

Sydney – 30 May 2016

## **FLEXIGROUP INVESTS IN LEADING FINTECH LENDER KIKKA CAPITAL**

FlexiGroup Limited (“FlexiGroup” or “The Group”) (ASX:FXL) today announced that it had agreed to acquire a minority equity interest in Kikka Capital (“Kikka”), an online, non-bank lender to Australian small to medium businesses. FlexiGroup has agreed to invest \$2 million of equity (with an option to increase its investment in the future) and provide a funding line to Kikka.

Kikka provides growth capital to small businesses, via a revolving line of credit, of up to \$100,000. It has developed a risk based credit decisioning and pricing engine that assesses the cash flow of a business in real time to determine the loan size and interest rate. The credit model is based on Kabbage, a US business loan provider that has lent over \$US 1.6 billion to over 100,000 businesses.

Based on this proprietary technology, Kikka has the fastest origination process currently in the market and can approve a loan online in 7 minutes.

Through this partnership, FlexiGroup will also have access to a white label version of the Kikka platform it can market to existing and new customers.

FlexiGroup Chief Executive Officer, Symon Brewis-Weston, said the investment represented a compelling opportunity to both expand the Group’s offering to commercial customers, and to continue to develop its own credit models and customer experience expertise.

“One of FlexiGroup’s traditional strengths has been our ability to accurately assess credit risk. This partnership allows us to improve risk pricing one step further by combining our leading credit decisioning processes with Kikka’s real-time and daily cash flow assessment,” said Mr Brewis-Weston.

“We are in the unique position to be able to benchmark this, and other, credit models with our own established ones and create best-of-breed models using the latest technology.”

“FlexiGroup has provided asset financing to Australian businesses for more than 20 years. By partnering with one of Australia’s leading fintech lenders we will be able to offer our established commercial customer base a new avenue to access the finance they need to grow and expand their businesses via unsecured loans.”

Kikka Capital Founder and Chief Executive Officer, David Brennan, said: “Our partnership with FlexiGroup is important as it represents an opportunity to supplement Kikka’s existing online-only distribution channels. We see this as a great opportunity to leverage FlexiGroup’s network to drive more rapid loan growth.

“Kikka is one of the new and innovative lenders in the commercial market, and investment from FlexiGroup provides access to capital and the ability to commercialise our product at scale, which gives us a significant competitive advantage.”

FlexiGroup has the option to appoint a Director to the Kikka Capital board.

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**ABOUT FLEXIGROUP**

FlexiGroup is a diversified financial services group providing “no interest ever”, leasing, vendor finance programs, interest free and Visa cards, lay-by and other finance solutions to consumers and businesses.

Through its network of over 16,000 merchant, vendor and retail partners the Group has extensive access to four key markets, Business to Consumer, Business to Business, Retail to Consumers (and small business customers) and online.

Performance has been characterised by solid profitable growth as the company has expanded and diversified its business through organic growth, acquisition and product innovation. This diversification strategy has been extended to the large \$45bn credit card market with the acquisitions of Lombard, Once Credit and Fisher & Paykel Finance.

FlexiGroup operates in Australia, New Zealand and Ireland within a diverse range of industries including: home improvement, solar energy, fitness, IT, electrical appliance, navigation systems, trade equipment and point of sale systems.

The Board of FlexiGroup is chaired by Andrew Abercrombie who is the founding director and 25% shareholder in FlexiGroup. The Board also includes Symon Brewis-Weston, the FlexiGroup CEO, John Skippen, former Finance Director of Harvey Norman Holdings Limited and Rajeev Dhawan, a partner of Equity Partners.

**ABOUT KIKKA CAPITAL**

Kikka is Australia's fastest growing online small business lender. With no application or early repayment fees, Kikka provides a fast and economical finance solution to help Australian business grow. Being completely online, applications are processed immediately with only minimal data meaning your business can get moving with up to \$100K in unsecured business finance in as little as 7 minutes.