

PASS reporting for Investors and Insurers

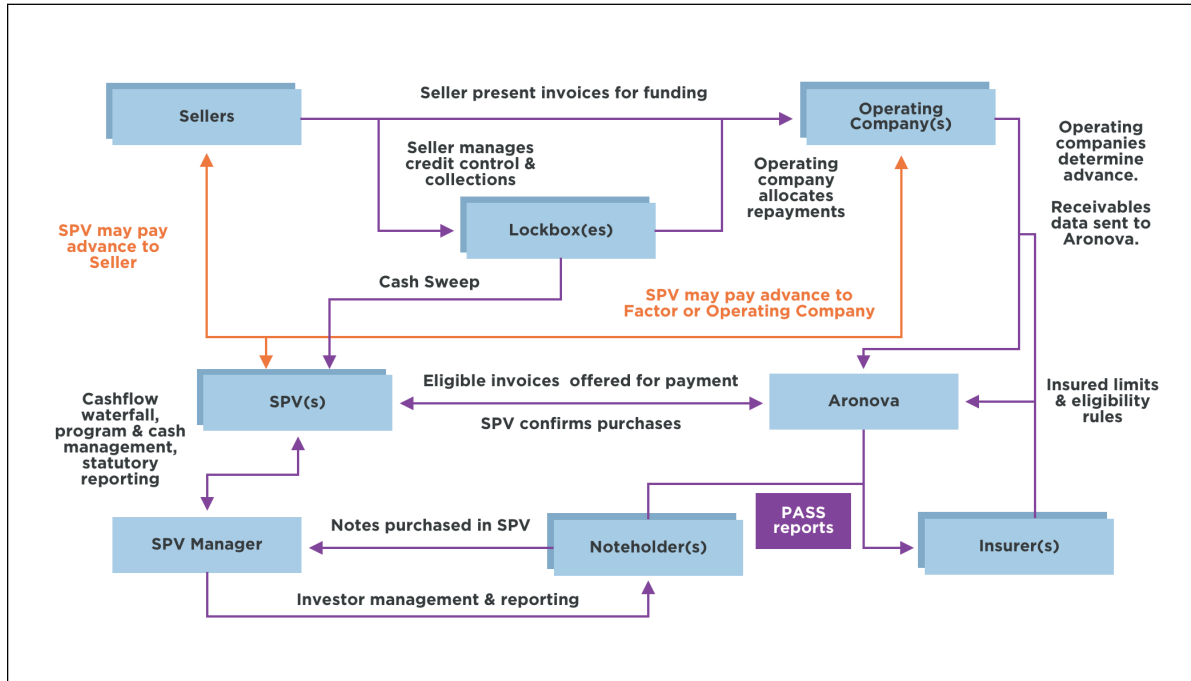
The independent, accurate and timely reporting of asset performance is key to any investor or insurer, especially where the asset class is fast-moving such as in receivables-backed working capital programs.

Aronova helps investors and insurers understand and monitor the performance of a receivables purchase program by analysing the changing nature of the underlying receivables data and providing monthly or quarterly reporting in the form of portfolio assessment or PASS reporting.

PASS reports are suitable for monitoring individual corporate programs or multi-seller factoring facilities and help quickly and accurately assess the profile of an asset portfolio. PASS reports are mainly based on a program's current and historic receivables data and answer key time-series questions concerning utilisation, concentration, performance and risk management.

Crucially, PASS reports also identify anomalies and changes to data or operating processes that might affect the operation or performance of the program.

UNIQUELY PLACED TO INDEPENDENTLY MONITOR & REPORT



INDEPENDENCE

Aronova is an independent, trusted, third-party transaction partner and our role is clear – we use our technology, infrastructure, resources and know-how to deliver receivables-backed working capital solutions. We don't originate or fund and we're not an arranger, broker or program manager.

For banks, financial institutions, investors and insurers our services help securely deliver and monitor receivables-backed working capital programs to corporates, factors and invoice processing platforms.

For corporates, factors and operating companies, the Aronova platform significantly reduces both transaction compliance risk and the day-to-day burden of funding program operation.

All parties benefit from the real-time visibility and control provided by the Aronova platform and we are uniquely placed to independently monitor and report program performance.

PASS REPORT FOCUS

Utilisation; Time-series monitoring & review of advance rates, aggregate advanced balances and utilisation of insurance limits (if insured).

Profiling; Time-series monitoring of key asset characteristics such as overall sales volumes, new v's repeat sales, terms of trade (tenors), invoice values.

Performance; Time-series monitoring of collections performance and invoice ageing. Tracking of dilutions, short payments and how invoices closed. Payment analysis, debtor scoring and debtor portfolio segmentation.

Concentrations; Monitoring of key concentrations by seller, debtor, debtor group and country.

Eligibility; What proportion of submitted invoices are eligible and what are the main reasons for ineligibility.

Anomalies; Have we detected changes or failures in data provision, data quality or other factors affecting the operation or performance of the program.

TYPICAL TRANSACTIONS

<p>Diamond Sector</p> <p>Insured, on-balance sheet receivables purchase program for diamond seller trading with around 100 European debtors.</p> <p>\$15 million</p>	<p>IT Services Sector</p> <p>Un-insured, off-balance sheet receivables purchase program for IT seller trading with around 450 European debtors.</p> <p>\$75 million</p>
<p>Freight & Transport Sector</p> <p>Insured, on-balance sheet receivables purchase program for factor funding thousands of North American freight distribution companies.</p> <p>\$100+ million</p>	<p>Food & Beverages Sector</p> <p>Insured, receivables focused borrowing base program for meat exporter trading with around 150 Central and South American debtors.</p> <p>\$30 million</p>

DATA DRIVEN OPERATIONS

To qualify for this style of working capital program, sellers, factors or operating companies must share their current and historic accounts receivable activity by providing a daily electronic file of invoice and collections data.

This data then forms the basis of the revolving receivables-backed funding program, in which Aronova:

- Calculates receivables eligibility and determines which receivables meet funder and insurer requirements,
- Calculates payment-based global debtor credit scores and credit limits,
- Monitors seller credit control performance and tracks collections, dilutions and allocations,
- Maintains 'always-on' fraud detection mechanisms.
- Provides key intelligence and reporting
- Provides backup servicing facilities.

FLEXIBLE OPERATIONS

The Aronova platform provides considerable flexibility for different funding and risk transfer strategies, supporting a wide range of recourse or non-recourse structuring options and integrating with newer forms of funding specific credit insurance.

Our clients range from medium-size individual corporate sellers, to high volume factoring environments where we process vast quantities of receivables data on a daily basis.

Most programs operate on a revolving daily cycle, but we also support the latest buy-now-pay-later platforms where eligibility is determined in real-time as invoices are issued or presented.

Hundreds of companies across the world trust Aronova. Our insurance products support millions of dollars of annual risk premiums, and our trade finance products facilitate the flow of billions of dollars of working capital finance.



If you would like to know more about Aronova or the services we provide, please visit www.aronova.com, or contact David Baker, Managing Director, on **+44 7739 173 961** or **+1 848 466 5288**, or email David at david.baker@aronova.com