

Wednesday, 16 December 2020

MEDIA RELEASE

Lendi announces it has agreed to merge with Aussie Home Loans

ASX-listed technology expansion capital fund, Bailador Technology Investments Limited (“Bailador”, ASX:BTI) has today provided the following update on portfolio company Lendi.

On 16 December 2020, Lendi announced that it has entered into an agreement to merge with Aussie Home Loans. A copy of Lendi's announcement is included over the page for further reference.

This is an exciting step forward for the company and will substantially increase the scale and reach of the Lendi business. The transaction is subject to ACCC approval and other conditions. Completion is expected to occur by mid calendar year 2021 at which point BTI will review its carrying value of Lendi.

–Ends–

Approved for release by

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Important Notice

Bailador Investment Management Pty Ltd ACN 143 060 511 (‘Manager’) has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in BTI, nor does it constitute financial product or investment advice, nor take into account your investment, objectives, taxation situation, financial situation or needs. Any investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of BTI and conduct its own investigations and analysis. Past performance is not a reliable indicator or future performance.

Lendi and Aussie Home Loans to merge

16 December 2020



HOME LOAN DISRUPTORS LENDI AND AUSSIE TO MERGE

Rationale:

- Lendi to access iconic Aussie brand and national network across over 970 brokers and over 210 stores, boosting distribution
- Aussie to access Lendi's proprietary digital technology and platform, bolstering customer choice

16 December 2020: Lendi, Australia's number one online home loan platform, and Commonwealth Bank of Australia (CBA), today announced that they have entered into an agreement to merge Lendi with Aussie Home Loans (Aussie).

The proposed transaction would see Lendi's market-leading digital technology combine with Aussie's iconic brand and significant broker and franchisee network, to create a market leader in the Australian home loan market.

The merged business will maintain a multi-brand strategy and is expected to deliver a range of benefits for both customers and brokers including:

- provide more Australians with a greater choice of home loan lenders, products and ways to engage with their mortgage broker via in person or online channels to ensure they are getting the best product suited to their individual needs;
- provide an opportunity for Aussie brokers and franchisee network to leverage Lendi's technology and platform, including integration with lender credit-decisioning engines and regulatory and compliance tools; and
- increased investment in both brands to accelerate future growth and investment opportunities as a merged business.

Lendi shareholders will hold the majority shareholding of 55% in the merged business, while Aussie's current owner, CBA, will hold a 45% shareholding and continue to provide funding for the Aussie Select branded home loan product.

David Hyman, CEO and co-founder of Lendi, said; "This is an exceptional opportunity to drive the growth and digitisation of two companies that have led disruptive change for the benefit of customers in the Australian home loan market.

"Lendi was born digital. Our technology, platform and people have revolutionised not only how Australians access home loans but also market transparency. The role of digital technology in strengthening customer outcomes, compliance and operational agility is only growing in importance and by coming together with a robust and trusted business like Aussie, we will be able to drive even stronger outcomes for more homeowners and brokers alike."

James Symond, Chief Executive Officer of Aussie, said; "The merger is another important step in the almost 29-year evolution of Aussie as Australia's leading retail mortgage broker. We are currently posting record lending volumes through our network of over 970 brokers and over 210 stores and, by underpinning Lendi's technology across our national broker network, we will further accelerate this growth and momentum."

Aussie's award-winning broker and franchisee network will remain central to providing consumers with the support, choice, and expert guidance in the sometimes confusing and complex process of securing a home loan. Lendi will continue to develop its market leading technology and processes to deliver better customer experiences and outcomes via its platform, home loan consultant and specialist teams.

Lendi also announced that one of its long-term partners and shareholders, ANZ (a subsidiary of ANZ), had indicated that it is supportive in principle of the transaction, including the investment of an additional capital amount to the merged group.

Approval of the transaction and investment of any additional capital by ANZi would be subject to the transaction terms and documentation being acceptable to ANZi, and receipt of ANZ group approvals and any necessary regulatory approvals. ANZi has indicated that it would welcome the opportunity to be represented on the Board of the merged group.

Ron Spector, Managing Director ANZi said “Lendi is at the forefront of the digitisation of the home loan market in Australia. We are excited by the opportunity of two great mortgage broker brands coming together to further this mission. We look forward to supporting the team in delivering this compelling customer proposition.”

Completion of the transaction is subject to ACCC approval and other customary conditions. Completion is expected to occur by mid calendar year 2021.

About Lendi

David Hyman and his co-founders, Sebastian Watkins, Martin Lam and Mark Kalajzich, started Lendi nearly eight years ago with a mission to change the way Australian get home loans by disrupting the status quo in the mortgage market. They saw an opportunity to use technology to drive better customer outcomes and experiences and Lendi has since grown to become Australia’s leading digital home loan platform.

With more than \$12 billion in loans settled since inception, Lendi has already carved out 1.2 per cent market share and manages over \$7 billion in home loans through its team of more than 400 dedicated people across offices in Sydney, Melbourne, Brisbane, Perth and Manila.

Lendi helps customers compare, apply and settle their loan online while being fully supported by a team of home loan specialists. Lendi’s platform compares hundreds of customer data points against thousands of data points from its panel of more than 35 banks and lenders to provide customers with a tailored home loan recommendation that meets their needs and objectives and is in their best interests. For more information, please visit lendi.com.au

About Aussie

Aussie was founded in 1992 by John Symond and was widely credited for bringing competition to the Australian home lending industry. For nearly 30 years, Aussie and its brokers have put progress within reach of more Australians, helping over 1.5 million customers with their home loan.

Today, under the leadership of CEO James Symond, Aussie has the largest retail footprint of any mortgage broker brand in Australia, a loan book worth over \$70

billion, a home loan market share of 5 per cent and a broker market share of almost 10% percent.

Aussie's broker network is expansive with almost over 970 brokers spanning across all states and territories, who can assist everyday Australians with home loan options from over 3,000 different products from over 20 lenders – including Aussie's own branded home loans. For more information about Aussie, please visit Aussie.com.au

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