

April 4, 2022



Redfin Completes Acquisition of Bay Equity Home Loans for \$137.8 Million

Combination Delivers Immediate Benefits to Redfin Customers and Agents and Bay Equity Loan Officers

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — On April 1 Redfin (www.redfin.com) completed its previously announced acquisition of Bay Equity Home Loans (www.bayequityhomeloans.com) for \$137.8 million in cash. The union of Redfin's national brokerage with Bay Equity's full service mortgage lending operation accelerates Redfin's strategy to become a one-stop shop for consumers to buy, sell, rent, and finance a home.

"As homebuyers struggle with affordability and bidding wars, it's more important than ever for lenders and brokers to work together on every customer's offer," said Redfin CEO Glenn Kelman. "In dozens of markets, Bay Equity and Redfin field organizations have already met, and the difference in our agents' enthusiasm about recommending a Redfin mortgage to their customers is night and day: because Bay Equity has hundreds rather than dozens of loan officers, because Bay Equity supports every type of loan, because Bay Equity was already one of Redfin customers' top-rated lenders. But the biggest reason we expect to hit the ground running is just how much the two teams have already enjoyed working together. Redfin folks have come out of every meeting saying 'that was awesome.' There are many ups and downs ahead, but since signing the agreement in January, we've only felt better about it, and how much value it can deliver for our customers and shareholders alike."

Integration Plan

Starting today, Redfin agents across 91 markets can use Redfin software to refer their customers to a local Bay Equity loan officer. Brokerage agents and loan officers are partnered based on where they work and how many customers they serve to deliver outstanding service and value to Redfin customers from day one. Homebuyers can learn about the benefits of working with Redfin and Bay Equity or submit an application by visiting redfin.com/mortgage.

Bay Equity CEO Brett McGovern said, "Our first priority is connecting Redfin's approximately 2,400 lead agents to our 400 loan officers, so we can help Redfin's customers win in this competitive real estate market. Being a part of Redfin will help us meet customers more efficiently, which means we can give Redfin homebuyers competitive rates while delivering a seamless experience from pre-approval to close. We don't expect Redfin's agents to recommend us to customers because we're part of the same company, but because of the value and service we deliver. Aligning with Redfin recognizes our 14 years of strategic growth nationwide and puts us on a trajectory to become a top 10 lender."

Bay Equity will continue to operate under its own name and current leadership, originating refinance and purchase loans for customers working with Redfin agents as well as

customers working with other brokerages. With the transaction complete, Redfin is winding-down its Redfin Mortgage business and integrating all lending operations under Bay Equity. Over the next few weeks, 52 Redfin Mortgage employees will move over to the Bay Equity team. Bay Equity will maintain its headquarters in Corte Madera, California.

Transaction Details and Financial Guidance

Under the terms of the merger agreement, the purchase price is estimated to be \$137.8 million, which represents a \$72.5 million premium over Bay Equity's tangible book value as of February 28, 2022. The final purchase price will be subject to adjustment based on the tangible book value of Bay Equity as of the closing date, as well as certain other transaction-related adjustments. When the purchase was first announced in January, Redfin intended to pay $\frac{2}{3}$ of the purchase price in cash and $\frac{1}{3}$ in Redfin stock. Under the terms of the merger agreement, Redfin has the option of paying a greater percentage of the purchase price, including up to 100%, in cash subject to certain conditions. Redfin exercised this right and has elected to pay 100% of the purchase price in cash.

Redfin expects the transaction to be accretive to 2022 earnings per share. The company will provide initial guidance on the Bay Equity business on its next earnings call.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of federal securities laws, including those relating to the anticipated benefits of the acquisition to us, including that we expect the acquisition to be accretive to our 2022 earnings per share, and our winddown of Redfin Mortgage. We believe our expectations related to these forward-looking statements are reasonable, but actual results may turn out to be materially different. Factors that could cause actual results to differ materially from the forward-looking statements in this press release include: (i) the synergies from our acquisition of Bay Equity may not be as expected, may not be fully realized, or may take longer to realize than expected; (ii) our winddown of Redfin Mortgage is more complex or takes longer than anticipated; and (iii) the disruption to our business resulting from our acquisition of Bay Equity is greater than expected. For additional factors, please see the risks and uncertainties identified under the heading "Risk Factors" in our annual report for the year ended December 31, 2021, which is available on our Investor Relations website at <http://investors.redfin.com> and on the SEC website at www.sec.gov. All forward-looking statements reflect our beliefs and assumptions only as of the date of this press release. We undertake no obligation to update forward-looking statements to reflect future events or circumstances.

About Redfin

Redfin (www.redfin.com) is a technology-powered real estate company. We help people find a place to live with brokerage, instant home-buying (iBuying), rentals, lending, title insurance, and renovations services. We sell homes for more money and charge half the fee. We also run the country's #1 real-estate brokerage site. Our home-buying customers see homes first with on-demand tours, and our lending and title services help them close quickly. Customers selling a home can take an instant cash offer from Redfin or have our renovations crew fix up their home to sell for top dollar. Our rentals business empowers millions nationwide to find apartments and houses for rent. Since launching in 2006, we've

saved customers more than \$1 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 6,000 people.

Redfin may publish information and analysis about the U.S. residential real estate industry on its company blog at www.redfin.com/news/housing-market-news/. We encourage investors and others interested in our company to review and subscribe to the information we post on our company blog, as some of the information may be material.

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Media Relations Contact

Mariam Sughayer, 206-876-1322
press@redfin.com

Investor Relations Contact

Meg Nunnally, 206-576-8610
ir@redfin.com

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