



Raiz Invest Limited
ABN 74 615 510 177
Level 11, 2 Bulletin Place
Sydney NSW 2000
T 1300 754 748
www.raizinvest.com.au

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Raiz Invest acquisition puts residential property on its investment menu

Sydney: Raiz Invest (ASX:RZI), Australia's largest mobile-first financial services platform, has opened a new investment channel – residential property – for its customers, with an agreement to acquire the holding company of the Superestate business via the issue of 5.3 million Raiz shares. Using a share price for Raiz of \$1.7845 (sourced from a 10 day VWAP to 26 April 2021 inclusive), it values Superestate at \$9.5 million.

Superestate, founded and majority owned by former Olympic swimmer Grant Brits who won a bronze medal at the 2008 Beijing Olympics, is a niche integrated superannuation and Australian residential property investment platform.

Brits and Superestate staff will join Raiz. The two businesses will continue to operate separately until an integration strategy that ensures the best outcome for all customers is implemented.

Raiz Invest Managing Director/Group CEO George Lucas says: "This acquisition, the first in our five-year history, marks an important milestone for the group by demonstrating organic growth is not our only option to increase funds under management (FUM) and Active Customers. Other acquisitions are on our radar as we actively look for opportunities in the Asia Pacific region.

"The acquisition provides tangible benefits to the customers of both financial services groups. Raiz secures the capability to offer residential property as an asset class in and outside superannuation in much the same way that we successfully introduced Bitcoin to our customers, giving them a means of investing in cryptocurrency.

"It also means \$70 million of FUM in superannuation, 6,000 customers signed up and a residential property fund with eight houses under management can eventually be moved on to the Raiz platform.

"The 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. It will complement Raiz's current data analytics capabilities as well as other products such as Raiz Home Ownership."

Brits says: "For Superestate customers, they will benefit from the Raiz App investor reporting capabilities and other features that Raiz offers, such as Raiz Rewards, where cash backs from shopping online can be invested into superannuation.

"There are also mutual benefits with the acquisition allowing Raiz and Superestate to increase scale, further asset diversification, and operational and growth synergies, all of which will allow the combined group to grow at a faster pace."



Raiz enjoyed a good performance in the March 2021 quarter with organic growth in Australia increasing by nearly 26,000 Active Customers in that quarter – about double the growth enjoyed in the first two quarters of the 2020-21 financial year. Australia was also operating cash flow positive in the quarter. At this run rate Raiz is on target to have \$1 billion in FUM by the end of calendar year 2021.

Completion of the acquisition is subject to conditions including satisfactory completion of Raiz’s due diligence, the continuation of certain material contracts, escrow agreements in place, transfer of key employees, and Superstate being debt free. Completion is expected to occur in late May 2021. Raiz shares issued to the vendors of Superstate Pty Ltd will be subject to voluntary escrow of between 3 and 24 months and will be issued under Raiz’s placement capacity in Listing Rule 7.1.

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

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Investor and Media Enquiries:

Brendan Malone
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 1.6 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 28 February 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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