

## CTOS DIGITAL attracts record number of cornerstone investors

*Driven by the Group's strong growth trajectory and track record*

**Kuala Lumpur, Malaysia – CTOS Digital Berhad (formerly known as CTOS Holdings Sdn Bhd)** (CTOS Digital or the Group) has garnered strong support from local and global institutional investors for its impending initial public offering (IPO) on Bursa Malaysia Securities Berhad, constituting the largest number of institutional investors participating in a Malaysian IPO.

A total of 23 cornerstone investors participated in the institutional offering of the IPO, including renowned names such as the Employees Provident Fund Board, Permodalan Nasional Berhad, Aberdeen Standard Investment, AIA, Eastspring Investments, FIL Investment Management and JP Morgan Asset Management.

CTOS Digital is the holding company of CTOS Data Systems Sdn Bhd and has an associate stake in Business Online Public Company Limited in Thailand – making the Group ASEAN's leading credit reporting bureau.

At the launch of its prospectus today, Group Chief Executive Officer Dennis Martin said: "CTOS Digital's growth story, combined with an innovative, comprehensive product offering has proven to be a compelling one. The tremendous support from notable local and global institutional investors reflects their confidence in our strong track record and growth trajectory going forward."

Dennis added: "CTOS Digital's product offerings have expanded beyond credit reporting instruments to include a breadth of digital solutions to support every stage of the customer lifecycle. All of this comes on the back of steady financial growth, making us the leading credit reporting agency in Malaysia."

Independent market research carried out by IDC Malaysia reported that countries in the ASEAN region had a cumulative credit reporting market size of RM990.5 million in 2020, which is expected to grow at a compounded annual growth rate (CAGR) of 10.8% between 2021 to 2025, relatively higher than the forecasted 7.5% and 5.3% CAGR in the United States (US) and United Kingdom (UK).

Strikingly, the Malaysia's credit reporting market size is slated to expand at a CAGR of 13.2%, a much faster pace compared to the ASEAN, US and UK markets.

Martin added: "To cater to the robust environment in Malaysia, we have steadily introduced new products each year, including CTOS eKYC, CTOS Consumer and SME Score, CTOS ID-Guard, the Malaysian banking industry's first fraud bureau, and many more. This is in

line with our plan to introduce more digital solutions to ultimately build a dynamic, stable and agile financial ecosystem in Malaysia.”

Datin Ami Moris, Chief Executive Officer of Maybank Kim Eng Group said, "In line with Maybank's mission of Humanising Financial Services, we are pleased to play a part in bringing to the Malaysian capital market a digital solution that empowers the community to achieve financial well-being."

Jaimie Sia, Acting Chief Executive Officer of RHB Investment Bank said, "CTOS Digital Group is well positioned to benefit from robust key areas of growth within the credit reporting industry and maintains a clear leading market position within this space. RHB Investment Bank is honoured to be part of the Group's promising journey ahead and wish the Management Team of CTOS Digital Group every success."

CTOS Digital Group provides digital solutions across three core customer segments – the Key Account segment, which includes a significant number of leading financial institutions and corporates; the Commercial segment, which includes a growing number of small-and-medium-sized businesses; as well as over 1.3 million individual customers who realise the importance of understanding their financial standing to better access credit.

As a further testament to the Group's growth, CTOS Digital recorded RM42.3 million revenue in the first quarter ended 31 March 2021 (1Q21), 24.1% higher than the RM34.1million in the previous corresponding quarter (1Q20), while normalised PATAMI for the quarter grew 73% to RM16.4million in 1Q21 from RM9.5 million previously.

The 1Q21 performance outpaced the growth from the financial years ended 31 December 2018 to 2020 (FY2018 to FY2020) where the Group reported a 12.8% CAGR in revenue, from RM110.5 million to RM140.5 million. Normalised net profit attributable to shareholders (PATAMI) recorded quicker CAGR of 22.2%, jumping from RM30.5 million to RM45.5 million from FY2018 to FY2020.

Dennis said: "We registered all-round growth across core customer segments, a clear indicator of our increasingly critical function as a digital solutions provider and partner to both businesses and individuals. We are buoyant about our future prospects as we retain our growth thrust. We also strongly believe in finding the right balance between reinvesting our profits for sustainable growth and generating shareholders' returns. To this end, CTOS Digital is establishing a dividend policy of 60% of PATAMI to reward our shareholders' confidence in us."

The IPO exercise entails the public issue of 200 million new shares and an offer-for-sale allocation of 900 million existing shares, which are priced at RM1.10 per share.

Out of the RM220.0 million IPO proceeds, RM155.2 million will be used for the repayment of all bank borrowings to free up debt headroom, while RM59.0 million will be earmarked for synergistic investment and acquisition of target companies. The remaining RM6.1 million will be utilised to defray listing fees and expenses.

On the distribution of the 200 million new shares, 44 million will be made available for application by the Malaysian public via balloting; 120 million will be made available for application by the Group's eligible directors, employees and persons who have contributed

to the success of the Group, while the remaining 36 million will be offered to Malaysian and foreign institutional investors.

Meanwhile, the 900 million offer-for-sale allocations will also be made available to Malaysian and foreign institutional investors via a private placement exercise.

Applications for CTOS Digital's IPO open 30 June 2021 and close on 6 July 2021. CTOS Digital is expected to list on the Main Market of Bursa Malaysia on 19 July 2021.

Maybank Investment Bank (Maybank IB) and RHB Investment Bank (RHB IB) are joint principal advisers of the IPO exercise, as well as joint bookrunners, joint managing underwriters and joint underwriters with AmInvestment Bank. On top of that, Maybank IB and RHB IB are joint global coordinators and joint bookrunners with Credit Suisse Securities (Malaysia) Sdn Bhd and Credit Suisse (Singapore) Limited.

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### **About CTOS Digital Berhad ([www.ctosdigital.com](http://www.ctosdigital.com))**

*(Formerly known as CTOS Holdings Sdn Bhd)*

CTOS Digital Berhad is the holding company of CTOS Data Systems Sdn Bhd, the leading Credit Reporting Agency in Malaysia. It also has 20% stake in Business Online Public Company Limited (BOL), the leading credit information and risk management provider in Thailand. Founded in 1990, the Group offers a broad suite of innovative digital products and credit risk management solutions and services which gives it a solid platform to thrive not just in credit reporting, but also in digital credit decisioning across Southeast Asia.

With a broad suite of innovative products and services developed in Malaysia over the company's 30-year history, the Group's digital solutions are widely used by the country's banking and financial institutions, insurance and telecommunication companies, large corporations, SMEs, legal firms, statutory bodies as well as consumers for self-checks.

CTOS Digital Berhad's mission is to empower individuals and businesses with the confidence to make sound credit decisions through access to data and insights at greater ease and speed, leading the community to better financial health. While its vision is to make Malaysia a centre of excellence for credit reporting in ASEAN.

**Issued for and on behalf of CTOS DIGITAL BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd**

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