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CORPORATE PARTICIPANTS

Brien Joseph McMahon *Radian Group Inc. - Senior EVP, Chief Franchise Officer & Co-Head of Real Estate*

Eric R. Ray *Radian Group Inc. - Senior EVP, Chief Digital Officer & Co-Head of Real Estate*

J. Franklin Hall *Radian Group Inc. - Senior EVP & CFO*

John W. Damian *Radian Group Inc. - SVP of Corporate Development & IR*

Richard Gerald Thornberry *Radian Group Inc. - CEO & Director*

PRESENTATION

John W. Damian *Radian Group Inc. - SVP of Corporate Development & IR*

Good morning, everyone. I'm John Damian, Senior Vice President of Investor Relations and Corporate Development for Radian. Welcome to Radian's Virtual Real Estate Segment Investor Day to share more information with you about these businesses. And we hope that you find the time spent with us today to be productive, and we are delighted that you could join us.

Just a few housekeeping items before we dive into the presentation. Due to the current environment, all of our speakers are remote. I would ask that you please excuse any sound quality or technical issues that may arise during the call. Presentation materials will be displayed on screen throughout the presentation. Audience members will be muted during the call and will have the opportunity to submit questions at any time through the course of the presentation by sending an e-mail to RDN2021investor day@radian.com. We ask that submitted questions include your name and organizational affiliation. Questions will be aggregated and answered during the Q&A session after the formal presentation concludes. A replay will be available on our website at www.radian.com, along with a copy of the presentation and other materials shared today.

Today's presentation includes certain non-GAAP measures, which will be discussed during today's call, including adjusted gross profit. Adjusted pretax operating income or loss before allocated corporate operating expenses and adjusted pretax operating margin before allocated corporate operating expenses. A reconciliation of these measures to GAAP may be found on Slide 56 of today's presentation, which will also be available on the Investors section of our website.

Before we begin, I would also like to remind you that comments made during this call will include forward-looking statements. These statements are based on current expectations, estimates, projections and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially.

These risks, please review the cautionary statements regarding forward-looking statements included on Slide 2 of today's presentation, and the risk factors included in our 2020 Form 10-K and subsequent reports filed with the SEC. These are also available on our website.

This morning, you will hear from Rick Thornberry, Radian's Chief Executive Officer; Brian McMahon, Chief Franchise Officer and Co-Head of Real Estate; Eric Ray, Chief Digital Officer and Co-Head of Real Estate; and Frank Hall, Chief Financial Officer. Again, we'd like to thank you for your attendance today.

And now I would like to turn the presentation over to Rick.

Richard Gerald Thornberry *Radian Group Inc. - CEO & Director*

Thank you, John, and thank you all for joining us for our virtual Real Estate Investor Day. Brien, Eric, Frank and I are very excited to provide you with an update regarding our real estate. Let's get started.

As you are aware, Radian is a diversified mortgage and real estate business with 2 strategic business units: mortgage and real estate. Everyone is very familiar with our mortgage business. But for those of you who don't know us well, at Radian, our mortgage insurance products, help borrowers ready to own a home to achieve their dream of affordable, sustainable homeownership. We are proud of our mission and our success in holding it for nearly 45 years. Today, we are here to discuss our real estate segment, which is a natural extension of our core mortgage insurance business and also supports our mission of homeownership.

This business has over 380 customers and generated \$102 million of revenues and \$39 million of adjusted gross profit in 2020. Our real

estate segment has access to a broad established network of Radian's customers and relationships, including over 275,000 real estate agents, 1,300 mortgage lenders working with our mortgage insurance business and more than 65 mortgage real estate investor relationships, including both GOCs.

Radian is a well-established provider of mortgage and real estate products and services. We have a history of being a valued and trusted industry partner with relationships spanning 6 decades. As I mentioned, we are relied upon by more than 1,300 financial institutions and thousands of real estate professionals. And we are a company that leverages data and technology with a track record of both innovation and reliability as well as delivering outstanding customer service.

Today, we believe the opportunity across the residential real estate market is both attractive and significant for Radian. Although the real estate market is one of the largest markets in the world, it is largely served by legacy players that are stuck in the past, struggling to reinvest their business models due to issues, disparate technologies and myopic business perspectives.

What we know is that market participants, including real estate agents, lenders and mortgage and real estate investors and consumers, are frustrated by antiquated processes, unmet promises and a lack of quality-integrated digital solutions. As such, we believe the real estate market is ripe for disruption by new entrants that are more agile and creative in delivering innovative digital business models that address the challenges market participants face.

It is safe to say the enormous changes in our personal lives over the past year during the pandemic have made us increasingly comfortable with digital solutions like Amazon, DoorDash and Instacart, resulting in the broad and accelerated disruption of more traditional brick-and-mortar retail MOBs. Whether it is a closing -- whether it is closing of mortgage or real estate transaction or shopping for a home, we believe market especially the emerging millennial generation, expect to be able to digitally transact with trust, transparency, speed, ease and convenience, while continuing to leverage the personal touch of a trusted real estate agent.

We believe it is not a matter of, only a question of when the future of real estate transactions will be driven by companies delivering digital solutions that leverage big data and analytics powered by advanced technology. Across our real estate businesses, as many of you have heard me say, we've been investing, building a position to play a major role in the digital transformation of this market. We believe we are ready to capitalize on the opportunity by driving better ways of doing business across the real estate ecosystem.

Today, we are pleased to introduce you to homegenius by Radian. For those of you who have followed us over the past several years, this is the new name for our real estate segment. Most importantly, we're excited about the future of this business, and we are looking forward to sharing more about our plans. Homegenius is an emerging integrated suite of digital products and services, serving real estate agents, lenders, mortgage and real estate investors and consumers searched to close during the home buying and selling process.

We believe homegenius is competitively advantaged through access to vast operating data through our Red Bell real estate brokerage subsidiary, proprietary real estate analytics and groundbreaking technology and our leading customer service. To put it simply, homegenius is designed to bring institutional grade analytics to you anywhere anytime. We also cannot undervalue the benefit homegenius gets from being part of the One Radian family. Our homegenius scene has a combination of highly relevant in a experiences and backgrounds combined with deep relationships that position us to drive this business forward.

We are poised and ready to play a disruptive role across the real estate market ecosystem, given our existing momentum, including the strength of our products and services, the trust of our network business partners and our experienced team. We believe homegenius is well positioned for long-term growth with the potential for both significant value creation and financial contribution.

For 2021, we believe the homegenius -- we believe that homegenius will generate approximately \$150 million of revenues, representing nearly a 50% year-over-year increase. For 2025, we believe homegenius will produce revenue of \$650 million to \$1 billion. Frank will walk through our financial projections and key metrics we will use to track our progress towards the end of this presentation.

Given the virtual environment and our inability for you to see and touch what we do in person, we wanted to bring you closer to it, sit back and enjoy highlights of the technology and products and services that power homegenius and I will join.

(presentation)

Richard Gerald Thornberry *Radian Group Inc. - CEO & Director*

I hope that gives you homegenius and why we are so excited about the future of this business. As I mentioned, homegenious by Radian is a new name for our real estate sector.

Let's review today's agenda. First, I will provide an overview of the key homegenious investment highlights. Next, I will walk through some of the market trends and pain points participants are experiencing, then Brien and I will provide a deeper dive in the homegenious and our competitive positioning. After that, Eric will give an overview of our homegenious suite of products and services today and in the future, including some demonstrations to give you a first-hand look at the technology. Finally, as I mentioned, Frank will discuss our financial projections and the key metrics that track our progress. Following the presentation, we look forward to answering your questions on our homegenious business.

Let's review our investment highlights and why we believe this is a value opportunity -- a high-value opportunity and a bit for Radian. We have strong, long-standing and trusted relationships with lenders and mortgage and real estate investors and expansive connectivity with a large network of real estate agents. We have access to extensive real estate data through our Red Bow subsidiary and utilize proprietary analytics, leveraging AI and machine learning models that put us in a unique position.

We have in our building highly innovative digital solutions to address many of the real estate market pain points, which we will discuss through the course of today. The opportunity is very significant across large addressable markets within a growing real estate industry that is right for disruption. Given the significant size of the real estate markets, even the small market share penetration has the potential to yield significant business volumes and create value for shareholders.

We believe, as Frank will walk through, we have an accelerating growth trajectory with a clear path to value creation and financial contribution. As I've said many times before, given the investment in technology, and people required to build these businesses, we believe value creation comes before meaningful financial contribution. That's why you see other fintech, proptech, insurtech companies being valued and measured off of revenues and adjusted gross profit metrics versus current profitability or EPS metrics.

Today, we will help to frame the potential value creation and financial contribution from homegenious. It's important to highlight that our people and team make the difference. As I mentioned, our team has highly diversified set of relevant experiences, with a track record of successfully leveraging and deploying innovative digital products and services, which is essential to building a successful business of this kind.

Let's review a few market trends, including the pain points and challenges for market participants that we are addressing with homegenious. As I've mentioned, real estate market creates an opportunity to accelerate growth. Total home transactions are on the rise with expected home sales in 2021 of 7.5 million properties. The number of licensed real estate agents at 1.4 million is robust, and I believe it's safe to say that it is only growing due to the continuing need for the personal touch and expertise provided by real estate agents. All prices are on an upward trend, with average home prices in 2021 projected to be \$320,000. And perhaps most important, the demand for homeownership is increasing from the next-generation of homebuyers.

For example, as you can see on this chart, approximately 4 million millennials will reach age 29 to 30 each year for the next several years, which is the average age this generation enters the home buying market. And Gen X and baby boomer generations still represent a big share of the home purchase market. Net-net, there is a large, accurate real estate market with strong tailwinds that we believe is waiting for the ease and power of homegenious.

In terms of the homebuyer experience, 90% of homebuyers say the process is structural many points. 33% of buyers age 22 to 30 report understanding the process to be the most difficult stuff. Finding a credible and trustworthy real estate agent is the most important factor when hiring a real estate agent and the importance increases among younger generations.

Research shows that buyers typically search for 8 weeks and look at a median of 9 homes. And for more than 50% of potential homebuyers, the most difficult stuff is finding the right property. A client for a mortgage requires buyers to provide multiple sources of documentation, some of which may be difficult to access.

And my personal favorite, the title and closing process, consumers are unaware they have a choice for title insurance and that they make the same dollars if they shop or out of compare options. Closing a loan takes 45 days or longer, and on average, costs 3% to 6% of the home's purchase price.

97% of homebuyers choose the Internet to search for homes. However, 90% of homebuyers still use a real estate agent to help them navigate through the home buying process. Over 50% of buyers help from a real estate agent to find a home, which is why real estate agents remain at the center of the transaction and process.

The #1 problem facing real estate agents and brokerage is keeping up with technology. They are challenged by an overwhelming number of choices and technology options with fragmented solutions and antiquated technology. Agents and brokers use 10 or more individual solutions, and we are not aware of any confident full-service option for transactions across the home buying journey. This requires to manage their relationships in a highly fragmented and frustrating way.

Given these pain points, they continue to demand new and better technological solutions to operate their business. According to a recent NAR survey, the top 3 technology real estate agents would like their broker to provide are predictive analytics, customer relationship management platforms and transaction management software. It is worth noting that we are focused on addressing the predictive analytics and the transaction management requirements. Net-net real estate agents are frustrated, resulting in strong demand for better solutions.

Lenders also continue to be challenged in the current environment. In this case, by the cost to produce a loan and the time to close a transaction. In fact, loan production costs have increased 57% over the last decade. This is despite continuing investment in technological solutions. Investments have not meaningfully accelerate the time to close and the need to manage a complex ecosystem of stakeholders for closing the transaction.

As we all know, the mortgage loading process in many respects is still outdated and can be highly frustrating. From the homegenius perspective, 2 other important issues and challenges to note are that lenders are struggling to develop relationships with local real estate agents in a purchase market, and lenders are concerned about getting disintermediated from their customers by real estate agents referring business away from them.

Today, a bank or credit union may have a customer relationship but lose that opportunity to get a new loan or retain an existing mortgage relationship as a real estate agent or other influencers direct that consumer to another lender. So let's talk about why we believe homegenius will drive the needed transformation to address many of these challenges.

Homegenius is focused on delivering market participants. for smarter real estate solutions. Our emerging suite of homegenius products is highly sophisticated, gradiently simple and totally trustable. We are building them to be integrated to deliver personalized solutions that empower lenders, real estate agents and brokers, mortgage and real estate investors and consumers that transact more effectively with greater transparency.

Our products are being powered by big data and proprietary analytics and technology, including AI and machine learning. We plan to take key market participants from search to close with intelligence, transparency, speed and simplicity. We are focused on improving the homegenius buying and selling experience while saving consumers time and money, positioning the real estate investors to identify and pursue new opportunities with greater confidence and transparency, enabling real estate agents to be the smartest person in maximizing their productivity and giving mortgage lenders the tools to retain and attract new customers by bringing them closer to the real estate transaction.

To accomplish this, we are building homegenius by leveraging our established network and building upon existing real estate products

and services, including title, valuation and asset management services. Plus leveraging our emerging breakthrough digital solutions, including our innovative property intelligence engine, patent-pending title solution on blockchain and lead generation technology, all powered by big data, proprietary analytics and artificial intelligence. We fully expect homegenius to become a full-service solution which is supported by a powerful network of real estate agents, lenders and investors.

Today, we operate in a large total addressable market, and we're expanding our market reach to include the large real estate technology markets. We will review each of these markets today, as I suspect, you're familiar with many or all of them. Given the overall size of the market and the legacy nature of many of these markets, we believe we have the strategic opportunity to compete with existing players. Important to note that even a small share of the large real estate market can become very valuable.

Today, we are a trusted partner with a proven track record of serving the needs of our customers. In 2020, in our business -- in our valuation business, we completed more than 200,000 broker price opinions and more than 500,000 automated valuations. We also completed approximately 25,000 title closing transactions, totaling approximately \$10 billion of insurance written. Additionally, in our asset management business, we diligence 14 single-family rental financing deals, representing \$6.5 billion in issuance and completed approximately 25,000 REO closes.

And throughout our history, we've developed relationships with over 275,000 real estate agents through our asset management and valuation businesses. Across our homegenius business, we have a broad network of more than 380 current customers across all 50 states, including many of the top U.S. mortgage lenders and servicers, the GSEs, 100% of the largest SFR investor platforms and the most active buyers.

Given our starting point, we believe homegenius is well positioned for growth based on several factors. First, our established network is backed by strong market relationships, including real estate agents, lenders and mortgage and real estate investors and digitally connected through open APIs and integrations with leading loan origination systems. Second, our property intelligence platform enables smarter data and proprietary analysts, powered by AI, machine learning and computer vision tools. Third, our groundbreaking technology delivers high-value digital solutions to provide enhanced intelligence, transparency and speed and simplicity. Fourth is our highly experienced team and culture by a set of core enterprise values. And finally, what I refer to as the Radian halo effect.

Being part of the One Radian team and supported by a financially strong and stable parent company. As I've mentioned, rating is a trusted industry partner, with long-standing industry relationships and a track record for innovation, reliability and great customer service. Brian will now walk through our competitive positioning and market expansion model.

Brian Joseph McMahon Radian Group Inc. - Senior EVP, Chief Franchise Officer & Co-Head of Real Estate

Thank you, Rick, and thanks to all of you for joining us. Today, I'm going to talk about why we believe homegenius is well positioned to disrupt the real estate industry and also explain our go-to-market strategy.

Let's start with our distribution network. We realize others have come to market counting similar messages, but our approach of homegenius is distinct and more robust in 2 ways. Rather than focusing on bits and pieces of the home buying journey, we are building a full service, digitally focused real estate network, integrating our existing products and services from search to close, creating connection funds and value for all participants in the process from consumers and agents to lenders and investors.

Even more importantly, unlike others, we don't need to tap into an unfamiliar client base within or across these audiences. We already have strong established relationships with each. It starts with a foundation of more than 1,300 mortgage lenders in our mortgage business, including in the country, 7 out of the top 10 and 17 out of the top 20 in origination volume. We look forward to introducing these customers to our homegenius products and services.

We also work with more than 65 investors in mortgage and real estate, including iBuyers. And many of them realize the extent of our relationship with real estate agents through our asset management and single-family residential business, where our network currently consists of more than 275,000 agents and is growing daily. Lastly, while the consumer audience may be newer to us, we believe we'll have strong access to them through our existing lending and agent relationships.

We are without a doubt the leader in REO and SFR asset management. Others have taken an opportunistic approach to this business, coming and going through various market cycles. As a longer standing provider, we've been committed in honing it to perfection since 2003.

rental, our record of success speaks for itself. We have participated as a diligence for nearly every institutional SFR securitization transaction to date. And procurement platform, I thought I'd share a few recent client comments. One division manager commented, I have been using permit for years with my many REO and asset managers, and it's an exceptional platform. I look forward to the added assets that I would be managing over the coming months. And another REO broker asset manager said, clearly, pyramid is the most elaborate and user-friendly option among REO management platforms. I couldn't have described it better myself.

And while we've cracked the best offerings, more importantly to agents, we ensure they reap the financial benefits to. Just look at what we deliver with them on an average year. More than 25,000 REO closings, over 200,000 broker price opinions and assets managed through pyramid platform. That's how we've built a strong reputation with agents and forge strong relationships with them as a result. We expect this will increase their confidence and willingness to use our other products and service offerings.

Data without insight lacks true value. That's where property intelligence comes in. Transformation of the real estate industry depends upon the ability to source, cleanse, organize and prepare highly disparate data sets and un leverage them to create personalized experiences for agents and consumers.

It's a daunting task, but we are tackling it. Information about a property, home characteristics, amenities, data, environmental factors, these are just a few of the key data points consumers and agents consider, whether overly or unconsciously when evaluating real estate.

Homegenius is uniquely positioned to drive change because of our substantial repositories of both structured and data. We have access to data resources to our Red Bell subsidiary that updates on an almost real-time basis, encompassing the vast majority of the residential real estate market in the U.S. This includes all the information connected to our transaction as well, such as listing information, agent-broker comments, photos and participants.

We are using this to build an entirely new category we call property intelligence. Core to our ability to revolutionize the real estate experience is our investment in understanding properties through highly advanced artificial intelligence. Our computer vision technology harvest information on every property image we receive in real time, collected from almost any source. As a result, for qualifying clients, we can access a repository of curated residential real estate image data throughout the U.S., one that covers years of property history.

these images to create even more data. We've created more than 55 billion new pieces of unique property intelligence, breaking down the biggest barrier to automated insights with our cutting-edge AI models that identify and classify objects inside and outside a property. And we've identified plenty of applications for our insight to enhance the agent and consumer experience. These include: developing through our Red Bell subsidiary, evaluation tool suite with both automated and interactive values that incorporate property and room conditions, not manually, but automatically through technology.

The same applies for quality control and fraud detection purposes. Property searches, enhanced by data, will be highly personalized based on very specific consumer preferences. From the type of flooring or countertop materials, to house styles and open floor plans, even down to the amount of natural light, finding an ideal look-alike property based on a easy. And traditional search is based on bed and bath will feel antiquated in comparison.

From search to close, we're combining our core business expertise with the most advanced technology to orchestrate the digital disruption and future of the real estate industry. Coming up, you will get more details in even a demo or 2, let me set the stage.

Our current capabilities already include digital title and closing services, including a direct-to-consumer title platform and our centralized lender refi offering called title genius. Market and property intelligence, including the Radian Home Price Index and genius price, which is expected to launch with customers shortly.

Real estate network connectivity, we refer to as our Genius network and a qualified lean network known as Genus Fire. We are already generating revenue from certain of these offerings and then looking to add several more in near future, including and property search on homegenius.com, powered by computer vision; a smart real estate agent workflow called Genuity; and more intelligent property valuations, including AI price.

Each of these experiences is engineered on a foundation that easily enables enhancements, growth and expansion, following modern and advanced technology best practices in coding and release management, among others.

We also leveraged the latest approaches of Big Data, AI, machine learning and data science. And I can't forget to mention our patent-pending TITLEGENIUS genius platform run on blockchain. The difference is our people may sound, but our team's extensive experience is part of our strong foundation. They know all the friction points and unmet possibilities in each of these areas. We challenge if the nominally think outside the box, but consider why the box exists in the first place, to apply their expertise to fuel the as that break down barriers and create solutions to empower our clients and make their lives easier. And our values aren't just words on a screen. We focus on them and have introduced employee programs to engage and recognize our employees for embodying them.

I mentioned our key differentiators are looking at the holistic home buying journey and having established relationships of all of our client audiences already in place. But there's one more that provides us with a significant advantage. That strong team I just described. Unlike start-ups, we don't need to go out and build the key teams and infrastructure. We already have them in place. Our omnichannel go-to-market strategy is driven by a digital-first approach that enables clients to self-serve through the process or engage with a sales expert if and when they want.

Each area for field and inside sales to marketing will be focused on working together to grow relationships with existing clients and bringing new logos in the door. Investors use our technology to buy and sell properties. Mortgage lenders use our evaluation services to proactively manage their portfolios. They often steer those consumer leads with us, which we in turn share of agents. This integrated approach will allow lenders to mitigate churn and retain their consumers, agents to acquire high intent leads and consumers to find an agent they can trust.

And from your perspective, by leveraging our existing talent, staff expenses are already factored in. Our services allows us to scale with less additional overhead required, which we expect will enable us to lower customer acquisition costs.

Before we dive into our offerings in more detail, I wanted to reiterate what enables homegenius to drive value as a member of the Radian family. In a hot real estate market with an intense pace of change, our clients can afford the ticket gamble on startups and offerings. The cost to them would be too. That's not an issue for us. We spent 6 decades building a reputation as a trustworthy, reliable partner that delivers.

The Radian reputation has created strong engaged relationships with more than 1,300 mortgage lenders and 65 mortgage and real estate investors and connectivity to a growing network of 275,000-plus real estate agents. We've taken our deep industry expertise and understanding of client needs and combined it with the advanced technology, data science and analytic best practices. All backed by the strength of Radian to an engineering experience that doesn't disrupt here or there, but connects the dots for and benefits all participants of the home buying journey from search to close.

There is a large addressable market within real estate right for true disruption, and that is what we plan to deliver on while building value for our shareholders.

I'll now turn it over to Eric.

Eric R. Ray Radian Group Inc. - Senior EVP, Chief Digital Officer & Co-Head of Real Estate

Thanks, Brien. It's a pleasure to be here with all of you today. Now that you've learned about homegenius, let me jump right in and give you a glimpse of the key products and services that we are bringing to the marketplace and that we believe will change how real estate

transactions are conducted from search to close.

It's no surprise that while technology has transformed many aspects of the home buying process, the title and closing process is lacked, sustained and differentiated innovation that is much needed. Recently, we are starting to see a few firms that are using technology to enhance parts of the title process, but the fundamentals of how the process works hasn't really gone truly high-tech until TITLEGENIUS.

Rating covers the gamut in title, providing both title insurance and settlement services through our title agency. As a result, we know the experience from the lender and agent point of view and have decided to take a fair approach and reverse engineer the title experience from the consumer's perspective. Using this approach, we are seeking to transform the way title decisions on purchase transactions are made, who makes them and how the transaction is done.

As a result, we have created a new digitally enabled business model that is focused on driving speed, certainty, transparency and savings to the customer. This new digital-driven service is what we call TITLEGENIUS. Up next, we are looking to change the way homes are valued. We are working to create a new industry product category. Property intelligence that will empower the consumer real estate agent and lender.

It is fueled by artificial intelligence, predictive modeling and machine learning, all working tether deliver an estimated value of a home that takes into account property condition, the same condition codes used by appraisers and valuation insights, including room contents, flooring, countertops, lightning, et cetera, all in an instant.

Innovative product is expected to help consumers and real estate agents set the buy/sell price of their home with a new set of comparables. As Rick mentioned, we are bringing industrial great analytics to living room conversations. We call this SaaS product genius price, and we are not stopping there. We are working to change the way consumers, real estate agents, lenders and real estate investors search for homes. As Brien mentioned, we are developing technology to enable users to deeply personalize their search, not just with structured data, location, square footage, number of bedrooms, et cetera, but with unstructured data, hitching condition, type of countertops and kitchens, windows, et cetera, all drive from computer vision. We call this homegenius.com.

We are launching a new way for realtors and consumers to work together when they choose to buy or sell their home. This is not just another widget. This is a smart workflow system that has the capability to stay inside a single and integrated solution to finish in buying or selling of a home. We expect this platform will save real estate agents' time and make them the smartest agent in the room, not to mention, help them earn more commissions.

Our SaaS platform is sophisticated, yet simple. We call this genuity. And finally, over time, we are going to connect and integrate consumers, lenders, real estate agents and investors digitally even further into our trusted network. As we progress, our digital products and services are intended to amplify the value of this network as more market participants see the value and adopt us as their trusted marketplace.

As mentioned by Rick, homegenius is our new name for our collection of real estate businesses. As such, it contains products and services that have been in the market for several years and those we have recently announced or will be announcing today.

Let me provide you with an overview of homegenius suite of products and services and where they fit across the real estate ecosystem, including real estate agents, lenders and consumers. First, let me start with our existing products. Our award-winning SaaS platform, Pyramid platform is used to automate and organize every step of the property asset management process by mortgage lenders and mortgage and real estate investors.

Pyramid is a recognized leader and count some of the largest property asset managers as satisfied customers. Across our real estate asset management services, we provide real estate owned REO, property management services to lenders and real estate investors. We are the largest REO provider in North America by the number of asset managed, and we enjoy providing quality service to the GSEs.

We also provide single-family rental, SFR due diligence services, including lease reviews, property valuations and document preparation

for large institutional investors and many ibuyers. We are the largest, most established player in this space and continue to be the go-to provider.

The automated valuation services provided by our Red Bell subsidiary include our audit, or ABM; our Radian interactive valuation model, RIV; our broker price opinions, BPOs; and our hybrid products, BPO and desktop appraisal. These products have been in the market for several years, have a very large customer base and are used by real estate agents and real estate investors nationwide.

Lastly, our centralized lender refinance title service has been delivering dependable and quality service to many of the nation's top lenders for a few years. We are winning in the marketplace by the speed of our decisions and the excellent customer service we provide and the competitiveness of our pricing. We are currently investing in and scaling this business. I'll have more to say about the service and business model in a few minutes.

Now let me transition to our offerings that are designed to drive the change that the real estate ecosystem has been waiting for and that many of you haven't yet heard about. I won't spend a lot of time on each of these products on this slide as -- in the following slide in demos, you will hear and see much more point out the projected launch timing of each of these products in a number of real estate participants, our products and services are designed to serve.

Geniusbuyer is a national lead generation program that is being designed to match qualified homebuyers through our portfolio of lenders with local real estate professionals with favorable unit economics and lower cost customer acquisition costs. Consumers should win as well with a cash back rebate to use towards the purchase of their property. The geniusbuyer platform through a network of qualified lead identifies, engages and leverages real estate across the country with the goal of providing homebuyers and sellers the best real estate experience with the right real estate professional by giving homebuyers 3 qualified agents to choose from.

What's the value proposition for these participants? For consumers and homebuyers, they are expected to receive better value and service through a qualified local and screen real estate professional who meets our performance criteria along with a cash back by a rebate that can be used to offset closing costs. For the lender, it means deeper customer relationships as they can provide better value and service through the homegenius concierge desk and trusted agent network, providing superior customer service. For agents, they are expected to have access to qualified lead generation opportunities with home buyers that have high intent.

What is geniusprice? A property intelligence software-as-a-service product that leverages computer vision skills and machine learning models. Let me dive deeper. Today, the typical search experience and the price set for a home to buy or sell is fundamentally driven by using structured models, square footage, number of bedrooms, baths, et cetera, and algorithms. Most agents manually pull a set of comparables that may be prone to unconscious bias as they are based on personal experience, which might induce bias, rather, then scientific and mathematically provide comparison models. At times, they may also be challenged to consider rapidly changing market dynamics.

are taking property intelligence to new heights. Changing the way homes are search, selected and valued by combining vast data resources with advanced analytics and data science to provide highly personalized and actionable insights. Geniusprice personalized and customizes the experience based on consumer preferences and comparable that change in near real time, including room condition using industry accepted property condition rates along with contents within a room, the flooring, countertops, stainless steel appliances, lighting and many others and the room type. It saves the real estate agent time by creating virtual listing presentations in seconds. Our automated valuation models have been ranked #1 in coverage across the United States. Geniusprice has already been used by a group of real estate agent beta users, and we are now preparing to board our first customer.

Now I would like to show you a short video showcasing our genius price software as a service product.

(presentation)

Eric R. Ray Radian Group Inc. - Senior EVP, Chief Digital Officer & Co-Head of Real Estate

The real estate software space is crowded, undifferentiated and by user accounts, mostly unimpressive. As Rick mentioned, real estate agents today have access to many different systems, and they do have to self-integrate each one of them, spending far too much time on non-value-adding tasks that take them away from doing what they do best, helping consumers buy and sell real estate.

A few years ago, we embarked on a strategy to change the way real estate agents work with consumers to buy and sell homes. We envisioned a system that address several pain points of deficiencies that exist with current B2B software options in the marketplace. And today, I am pleased to share that in a few short months, we plan to introduce our smart workflow software as a service platform, known as Genuity, that will change the way real estate has worked with consumer in the process of buying and selling a home all in one platform. Our brings all facets of our proprietary AI and machine learning technology, data and analytics and combines it with the tools agents need to do their jobs, all in a single, powerful workflow system with an open API framework, included a single sign-on access with a centralized intuitive and simplified user interface and experience, which cuts down on the training time necessary to get started.

Genuity was developed to act as a digital control point for real estate agents to access other services such as title with our sophisticated, yet simple technology. Genuity has been in base testing with 2 brokerages over the last several months, and we will launch later this year.

Last month, our purchase title solution, TitleGenius went live in the state of Florida. You can access our portal at mytitlegenius.com. This is the start of a new to purchase title insurance when buying a home. Today, real estate agents serve as the middle person, referring their customers to a local title agency. Tomorrow, consumers will be enabled to digitally drive their own purchase choice, decision and closing process. Our patent-pending direct-to-consumer title solution on blockchain will, first, give consumers option and choice; second, provide saving; third, provide transparency around process steps, statuses to dos, document management, just to name a few; fourth, create seamless and digital communication to each party involved in the transaction, including the real estate agents, who will have a dashboard to monitor all their title genius customer activity; and finally, it will have enterprise-grade security across every interaction.

Now let's watch a short video showcasing our TITLEGENIUS purchase solution and technology.

(presentation)

Eric R. Ray Radian Group Inc. - Senior EVP, Chief Digital Officer & Co-Head of Real Estate

(technical difficulty) superior service that goes beyond our contractual commitments. In most cases, most of the time. We continue to grow our lender refining transaction volume, which drove a 56% year-over-year increase in title revenue as reported in the first quarter of 2021.

While the real estate industry has been around a long time, most would acknowledge that it certainly hasn't caught up with current times. With homegenius, we are tackling and changing today's acceptable norms. The homegenius suite of product solution and services, highly sophisticated, brilliantly simple and totally trustable. Armed with institutional grade analytics, we provide transparency and demystify the title of process.

We use computer vision, AI, machine learning data and analytics where others don't to provide enhanced property intelligence as you saw through our demos today. In short, we are in the process of reimagining the real estate transaction process. We plan to revolutionize the property search and valuation experience with computer vision.

In the future, we will have the ability to, in near real time, produce a property valuation based on photos that show room type condition and contents and a personalized search experience where a consumer, agent, lender or real estate investor can build their own customized buybox, comprised of features important to them from wood flooring to pendent lighting.

Homegenius is emerging as a full-service solution for key market participants to engage with at any point they see value. From search to selection to closing to homeownership, homegenius Genius is designed to empower all key stakeholders. I want to draw your attention to

the different company archetypes. And next to those, the examples on the left of the chart. As you will see, we don't believe there's a single company that has the depth and breadth of capabilities that homegenius will provide.

Homegenius is being built to become the first solution product at an AI, you need to create your own real estate tech story. As you are beginning to see from Reagan and Kai's homebuyer journey, from search to selection to closing to homeownership or orchestrating the digital disruption and future of the real estate industry, creating integrated and personalized solutions that empower our customers from lenders and investors to consumers and agents, we are a trusted partner in powering participants in the real estate ecosystem.

If you look at how we got started, where we currently drive revenue margins, you will see annually, we generate significant revenue opportunities for real estate agents across approximately 2,000 broker price opinions, approximately 25,000 selling buy/side closings and pyramid platform transactions. We expect that our existing network of real estate agents will serve as a solid foundation and distribution channel to further see our homegenius products and services.

The value amplification process begins with geniusbuyer. With geniusbuyer, we expect homebuyers to receive better value and enjoy better service through a qualified and locally chosen real estate professional that meets our performance criteria and qualifies for a buyer rebate. We also expect agents to receive access to qualified lead generation opportunities with those homebuyers that have high intent and for lenders to experience deeper customer relationships as they provide better value and service through homegenius concierge and qualified agent network.

Given the value proposition, we believe brokers and real estate agents will want to subscribe to geniusprice for its unparalleled property intelligent capabilities to drive a personalized experience with their customers, instilling confidence as they make key decisions with institutional grade analytics and computer vision technology.

We expect that brokers and real estate agents will want to subscribe to genuity, the smart workflow system, to not only save them time, but to take advantage of the same technology and analysts, they experienced in Geniusprice. Genuity is intended to provide them with the capabilities they need all in one platform, no more going in and out of multiple and disparate systems to complete their transactions.

And finally, Titlegenius' position to fill a void that exists in the marketplace today. Our expectation is that real estate agents will want to recommend our platform to their customers, saving them money, providing them a digitally to own experience along with closing options that offer them choice, choice that most don't know exist today in our first market in Florida.

Now I would like to turn the discussion over to Frank.

J. Franklin Hall Radian Group Inc. - Senior EVP & CFO

Thank you, Eric. As you have heard, we are very excited about the progress and path forward for our homegenius segment and the products and services we offer. Now it's time to translate it to expected financial results.

Before I begin, however, I will remind you of our forward-looking statements, which describe the risks and uncertainties associated with the following information. I will also note that we will use some non-GAAP measures, which are reconciled in the appendix of the presentation.

Illustrated on this slide are both historical and expected future results for the renamed homegenius segment. We have provided our projections for total revenue which is expected to reach \$150 million this year, an increase to between \$650 million and \$1 billion in 2025. This represents a compound annual growth rate of between 40% and 60%.

Our adjusted gross profit, which is our revenue, less cost of services and provision for losses in our title business, is also expected to grow substantially from an estimated \$58 million in 2021 to between \$350 million and \$600 million in 2025, representing a compound annual growth rate of between 57% and 79%.

The adjusted gross profit metric is important to understand as it represents the gross margin for the segment, less loss provision for our

title business, and illustrates the financial contribution from the segment before taking into account fixed costs. And our adjusted pretax operating income before allocated corporate operating expenses but after depreciation is expected to grow from an estimated loss of \$3 million in 2021 to income of between \$200 million and \$300 million in 2025, which translates to between \$0.73 and \$1.13 per diluted share based on our most recently reported share count and an assumed 21% tax rate.

I should also note on this slide, our footnote regarding expected depreciation expense of approximately \$3 million, growing modestly to approximately \$12 million in 2025. This is noteworthy because it demonstrates that the total investments in these businesses, which we expect to continue over time, have the potential to generate significant returns.

What is especially impressive about our expected revenue trajectory is that not only are we expecting significant growth, the composition of the revenue is expected to shift over time to higher-margin business as illustrated on the top half of this slide.

In addition, the margin for each component is also expected to improve as we scale and further leverage technology to lower both our acquisition costs and operating costs, as seen on the bottom half of this slide. This will be critical to our future success. And we believe this ability to transition over time is one of the key benefits of incubating and developing these businesses within Radian Group.

Illustrated on this slide are the estimated unitized economics of our titlegenius business today with an estimated adjusted gross profit margin of 22%, growing to an expected 42% in 2025 through both product mix shift between purchase and refinance and improvements in the relative direct cost structure as we both scale up and continue to enhance our technology.

This unitized approach simply shows the relationship of the direct cost components needed to generate \$1,000 in revenue today. \$1,000 in revenue today is expected to grow in size as the future product mix shifts to incorporate a higher percentage of relatively higher-priced purchase business in addition to refinance activity.

The high-margin we expect to recognize should be a clear differentiator relative to the economics of today's title industry which currently pays most of its revenue to its agent network through commissions. Also on this slide on the right is the key driver to the expected financial contribution, our projected closed orders over time. Similar to our mortgage insurance business, the volume expectation is a factor of both the size of the market, which we do not control, and the market share we obtain, which will depend on our pricing structure, marketing efforts and outstanding service delivery. This volume is expected to grow by more than a factor of 4 between now and 2025.

The estimated unitized economics of the SaaS business are also presented but with a slight change compared to the title business. This illustration still shows unitized revenue for our SaaS business, but the cost structure includes total cost compared to the title business illustration, which focused on direct costs. This is simply due to the nature of how each business operates and what would best illustrate the unitized contribution of each business.

So for every \$1,000 in revenue and considering the estimated costs, inclusive of depreciation, needed to support that \$1,000 of revenue, we are projected to improve from an estimated pretax operating loss of \$620 today on a unitized basis to estimated pretax operating income of \$731 in 2025. Similar to title, this improvement is partially due to the mix of products shifting over time. However, the primary driver of this improvement is the scale impact we expect to realize as we add more users with a relatively stable cost structure.

As you can see on the right, our SaaS users are expected to grow by a factor of 11x from 2022 to 2025. Illustrated on this slide is something that will not appear on our financial statements, but will be a key driver of creating long-term value for our shareholders. And that is the customer lifetime value and the power of the network effect of deeper penetration and greater share of wallet within the segment, which was discussed previously.

On the right side of the page is the estimated lowest single product customer lifetime value of approximately \$1,000 and the significant increase that may occur as customers adopt more and more products within homegenius, rising to an estimated \$10,000 per customer. This calculation is based on a 5-year time horizon and uses varying assumptions on acquisition costs and retention rates.

And lastly, I thought it would be helpful to compare homegenius to a range of other noteworthy players in the real estate ecosystem. Depending on the level of technology utilized in the business model, valuations can vary widely, as illustrated here, where we have provided the total enterprise value relative to 2020 revenue.

We believe that our extensive utilization of technology, both currently in use and in development, should put homegenius squarely among the best data and technology-driven companies and our projected \$650 million to \$1 billion in expected future revenue should be noteworthy and valuable to our shareholders.

In conclusion, we will be providing regular updates on the key financial statement drivers discussed today and results of the homegenius segment, including our progress on achieving these projections. So there is both transparency and accountability along the way. I will now turn the call back over to Rick.

Richard Gerald Thornberry *Radian Group Inc. - CEO & Director*

As you've listened to our presentation today, we hope that you've gained a better understanding of why we are excited about this business and why we believe there is the potential for significant value creation and financial contribution going forward.

Let me remind you that homegenius is an emerging suite of digital products and services, serving real estate agents, lenders, investors and consumers from search to close. We believe homegenius is competitively advantaged through vast property data through our Red Bell subsidiary, proprietary real estate analytics and groundbreaking technology as well as our leading customer service.

Just as the Bloomberg terminal brought transparency to the financial markets for the past few decades, we believe our data and analytics, property intelligence platforms, powered by advanced technology, will bring ubiquitous, digital access and transparency to real estate transactions from search to close.

We also have a highly experienced team in place and we cannot undervalue the benefit homegenius gets from being part of the One Radian family. We are poised and ready to play a disruptive role across the real estate market ecosystem given our existing market momentum, including the strength of our products and services, the trust of our network business partners and our experienced team. We believe homegenius is well positioned from long-term with the potential for significant value creation and financial contribution.

The combination of our existing and emerging products and excellent customer service through an integrated high-tech, high-touch customer service model, along with our broad network of lenders, real estate agents and investors, puts homegenius to the unique strategic position.

Now I will be joined by Frank, Eric and Brien to address your questions.

QUESTIONS AND ANSWERS

John W. Damian *Radian Group Inc. - SVP of Corporate Development & IR*

Okay. Well, hopefully, everyone enjoyed the discussion and the videos regarding homegenius. I'm back here, with the entire team now for the Q&A portion of the call. So we've allowed at 30 minutes for Q&A. And we did receive a number of questions submitted by various members of the audience. So we're trying to consolidate and combine those questions. We do plan on only addressing questions on this call related to the homegenius part of the business, which obviously was the topic of the discussion today. So we'll hold the MI questions for another time.

And look, if we don't get to your question or if you feel your question hasn't been fully answered, then feel free to reach out to me, John Damian, and we'll make sure that we circle back with you afterwards at some point in the near future. So I think with that, let's go ahead and we'll dive right into the questions. Just bear with me here for 1 minute. Okay. Okay, Rick. So first question. Why did you choose now to come out with additional details and present on this business? And what really is different about today? And what gives you confidence for success in these businesses in the future?

Richard Gerald Thornberry *Radian Group Inc. - CEO & Director*

Yes. Well, that's a great question, and good to see everybody as we can through this virtual setting, happy for you to join us. But the answer to that question, I'll take this one. The answer is really simple. It's the right time and we're ready. Over the years, we've taken lots of questions from analysts and investors related to our plans for these businesses. And if you remember what I got here, I discussed positioning these businesses for the future to drive the digital transformation of mortgage and real estate markets. And we knew we had some work to do at that time, and we've been -- we've been working hard over the last few years to really get to this point, and we think it's a time where we're ready to kind of pull back to curtain.

But the work that we've done, if you think about it, over the last few years, has been really kind of instituting a One Radian enterprise customer view, led by Brien and his team, and we've begun to leverage that very valuable asset. We sold Clayton. So if you all might forget that. We also sold the Clayton due diligence business last year, I think, in January. We exited the traditional appraisal business to focus really on the digital aspect, the future businesses.

We acquired 5 bridges, but what we really acquired was a highly experienced group of data scientists and technology folks with that acquisition. You've heard me talk about how we're investing in the technologies and our data and analytics platform, including early in driving new technology solutions around AI, machine learning and computer vision. And we've invested in a title platform that we think is all about the future, not only in the centralized refi, but also as we talk about in the purchase business with our new titlegenious platform. So we've invested in a team.

We have put on the field here, a very experienced team and I'm very proud of them. So we've spent time get ready. We've listened to customers. We've done the research. We've been growing our title business rapidly based on a great value proposition, including excellent customer service. So I think we were ready to pull back the curtain today and talk more in more detail with both investors and kind of the market in general. So today, we're positioned, gaining momentum literally every day to be that full-service solution to the real estate market, all in place, a trusted business partner. We're excited about the opportunity.

I think that's what it gives the team, myself, the confidence to kind of start to talk more broadly about. I've been around many new ventures over my career. Some turnaround situations, it felt like new ventures, some very small companies that we grew to be very large companies and some start ups, right, some very high tech, fintech type start-ups. And as I've seen what we have today, capabilities, momentum, the team on the field, the size of the opportunity, this has to be the most exciting of all that I've seen in my career. And so I'm excited about the future. I'm excited to be here today to show the story with all of you.

John W. Damian *Radian Group Inc. - SVP of Corporate Development & IR*

Okay. All right. Thanks, Rick. Let me -- next question here. Okay. So next question. Can you expand on your comfort level with the revenue forecast, including how you develop your forecast in terms of market size and also market share?

Richard Gerald Thornberry *Radian Group Inc. - CEO & Director*

Yes. Well, we -- Frank, why don't you take that one. That would be good?

J. Franklin Hall *Radian Group Inc. - Senior EVP & CFO*

Sure, sure. Yes. So our forecast shared today is a wide range of assumptions and for the homegenius segment alone. So that's important to remember. Some of the assumptions are operational in nature. But for the title business, the revenue forecast is derived from an estimated market size for purchase and refinance activity, similar to our MI business. And it's supported by third-party estimates for the time periods that we have those. And then we make some estimate of market share from there. We believe that our market share estimates are reasonable and represent an appropriate share given our starting point and our opportunity for expansion. And as for the SaaS businesses, it was also based on the available market which was discussed earlier in the presentation and an estimate of likely user cohorts within each addressable market and varying levels of penetration and retention rates.

So all in all, we believe that our estimates are reasonable and achievable. And keep in mind, too, that the addressable market that we are entering, we're entering it with a running start. And they're very large addressable markets and even a small portion of that represents significant revenue opportunity.

John W. Damian Radian Group Inc. - SVP of Corporate Development & IR

Okay. All right, Frank. That's move on to the next question here. Okay. So given the valuations for similar businesses, how do we think about ultimately realizing the value of these businesses?

Richard Gerald Thornberry Radian Group Inc. - CEO & Director

Yes. That's a great question. And I'll take that one, and we'll -- I think it's a really interesting point. Yes. Clearly, we believe homegenius is very valuable. That's why we're here to talk about today. Other similar companies are being valued on revenues and this adjusted gross profit kind of number in margin. And as Frank presented, our current results and projections compare favorably to many of those businesses. Of course, we're always looking at strategic alternatives to maximize shareholder value. But I believe, as we have demonstrated today that our homegenius business has a clear path to potential value creation and financial contribution is part of Radian.

We believe it is further along from a development point of view, than most of the start-ups that we see getting these frothy evaluations. Our market momentum, the value of our vast network, the products and services that we have today that we're launching here very soon. Data and analytics, digital solutions, the experience of our team make homegenius highly valued. We do believe not. And at this point, we think, really, the best is yet to come. So I see this business, as I've said, I think, way back in 2017, I used a fun term, I'm going to use it again because I believe. I see this business as an industrial strength fintech, proptech, insuretech, pick your tech name that you want to use, but Radian provides the industrial strength and the homegenius products and services are definitely a fintech, proptech, insuretech products.

Again, we focus on the future, not the past. And as we've talked about, the strategic fit with our mortgage insurance business and our mortgage businesses is really strong. So we're focused on executing the plan we've laid out, and we are excited about the opportunity and the prospects for the future.

John W. Damian Radian Group Inc. - SVP of Corporate Development & IR

Okay. All right. Thanks, Rick. Next question here. Okay. So what makes your title business unique? And how does it compare with other established players or fintech start-ups, and how does the real estate agent benefit?

Richard Gerald Thornberry Radian Group Inc. - CEO & Director

Yes. And I'd just say right upfront, our title business has really got great momentum. But Eric, I let you -- why don't you take that little, please?

Eric R. Ray Radian Group Inc. - Senior EVP, Chief Digital Officer & Co-Head of Real Estate

Yes. Thanks, Rick, for the question. I won't comment on any specific competitors per se. But the following is why we are excited about the title business that we're building. Over the last couple of years, we've been primarily focused on the lender refi piece of the business. And on the lender refinance side, as I mentioned during my presentation, we manage product and pricing which gives us an edge in the programs we offer. We have centralized processing and have hired from a diverse and national talent pool.

We've also digitally designed and automated many steps in the process with the use of RPA, OCR and add and analytics. We make clear to close decisions in seconds on approximately 70% of all refinance orders where we can use our decisioning engine. And don't forget, our access to Radian is 1,300 NI partners, which helps expedite our sales process due to relationships and reputations or some things that many of these startups just don't have.

We differentiate ourselves with the quality of our service. Our current lender scorecards reflect high and consistent quality of the service we're providing. And we have quietly boarded numerous large lenders. And due to the terrific service quality we're providing, we are seeing increased share allocations from many of these large lenders. And as I mentioned, we continue to grow our lender refinance transaction volume, which drove a 56% year-over-year increase in revenue as reported in the first quarter of 2021.

On the direct-to-consumer purchase side, we have a new and game-changing consumer-direct platform at mytitlegenius.com, which we

lost in the state of Florida last month. We're making a market, which really doesn't exist today, and we are partnering with real estate agents who will see tremendous value from our platform with their customers. We're giving consumers choice. Choice that they don't know they have today around their purchase decision and their closing process.

We've digitally designed the process from order to close. Our technology is elegant. It has a simplified user interface and a varied intuitive user experience. And as everybody knows, today's security is so important. And the transaction security of our patent-pending blockchain platforms gives our customers the security that, frankly, they expect. We also provide the prospect of savings, which reduced the total closing costs. And we're providing a concierge level of service without the need for brick-and-mortar.

Our real estate network agent relationships will have access to this blockchain platform to manage their closing transactions on the titlegenius platform. And I encourage everyone who's looking to buy a home in Florida to try it out.

John W. Damian Radian Group Inc. - SVP of Corporate Development & IR

Okay. All right. Thanks, Eric. Let me next question here. Okay. Our next question, how should we think about the measures to track this business going forward? And what key measures are you focused on?

Richard Gerald Thornberry Radian Group Inc. - CEO & Director

Yes, another excellent question. Frank, do you want to take that one?

J. Franklin Hall Radian Group Inc. - Senior EVP & CFO

Sure. Yes. So clearly, expenses and margin matter. And we feel confident that as these businesses scale, we have a good handle on the operating leverage dynamics there. We also see value in the network of relationships and the opportunity to drive sales and revenue across the homegenius network. And so we have -- we do have numerous internal operating metrics that we use to track and manage the business. But the reality is that there are only 2 key metrics to track. And those are title closings and SaaS users, which I talked about back on Slides 47 and 48. And so we provided you some benchmarks for those metrics.

And I would just tell you that any short-term volatility quarter-to-quarter will come from client onboarding, timing, market size and perhaps product mix variances. But we will provide that additional color over time as we progress through our plan.

John W. Damian Radian Group Inc. - SVP of Corporate Development & IR

Okay. All right. Thanks for that, Frank. Let me put the next question here. One. Okay. Okay. Next question. So you talked a lot about your customer network today. How unique and beneficial is it in building out this business?

Richard Gerald Thornberry Radian Group Inc. - CEO & Director

Yes. Yes. So first, I think we should have the architect of the One Radian network answer that question. Brien, do you want to take that one?

Brien Joseph McMahon Radian Group Inc. - Senior EVP, Chief Franchise Officer & Co-Head of Real Estate

Sure. Thanks, Rick. Yes. If you think about having a distribution network gives us a huge advantage over other competitors and especially start-ups, I mean if you think, we already have it in place. We have industry relationships that span over 6 decades that's allowed us to build a long-standing and trusted relationships with our customers. And so where the MI partnership really fits in beautifully here with homegenius is we have 1,300 lenders we work with on a daily basis. And getting access to those lenders is very difficult for the most part, for most other companies. But we already know these people. We have access to the decision makers. We get in those doors very easily.

Actually, when we're trying to recruit people from outside of our company, that's one of the advantages that you already have the relationship. Well, I got to work hard to build them. So we have access to those decision-makers, and we're starting to show the results of that.

We have 149 customers that are MI customers that are now Homegenius customers. So it's starting to work and many of those are new and allocation is growing, and many are doing very well overall. So that access is really helping us. And soon, we'll be offering genius

price to these lenders, which is going to help them retain and get new customers. So this is a real partnership with us in our lending customers. So from a lending standpoint, we're very well positioned.

And when you think about the real estate network, and I'm sure not many people are aware of this, we have 275,000 real estate relationships around the country. That's a big number. If you think about the total market is like \$1.4 million in real estate agents. And if you think about an agent, if you know the business leads are the lifeline for agents. I mean that's how they generate business. And you think about us, we provide a lot of leads to the real estate network, over 200,000 BPOs and over 25,000 closings on an average annual basis.

So if you think about it, we have a captive audience already. And now we get to market our SaaS products to them like -- such as GENIUSPRICE, Genuity and TITLEGENIUS. So I think the way to look at it is some companies talked about customer acquisition, if you think about it, we can say we already acquired the customers.

John W. Damian Radian Group Inc. - SVP of Corporate Development & IR

Okay. Thanks for that, Brien. Let me go to the next question here. Next one. all right. So okay. So I know we were saying that we were holding MI questions, but this one is germane to the discussion today. So how -- yes, so how do these businesses benefit the MI business? And does it provide the MI business with a competitive advantage?

Richard Gerald Thornberry Radian Group Inc. - CEO & Director

All right. Well, I'll take that one, and I agree with you, John. I think that one's inbounds from a Homegenius perspective, so we'll take that one. So as I've said before, we talked about this many times, the strategic fits strong. Our real estate business, Homegenius is a natural extension of our mortgage business. It's consistent with our mission of enabling responsible, sustainable, affordable homeownership. It leverages the strong relationships we have with some of the -- what most of the nation's largest small-, medium-sized lenders around the country, it really leverages our experience in the adjacent market.

So we all know the MI business has evolved to a risk-based kind of black box pricing model, which we believe plays to our strength in the MI business. We've said that and we feel strongly about that. But I think as such, as we've said, we don't really expect that by virtue of having other product relationships that we're going to get some sort of MI pricing benefit. And I think that we've also been clear about. But today, The MI business does benefit from the Homegenius businesses in a few different ways.

One is the data and insights we get about -- we get from having a presence across these real estate markets. Second, we're all watching forbearances develop. Eventually, as our reserves indicate, we expect loans to come through that process. And on the other side, there to be workout requirements from borrowers who can't find their way back to a safe position. And our asset management capabilities, our leading kind of REO and asset management kind of property management, all different capabilities we have in our business. They put us in a unique position to really develop high-value solutions working with servicers for borrowers trying to find the best outcome. Remember, as we've said previously, the opportunity to make sure that borrowers who are in a situation where a loss of lost litigation activities required, we want to make sure we preserve the equity for them in their homes. So The ability -- when you think about it, you can't take with other MI that has that experience, and we're bringing that right to the front of this issue.

The next one I would say is it gives us an opportunity to have a much different relationship with the institutions and we do business with the large lenders. And it elevates our relationship with them to a strategic level, a strategic business partner level because When we're talking to the CEO of a mortgage company or we're talking to the President of a bank-owned mortgage company or whatever senior team we are, we're able to talk about how we can develop solutions for those lenders. It doesn't necessarily accrue to an MI pricing benefit, but it accrues to the benefit of the relationship, the ability to have a discussion as a strategic partner. And Brien and I and others, Derek and Eric, we've had a number what we call enterprise meetings across like our One Radian kind of family, if you will, that really elevates our relationship. And the feedback we get is very positive.

So I think it's very well connected to the MI business. I think the reverse is true, obviously, Homegenius gets a benefit from being part of Radian, which I call the Radian Halo fact, our Radian halo impact. So I think that we see real benefits across both businesses and are pleased with our progress.

John W. Damian Radian Group Inc. - SVP of Corporate Development & IR

Okay. All right. Thanks for that, Rick. We'll go to the next question. Okay. All right. Next question here. So how are your technology and analytical capabilities different from all the others out there competing in the market today?

Richard Gerald Thornberry Radian Group Inc. - CEO & Director

Yes. That's a really excellent question, too, because I do think competitive differentiation matters. But Eric, why don't you take that one?

Eric R. Ray Radian Group Inc. - Senior EVP, Chief Digital Officer & Co-Head of Real Estate

Sure, Rick. Thanks. Well, the short answer is we've got a great team, but let me dive a little bit deeper on this one. We didn't start with a legacy technology platform and just decide to reskin it, right, or adapt the data architecture to address today's challenges. We actually designed and built our technology for purpose. The purpose was to empower real estate agents, lenders and consumers, along with investors execute their transactions much more efficiently than they're doing today. We use the cutting-edge user interface and user experience design approach targeted again at the users of these platforms.

Importantly, we co-created our products and services along the way with our target customers using consumer research panels along with alpha and beta user group over many, many months. I just really love the simplicity of our user interface as it reduces the time to onboard and train new users and make them productive in days versus weeks.

As Rick mentioned, too, our acquisition of Five Bridges brought us depth and breadth of real estate, valuation, analytics, machine learning and artificial intelligence skills, which we've applied across all of our products and services. Our technology team has 20-plus years of experience working with our real estate property data. And I believe we are one of the first, if not the first in the real estate segment to utilize breakthrough computer vision technology to ingest images, and in near-real time, determine room type, room condition and contents all within rooms. Our AI models are performing at very high confidence levels across all categories. 95% to 98% depending on the room type, 99% on room condition within 1 category, and we are identifying over 50 discrete items within rooms.

Our products and services were built to interact and integrate with each other to provide a seamless and integrated user experience. And like many others, right, we drove a cloud-native and agile dev ops build methodology, including infrastructure's code to drive really high availability metrics. And finally, we have used enterprise-grade security practices and policies, which are built into all of our platforms.

John W. Damian Radian Group Inc. - SVP of Corporate Development & IR

Okay. All right. Thanks for that, Eric. We've got our next question here. Okay. All right. Okay. So next question. So as you grow Homegenius business, do you plan to pursue inorganic or organic growth? Any immediate plans to expand into adjacent markets? And do you need to make additional acquisitions to execute your plan? So it's a multipart question here.

Richard Gerald Thornberry Radian Group Inc. - CEO & Director

Yes. Well, let's see if I can give a multipart answer. But again, an excellent question. And I'll take that one. The plan and the projections that we presented today, they're not dependent upon any additional acquisitions. We have made a handful of acquisitions that really are part of this business. And I think we've been able to think they created a great nucleus for us to build and launch these businesses. So we're -- we feel good about where we're at. Of course, we're always looking at and evaluating strategic opportunities that they present themselves in the market. However, we believe growing organically is the direction to pursue the side that's how we built our plan. No dependence on something else as we don't have any control on.

We have a great team working on building these businesses from the ground up. In some cases, with room for significant growth over the next few years. As far as expansion is concerned, we're focused on expanding our title business, obviously, from what you heard Eric mention a few minutes ago in his answer. Your valuation capabilities through things like GENIUSPRICE and the other products that we offer that are kind of different SaaS product businesses. So we see great opportunity in those businesses. And we're going to continue to make organic investments in those businesses as needed, as I said often, we're investing in these businesses for the future. And hopefully, you see why we're doing this.

So if you say, however, every week, we see multiple acquisition that's an opportunity, sometimes multiple on a week. And we have a very

disciplined process led by John and his team. He's seen one, but others as well to evaluate. And quite frankly, we quickly kill deals based on the fit and the financial value that we see. So we're trying to stay very focused. Today, we see a number of opportunities that, quite frankly, are not very interesting. They're backward-looking, they're overvalued. They're selling themselves based on something that is never going to occur again. And so we look at it and we're quick to pass. But there are areas that we're interested in and we'll watch. We think there are opportunities for an extension of our model, then we'll watch you we'll be -- we'll look at opportunities that fit that strategic perspective.

From an acquisition partner perspective, I think it's important to note and understand and as we sit here today, with our network is -- I think Brien highlighted, and I think Eric highlighted it as well. I mean every start-up, every kind of next-generation technology kind of fintech, proptech has -- the biggest challenge they have is building distribution in their model. We have that. We have that today. Brien said our cost of acquisition is we see is very, very low. But we see with the right product and service, that there could be a benefit from leveraging our network. And that could be accretive to our business or an investment we would make.

So -- but it all requires great discipline. And I think we've demonstrated that discipline over the last few years. And I think we're going to continue to evaluate opportunities where we see a very strategic and accretive fit from a value creation and financial contribution perspective. And most importantly, we're focused on growing the business we have walked you through today. So I'll leave you with that.

John W. Damian *Radian Group Inc. - SVP of Corporate Development & IR*

Okay. All right. Thanks, Rick. So it looks like we're coming up to the end of the Q&A session. So I think -- so we'll take one more question. And look, as I mentioned earlier, if we didn't get to your question, just feel free to reach out to me, John Damian and we'll circle back with you. So let me just kind of grab the final question here. Okay. Okay. Why do you believe Homegenius will be successful versus other existing players were well-funded start-ups that we read about every day in the press.

Richard Gerald Thornberry *Radian Group Inc. - CEO & Director*

Yes. We hardly go a day without reading something about some funding, right? But I think -- and I'll take those questions, so appreciate the question. Look, our market reach is unique. When I came here, I looked and I said, well, the great values the Radian has aside from just being a fantastic successful mortgage insurance business is the relationships and the distribution network. And I think that established strong network that we've talked about today is very, very valuable.

We're positioned for the future versus stuck in the past or maybe of the existing players that. If you think about in the title world, there's a lot of channel conflict potential for disrupting your own model with brick-and-mortar agents. We're creating the digital agent, right? through our TITLEGENIUS platform. And you can think about is how the world is operating is much more on a virtual digital perspective than a whole lot of brick-and-mortar. We've seen it, as you heard from my comments earlier, we've seen it throughout this pandemic year with companies like Amazon and Instacart and DoorDash and all the things that we've just changed the way we think about how we want to transact.

Commercial start-up, as I said, our relationship network is part of Radian and our Homegenius business relationships in our latest puts us far ahead of me start. So we have real competitive advantages. We have a well-established title valuation and asset management, real estate asset management products and services. Deep data and proprietary analytics, groundbreaking technology leveraging AI, machine learning, computer vision, all the buzzwords, but they are real. And we're leveraging them across our business, including robotic process automation across our title business, which I could tell you a lot of stories about the naming of some of the robots, which is kind of fun.

The new digital products and services driving transformation value to users, right? We've done the research. We've done the work. We've got the team on the field. The Radian halo effect, you can't undervalue that and a highly experienced team. I will put our team up against any of these existing players and startup team for kind of their focus, their expertise across a variety of things.

We spent considerable time listening the customers doing the extensive market research, and to develop our products and services for the future versus the past. We're focused on delivering the solutions that transform the market. Not just -- I like the thing it was not just a Band-Aid on a whole problem, Brien. We see so many institutions struggle to transform themselves, but we started with the legacy we're

able to kind of build for the future. We believe that we're in a strong competitive position to be very agile and innovative as a business partner across our network of strong relationships. And we are going to play a disruptive role through thoughtful innovation of legacy business files that are currently challenging participants in these markets.

So like I've said, I've been around a lot of new ventures in various forms for most of my career in all differentiates shapes and forms. Given our capabilities, our team, our momentum, the size of the opportunity, this is the most exciting of all. And I truly have really appreciate the opportunity to tell everybody more about it today. But I think we're alongside just a world-class mortgage insurance business, I think we're -- our Homegenius by Radian businesses are really starting to emerge as world-class businesses in and of themselves, and we bring it all together under One Radian. So we're excited to share the story with you today. And I think, John, you're going to -- that wraps up the questions?

John W. Damian Radian Group Inc. - SVP of Corporate Development & IR

Yes. Yes. That wraps up the Q&A portion, Rick.

Richard Gerald Thornberry Radian Group Inc. - CEO & Director

Okay. Well, look, first off, thank you for the questions. We were getting questions prior to the call, during the call, and we tried to put as many of them together as we could. So hopefully, we answered most of your questions. As John said, if not, we look forward to circling back to you the kind of provide more insight as appropriate. But I'd like to thank all of you for your interest in Radian, and specifically today in Homegenius by Radian, the new name for our real estate segment. I want to thank our entire whole Genius team for their dedication and commitment towards building an outstanding business for today and into the future. I want to thank our Board for their continued strategic support of the entire Radian team and kind of having the patients with these businesses to develop. And I look forward to talking to all of you in the near future. Hopefully, at some point, face-to-face as we kind of come out of this pandemic world. But I enjoy our interactions and appreciate your input.

So thank you for participating, and take care. Look forward to seeing you soon.

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