

26 August 2020

FY20 RESULTS – STRONG GROWTH DESPITE COVID HEADWINDS

Raiz Invest Limited (“Raiz” or “the Company”) (ASX: RZI), Australia’s largest mobile-first financial services platform, is pleased to provide an overview of its FY20 financial results for the year to 30 June 2020. This overview should be read in conjunction with the annual financial statements to 30 June 2020.

FY20 HIGHLIGHTS vs FY19:

- **Continued strong growth**
 - Normalised revenue grew by 100.1% to \$8.2 million (\$4.1 million in FY19)
 - Active customers increased by 15.1% to 223,730
 - Revenue per customer in Australia increased by 71.4%
 - FUM increased by 30.6% to \$453.6 million including Raiz Super totalling \$69.7 million
- **Execution of strategic initiatives**
 - Launched the Sapphire portfolio with cryptocurrency exposure in Australia
 - Launched Raiz Indonesia
 - Launched Raiz Malaysia with JV partner PNB
 - Released Raiz bundll Mastercard with FlexiGroup (ASX: FXL)
 - Launched the revamped Raiz Offsetters program in line with customer feedback
 - Released Raiz Insure and continued personalised insurance offering through the App
 - Released new App user interfaces for enhanced customer experience across all three platforms
- **Earnings**
 - Total revenue for the 12 months to 30 June 2020 grew by 57% to \$9.8 million
 - Consolidated loss attributed to the parent entity after adding back amortisation & depreciation and share option expenses, totalled \$1.48 million, representing a 65% reduction compared to a \$4.28 million loss in FY19
- **Financial Position**
 - Cash and cash equivalents of \$13.1 million (including term deposits) as at 30 June 2020
 - Non-current assets of \$21.2 million, mostly comprised of goodwill and intangible assets (the micro-investing platform).



FY21 Update

- Positive momentum continues for the Australian business in Q1 FY21
 - Total FUM¹ increased by 4.2% to \$472.6 million as at 31 July 2020 (vs. June 2020)
 - Active customers increased by 1% to 226,079 in July 2020 (vs. June 2020)
- Since 1 July 2020, over 41,000 active customers have been added to the platforms in Indonesia and Malaysia
- Discussions continue with several potential partners in Southeast Asia to develop product offerings

Leadership team reorganised to manage global business

- George Lucas to remain Managing Director of Raiz Invest and will become Group CEO, with CEOs of Australia, Indonesia and Malaysia reporting to him
- Brendan Malone to remain Group COO and be appointed CEO Raiz Invest Australia

Raiz Invest Chairman Tony Fay said: “On behalf of the Raiz Board, I’m pleased to announce a management restructure that is designed to grow the Australian business and ensure the Company is well placed to capitalise on emerging opportunities in Southeast Asia.

“As part of the changes, George Lucas will spend more time overseeing the Southeast Asian operations to ensure the execution of the Company’s growth strategy in Indonesia and Malaysia, while also researching opportunities in other countries in the region such as Thailand.

“The Australian business will be led by Brendan Malone who has been Group COO since March 2015. Brendan will manage the day-to-day running of the business and will continue to drive the strategy to grow revenue per customer through new products and services.”

CEO COMMENTARY

Raiz Invest CEO George Lucas said: “I am proud to be reporting a solid result as well as considerable progress in achieving our strategic initiatives in FY20, especially considering the significant volatility and economic uncertainty in the second half due to COVID-19.

“We successfully delivered strong growth in revenue, active customers and FUM in FY20, demonstrating the resilience of our business model, the customer loyalty we attract, and validating the unique nature of the Raiz platform.

“The 71.4% growth in revenue per active customer illustrates the potential for continued growth.

“The successful launch in May of Raiz Sapphire, the first portfolio to have cryptocurrency exposure, as well as the operations in Indonesia and Malaysia, are just some examples of the strategic initiatives we achieved.

“We successfully completed a \$7.5 million capital raising, with an Indonesian-based large Private Equity Fund the cornerstone investor. The funds will be used for working and regulatory capital to support continued growth domestically and in Southeast Asia.

¹ Funds under management (FUM) are approximated, and have not been audited



“The focus remains on growing the domestic business, listening to our users, and accelerating customer acquisition in Southeast Asia. I am excited by the momentum the teams are generating in those two countries, both of which represent significant growth opportunities.

“Finally, I would like to take this opportunity to thank our loyal customers who have continued to support the business during the recent challenging operating environment.”

- ENDS -

Markets Announcement authorised by:

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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.

Since launching in 2016, Raiz has achieved solid growth, amassing more than 1.50 million downloads, over 897,000 sign-ups, with over 226,000 active monthly customers and over \$472 million funds under management as at 31 July 2020 in Australia alone. 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. The Australian platform continues to grow with 13 new product releases since launch.

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

For more information: www.raizinvest.com.au

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