

**ASX Announcement**

17 December 2020

## **Credit Intelligence acquires majority share of fintech platform YOZO Finance**

### **Highlights**

- **Credit Intelligence has successfully acquired 60% of Australian fintech company, YOZO Finance Pty Ltd (YOZO), which has been developed in conjunction with Dr Guangdong Xu, PhD, Professor in Computer Science of UTS Sydney, to become a full service comprehensive financial services company focused on SMEs funding requirements in Australia.**
- **Consideration of \$1.38 million, 50% in cash and 50% in CI1 shares (subject to 6 month escrow) was paid for 60% of YOZO. To date, YOZO has been focused on developing its proprietary systems utilising AI. Now through the acquisition by CI1 and the backing of CI1, YOZO is ready to embark on a rapid commercialisation phase.**
- **The YOZO acquisition provides business unit synergies across CI1 and its Chapter Two Holdings insolvency division to drive commercial growth**
- **The YOZO project, developed in conjunction with Dr Guangdong Xu, Professor in Data Science, School of Computer Science and leader of the AI Institute at UTS University, is unique due to its novel data-driven and machine learning-based system that enables personalised and streamlined experience of small business loans.**
- **YOZO, in conjunction with CI1 are uniquely positioned to revolutionise the small business lending space through the use of AI. CI1 in making this position is doing so with the intention of becoming a leader in the use of AI (artificial intelligence) in the SME lending and debt management space.**
- **Credit Intelligence is now a full service financial technology company which with YOZO will embark on developing a vast suite of products including digital payments and buy now pay later capabilities.**

Leading diversified debt restructuring and personal insolvency management services business within the credit funding sector, Credit Intelligence Limited (ASX:CI1) ("**Credit Intelligence**" or "**the Company**" or "**CI1**") is pleased to announce it has successfully acquired YOZO Finance Pty Ltd ("**YOZO**") and its leading fintech platform with its proprietary AI capabilities.

### **Transaction overview**

Credit Intelligence paid \$1.38 million in consideration for 60% of YOZO, 50% (\$690,000) of which was paid in cash and 50% in CI1 shares at \$0.025 per share. As part of the agreement, the shares paid to YOZO will be escrowed for six months, however they may be released early if the Company's share price trades above \$0.04 per share for five consecutive days.

## **YOZO**

Built in collaboration with Dr Guangdong Xu, the Director at School of Computer Science & Advanced Analytics Institute at UTS, YOZO was developed in 2019 as a 24-7 self-service intuitive AI engine for small business owners to provide anytime access to financial tools and calculators to better understand their business's financial position and potential borrowing capacity. YOZO's platform was built specifically to target the up to 90% (as observed during beta testing) of SME finance applications that are not approved due to low credit scores, payment dishonours and poor account keeping.

YOZO considered numerous offers of investment from private equity and other investors. The decision for choosing CI1 was that CI1 is in a unique position to monetise unqualified SME loan applications due YOZO's tech and AI in conjunction with the other divisions of the CI1 business.

**Dr Guangdong Xu, who leads the AI Institute at UTS, said about Yozo** "The YOZO project aims to develop a novel data-driven and machine learning-based system that enables a personalized and streamlined experience of small business loans. More specifically, the system with machine learning algorithms under the hood can instantly evaluate the risk of a borrower and identify the best lender for the specific situation. The algorithm learns from data and improves over time. With the developed system and a step by step guided front end, users would be able to navigate and use the system without any technical & finance background knowledge."

YOZO has two offerings; YOZO SME and YOZO Pay.

### **YOZO SME solutions**

Fast, hassle-free business loans

- Access to finance for start-ups
- Finance extended without real estate as collateral
- Quick: applications take ~10 minutes and approval received within 30 minutes
- Simple: applicants fill out a few details; upload their bank feed and the AI does the rest
- Long contract: Customers have up to 24 months to repay their loan

### **Roadmap to develop YOZO Pay in 2021**

Buy now pay later solution designed specifically for SMEs

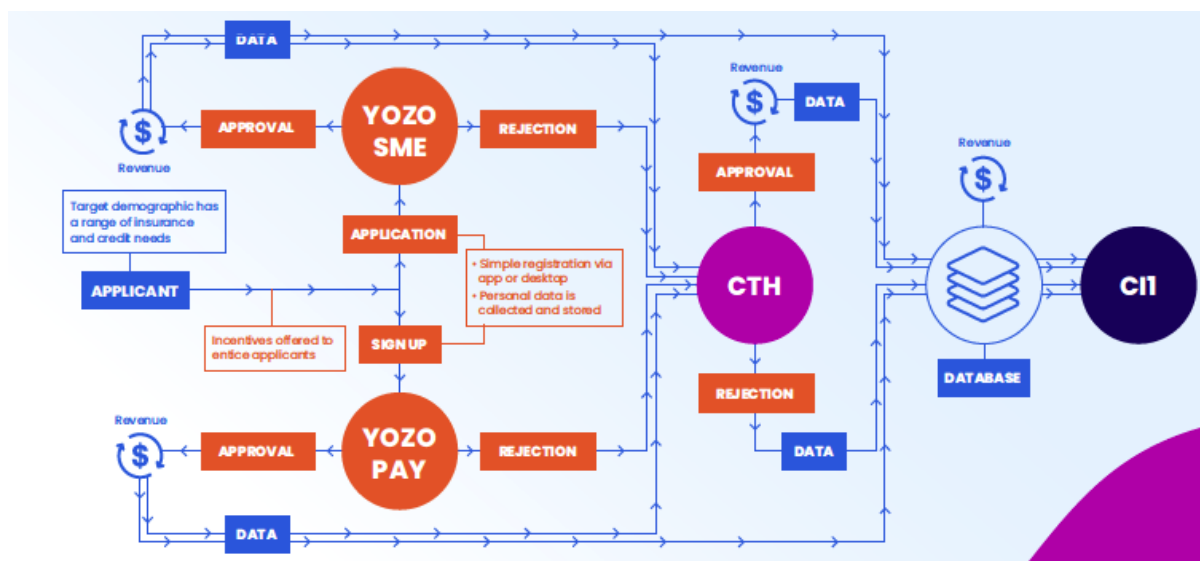
- On demand lending allows customers to pay their invoices and bills on time
- YOZO Pay can be used to make purchases online and in store
- Loan repayments split into four instalments
- Simple, fast sign up, requiring only a personal guarantee, identification and credit card details
- Suppliers are paid the full amount immediately, at time of purchase

### **Strategic rationale**

The acquisition and integration of YOZO into Credit Intelligence morphs the Company into a full-service financial technology company specifically for SMEs by offering a suite of financial products and solutions to support the SMEs during financial challenges. The new synergies have expanded the Company to

encompass securing finance, debt solutions and restructuring, mortgage broking services, personal insolvency management, buy now pay later and small business loans.

## Credit Intelligence's comprehensive platform



The acquisition also enables synergies and business development leads for YOZO, Chapter Two Holdings and Credit Intelligence by compiling a database of potential SME customers that require financial restricting and are not eligible for the product they originally apply for. The Company is poised to capitalise on this opportunity as the global lending market is expected to witness a compound annual growth rate (CAGR) of 6% from 2021 and reach \$7929 billion in 2023 as a result of macro-economic factors impacting SMEs such as COVID-19.

**Jimmie Wong, Executive Chairman and Managing Director of Credit Intelligence:** "This is a fantastic opportunity for us to dramatically increase our revenue generation and diversify our revenue streams by integrating new financial products to capture more of the SME market. By Integrating YOZO's AI platform we can fully digitise our entire offering for more efficient processes where we can build a database and up sell our suite of products to new customers. We now offer a comprehensive full-service offering with a specifically designed product to meet the needs of all SMEs."

**Ends.**

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### **About Credit Intelligence Limited (ASX:CI1)**

Credit Intelligence Limited (ASX:CI1) is one of the leading diversified debt-restructuring and personal insolvency management services operating in Hong Kong in the credit funding sector. Credit Intelligence's main business includes the provision of bankruptcy admission services and Individual Voluntary Arrangement (IVA) proposal consultancy and implementation services. CI1 acquired 60% of two profitable Singapore based finance companies, ICS Funding Pte Limited (ICS) and Hup Hoe Credit Pte Limited (HHC) on 28 June 2019 and 30 September 2019 respectively. Both acquisitions are profit accretive to the group results for the financial year ended 30 June 2020.

On 1 July 2020 CI1 acquired a 60% interest in Chapter Two Holdings Pty Ltd a Sydney based debt solutions business providing debt negotiation and mortgage broking services to individuals who are experiencing financial hardship.

Credit Intelligence acts for all the leading banks and financial institutions in Hong Kong with regular referrals from those banks and financial institutions to assist their defaulting personal clients. Two of the directors of the Company are registered Trustees in Bankruptcy in Hong Kong.

For the latest research and news on Credit Intelligence, please visit: [www.ci1.com.au](http://www.ci1.com.au)