



Raiz Invest Limited  
ABN 74 615 510 177  
Level 11, 2 Bulletin Place  
Sydney NSW 2000  
T 1300 754 748  
[www.raizinvest.com.au](http://www.raizinvest.com.au)

ASX Release

27 April 2021

### **31 MARCH 2021 (Q3 FY21) QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C\***

Raiz Invest Limited ('Raiz' or 'the Company') (ASX: RZI), Australia's largest mobile-first financial services platform, today announced an update for the three months to 31 March 2021, (Q3 FY21).

In Q3 FY21, Raiz achieved record results for Active Customers and Funds Under Management (FUM), with Active Customers increasing an impressive 22.1% to 419,552 and FUM in Australia growing to \$694.3 million, a rise of 14.6%. Superannuation FUM grew an impressive 14.2% to \$92.5 million in the period.

The Australian operation remained operating cashflow positive in Q3 FY21 and normalised revenue grew by 24.8%. At 31 March 2021, Raiz had \$9.9 million in cash, cash equivalents and term deposits.

On 1 April 2021 Raiz changed the fee structure for some of the Raiz portfolio options, increasing the maintenance fee from \$2.50 to \$3.50 with no net churn of paying customers. The effects of this fee increase on the consolidated statement of cash flows will not flow through until the next Quarterly Activity Report.

#### **MD/GROUP CEO COMMENTARY**

Raiz Managing Director/Group CEO George Lucas says: "With the economic and social impact of COVID-19 easing in Australia in 2021, the surge in Active Customers in the March quarter demonstrated that our organic growth is firmly on track.

"Over 75,000 new Active Customers joined the platform in this quarter. In Australia funds under management (FUM) also grew strongly, up 14.6% to \$694.3 million, on track to have \$1 billion in FUM by the end of the calendar year.

"Important initiatives achieved in this quarter in Australia included the roll out of our custom portfolio and enabling the \$730 billion self-managed super fund sector the opportunity to invest on the Raiz platform.

"Just as the decision to offer Bitcoin has attracted keen interest (the Sapphire portfolio with a target weight of 5% to Bitcoin now has more than 40,000 customers), so too has the decision to allow customers to take responsibility for their own portfolios. Both decisions flowed from customer engagement, reflecting Raiz' ability to respond to customer expectations.

"The continued strong growth in customer numbers and FUM achieved in Australia, despite the recent fee increase, demonstrates the unique nature of the Raiz platform and the loyal nature of the customers we attract.



“Southeast Asian growth remains well on track. Indonesia has over 100,000 customers, up 47.2% for the quarter, while Malaysia has over 55,000 customers with a growth rate of 45.4%. The opportunity to expand our product range in these two countries is exciting.”

### **Q3 FY21 HIGHLIGHTS:**

- Raiz achieved record Active Customers, FUM and normalised revenue for the quarter;
- Total normalised revenue in Q3 FY21 was \$3.1 million, up 39% compared to Q3 FY20, and grew by 26.3% compared to Q2 FY21;
- Raiz has a strong balance sheet with cash, cash equivalents and term deposits totalling \$9.9 million at 31 March 2021;
- Active customers grew by 94.8% to 419,552 compared to Q3 FY20, and grew by 22.1% compared to Q2 FY21;
- Funds under management (FUM) at the end of Q3 FY21 was \$694.3 million compared to \$371.5 million at the end of Q3 FY20, an impressive increase of 86.9%;
- Raiz Invest Super FUM grew to \$92.5 million compared to \$66.3 million at the end of Q3 FY20 despite COVID Early Release;
- Growth in Indonesia continues with Active customers growing 47.2% over the quarter;
- Growth in Malaysia continues with Active customers growing 45.4% over the quarter;
- Gross operating margins remain stable around 60%;
- Operating cashflow for the Australian operation was \$0.2 million in Q3 FY21 and remains cashflow positive, even before the fee increase; and
- Operating cashflow for the Group was negative \$0.7 million, driven by costs associated with the Asian expansion, including platform refinement, product development, customer acquisition costs and one-off administration costs.

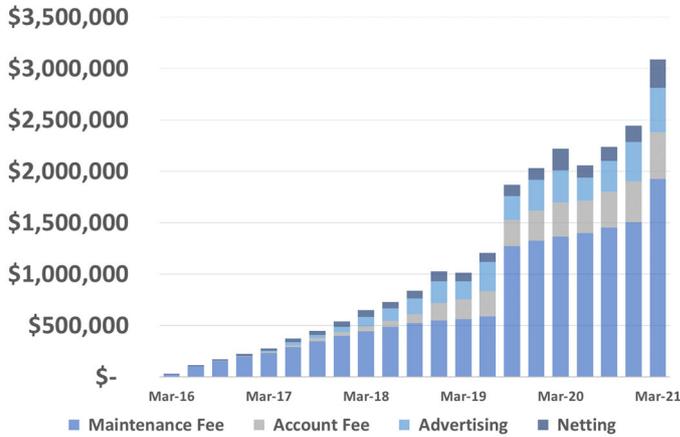
### **Strategic Initiatives to increase Group Active Customers and FUM**

- Introduction of Custom Portfolio in Australia due to customer demand (released 20 January 2021), bringing in new customers and FUM with over 8,000 accounts created;
- Introduction of onboarding SMSFs to take Raiz to attract higher balance customers, with the aim of increasing FUM;
- Both these initiatives will assist in us reach our target of \$1 billion FUM by the end of the 2021 calendar year;
- Introduction of Raiz Home Ownership business which will focus on first homeowners and helping our customers enter the property market;
- Introduction of new payment gateways in Indonesia to easily facilitate the setting up of recurring payments to improve customer experience and increase FUM;
- Introduction of more banks on the Malaysian platform as our exclusivity agreement with Maybank expired in January 2021, attracting more customers;
- The release of Raiz Kids to the Malaysian market providing a feature demanded by our customers; and



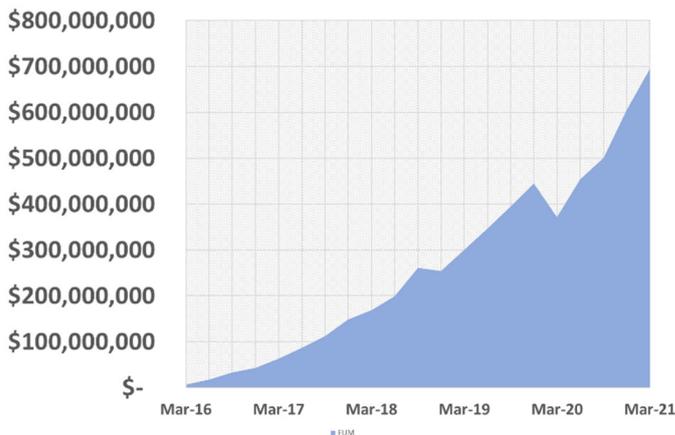
## KEY OPERATIONAL METRICS

### Revenue drivers (unaudited)



- **39.0%** increase in normalised revenue compared with Q3 FY20
- Account fee revenue increased **38.1%** compared with Q3 FY20
- Advertising revenue increased **37.9%** compared with Q3 FY20
- Netting revenue increased **29.5%** compared with Q3 FY20
- Maintenance fee revenue increased **41%** compared with Q3 FY20

### History of funds under management (FUM) Australia



- FUM: \$694.3 million at the end of Q3 FY21, up **86.9%** on Q3 FY20
- The increase in funds is in line with net inflows of **\$67.8 million** in the period compared to \$56.0 million during Q2 FY21

### Continued growth in Active Customers Globally



- Customers grew, with a total of 419,552 Active Customers at quarter end, up **94.8%** on Q3 FY20
- The increase in customers is driven by an increase in marketing spending globally

\* All numbers are unaudited.



- ENDS -

**Market Announcement authorised by:**

George Lucas – MD /Group CEO

Raiz Invest Limited

**Investor & Media Enquiries:**

Brendan Malone - [ir@raizinvest.com.au](mailto:ir@raizinvest.com.au)

**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 1.50 million downloads, 1,590,000 sign-ups, with nearly 419,000 Active monthly Customers and over \$694 million in FUM 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, 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 #27<sup>th</sup> in Deloitte’s Fast 50 winners Report for 2020. The Raiz platform continues to grow with over 17 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](http://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")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,244	8,810
1.2 Payments for		
(a) research and development	(277)	(873)
(b) product manufacturing and operating costs	(1,196)	(3,106)
(c) advertising and marketing	(798)	(2,194)
(d) leased assets	-	-
(e) staff costs	(1,119)	(2,660)
(f) administration and corporate costs	(563)	(2,035)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	10
1.5 Interest and other costs of finance paid	(13)	(33)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	999
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(717)</b>	<b>(1,082)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(90)
(d) investments (short term deposit)	-	-
(e) intellectual property	(488)	(1,374)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(488)</b>	<b>(1,464)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(3)	(41)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principle payment for leases)	(162)	(432)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(165)</b>	<b>(473)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	11,125	12,900
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(717)	(1,082)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(488)	(1,464)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(165)	(473)
4.5	Effect of movement in exchange rates on cash held	(24)	(150)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>9,731</b>	<b>9,731</b>
	<b>Cash and cash equivalents at end of quarter plus term deposits</b>	<b>9,895</b>	<b>9,895</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	9,731	11,125
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,731</b>	<b>11,125</b>
	<b>Term Deposits</b>	<b>164</b>	<b>164</b>
	<b>Cash and cash equivalents at end of quarter plus term deposits</b>	<b>9,895</b>	<b>11,289</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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>		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(717)
8.2 Cash and cash equivalents at quarter end (item 4.6)	9,731
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	9,731
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	13
<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 April 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 COO 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.