

ASX release (ASX: PXA)

8 September 2022

PEXA continues UK expansion with Optima Legal acquisition

- **PEXA to acquire leading UK-based remortgage processing firm Optima Legal**
- **Optima Legal has a 22% share of the UK remortgage market and counts six of the top eight UK lenders as customers**
- **Acquisition facilitates adoption of PEXA's open exchange platform in the UK**
- **PEXA's UK platform went live yesterday with the first remortgage transaction successfully completed**

PEXA Group Limited (**PEXA** or the **Group**), operator of the world's first digital property exchange platform, is pleased to announce that it has agreed to acquire leading British remortgage processing firm Optima Legal, from Capita plc (**Capita**).

Optima Legal is a high-volume remortgage processing firm headquartered in Leeds that provides legal services in the UK remortgage market. It is one of the largest mortgage processing firms in the UK, with approximately 22% share of the remortgage market and direct relationships with six of the UK's top eight lenders. Unlike the Australian market, the UK conveyancing industry directly assists banking industry clients with remortgage transactions.

The acquisition represents an exciting opportunity to facilitate the adoption of PEXA's digital platform and its associated benefits for the UK market. By integrating PEXA's UK platform into Optima Legal's systems, PEXA will be able to demonstrate the benefits of its platform at scale.

The acquisition supports PEXA's growth plans in the UK digital conveyancing market. PEXA's UK rollout remains on track with its remortgage offering launching successfully yesterday (7 September 2022) with the Hinckley & Rugby Building Society and conveyancing firm, Muve. Shawbrook Bank is also set to 'go live' shortly.

PEXA's offering is a streamlined and automated solution that is integrated into Her Majesty's Land Registry and the Bank of England, enabling frictionless remortgages and faster settlements. Consumers benefit from increased speed and certainty, greater transparency of the post-offer process, and better loan deals created by ease of switching, while lenders stand to benefit from reduced processing costs, decreased time to settlement and increased remortgage capacity. Additionally, PEXA provides conveyancers with a streamlined platform, delivering, among other things, a higher quality of service for customers.

An open-access platform, PEXA can support major lenders through their various panel firms, while also working directly with small and mid-tier lenders to enable a better customer experience. Lenders can also choose to utilise PEXA's technology directly, via Optima Legal, or via any UK conveyancing firm that integrates with PEXA UK's platform.

Today's announcement follows the successful launch of PEXA Pay, the seventh net settlement payment scheme in the UK, developed in collaboration with leading global technology consultancy firm ThoughtWorks, with the Bank of England acting as the settlement agent.

PEXA also recently announced the appointment of a PEXA UK Board, chaired by experienced financial services executive John Hooper, as well as a partnership with ClearBank to allow for the final disbursement of funds to transaction accounts held with lenders that are not already integrated with PEXA's own platform, opening the functionality to the wider market.

The PEXA Exchange platform today handles more than 80% of all property transactions in Australia - a highly mature market with wide-spread digital adoption.

PEXA Group Managing Director and CEO, Glenn King said:

"The acquisition of Optima Legal presents a fantastic opportunity to facilitate the roll-out of digital property settlements in the UK.

"In Australia the market understands and has already largely embraced the benefits of a digital property settlement solution, so we look forward to demonstrating that value to a new audience. A recent consumer survey conducted by PEXA concluded that as many as one in five UK mortgage borrowers looking to remortgage in the past 24 months abandoned the process altogether.

"A digital settlement solution will deliver improved accuracy and efficiency while reducing costs. Given the significant volume of remortgaging activity in the UK market – and with volumes expected to increase as interest rates continue to rise – more streamlined systems are urgently needed for the benefit of conveyancers, lenders and, ultimately, borrowers."

The acquisition of Optima Legal will be funded from PEXA's existing cash reserves and is subject to customary transaction conditions and approvals, including from the Solicitors Regulatory Authority of England and Wales, and is expected to complete before the end of the calendar year. Given the strategic nature of the acquisition, it is expected to generate an immaterial operating loss in FY23.

This release was authorised by the Board of Directors of PEXA Group Limited.

-ENDS-

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