item 1.9 above)	121	121
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(539)	(539)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	498	498
4.5	Effect of movement in exchange rates on cash held	73	73
4.6	Cash and cash equivalents at end of period	19,352	19,352
	Cash and cash equivalents at end of quarter plus term deposits	19,516	19,516

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	19,352	19,199
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)	19,352	19,199
	Term Deposits	164	164
	Cash and cash equivalents at end of quarter plus term deposits	19,516	19,363

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	-
<i>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.</i>		

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)	121
8.2 Cash and cash equivalents at quarter end (item 4.6)	19,352
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	19,352
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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>	
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: 27 October 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.