

MEDIA RELEASE

Judo Bank valued at \$1.9 billion, following latest equity round and inaugural Tier 2 issue

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Australia's first challenger bank for small and medium-sized businesses (SMEs), Judo Bank, announced today that it has closed subscriptions for circa \$175 million in capital, comprising \$124 million from its Round 5 equity raise, in addition to \$50 million from the bank's inaugural Tier 2 issue.

Judo's co-founder, David Hornery, said the latest equity round was completed in record time, with strong support from existing shareholders.

"This funding round is a testament to the ongoing support Judo receives from the investment community, with 14 of our top 20 investors participating, and the majority taking above their pro-rata entitlements," Mr Hornery said.

"The latest equity funding round values Judo at more than \$1.9 billion on a fully diluted post-money basis - a 19 per cent premium to Judo's post-money valuation following Round 4 only six months earlier."

Chris Bayliss, Judo's Deputy CEO and Chief Financial Officer, said: "Judo has now raised \$1.2 billion in equity capital from a diverse portfolio of domestic and international investors.

"The foundations for Judo are now well-established, and shareholders will benefit as the business continues on its rapid growth trajectory and Judo begins to generate its own organic capital.

"In addition to our Round 5 equity raise, today we announce an inaugural Tier 2 issue, raising \$50 million in regulatory capital.

"The execution of a Tier 2 transaction adds efficiency and diversification to our capital structure, and is further validation of our business model, with strong participation from a small group of leading Australian fixed income institutional investors."

Judo's co-founder and CEO, Joseph Healy, said the additional capital will supplement the strong lending and deposit growth Judo has achieved, particularly since the start of the pandemic.

"Judo has a proven track record of growth and importantly is now generating cash profits – one of the very few new banks anywhere in the world to have achieved profitability within three years of launching," Mr. Healy said.

"We have stepped up our support for Australian SMEs during the COVID period, growing business lending by more than 100 per cent since March last year, based on APRA figures.

"Over this period, Judo was Australia's third largest bank lender to the business sector, by net lending growth, and completion of our latest capital raising places us well to continue that growth as Australian SMEs seek funding to grow their businesses during the post-COVID economic recovery.

"Customer demand for our lending products is high, with May 2021 our largest month of loan originations since launch. Our loan book is currently over \$3.3 billion, and we have an incredibly strong pipeline of lending of \$2.5 billion.

"Importantly, this recent capital raising allows us to continue to support thousands of Australian SMEs, whose needs have long been ignored by the major banks."

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