



LENDIFIED HOLDINGS INC.

CONFIDENTIAL INFORMATION MEMORANDUM

May 26th, 2020

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**Lendified Holdings Inc.
(TSXV: “LHI”) is a Toronto-
based Fintech company
focusing on the small business
lending segment in Canada.**

**We use our proprietary software to
provide loans to hundreds of small
businesses and license our technology to
financial institutions to streamline their
own lending activity.**

EXEC SUMMARY



All amounts in CDN\$ unless otherwise noted.

Founded: 2015
Offices: Toronto (HQ), Vancouver
Employees: 20 T.O. /15 Vancouver
Price at May 25: \$0.25

Symbol: "LHI"
Exchange: TSXV
Listed: May 2020
Price at May 25: \$0.25
Market Cap: \$23M
Basic Shares Out: 95M
Diluted Shares Out: 123M
Float: 39M (41%)
Escrowed Shares: 56M (59%)
Insider Shares: 66M (69%)
Public Shares: 29M (31%)
Mgmt/Director Shares: 16M (17%)
Fiscal year end: Dec-31
Auditors: McGovern Hurley LLP

- Established Fintech lender providing \$5K to \$200K term loans in 24-48 hrs. to growing small businesses across Canada.
- Maintains a proprietary credit decisioning/adjudication platform—used in-house and licensed to FI's across the country.
- Positioned for strong portfolio growth through origination partnerships (Staples) and an retreat of Big Bank funding due to Covid.
- Seasoned global financial services and technology leadership

INSTITUTIONAL BACKERS:



	2017	2018	2019 TTM
PORFOLIO SIZE	\$11M	\$16M	\$23M
REVENUE	\$2.75M	\$4.28	\$6.92M

LOAN METRICS

Nearly 1,400 financings and \$90M funded since inception

424

ACTIVE LOANS

\$5K-\$200K

LOAN SIZE RANGE

\$76K

AVERAGE LOAN SIZE

6 - 24 mos

LOAN TERMS

29%

Weighted APR

16.99-41.99%

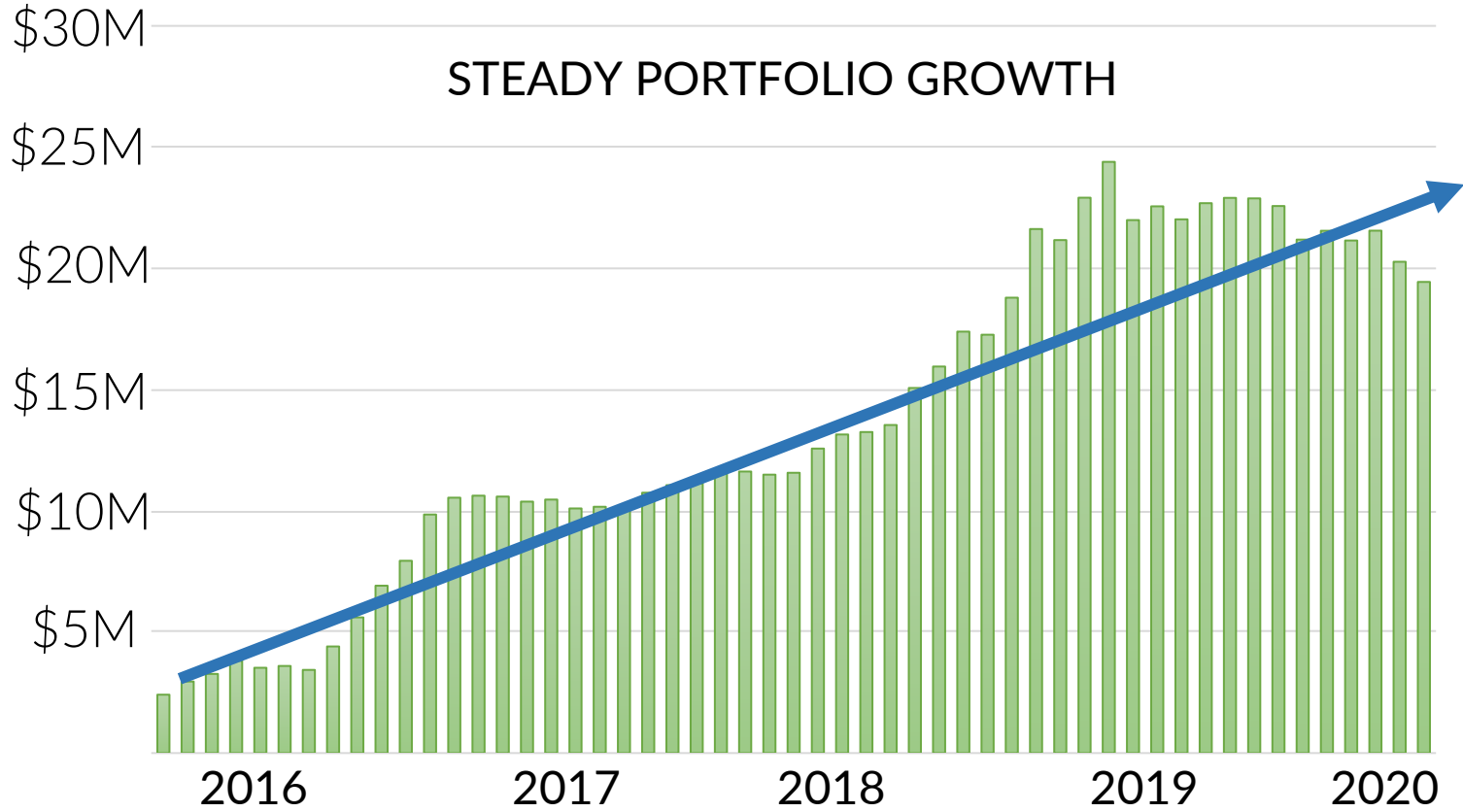
APR INTEREST RATE

9%

Static default rate

\$150 - \$4,500

FEES PER LOAN



*Above metrics are as of Q2 2020.

In conjunction with review of this information, reviewers should refer to the cautionary notes regarding Forward-Looking Information and Future-Oriented Financial Information contained in this Presentation.

MANAGEMENT



TROY WRIGHT, Co-Founder, CEO & Director

- 30 years of expertise in the financial services industry.
- Fmr. Pres & CEO Scotiabank Group Mexico; EVP Canadian Retail Branches and Channels at Scotiabank
- BA Western University; Graduate of Advanced Management Program and YPO Presidents' Program at Harvard Business School



KEVIN CLARK, Co-Founder, President & Director

- 30 years of expertise in domestic and Int'l banking
- Fmr. Sr. VP and Global Head of Sales for Scotiabank's Transaction Banking business.; Fmr SVP of Int'l Corporate and Commercial Banking for Caribbean, Central and South America, Asia Pacific markets
- BA Western University; Graduate of Exec. Leadership Program and MBA program at Richard Ivey School of Business.
- Fmr. Vice Chair & Director of the Canadian Council of the Americas.; Co-Founder and Chair Emeritas, the Canadian Lenders Association



RACHEL MANNO, COO

- Fmr. Sr. Counsel Capital Markets area of Royal Bank
- Fmr. Practicing lawyer at Osler, Hoskin & Harcourt LLP within the firm's Banking and Financial Services group
- BA, Hons Queen's University; MA University of Toronto; JD University of Windsor



NORMAN TAN, CFO

- Industry experience in management consulting, technology equity research and private equity
- Worked in Deloitte's audit and assurance practice
- B.Comm from the University of British Columbia; MBA Queen's University; CFA charterholder



GORD BAIZLEY, CEO Lendified Technologies Inc.

- Leads Lendified's Judi.ai SaaS fintech business (Lendified Technologies Inc.)
- Fmr. CFO/CSO at Vision Critical; Fmr. COO at Dibly; two of Canada's fastest-growing technology companies
- BA of Western University Ontario; LLB/MBA University of British Columbia. He is called to the bar in British Columbia and is a CFA charter holder.

BOARD



Troy Wright [See full bio above]
Co-Founder, CEO and Director of
Lendified Holdings Inc.;



Kevin Clark [See full bio above]
Co-Founder, Director, and
President of Lendified Inc.



Nominee
Gesmex Corporation



Nominee
Gesmex Corporation



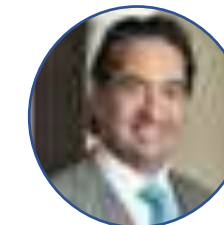
Ted Kelterborn
Chief Legal Officer, CI Financial; SVP & General Counsel CI Investments

- Extensive legal experience as a partner at McMillan LLP in corporate commercial and securities law groups.
- Previously SVP Legal and Operations for First Asset Investment Management; VP and General Counsel Claymore Investments Inc.
- L.L.B., University of Ottawa; Bachelor of Arts, Carleton University



Benjy Katchen
Chief Digital and Strategy Officer, Home Trust Company

- Financial services executive with over 25 years of experience including corporate finance, retail, commercial and investment banking
- Launched start-ups, has raised venture capital and has established joint ventures globally. Cofounded and jointly led Oaken Financial (subsidiary of Home Trust Company)

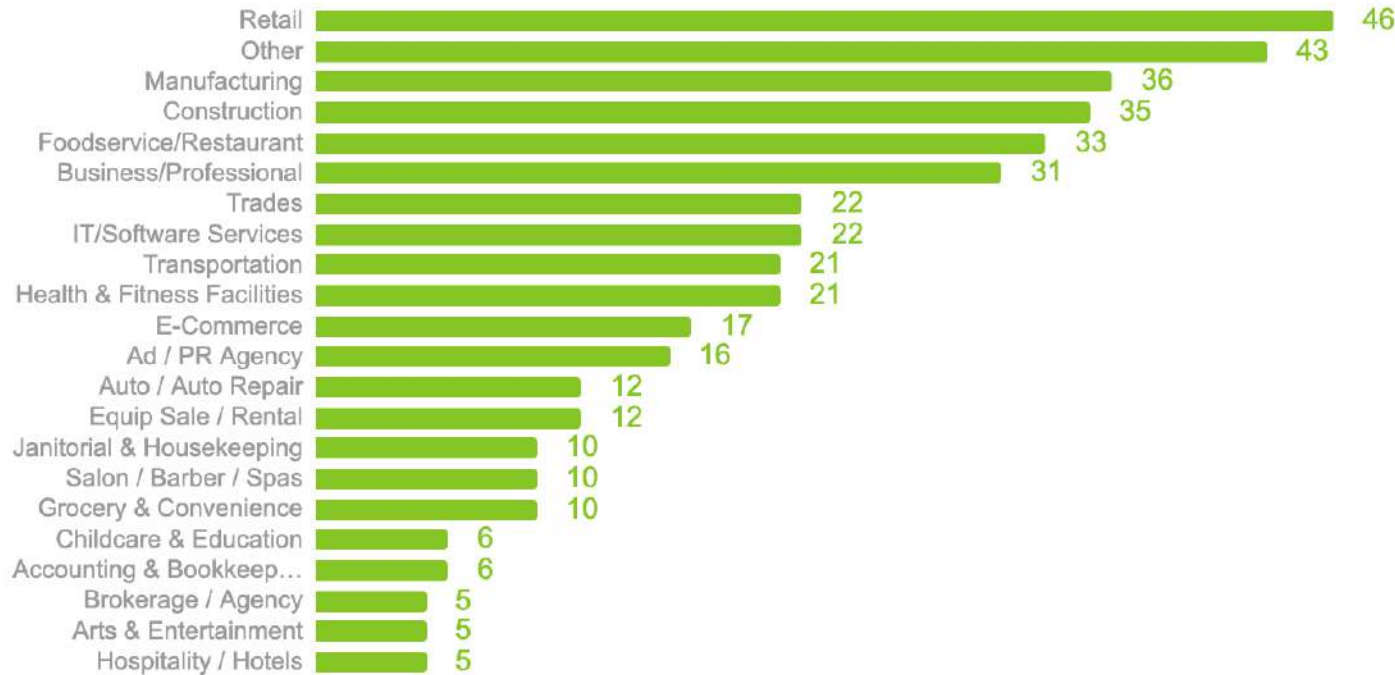


Perry Dellelce
Managing Partner and Founder, Wildeboer Dellelce LLP

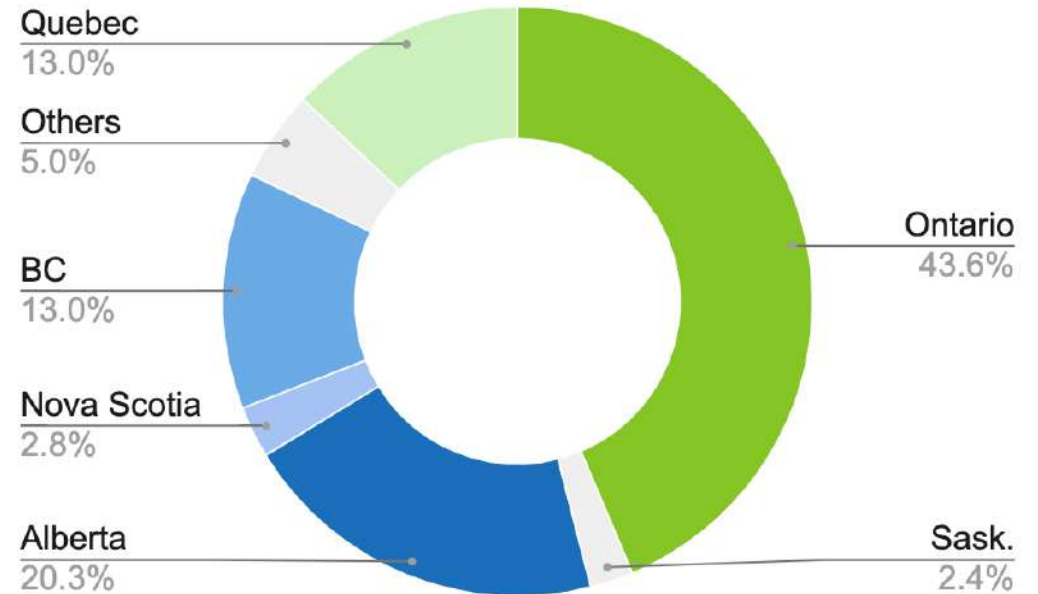
- Extensive legal, corporate finance and business management experience
- Founder & Managing Partner at Wildeboer Dellelce LLP, a leading securities law firm
- L.L.B., University of Ottawa; MBA, University of Notre Dame; BA, Western University

OUR BORROWER CLIENT MIX

DISTRIBUTION OF 424 LOANS BY INDUSTRY



DISTRIBUTION OF 424 LOANS BY PROVINCE



Median Time in
Business: **7 years**

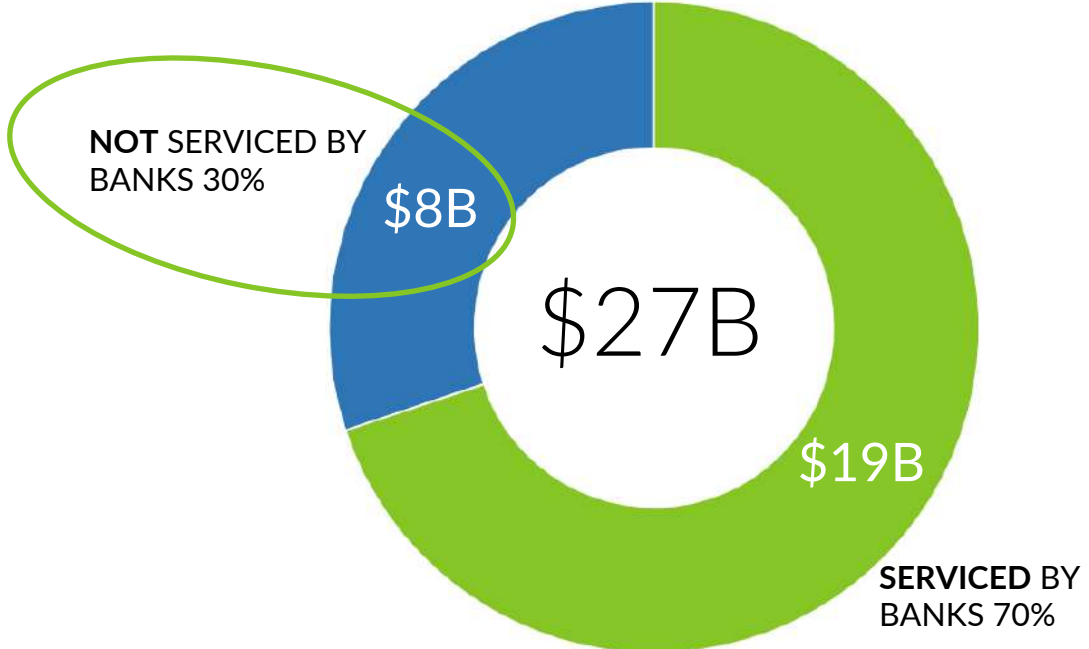
Ave. Beacon
Score: **676**

Median Annual
Revenue: **\$783K**

MARKET OPPORTUNITY

- 10% of debt financing not serviced by traditional lenders translates to an \$800M opportunity for Lendified
- Traditional lenders struggle to support small businesses without hard asset security--Lendified lends against cashflows with liens and guarantees
- The market opportunity is only expected to grow as the Big Banks are already beginning to retract from small business lending due to Covid.

TOTAL DEMAND FOR SMALL BUSINESS DEBT FINANCING IN CANADA



1.18 MILLION

NUMBER OF SMALL BUSINESSES WITH 1-99 EMPLOYEES IN CANADA

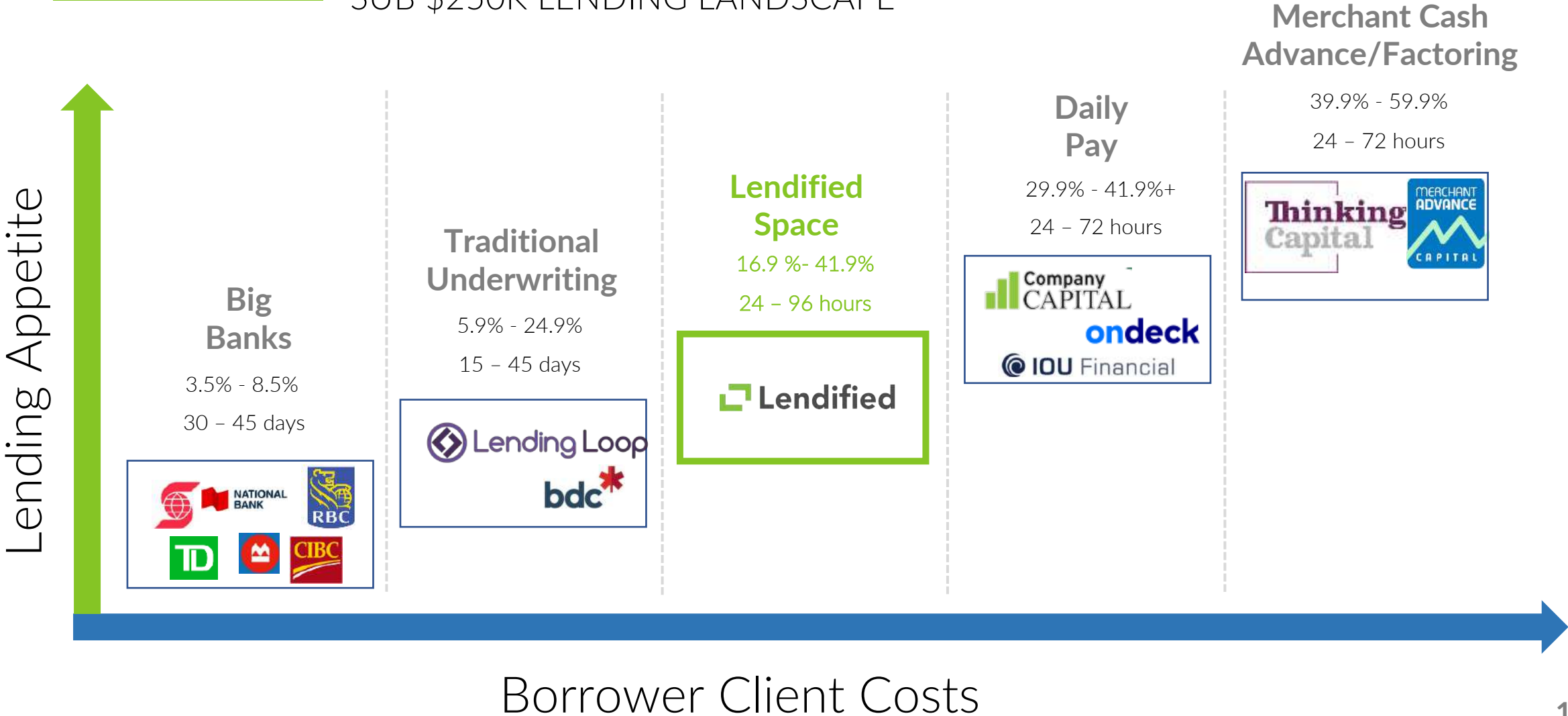
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<https://www.ic.gc.ca/eic/site/O61.nsf/eng/03097.html>

<https://cba.ca/business-credit-availability>

MARKET POSITIONING

SUB \$250K LENDING LANDSCAPE



LENDIFIED'S INSTITUTIONAL BACKERS



- Home Trust Capital
- \$14M revolving credit line



- Windsor Private Capital
- up to \$20M Sr. debt facility
- Additional \$3.21M of convertible, term, bridge debt



- Firepower Capital
- \$2.25M subordinated debt
- \$750K warehouse facility



- \$2.5M equity investment 2018
- Follow-on equity investment \$500K at RTO

TECHNOLOGY: JUDI.AI

LENDIFIED'S PROPRIETARY CREDIT DECISIONING ENGINE

JUDI.AI's industry-leading **automated loan underwriting platform and credit risk analysis module** empower lenders to deliver a fair, fast AI-powered loan experience to their commercial banking customers.

Manual underwriting has traditionally been an expensive, time-consuming process, taking days or even weeks. **The Judi.AI platform enables financial institutions to lend in as little as a few minutes.**



AUTOMATED UNDERWRITING:

Our automated underwriting system uses machine learning to deliver more scalable lending. It simultaneously reviews traditional credit bureau scores, real-time bank data, KYC/AML information, and our proprietary IROS™ score.



CREDIT RISK ANALYSIS:

Our credit risk analysis platform automatically calculates monthly cash flow, annualized cash flow and debt service coverage ratio. It automatically tags and categorizes individual transactions into groupings – diagnostics (recurring), source (e-transfer) and purpose (loan). Based on 10M+ data points, it identifies outliers, trends and risk indicators that could lead to failure to pay/delinquencies.

JUDI.AI SaaS BUSINESS METRICS

\$1B

IN APPLICATIONS PROCESSED
ON THE PLATFORM

4min

AVERAGE LOAN QUALIFICATION
TURNAROUND TIME

10million

DATA POINTS
AGGREGATED

\$1M

ANNUAL RECURRING
REVENUE ("ARR")

SaaS REVENUE MODEL

Setup Fees: \$20K one time

System Access Fees: \$10-20K monthly

Transaction Fees: 1-2% of loan volume

CUSTOMER TRACTION



CLIENTS INCLUDE

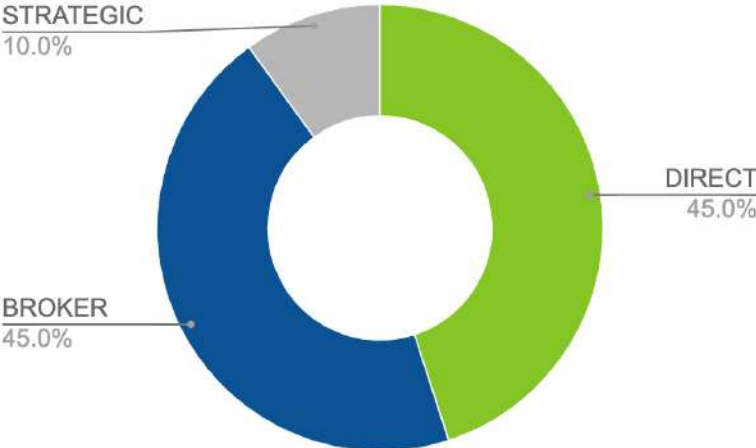
Canada's largest Credit Union (Vancity)
Canada's largest independent trust co. (HomeTrust)
3 of the 10 largest Credit Unions in Canada

LENDIFIED ORIGINATION CHANNELS

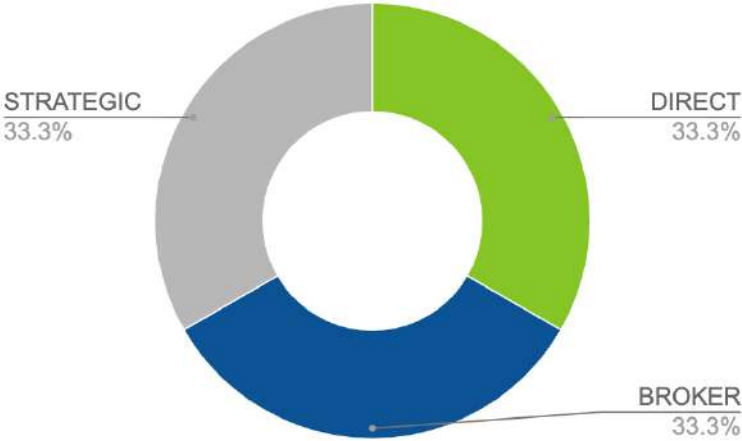
YIELDING UP TO \$30M IN APPLICATIONS MONTHLY



CURRENT ORIGINATION MIX



TARGET ORIGINATION MIX



ACTIVELY MOVING TO LESS COSTLY ORIGINATION CHANNELS TO DRIVE PROFITABILITY

THE COVID EFFECT

SHORT TERM CHALLENGE; LONG TERM OPPORTUNITY

- Approximately 40% of Lendified clients have requested payment relief since shutdown in March
- Relief has typically comprised a 50% payment reduction for up to 3 months
- Relief has significantly affected Lendified incoming loan payment cashflow and new loan origination
- Relief requests are under control, collections team is right-sized to maintain constant contact with entire portfolio

MOVING FORWARD: Lendified will minimize loans to retail, restaurant and industries most hit by future shutdowns

COLLATERAL BENEFIT: big banks have now all but shut down small business lending for foreseeable future

- Will drive new loan application volume
- Will push higher quality borrowers to Lendified, who would normally be near “A” grade bank borrowers

CAPITAL STRUCTURE

Stock Symbol	TSXV: "LHI"			Secured Lending Debt	\$20.35M
			EXERCISE	Subordinated debt	\$2.25M
Shares outstanding	95,154,575	77%		Convert. Deb. (PIK/Zero Interest)	\$6.00M
Options granted	841,463	1%	\$0.25	Term/bridge debt	\$3.73M
Options reserve	8,673,995	7%	market	Escrowed Shares	56M (59%)
Warrants	19,158,437	15%	\$0.125 to \$0.38	Public Float	39M (41%)
Fully diluted	123,828,470			Insider Ownership	66M (69%)
				Public Ownership	29M (31%)
				Mgmt/Director Ownership	16M (17%)

All figures as of May 25th, 2020.

An additional Restricted Stock Unit "RSU" plan equivalent to 10% of current issued and outstanding shares is expected to be presented for disinterested shareholder approval at the next Shareholder's Meeting, likely in Fall 2020.

FINANCIAL OVERVIEW

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BASED ON DEC 31ST YEAR END \$CAD	2017 AUDITED	2018 AUDITED	2019 TTM TTM TO SEP 30
Lendified Inc (lending business)			
Revenue	2,663,785	3,750,962	6,060,525
Expenses	(5,276,909)	(4,874,522)	(9,640,801)
SEGMENT EBITDA	(2,613,124)	(1,123,560)	(3,580,276)
Loan book size (\$millions)	11	12	23
Lendified Technologies (Judi.ai)			
Revenue	78,953	437,728	779,401
Expenses	(905,326)	(2,917,480)	(4,792,897)
SEGMENT EBITDA	(826,373)	(2,479,752)	(4,013,496)
Lendified Holdings			
Expenses	(1,916,225)	(1,918,011)	(1,453,957)
CONSOLIDATED			
Revenue	2,694,709	4,275,245	6,937,195
Expenses	(7,791,029)	(10,348,788)	(16,273,446)
Consolidated adjusted EBITDA	(5,096,321)	(6,073,544)	(9,336,251)
Corporate interest	(914,315)	(2,222,160)	(4,018,418)
Combined operating cash needs	(6,010,636)	(8,295,704)	(13,354,669)
Amortization and depreciation	(175,849)	(147,328)	(93,199)
Options	(51,033)	(1,044,611)	(1,044,611)
FV adjustments	(916,136)	(229,842)	(462,009)
Net loss	(7,153,652)	(9,717,484)	(14,954,488)

Revenue adjusted to eliminate related party transactions

Adjusted EBITDA excludes amortization, depreciation, share-based compensation, non-cash FV adjustments and includes interest paid on funding debt

Consolidated revenue includes other income from non-material subsidiaries

2021 PROFITABILITY PLAN

A 6 STEP PLAN TO MAXIMIZE SHAREHOLDER RETURN

1. Continue to increase APR on new loans and renewals to drive profitability
2. Continue to reduce overhead, including move to smaller/flex/virtual office infrastructure
3. Execute a divestiture of Judi.ai business to remove overhead from Lendified Holdings
4. Employ stricter, data science driven adjudication to drive down loan losses
5. Maintain a lean, efficient core staff, already right-sized during Covid
6. Complete a meaningful equity placement to reduce reliance on operating debt

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GROWTH STRATEGY

FOCUS ON DRIVING SCALE FROM A STRONG PLATFORM

- ✓ Offer new products to existing clients
- ✓ Acquire other loan portfolios where accretive
- ✓ Grow direct & strategic origination channels
- ✓ Nurture strategic partnerships already underway

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THANK YOU

Troy Wright

Co-Founder, CEO and Director of Lendified Holdings Inc.

CEO of Lendified Inc.

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