RealKey
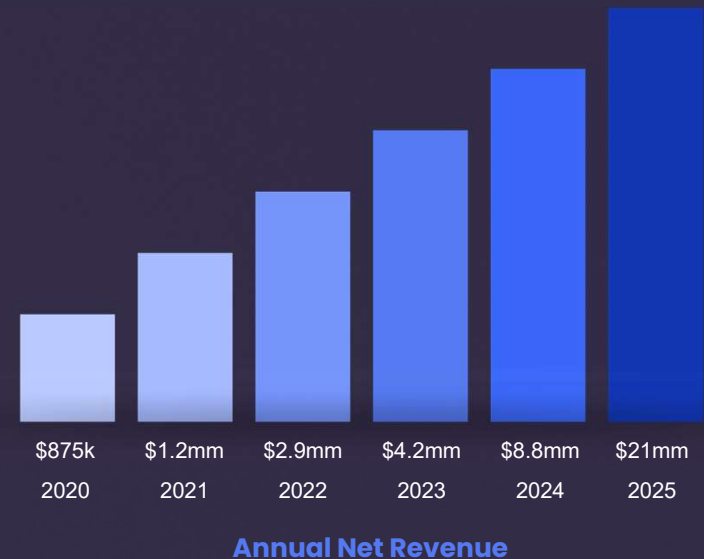
Mortgage & Finance
Re-envisioned

Christopher Hussain – CEO/Founder | Christopher@RealKey.com | 415.990.8190

June 2024

Raising $10mm – RealKey Continues to Grow Despite the Current High Rate Environment (Recession Proof)

- **$4.7MM+ ARR (45% Growth 2022-23 YE)**

- **4,093+ Paying Users**

    [806+ Contracts – 465+ Different Companies]

- **16% TTM Growth**

- **<3% TTM Churn**

- **Pipeline of Enterprise Mortgage Companies at Varying Stages ($3-6mm ARR Late Stage)**

- **Positioned to Take Advantage of the Next Upswing when Rates (or Prices) Come Down**

| $875k | $1.2mm | $2.9mm | $4.2mm | $8.8mm | $21mm |
| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |

Annual Net Revenue

RealKey is a Counter-Trend Company with Massive Opportunity - Timing is (and has been) Working for RealKey due to High-Rate Environment

Mortgage Companies are Investing in Technology to Catchup and Compete with Top Competitors

- **Mortgage Lenders & Brokers are Going Lean**

- **Between Two Massive Feeding Frenzies (Purchase and Refi Boom on the Horizon – 1-2 Rate Reductions Planned for 2024)**

- **Mortgage Companies are Investing in Technology to Catchup and Compete with Top Competitors**

- **Decisionmakers are More Apt to Buy vs. Build (Mass Layoffs in Tech Departments 2022-23)**

- **RealKey is Leading the Pack in AI & ML (Google Accelerator) R&D**

- **Potential for Strategic Acquisitions at a Discount if we Move Fast**

Data from top researchers in the mortgage industry

STRATMOR GROUP

MBa. MORTGAGE BANKERS ASSOCIATION

HW HOUSINGWIRE

RealKey

Underwriters Struggle With Inefficiencies in Manual Processing

RealKey Reduces Time-to-Close by **33% (~15 days)**, Saving **$2-400** per funded loan.

SALES
2
Days

PROCESSING
40
Days

75%
**of a Lender's Day
Spent Calling/E-Mailing**

500+
pages of documentation per transaction

10+
people involved per transaction

10+
transactions in play on any given day

CLOSING
3
Days

RealKey

RealKey Fills Gaps in Current Products and Operations

Partners – RealKey Integrates with Key Platforms (Neutrality is Key to Network Effect)

Point-of-Sale (POS)	Automated Underwriting Systems (AUS)	Loan Origination Systems (LOS)	Existing Manual Processes
Incomplete and unsupported application data	Qualifies loans based on unsupported data	Does not identify required documents	Manual, unorganized, time consuming, error-prone
No automated evaluation of data or documents provided	Inaccurate and incomplete documentation requirements	No facilitation of documentation collection or review	Not tailored to the mortgage industry

Opportunity Space (Mortgage Processing & Automation Gap)

Industry Specific

Early Loan Stage

Underwriting Stage

Technology Specific

POS

DocMagic

LendingPad

Calyx Point

Arive

RealKey
Intersection between "Industry
knowledge + current process + new tech"

Encompass

Lender /
TPO Portals

Candor

Ocrolus

Infrrd.ai

Gateless

Areal.ai

Loanlogics

OCR Technology
(Google, Textract,
Abbyy, DocSumo)
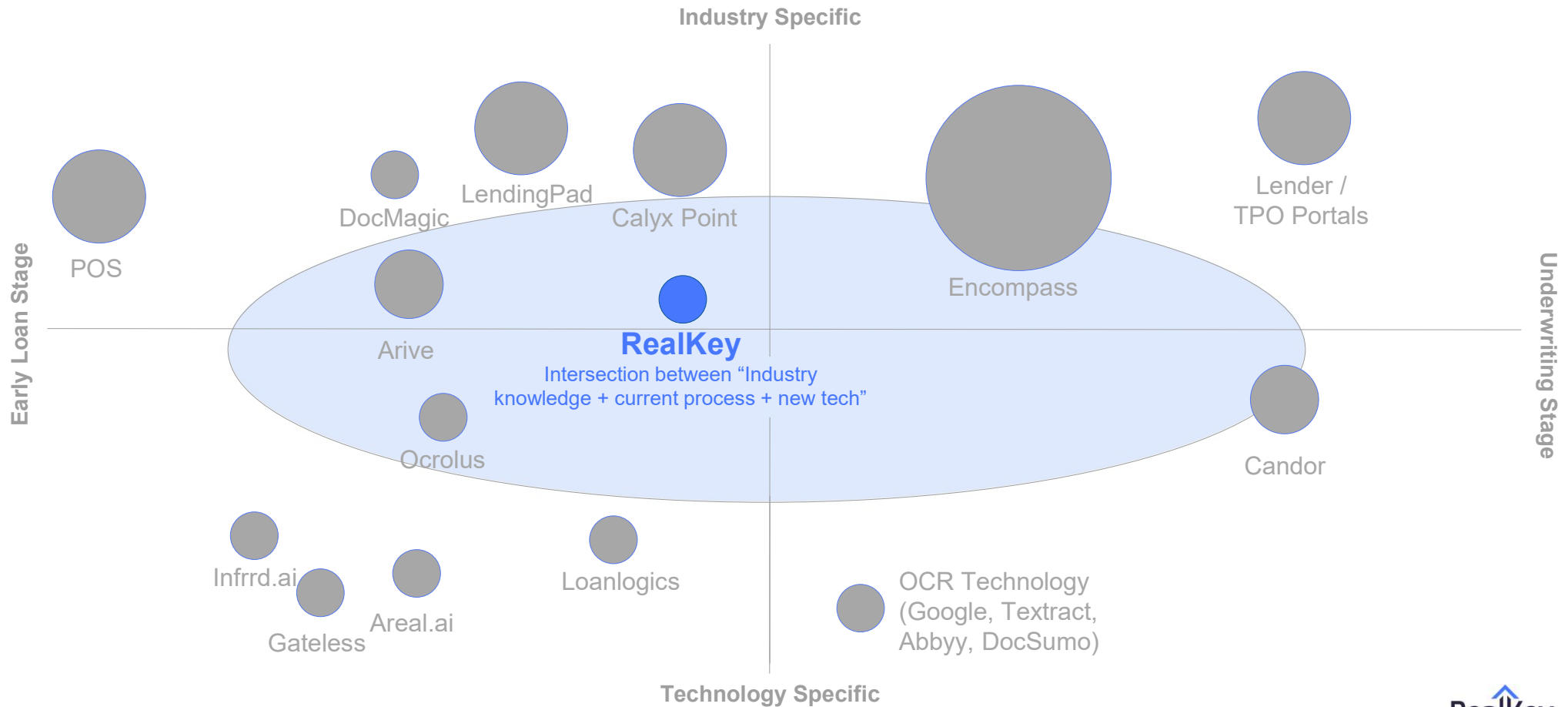
RealKey

Requirements & Service Ordering (30m-1hr Saved)

After the loan application is completed, credit ran, and a quote provided, Lender exports Loan Application data (MISMO/.xml — universal industry standard across all platforms), and uploads to RealKey, **Auto triggering a complete list of conditions required for funding.**
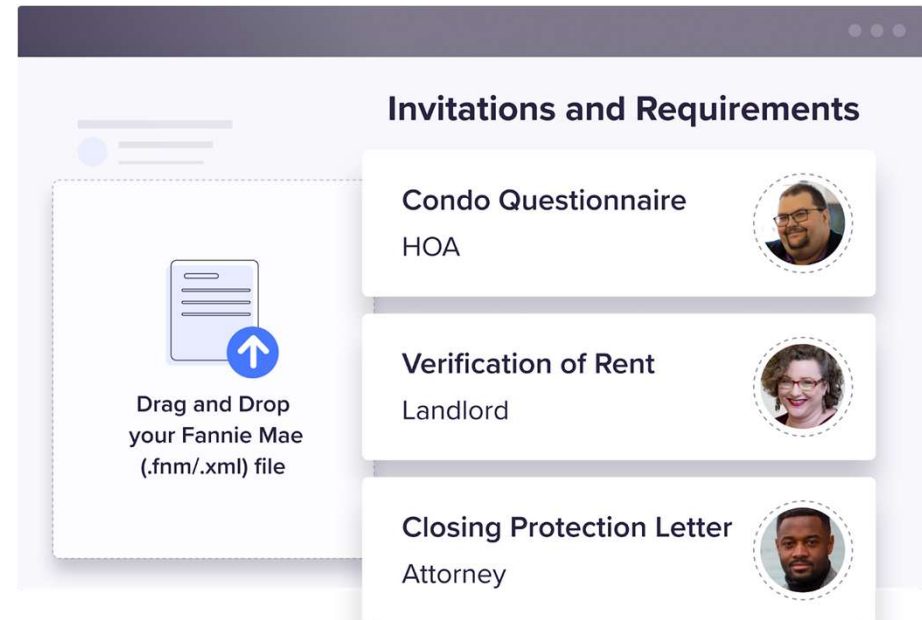
RealKey **automatically invites the appropriate parties** to meet each document requirement.

**90+ Lenders
4000+ loan products
100s of Non-Traditional Products
All 50 states**

Invitations and Requirements

Drag and Drop your Fannie Mae (.fnm/.xml) file

Condo Questionnaire
HOA

Verification of Rent
Landlord

Closing Protection Letter
Attorney

RealKey

Document Sharing & Communication (1-3hrs Saved)

As documents are uploaded, they are **automatically shared with the appropriate parties** to speedup processing. RealKey is the first **single secure shared portal for ALL parties (not just borrowers and lenders)**, ensuring all parties have confidence they are accessing the latest and greatest needed to complete their respective tasks.

RealKey's **Built-in Chat & Communication Features** streamlines and standardizes communication for ALL parties, eliminating inefficient emails or full voicemails that plague the industry.

Tax Return

☑ Provide the 2 most recent years of filed tax returns.

☑ Include all schedules/pages.

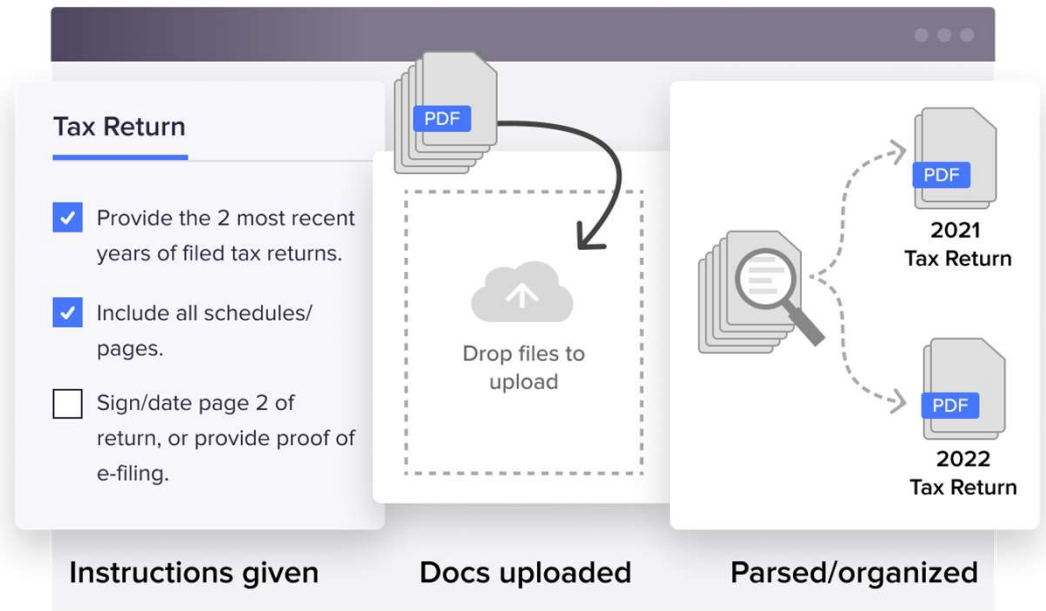☐ Sign/Date page 2 of return, or provide proof of e-filing.

Kyle Ferguson, MLO
Hello Amy, I received your Tax Returns, but still am missing the signatures.

Amy Thomas, BOR – Primary Borrower
My CPA will provide. Thanks!

Sovi Taing, ACT – Taing & Smith CPAs
Hello everyone. Just uploaded Amy Thomas' Tax Returns.

RealKey

Document Identification & Organization (30m-1hr Saved)

RealKey provides **clear instructions to each separate party**, so that they provide the right required documents and data the first time.

RealKey then **leverages OCR and AI to parse and organize** documents and data uploaded, removing tedious and manual processes, **including fraud detection**.

Tax Return

- ☑ Provide the 2 most recent years of filed tax returns.
- ☑ Include all schedules/pages.
- ☐ Sign/date page 2 of return, or provide proof of e-filing.

Drop files to upload

PDF
2021 Tax Return

PDF
2022 Tax Return

Instructions given   Docs uploaded   Parsed/organized

400+ Different Document Types Covered

RealKey

Document Review, Conditioning, and Tasking (2-4hrs Saved)

The First TRUE Intelligence Platform

RealKey's AI not only automatically identifies requirements for the most complex transactions at the lender and loan program level, but at the document level as well.

RealKey **provides loan processors with clear guidance** on what to look out for when reviewing collected documents and data. Our **AI leverages OCR text-recognition and APIs** to automatically compare data to the application, do calculations, and review guidelines to suggest **re-conditioning or creating new document requirements on the fly.**

Descrepancy Identified — New Condition Added

Tax Returns Uploaded

Tax Return Lender Review

Verify all of the following is true and matches the loan application:

- Tax returns for most recent 2 years
- Taxpayer name
- Home address matches with the loan application
- Social security number
- Income

○ Yes ● No

Accept

Tax Returns
P.O. Box 3409
Pasco, WA 99302

Loan Application
3467 Lilac St
Pasco, WA 99301

Letter of Explanation
Address Mismatch

My Checklist

☐ Provide a signed and dated letter of explanation stating why the primary residence address on the loan app does not match the tax returns.

RealKey

RealKey's Mission – The Perfect Submission to Underwriting

Lenders and Brokers can **easily export documents and data** to transfer to any system of their choosing.

As RealKey integrates with more lenders, **painful submission processes are eliminated**. Underwriters receiving submissions from RealKey substantially improve efficiency and communication across all channels.

RealKey brokers are afforded **preferred underwriting turn times and improved pricing** by reducing cost and time per transaction for lenders they work with, making them **more competitive, while providing a better borrower experience.**

RealKey Benefits:
**4-9 Hours of Effort Saved per Transaction
~15 Days Faster Closings
$2-400+ Saved Per Transaction*
*=Per Mortgage Professional @ $60k Annual**

Download for Submission

☑ Federal Tax Return ∧
   ☑ Tax Return 2021
   ☑ Tax Return 2020
   ☑ Tax Return 2019

Download combined PDF and Submit to Underwriting

☑ Title Commitment ∨

☑ Purchase Contract ∨

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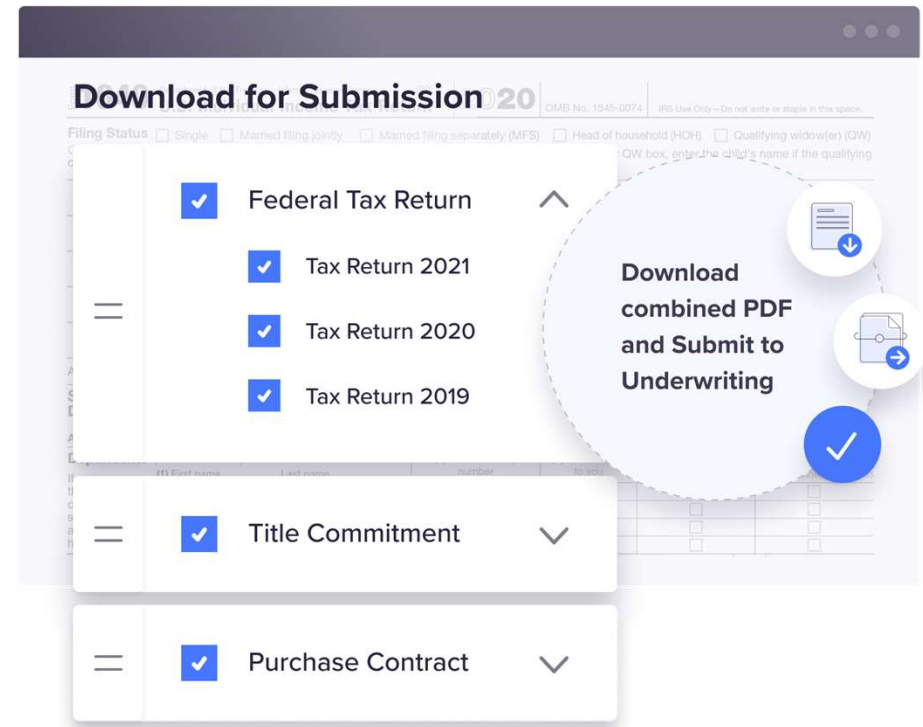
Current and Future Revenue Streams

Current

SaaS Subscription Model
$99 monthly / $990 annual

2024

Integrations
- Lenders (POSs/LOSs)
- Marketplace Players: Insurance, Title & Escrow, Credit Repair
- Vendors: Flood Certs, Fraud Checks, Tax Transcripts

Per Transaction
$35-70 per Qualified Transaction

2025

Marketplace Ads
- Progressive Insurance - $25 cpc
- Title/Escrow
- Contractors

Vendor Orders
- Tax Transcripts
- Flood Certs.
- Fraud Checks
- Employment Verification
- Etc.

2025 and Beyond

Value of Data Obtained
Big Data Play
- Credit
- Income
- Assets
- Home – Appraisal

Industry Data Source
- Lenders
- Title/Escrow
- Insurance
- Etc.

RealKey

Early Focus on Pilot Offices Reduces Our Sales Cycles

Big Banks Don't Own the Entire Market

48%

52%
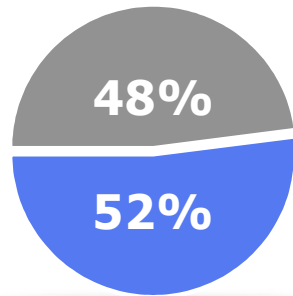
Non-Bank Lenders & Brokers

- 52% of total lending market
- Shorter sales cycles
- Can sell direct to branches
- 650,000 licensed professionals
- 175,000 extra supporting staff

Strategic Partnerships and Integrations Drive Growth
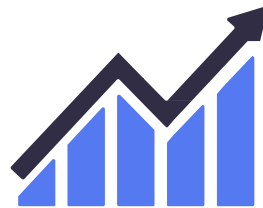
Flagstar Bank
Flagstar Accelerator 2021
(6th Largest Mtg Lender)

REACH
NATIONAL ASSOCIATION OF REALTORS
NAR Reach Inductee 2018
Largest Real Estate Organization in US

Growth Drivers

- Flagstar provides endorsed access to over 350,000 seats
- NAR provides access to 100,000 Real Estate franchised owned lenders
- Integrations with Vendors and 3rd Parties add revenue and create distribution channels.

PROGRESSIVE (Contracted)   **FIDELITY** NATIONAL TITLE GROUP   **esurance** an Allstate company   **StateFarm**

Seats Multiply as Branches Adopt

Average Target Company

- Medium Office Branch 50-250 Originators, plus staff ($60k-300k+ ARR)
- Total company ~1,000 seats ($1.2mm+ ARR)

guaranteedRate   **PRMG**   **Guild mortgage**   **PrimeLending**

Proven Marketing Strategy

$36 Cost of Acquisition per User (SMBs)

$17,820 Lifetime Value of User ($99/month/user * 12 months * 15 years)

DIGITAL & SOCIAL MEDIA
Current

Targeted Digital Advertising
- LinkedIn Targeted Ads
- Facebook + Instagram + Twitter

Content Strategies
- Digital Direct Advertising
- A/B Content Testing
- Lookalike Targeting

PR & CONTENT MARKETING
Current

Content Tactics
- Press Releases
- Webinars
- Blog Posts
- Editorial Content
- White Papers

Distribution Tactics
- Market Trade Journals:
  - Inman News
  - Origination News
  - Scotsman Guide
- Amplify with Viral Marketing

EVENTS
Future for Enterprise

Conferences
Replaced by Efficient and Cost-Effective Virtual Events and Zoom Meetings
- Digital Mortgage
- MBA Annual
- NAR Annual/Midyear
- Inman Connect

Strategic Endorsements

REACH
NATIONAL ASSOCIATION OF REALTORS®

(Invested)

Completed Accelerator in 2018

Flagstar Bank

(6th Largest Lender in US)

Graduated 2nd Annual Accelerator in 2021

RealKey®

Experienced Industry and Thought Leaders

Christopher Hussain
CEO / Founder
- #1 Mortgage Originator in US in 2010, 2011 (~$2b in Mortgages Personally Funded)
- Funded Loans in all 50 states over 20+ years
- Co-Founded Sindeo as COO (~$50mm Raised, Acquired 7/17 by RenRen – Now Freedom Financial) – 2nd Successful Exit

Alan Tifford
Head of Experience Design Strategy
- Intuit Principal Design Strategist
- TurboTax (Acquired by Intuit) Design Lead (~30 patents pending/filed)

David Ma
Principal UX Designer
- ROBLOX Director of User Experience (IPO'd)
- Jemstep (Acquired by Invesco) Principal UX Designer

Haden Kirkpatrick
Head of Marketing Strategy (Advisory)
Part-Time – Supported by Full Marketing Team
- State Farm Head of Innovation and Venture Strategy
- Esurance/Allstate Head of Marketing Strategy and Innovation

*Director of Marketing (future CMO ideally) to be sourced post raise

Paul Guerrero
Head of Engineering (Replacement Identified)
- Cloudvirga (Acquired by Stewart Title) Senior VP of Engineering
- Mortgage Cadence (Acquired by Accenture) VP of Engineering

Phong Dang
Head of Product
- eBay Senior Product Manager
- PayPal (Acquired by eBay) Senior Product Manager

Sherry Nguyen
Head of Product Ops
- Loan Factory Director of Operations (2020-22 Top Originator in US)
- US Bank Senior Loan Processor

Rob Reid
Head of Enterprise Sales & Strategic Partnerships (Advisory)
- ZipLogix Head of Business Development (acquired by Lone Wolf Technologies)
- Equifax Senior Director of Property Data Partnerships
- List Hub VP of Industry Relations

RealKey

Poised for Rapid Growth in 2024 and Beyond

	Year End - 2020	YE 2021	YE 2022	YE 2023	YE 2024	YE 2025
End of Year Users	761	1,679	3,188	3,833	9,000	20,000
Net Sales *=EOY ARR	$875,120 $875,119*	$1,219,296 $1,930,783*	$2,868,192 $3,666,072*	$4,144,456 $4,412,396*	$8,800,000 $10,000,000*	$21,000,000 $23,000,000*
Operating Expenses	$1,500,376	$2,890,332	$3,356,634	$5,219,453	$11,500,000	$18,000,000
EBITDA	($625,256)	($1,671,036)	($488,442)	($1,074,998)	$1,300,000	$3,000,000

Sample Prospective User Sizes:

guaranteedRate
[7-8k Users]

PRMG
[2.1k Users]

Guild mortgage
[4.1k Users]

PrimeLending
[3.2k Users]

Projecting Cashflow/Revenue Positive Late 2024
Assumes funding by end of Q2 2024

RealKey

Larger Exit Points Over Time

Qualia

blend

Need to accelerate their own growth

CALYX software   ncino

ICE   CoreLogic

Need to keep up with innovation

ROCKET   JPMorganChase

guaranteedRate   HSBC

Point of differentiation, and cheaper than building in-house

REDFIN   kw   REALOGY

RE/MAX   COMPASS

Lending divisions provide additional revenue streams, while technology linking all parties adds value

Zillow   amazon

Opendoor   Alibaba Group

Starting point in lending, and cheaper than building in-house

DocuSign   intuit

Adobe

Leverage documentation tech, more complete data sets, solves for experiments ran in the past

RealKey

Raising $10mm in Capital to Get to $20mm+ ARR by YE 2025

$10MM

Meeting Partners with LPs that see the value of what we built and want to be a part of our vision.

Lead with $4mm+, Co-Lead consideration at $2mm+, $100k minimum check-size

Operational Expense Breakdown

40%

Sales/Marketing
- Add Sales/Support
- Additional Marketing Budget

40%

Engineering
- Accelerate Product Features
- Teams Need for Integrations

20%

Operations/Legal
- Meet Vendor Diligence
- Legal/Security Requirements

Thank you.

Process loans With less effort

Christopher Hussain - CEO/Founder | Christopher@RealKey.com | 415.990.8190

Awards and Recognition

Google for Startups Accelerator
Cloud AI/ML Focused Cohort
2023

HousingWire
Tech100, Tech Trendsetters, and Rising Stars Winner
2023-24

Extreme Tech Challenge
FinTech Category Winner
2022

Benzinga Global Fintech Awards
Best New Product Finalist
2023

Flagstar Accelerator Graduate
6th Largest Mortgage Lender
2021-Ongoing

FinTech Breakthrough Awards
Best Digital Mortgage Product
2022

Alibaba/Jumpstarter
Global Pitch Competition Finalist
2020

Mass Challenge
Diamond Winner ($100k Cash Prize)
2020
FinTech and IBM AI Challenge (Finalist)
2022

NAR REach
Alumni
2018

Hong Kong FinTech Week Finalist
Winner North America
2019

Inman Innovator Awards
Most Innovative Company Finalist
2018

Realogy FWD
Innovation Summit Finalist
2018

Banking Disrupted
Summit Winner
2016

Digital Mortgage
Best in Show
2016

Future Raises

Raising

Series A1

$10MM

Priced Round

- Expand Marketing
- Phase 2 of Product Development (Further Automation)
- $20mm+ ARR by YE 2025

Late 2025

Series B

$50MM

- Expand Offering to Title/Escrow, Insurance, and other Ecosystem users.
- Planning for Additional Verticals (Student/Auto/Personal)
- $30-45mm+ ARR YE 2026

2026

International Expansion

5%
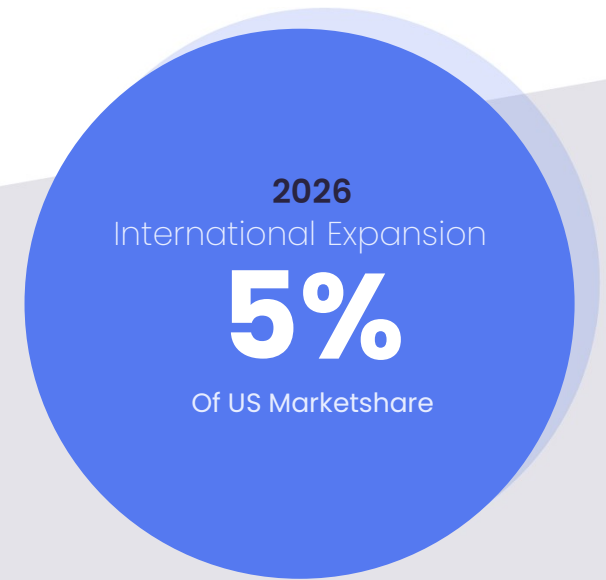
Of US Marketshare

- Continued growth within Ecosystem
- 5% US Market Share – 20-30,000 Users
- International Expansion

RealKey

Potential future expansion plans

- RealKey already touches on the most complex transaction in finance
- Doing Student/Auto/Personal loans will be easy
- Already in bed with Banks/Lenders

Direct to Consumer
- RealKey as a Digital Wallet

International Expansion (ahead of schedule)

- HSBC/Standard Chartered
(RealKey won HK Fintech Week Pitch Competition and Alibaba's Global Pitch Competition in North America)

- Bank of Hapoalim
(largest Isreali Bank)

- MUFG
(largest Japanese Bank)

- Aktia Bank
(Top 10 Bank in Finland)
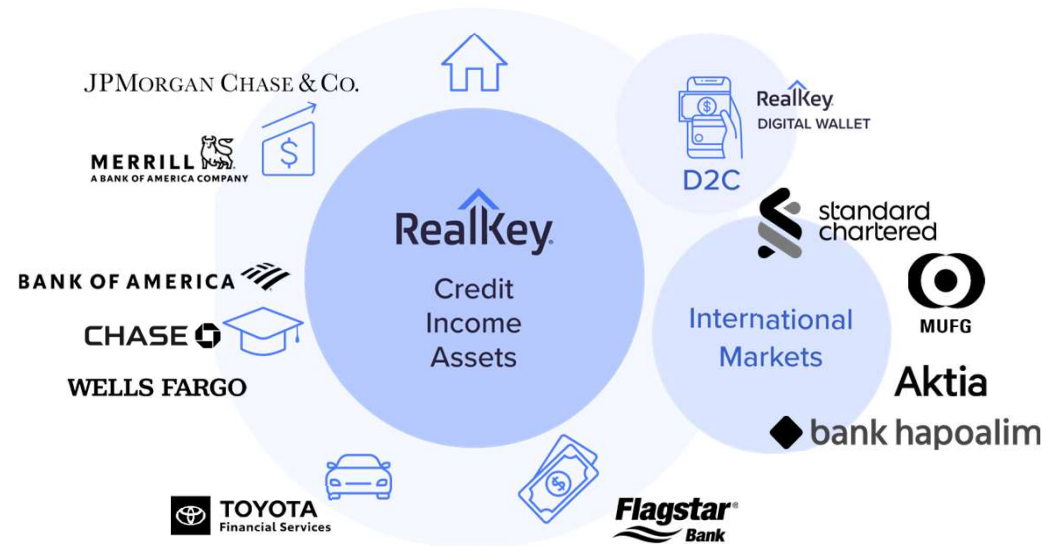
Why Insurance - What's in it for them?

Lead generation

- Further in the Process than POSs
- LOSs do not have borrower facing portals

RealKey bridges the gap, with qualified borrowers at the right timing in the loan process

Proven Advantage

RealKey is getting a higher CPC ($25) than any POS in the market.

Why Insurance – What's in it for them?

Additional Opportunities

Operation improvement

- Integrating the chat engine improves communication with all parties involved.

- Intelligent document management system/CE improves efficiency and provides real-time collaboration

Pricing Engine Integration

- First to market

- RealKey utilizes existing coverage/premiums to get true apples-to-apples quotes

- RealKey's unique positioning is perfect to capture required data leveraging OCR/CE.

Frictionless Sales Cycle Allows for Rapid Growth
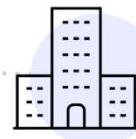
1 hr - Initial Zoom Meeting
Management & Processing/Underwriting

30m – 1hr - Live Hands-On Onboarding/Training

30d - Corp. Office Adoption
Typically Driven by Branch Production

30-45 Days to Onboard all Offices

Follow-Up Calls / Emails
(maybe an additional Zoom) to Finalize Sign-Up

Continued Education & Training
to Reduce Churn and Ease Onboarding

Consistent Improvement
on Product/Feature Set to Show Added Value

RealKey

Immediate ROI for Mid-Sized Office/Client

Processors/Underwriters 50% More Efficient with RealKey
Typical Office gains at least one referral from clients due to RealKey's Effect on Customer Satisfaction

$4950 Mo Subscription Cost

Staff-50	Training & Cert.	Desk Cost	Repeat & Referral Bus.
• **38 MLOs** (Commission)	$600/Yr * 5 Staff	$600 Per/Mo *5	$8,000/Trans Avg. Loan Revenue
• **7 Processors** ($5000/Mo * 3.5)			
• **3 Underwriters** ($5500/Mo * 1.5)			
• **2 Managers** (Commission)			

$31,750
Monthly Average Staffing and Fixed Expenses Saved

$8,000
Added Revenue from 1 Extra Referred/Repeat Client

RealKey

Milestones

Q2-Q3 2024

- Close Series A
- Grow Sales/Support Team
- Continue to grow In-house Dev and Design Team (increase bandwidth)
- Implement OCR capabilities doc by doc
- Finalize Security Certifications to Meet Large Enterprise Vendor Diligence

Q3-Q4 2024

- Increase Marketing/Sales/support
- Begin work on Lender/LOS Integrations
- Begin directly connecting to data and documents via integrations (Plaid/Quova/Yodlee, TheWorkNumber/ADP/Paychex, Intuit, CoreLogic, etc.)
- Pricing Integration
- Improved Chat/Notifications In-App and Email
- Begin work on Partner Integrations for Chat, Document Intelligence, and Data Automation

Q1-Q2 2025

- Cont'd work on integrations
- Mobile Design
- Further Improvement on 3rd Party Specific Support
- Cont'd work on communications (Individual Chat, Screenshare, Attachment Sharing)

Q3-Q4 2025

- Grow Sales/Support Team
- Gain Interest for Series B (End 2024)
- CRM Integration(s)
- Begin work on Compliance Support
- Begin work on Disclosure Support
- E-Signature Implementation, Including Notarization
- Implement RealKey Connect with Real Estate Agent
- Begin work on RealKey LiveSync Fixes and Integration

RealKey