

(creditor)watch®





ABOUT CREDITORWATCH

Company profile

CreditorWatch is a credit reporting bureau with over 40,000 customers, from sole traders through to ASX listed public companies. CreditorWatch enables businesses of all sizes to access credit risk information on any entity in Australia (including sole traders, trusts and partnerships) to determine what sort of risk they represent to their business.

We obtain our data from a number of sources including the ASIC, ABR (ABN lookup), courts, mercantile agents, Xero and MYOB, large corporations and SMEs. This data is combined and presented in one easy-to-use interface, giving you a better understanding of your debtors and the credit risk they represent.

Unique Data

Prior to CreditorWatch being launched only large businesses and the corporate sector could afford to access credit reporting bureaus, meaning over 90% of entities (SMEs) had no means of assessing credit risk information, or contributing their valuable data. CreditorWatch has changed all that, creating an affordable and easy to use platform that allows any business to use it. As a result, we have over 40,000 customers from every industry and state.

The breadth of our customer base means we are getting access to more data from more sources, with the biggest source being SMEs. The data being captured from SMEs is critical in the early identification of a debtor heading towards delinquency or administration. Why? A debtor is more likely to default on a smaller supplier that isn't critical to their business, rather than a big creditor (landlord, finance provider, telco) that they rely on for day to day operations. CreditorWatch often sees smaller creditors lodge defaults against struggling businesses up to 6 months prior to a large creditor registering a default.

Trade payment data

CreditorWatch collects trade payment data from two distinct sources:

Similar to our competitors, our corporate clients submit their aged trial balances (ATBs) with us on a monthly basis, this data is then used to generate payment predictors and trading history reports. This monthly cycle makes it incredibly difficult to accurately predict when a debtor has paid – for example, if it sits in the 1-30 column, did they pay on day 1 or day 29?

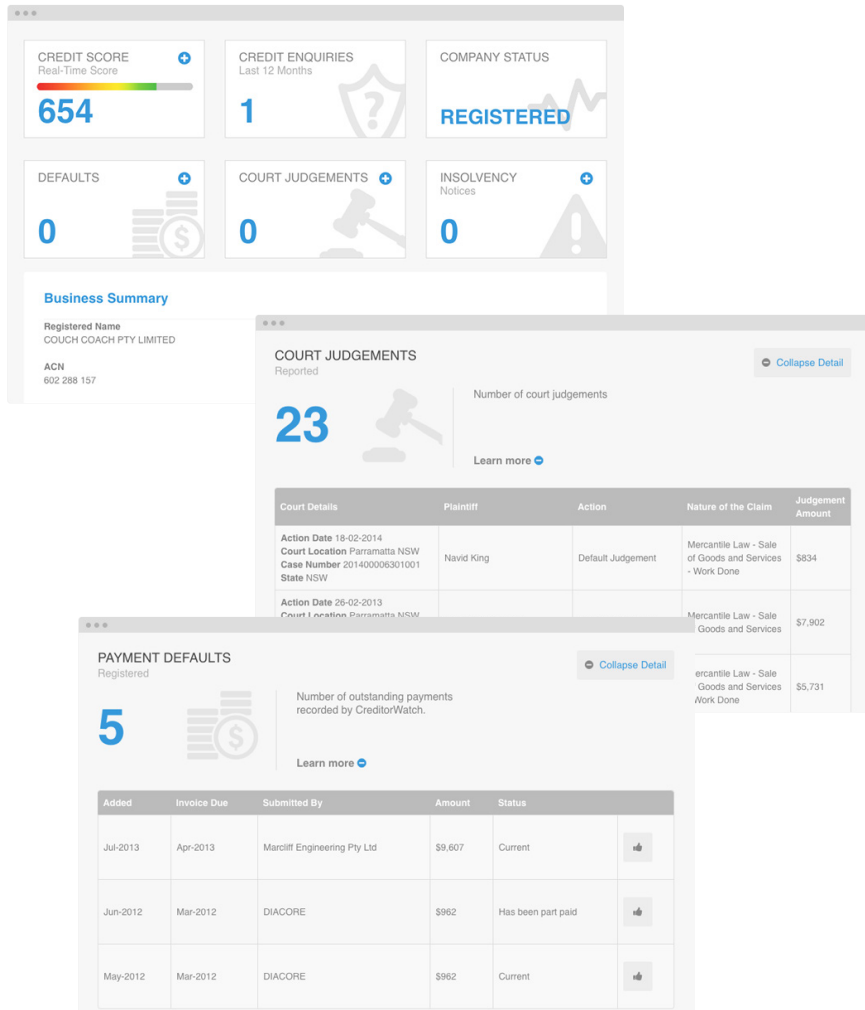
The second source of data comes from Xero and MYOB via our SME clients. With this integration we are able to pull their receivables data every 15 minutes, which makes it much more accurate and predictive than solely relying on the monthly ATB data from corporates.

Technology

CreditorWatch has developed agile and easily customised technology allowing us to automate the credit management process for our customers. This not only saves time in rolling out products and features but importantly saves significant dollars resulting in CreditorWatch often being up to 50% more affordable than our competitors.

CreditorWatch also utilises “plug and play” technology in our online credit applications which means that as new features are created for one particular customer we're then able to turn that feature on for all other members as well. This allows us to create or change online applications in a matter of hours rather than weeks/months when compared to our competitors.

CREDIT REPORTING



CreditorWatch has a number of credit reports available for customers to access, from basic entity verification through to comprehensive credit reports with trade payment data. Reports are available on any type of business or company (including sole traders, trusts and partnerships) and unlike other reporting bureaus, CreditorWatch allows users to pick and choose exactly which data or risk elements they want included in each report.

The Commercial credit report (our standard report) comes free with your monthly subscription. This is the equivalent to our competitors' base credit report and includes:

- ABR data - business names, status, GST status and locality
- ASIC on-file extract – company name, status, addresses, directors and shareholders
- Risk data – payment defaults, court actions, mercantile (debt collection) footprints, cross-directorships and insolvency notices

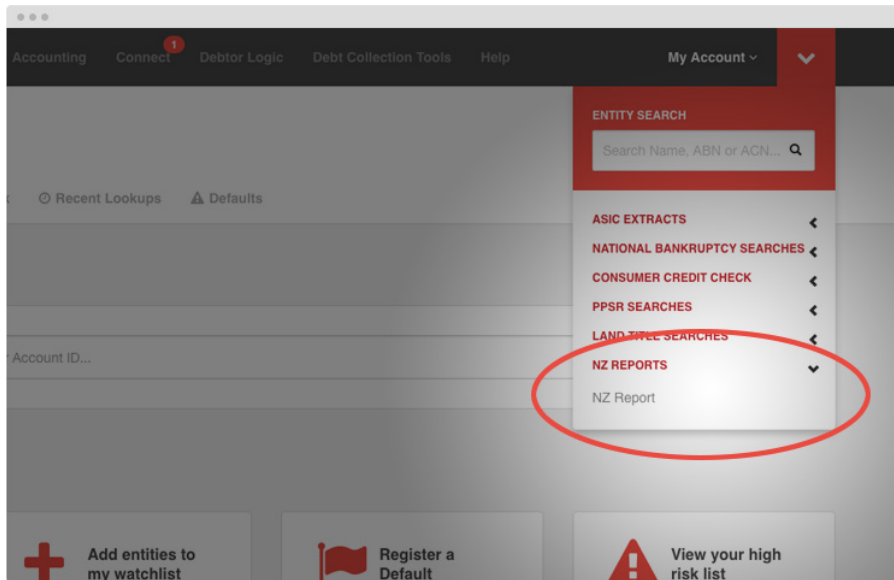
Benefits:

- Reduce credit reporting costs by up to 50%
- Access credit reports and on-file data for free
- Reports and score on all entity types including sole traders, trusts and partnerships
- Reports are approved by the major trade credit insurers to be used for discretionary limit due diligence

Additional reports & data elements:

- Comprehensive report – credit report, historical extract, credit score, payment predictor and tri-PPSR search
- Payment Predictor – identifies the average number of days overdue that a debtor pays their bills as well as a 12 month historical trend so you can identify deteriorating payment behaviour
- Credit score – identifies the creditworthiness, includes a 12 month historical score trend and a trading recommendation
- ASIC company extracts & documents
- New Zealand credit reports
- Business name extracts
- Personal name (director) searches
- PPSR
- Bankruptcy
- Land titles

NEW ZEALAND CREDIT REPORTS



New Zealand credit reports are now available from within your CreditorWatch account. Access a credit report on any business in New Zealand to assess their credit worthiness and what sort of risk they present to your business.

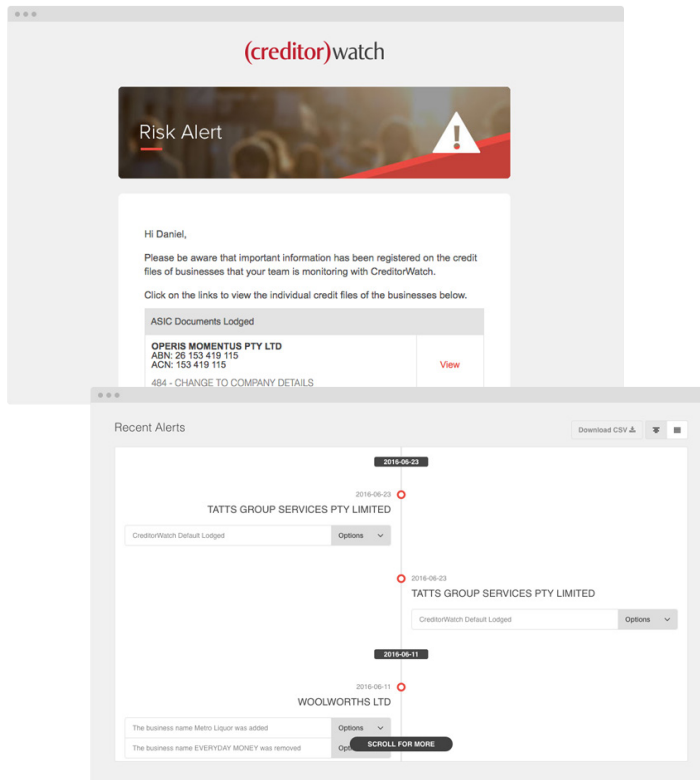
Simply log in to your CreditorWatch account and choose 'NZ reports' from the red drop down menu.

The New Zealand Credit Reports include:

- Credit risk indicator
- Company and director details from NZ Companies Office
- Adverse (court judgments and defaults)
- Debtor exposure and ageing summary
- DSO trend
- Cross directorships
- PPSR registrations

Once ordered the report will be emailed to you within an hour (but typically much quicker). This timeframe will reduce over the coming months as we further improve the process.

MONITORING & eALERTS



The current economic climate is uncertain meaning there is more of a need than ever to closely monitor your clients and the risk they represent to your business. Whether you have a couple of clients or thousands, it is difficult to keep an eye on them at all times.

CreditorWatch will monitor customers (and suppliers) 24/7 for key delinquency indicators, sending email alerts when important changes occur to their credit files that could affect their ability to pay their bills.

Alerts include:

- Entity status changes – deregistrations, administrations, liquidations and strike off action
- ASIC/ABR changes – business name/director/shareholder/address changes
- Adverse events – court judgments, payment defaults and mercantile enquiries
- Insolvency notices – winding ups and administrator appointments (including contact details of administrator and creditor meeting information)
- ASIC documents lodged

Benefits:

- Unlike other credit bureaus, you don't have to buy a credit report to view all the information related to the email alert as it is all included
- Don't be the last to know - respond to changing customer circumstances when they happen
- Prioritise which clients to collect from first

DEBTORLOGIC PLUS



Our enhanced trade program **DebtorLogic Plus** helps you better understand what sort of credit risk a customer represents to your business by looking at how they pay their bills across the market.

Deteriorating payment behaviour is a lead indicator that a debtor is in financial difficulty, often providing an earlier warning that a default or court action.

DebtorLogic Plus gives you access to multiple customer insights by:

- Appending a Credit Score and Payment Predictor to all of your customers
- Allowing you to see how your customers are paying other suppliers
- Helping you to respond to changing payment trends (both positive and negative)
- Assisting in helping you to prioritise your collections based on payment behaviour – for example: a client might be paying the market inside 30 days, however they are paying you at 60 days

Benefits:

- Stay ahead of oncoming bad debt
- Better manage your credit terms
- Prioritise collections

Unique data sources

CreditorWatch collects trade payment data from two sources:

Corporates - just like our competitors, larger companies can submit their aged trial balances (ATBs) on a monthly basis. This monthly cycle however makes it incredibly difficult to accurately predict when a debtor has actually paid – for example, if it sits in the 1-30

column, did they pay on day 1 or day 29?

Small businesses – this is the most important and unique source of trade data that our competitors cannot access. It comes from our integration with Xero and MYOB via our SME clients. With this integration we are able to pull receivables data every 5 minutes, which makes it incredibly more accurate and predictive than solely relying on the monthly ATB data.

APPLYEASY - ONLINE CREDIT APPLICATION

CreditorWatch can transform your current paper credit application process by making it available online.

An online application simplifies the credit application process for the customer, whilst also strengthening your internal credit process. Customers will no longer be able to leave important information fields blank, it eliminates illegible handwriting and reduces the time it takes to approve an application thereby shortening the sales cycle.

Automated decisioning is available which reduces the need to perform manual credit checks and ensures you make the correct credit decision every time. Your online application also includes an Inbox to allow you to manage the approval/rejection process and provide applicants with responses to their application.

Features:

- 100% customer branded credit application hosted by CreditorWatch
- Verify the ACN / ABN and entity information as the customer fills out the application (meaning you know exactly who you're trading with)
- Free CreditorWatch commercial credit report
- Automated trade reference checks
- Automated credit decision – approve, reject or refer
- Attach personal or directors guarantee
- Hand signed or electronic signature authorisation
- Customer branded website including unique URL, for example: <http://xyzbuilding.applyeasy.com.au>
- Customisable questions

We can have a free trial version set-up within 48 hours.

loyalymedia Online Credit Application Need help with your application? Call (02) 9656 6311

Business Details

Business

ABN e.g. 12 123 123 123 required

ACN e.g. 123 123 123 required

Business structure Please select required

Year of inception

How did you like the presentation

what first would you use?

Names

Main name/Legal name e.g. Company Pty Ltd

Main trading name

Other trading names

Profile

Nature of business

Business description

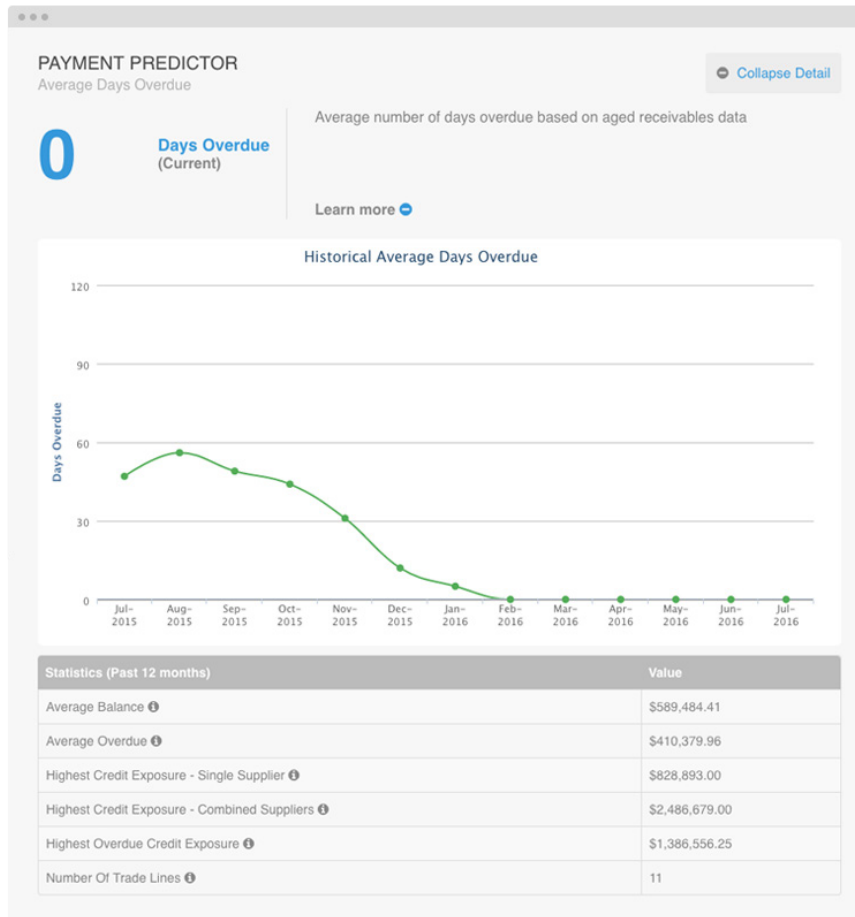
Account Details

Estimated monthly spend

Approved Applications for ABC PTY LTD

Account Id	Company	Notes	New Trade Reference	PPSR	Trade Reference	ABN	ACN	Trade Responses	Bureau Check	ABC Extracts	Director Search	Credit App	Auto Decision	Action	Created Date	
	A&I Distribution Pty Ltd	Notes	Email	Releg	77 158 345 834	158 345 834		free view	Buy	view app	increase	refer	Approved		29-08-13	
12342	Avanti Bicycle Company...	Notes	Email	Releg	60 082 376 289	082 376 289		free view	Buy	view app	increase	approve	Approved		29-08-13	
1234142	Blueleaf Food Group Pty...	Notes	Email	Releg	95 141 912 185	141 912 185		free view	Buy	view app	increase	reject	Approved		29-08-13	
123	Phabrication Pty Ltd	Notes	Email	Releg	84 156 429 837	156 429 837		free view	Buy	view app	increase	approve	Approved		29-08-13	
test cp	Ganic Pty Limited	Notes	Email	Releg	27 117 258 098	117 258 098		free view	Buy	Dir. 1	view app	increase	reject	Approved		27-02-13
12345	Blueleaf Food Group Pty...	Notes	Email	Releg	95 141 912 185	141 912 185		free view	Buy	view app	increase	approve	Approved		22-08-13	
test	Avanti Bicycle Company...	Notes	Email	Releg	60 082 376 289	082 376 289		free view	Buy	view app	increase	approve	Approved		21-08-13	
test	Advanced Technology C...	Notes	Email	Releg	58 159 377 174	159 377 174		free view	Buy	error 1	view app	increase	off	Approved		08-10-12
	Alpha Polished Concrete...	Notes	Email	Releg	32 137 527 827	137 527 827		free view	view extract	Dir. 1	view app	increase	off	Approved		08-10-12
thgrif	Bell Total Logistics Pty Ltd	Notes	Email	Releg	57 070 862 056	070 862 056		free view	Buy	error 1	view app	increase	off	Approved		08-10-12

PAYMENT PREDICTOR



Find out how slowly a business pays their bills.

Our Payment Predictor displays the average number of days overdue that a debtor typically pays their bills, this will help you quickly identify customers that represent a risk to your business and cashflow.

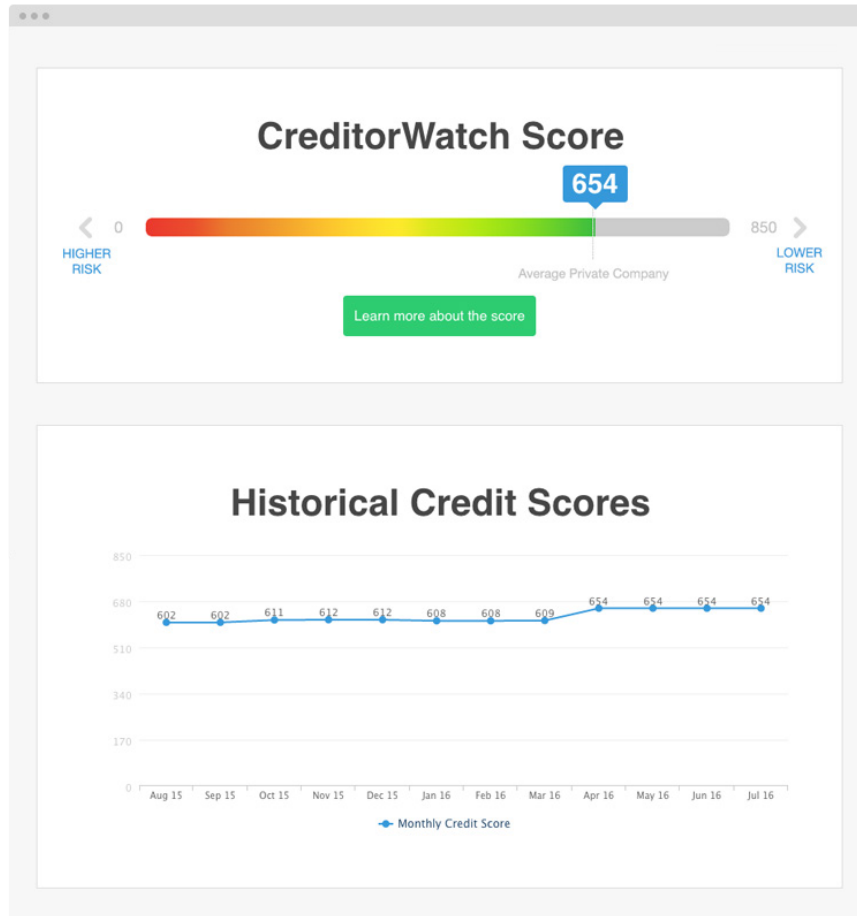
The 12 month historical graph allows you to see a visual representation of how the business has been paying their bills. Deteriorating payment patterns are a lead indicator of risk and should be acted upon as a priority.

The statistics table provides further insight into the payment history of a business over the past 12 months by giving you a better understanding of their credit exposure across individual and all suppliers.

When should a Payment Predictor be used?

- Before you take on a new customer you should be running a credit report on them in CreditorWatch. If you are still unsure about the customer or if they request a bigger credit limit than you would normally provide, order a Payment Predictor to see how they are paying other suppliers
- If the payment behaviour of a customer starts to deteriorate, a Payment Predictor can assist in showing you if this is unique to your business or if other suppliers are experiencing the same sort of change
- If a customer wants to increase their credit limit, a Payment Predictor will help you to determine whether to grant this or not. It will show you not only how they are paying you but by using the Statistics Table you will be able to see important trade payment data such as the Average Balance/Overdue and Highest Overdue Credit Exposure

CREDIT SCORE



The score is a statistically based score indicating an entity's credit worthiness. The score ultimately ranks entities based on their riskiness and is designed to assist you in making more informed and consistent credit decisions.

The score is based between 0 and 850 index points with a higher score considered lower risk while lower scores are deemed to be riskier entities. It should be used in partnership with your internal credit procedures and policies.

Key contributing factors:

There are 23 factors taken into consideration when generating a credit worthiness score, including but not limited to:

- Information on the entity – age, structure, type, operating history
- Directors – number of directors and director history (if available)
- Adverse information (court judgements, payment defaults, insolvency notices and mercantile inquiries)
- Industry and industry trading history
- Number of credit enquiries and supplier monitoring the entity
- Entity changes with ASIC and ABR

On-going score visibility:

When you purchase a score it will be live and available to view for three months meaning you can witness changes in a score, as they occur over time.

Entity score history:

You will also be given a historical view of the score to see how the score has moved over the last 12 month. This historical view will enable you to see important trends (positive or negative) associated with the entity further enhancing your ability to make accurate decisions.

DATA WASHING, CLEANSING AND MATCHING

My High Risk

ABN/ACN	Name	Risk Factor
88 251 364 069	B.L. MCGRATH-STEER & M.A STEER ▲	Entity status cancelled (ABN)
36 364 005 601	BOO ▲	Entity status cancelled (ABN)
41 808 120 156	Boo ▲	Entity status cancelled (ABN)
43 131 903 145 / 131 903 145	BOO PTY. LIMITED ▲	ASIC Insolvency Notice Company deregistered
40 003 513 255 / 003 513 255	BOOCORP PTY. LIMITED ▲	Entity status cancelled (ABN) Company deregistered
85 088 547 371 / 088 547 371	CAIRNEY BUILDING PTY LIMITED ▲	ASIC Insolvency Notice Company deregistered
20 007 727 255 / 007 727 255	COLEYRE PTY. LTD. ▲	ASIC Insolvency Notice Entity status cancelled (ABN) Company deregistered

We can provide a number of data washing options that will assist with both the credit risk management side of the business as well as sales/marketing and database cleansing.

The credit risk offering will verify entities and also identify customers that represent a high credit risk.

From a sales/marketing point of view, data washing can be used to identify, pre-approve and/or prioritize prospects within a database.

Three options:

1. Entity verification – this will append ABN/ACN, business names, status and locality
 2. Adverse (High Risk) – this will identify all entities that have some form of adverse against them (defaults, judgments, mercantile footprints, insolvency notices etc.)
 3. Scoring – we will append a payment predictor and/or score to each entity.
- This is useful for credit risk management and sales/marketing

CLEANEASY

CleanEasy is an automated database updating tool that gives you the ability to:

- Update or collect customer data – ideal if the data you have on your customers is incomplete, out of date or you require new information from them
- Request acceptance of new T&Cs, privacy policies or credit applications – we have products that enable customers to accept legal documents with a hand signed or electronic signature
- Health check or credit limit review – perfect for annual customer reviews. This service will identify any customer with adverse on their credit file; track how a debtors credit score has changed over the last 12 months; determine whether a credit limit change is required
- Annual trade credit insurance reviews (approved by all insurers) – in less than 24 hours we can run a review on all your insured debtors and provide you back with the results and PDFs of the reports for your records

The 'Business' form contains the following fields:

- ABN: e.g. 12 123 123 123 (with a note 'ABN is required')
- ACN: e.g. 123 123 123
- Business structure: Please select (dropdown menu, with a note 'This field is required')
- Year of inception (with a note 'This field is required')
- If a trust, please advise trustee (ACN): (with a note 'This field is required')
- Names section:
 - Legal Entity Name: e.g. Company Pty Ltd (with a note 'This field is required')
 - Main trading name
 - Other trading names

The 'Primary Contact' form contains the following fields:

- Full name (with a note 'This field is required')
- Position (with a note 'This field is required')
- Email (with a note 'This field is required')
- Phone (with a note 'This field is required')
- Fax: (area code) fax number

Process:

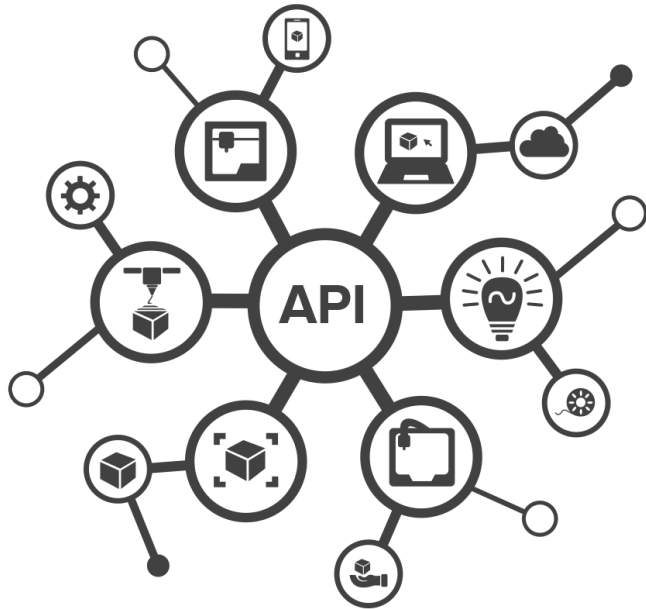
CreditorWatch sends an email to your database encouraging them to update their details, accept new T&Cs etc. The email contains a unique URL that directs them to a page branded with your logo and with all the information that you currently hold on that customer. They can then update their details; fill in missing data fields; accept new T&Cs; or download and sign director guarantees.

CreditorWatch will then provide all the data back to you in a CSV file so you can update your own files.

Benefits:

- Reduce admin costs by up to 75% - do away with using registered post or having staff make phone calls
- Save time - update your database or identify high risk clients with the click of a button
- Improve accuracy - having a client complete information themselves rather than collecting data over the phone significantly reduces errors

API INTEGRATION



CreditorWatch has a number of API options allowing you to integrate our credit management products into your ERP/CRM.

Available integrations:

- Credit Reports
- Monitoring and eAlerts
- ApplyEasy (online credit application)

For example: Many of our users will on-board a new client via ApplyEasy, this automates the credit reporting process allowing them to perform the necessary due diligence and ultimately approve (or reject) an application. The data that has been input by the client is then automatically sent to our users ERP/CRM, this creates an account and populates the client data – contact information, credit limit, directors, addresses etc.

Benefits:

- Eliminate the need to manually open an account in your ERP/CRM
- Reduce the need for administration and data entry
- Shorten the sales cycle