



## **PRESS RELEASE**

### **FINAL**

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### **Yoco offers small businesses fast, efficient access to cash advances**

**4 October 2018 -- Johannesburg, South Africa** -- Following the success of its point-of-sale payment service, which is now used by over 28,000 small businesses, Yoco, a South African-based fintech company, today launches Yoco Capital. Yoco Capital provides small businesses with fast, efficient access to a cash advance.

Having recently announced the successful close of its Series B fundraise, in which Yoco secured US\$16m, the company has identified access to funding as one of small businesses' most pressing pain points and inhibitors of growth. According to recent research conducted by Yoco on more than 3,600 small businesses from its base, 51% of business owners said that access to funding is important to run their business, but only 13% applied for, and successfully received the funding they wanted, says Yoco co-founder and CEO, Katlego Maphai.

In an effort to proactively stimulate growth within its established merchant network, Yoco built and piloted Yoco Capital. After successfully granting 225 advances to the value of R7.5m, the product has moved out of beta. With Yoco Capital, eligible Yoco merchants can now access a cash advance of between R2,500 and R75,000, without the need for security or collateral. "This offers entrepreneurs a simple and transparent way to fund growth, while ensuring that their assets are not tied up in their business," explains Maphai.

Eligible merchants would need to have been transacting with Yoco for at least three months, with the size of the advance determined by the merchant's monthly turnover. A merchant simply needs to log in to their Yoco Business Portal to see if they have an offer. The online application is quick and easy, requiring just a few clicks. If successful, approval is provided within seconds and funds are transferred into a merchant's bank account within 24 hours, and the use of this capital is unrestricted.

While traditional business loans charge an interest rate attached to a specific repayment period, Yoco Capital's innovative model charges one transparent fixed fee, which customers know in advance. Additionally, there are no early repayment fees, no late fees, and no hidden costs. Customers simply pay back a small portion of the cash advance with each swipe they process through their Yoco card machine. Deductions are automatic and are calculated based on a fixed percentage of every card transaction that is processed, until the balance is paid off.

"This means that when business is good, customers pay their cash advance off more quickly, and when business is slow, they are not burdened by hefty month-end debit orders in service of their capital. As the concept allows businesses to repay as they get paid, there is minimal impact on cash flow," adds Bradley Watrus, Yoco co-founder and CFO. Manual payments towards the advance can also be made.

“We understand that accessing capital is one of the hardest challenges faced by small business owners. It's also one of the biggest reasons why small businesses remain small. We are therefore offering a solution that leverages smart technology to help small businesses grow. We're confident that Yoco Capital's ability to deliver frictionless access to funds will revolutionise small business funding, in the same way that Yoco lowered barriers to card payment acceptance in the sector,” concludes Maphai.

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Words: 519

#### **About Yoco**

Yoco ([www.yoco.com](http://www.yoco.com)) is committed to empowering the growth of entrepreneurs in South Africa through smart technology. Yoco launched its first product in late 2015, a mobile card reader that connects to a merchant's smartphone or tablet. Today, over 28,000 South African small businesses use Yoco's card readers and point of sale software to get paid and manage their businesses.