



EQUIFAX®

How To Read A Commercial Credit Report

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How to read a Commercial Credit Report

You don't need to be a financial expert to get value out of a commercial credit report or understand what it says about the credit risks associated with a company, its assets, and its people.

Here's an overview of the information you'll find in an Equifax InDepth Trading History Commercial Credit Report and how it helps you reduce risk in decision making.

What's included in your report?

Credit reports differ between data providers, with Equifax's premium InDepth Trading History Commercial Credit Reports unmatched in the market for their broad coverage and depth of information.

Components of our report

Equifax Score

Company Identity

Public Record Information

Credit History

Trade Payments

Directors

Australian Business Number

Industry Classifications

Personal Property Securities Registrations

Documents

Equifax is Australia's largest commercial and consumer credit bureau.

Our extensive database includes more than



19.4 million
credit-active
individuals



3.6 million
businesses
and companies



3.4 million
sole
traders

Components of an Equifax Score

A range of key contributing factors are assessed and weighted when calculating the Equifax Score, such as time in business, credit enquiry patterns and payment defaults.

Company Information

EXAMPLE: Length of company history, number of current and previous directors

Default Information

EXAMPLE: Number of commercial defaults

Director Information

EXAMPLE: Directors' individual commercial scores, directors' related entities' scores

Enquiry Information

EXAMPLE: Number of distinct credit providers approached, value, frequent enquiries in a short period.

Public Adverse Information

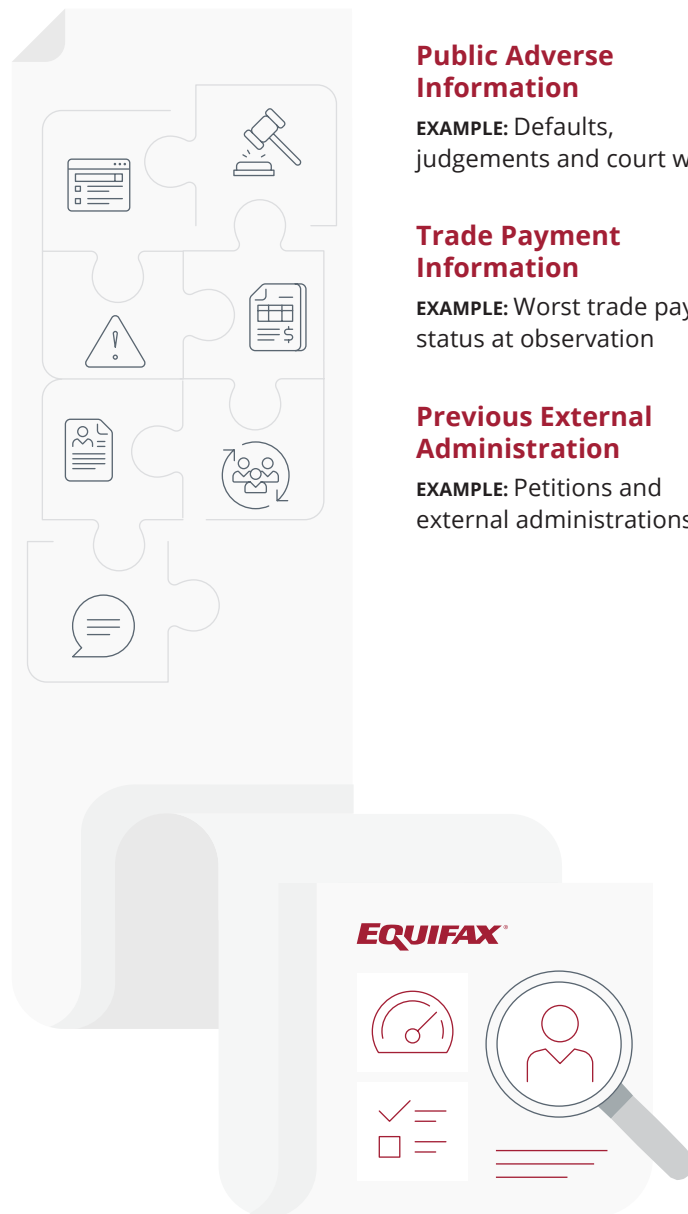
EXAMPLE: Defaults, judgements and court writs

Trade Payment Information

EXAMPLE: Worst trade payment status at observation

Previous External Administration

EXAMPLE: Petitions and external administrations



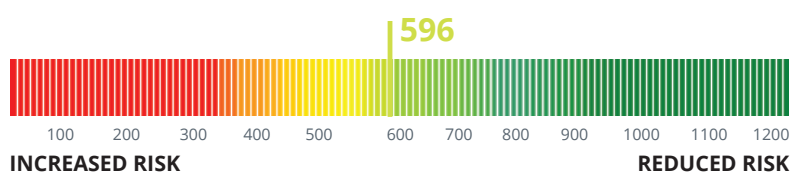
*This shows the components that make up the Equifax In-Depth Company Trading History score.
Please note that Equifax produces a wealth of business credit reports, each with its own credit score model.



1 Equifax Score

The Equifax Score shows credit risk at a glance. Ranging anywhere from -200 to 1,200, the higher the score, the lower the risk.

Our scoring model uses machine learning technology to draw upon both recent and longer-term information about a business and the people behind it. Advanced analytics assess the links between credit activity and future credit risk to produce a numerical expression of a company's risk profile.



An adverse event may negatively impact a company's ability to repay its debts. Examples of adverse events include defaults and court actions.

Key Contributing Factors disclose what impacts the score, like the type of credit sought by a company or the credit activity of the company director.



Factors that bring the score up



Factors that bring the score down



An alert to any discrepancies we've found

Predictions for the next 12 months

We predict the probability of an adverse event in the next 12 months and express as a percentage:

% chance of adverse

% chance of business failure

2

Company Identity

Here you will see a snapshot of key company information, enabling you to check the authenticity of a business. Review their Australian Company Number (ACN) and incorporation date, their principal place of business, registration status and more. Equifax creates complete files more quickly than any other provider due to our unique customer base.

Company Identity

| | | | |
|----------------------------|-------------|-----------------------------|--|
| ACN | 123456789 | Principal Activity | - |
| ABN | 11223344556 | Registered Office | Level 3, 2 Smith Street SYDNEY NSW, 2000 |
| Status | Registered | Start Date | 22 May 2018 |
| • Incorporation Date | 25 Jun 2015 | ASIC Document No | 0EAV12345 |
| Incorporation State | NSW | Principal Place of Business | Level 5, 100 Brown Road Crows Nest NSW, 2065 |
| ASIC Document No (Company) | 2E1234567 | Start Date | 14 Sep 2017 |
| Name Start Date | 25 Jun 2015 | ASIC Document No | 3E1234567 |
| • Last ASIC Search Date | 06 Aug 2022 | Company Type | P/L |
| • File Number | 975312468 | Class | Limited By Shares |
| • File Create Date | 26 Jun 2015 | Sub-Class | Proprietary Company |
| ACN Review Date | 25 Jun 2020 | Previous State Number | - |
| Number of Employees | - | | |
| Annual Sales (AUD'000) | - | | |

Incorporation Date

A newer business may be deemed riskier than a business that has been around longer.

Last ASIC Search Date

Shows the currency of the ASIC data. The more up-to-date the data, the more accurate the insights.

File Number

Identifies the unique file number for the commercial entity in our Commercial Bureau. Can be used to search and find the correct entity.

File Create Date

Shows how long Equifax has held data on this entity.



Go to the **Organisation & Management Structure** section of your report for details about previous directors, shareholders and beneficial ownership.



ASIC data is more frequently updated, refreshed and enriched when a third-party data provider has a large number of customers. Equifax is the largest reseller of ASIC data in Australia, with over 47% market share.

3 Public Record Information

If a business has failed or there has been court action against it or its shareholders, this is where it will be listed. Any information on the public record will appear here, such as:

Court judgements and writs

Directorship details

Proprietorship details

Bankruptcy, debt agreement and personal insolvency

Public Record Information (cont)

| | Number | Amount | | Number |
|-------------------------|----------|------------|--------------------------------|------------|
| External Administrators | 0 | | Current Officeholders | 2 |
| Previous Company Names | 0 | | • Current Directors | 1 |
| • Court Writs | 0 | \$0 | Current Secretaries | 0 |
| Writs < 12 Months | 0 | \$0 | Other Current Officers / Roles | 1 |
| Writs > 12 Months | 0 | \$0 | • Business Proprietorships | 1 |
| Court Actions | 0 | \$0 | Previous Directors | 1 |
| Actions < 12 Months | 0 | \$0 | Changes < 12 Months | 0 |
| Actions > 12 Months | 0 | \$0 | Changes > 12 Months | 1 |
| Petitions | 0 | | Shares Issued | 100 |
| Petitions < 12 Months | 0 | | Paid Capital | \$100 |
| Petitions > 12 Months | 0 | | Unpaid Capital | \$0 |
| File Notes | | | Shareholders | 2 |
| File Notes | 0 | | Individual Shareholders | 1 |
| File Messages | 2 | | Organisation Shareholders | 1 |



Go to the **Public Record & ASIC Documents** sections of your report for more details about company name and address changes, officeholders, shareholdings sourced through ASIC, and more.

Legal action against a company suggests they haven't paid a creditor in the past – a potential warning flag for their ability to pay your invoices.



4 Credit History

Any credit enquiries and adverse will show up here. You'll find out everything from how many times the business has applied for credit to the number of times they have defaulted and the dollar value. Credit enquiries are a very rich source of data!

Credit History Snapshot

| | Number | Amount | | Number | Amount |
|--|-----------|--------------------|------------------------------|----------|------------|
| Credit Enquiries | 38 | \$3,265,912 | Payment Defaults | 0 | \$0 |
| Credit Enquiries < 12 Months | 5 | \$10,000 | Defaults < 12 Months | 0 | \$0 |
| Credit Enquiries > 12 Months | 33 | \$3,255,912 | Defaults > 12 Months | 0 | \$0 |
| Broker Dealer Enquiries | 0 | \$0 | Category of Default | | |
| Broker Dealer Enquiries < 12 Months | 0 | \$0 | Telco Defaults < 12 Months | 0 | \$0 |
| Broker Dealer Enquiries > 12 Months | 0 | \$0 | Utility Defaults < 12 Months | 0 | \$0 |
| Mercantile Agent Enquiries | 0 | \$0 | Other Defaults < 12 Months | 0 | \$0 |
| Mercantile Agent Enquiries < 12 Months | 0 | \$0 | Default Status | | |
| Mercantile Agent Enquiries > 12 Months | 0 | \$0 | Paid Defaults | 0 | \$0 |
| | | | Other Status Defaults | 0 | \$0 |

Broker Dealer Enquiries

Indicates a finance broker has looked at the company's credit file.

Mercantile Agent Enquiries (Collections Companies)

Indicates a debt collector has looked at their credit file which could be a red flag.

Payment Defaults

Occur when a business has failed to pay outstanding invoices well after the agreed payment terms. You can see if defaults occurred in the past 12 months or more (up to 5 years).

The Payment Defaults section includes any ATO Payment Defaults. As of June 2022, Equifax began receiving information about businesses that have significant tax defaults with the ATO but have failed to engage with them in repaying their debt. Specifically, you will see a payment default with the ATO listed on the credit report of a business if:

| Payment Defaults | Total: 1 | Amount: \$229,129 |
|--|--|-------------------|
| Original Account Details | Update Account Details | |
| Credit Provider _____ ATO | Credit Provider _____ ATO | |
| Date of Listing _____ 19 Apr 2022 | Date of Listing _____ 23 Aug 2022 | |
| Amount _____ \$225,561 | Amount _____ \$229,129 | |
| Reason to Report _____ Payment Default | Reason to Report _____ Payment Default | |
| Account Number _____ 12345678901 | Status Date _____ - | |
| Account Type _____ ATO Default | Role _____ Principal | |
| Default Status _____ Outstanding | Co-Borrower _____ - | |

- they owe \$100,000 or more, overdue by more than 90 days
- are not engaging with the ATO on a tax payment plan
- are an entity with an ABN
- do not have an active complaint with the Inspector-General of Taxation about the ATO's intent to report its tax debt information.



Go to the **Credit History** section of your report for details about each credit enquiry's date, what type of credit is requested, who is requesting it, and the dollar value.

The type and frequency of credit enquiries can impact risk. Typically, higher-risk companies request various types of credit from different sources more often.

Reviewing a company's trade payment performance provides an understanding of how quickly they typically pay invoices. Expect to see details about outstanding payments, days past due, and amounts.

Trade Payments

Payment Performance Summary

| Total Owing (most recent data) | Total Past Due (most recent data) | Avg Total Owing (last 4 periods) | • Trade References (last 24 periods) |
|-----------------------------------|--------------------------------------|-------------------------------------|---|
| - | - | - | 37 |

• Most Recent Data: \$ Outstanding

Most Recent Data is payment information from the most recent month on which Equifax holds data within the last four months. At least 92% of the time this data will be two months old or less.

No Data available for the current Period

Most Recent Data

| | |
|---|---|
| Highest total owing to a single creditor | - |
| Highest total owing past due to a single creditor | - |

Last Four Periods

| | |
|--|---|
| % of debt > 31 days past due | - |
| % of debt > 61 days past due | - |
| % of debt > 91 days past due | - |
| Highest single debt > 31 days past due | - |
| Highest single debt > 61 days past due | - |
| Highest single debt > 91 days past due | - |

Subject :: ABC Business Pty Ltd
File Number :: 975312468
Service Request ID :: 200200-C2000-000BD
Client charge back number ::

Page 2 of 23
Report date :: 07 Aug 2022
Extract date :: 06 Aug 2022



Summary (cont)

• Late Payment Performance

The Late Payment Days rating measures the average number of days beyond terms that the subject is taking to pay its invoices.

Performance

• Avg Industry Performance

Industry Late Payment Days are an indication of the average number of days all organisations within the subject's industry sector(s) are paying their creditors.

| RESTAURANT NORMANDY P/L | All Industries | Accommodation and Food Services |
|--|----------------------|------------------------------------|
| N/A Late payment days (No Trend Data) | 12 Late payment days | 12 Late payment days |

Most Recent Data

Shows payment information for the last few months. The more up-to-date the data, the more accurate the insights.

Trade Reference Information

Included in some reports to show the history of payments, including late payments, between the company and each of its creditors/suppliers.

Late Payment Performance

Shows how late the company typically pays.

Average Industry performance

Compares payment behaviour against other organisations within the same industry to help you avoid risky customers.



Go to the **Trade Payment** section of your report for more detail, including a graph showing how payment performance compares with industry averages. Also, review how payment performance varies each month or according to the size of the debt.

The higher the number of customers who contribute their trade payment data, the more chance of capturing predictive early warning risk indicators. Our large SME customer base and the high volume of their trade payment activity drive our insights' quality, currency, and accuracy.

6

Directors

Here you'll learn about the individuals behind the business entity. Joining the dots between a company's trading history, its directors, and shareholders can reveal vital warning signs about financial stability and performance. Where consent is given, you can see information from their consumer credit file, such as enquiry date, amount and credit enquirer. ***This can currently give an uplift of 4% or more on adverse data, depending on the industry.***

Directors Summary

This section provides a summary for 1 of 1 director files for ABC Business P/L and their related entities. Go to the Organisation and Management Structure section to see registration details for all directors.

| | |
|--|-------------|
| James Brown | |
| Director Score | 727 |
| Appointment Date | 25 Jun 2015 |
| Date of Birth | 27 Aug 1983 |
| Current Directorships | 8 |
| Previous Directorships | 0 |
| Current Proprietorships | 0 |
| Adverse Information | No |
| Defaults | 0 |
| Writs and Summons | 0 |
| Court Actions | 0 |
| Bankruptcy Act Information | 0 |
| Disqualified Directorships | 0 |
| Enquiries | 44 |
| Related Entities of : James Brown | |
| Adverse Information | No |
| Defaults | 0 |
| Writs and Summons | 0 |
| Court Actions | 0 |
| Mercantile Enquiries | 0 |
| Petitions | 0 |
| External Administrations | 0 |
| Enquiries | 92 |
| Deregistered | 0 |
| Under Strike Off | 0 |

Director information listed here includes court judgements, bankruptcies, defaults, credit enquiries, and external administration registered on the Equifax Commercial bureau file of the company's directors. ***Proprietorships, including sole traders and partnerships, is data unique only to Equifax.***

Directors Trading History Summary

| | | | |
|----------------------------------|----|---------------------------------------|---|
| Commercial Credit History | | Public Record Info | |
| Payment Defaults | 0 | Bankruptcy | 0 |
| Credit Enquiries | 50 | Court Writs | 0 |
| Authorised Agent Enquiries | 0 | Court Actions | 0 |
| Credit Providers | 0 | Disqualified Directorships | 0 |
| Business Relationships | | File Notes & File Messages | |
| Current Directorships | 10 | Commercial File Notes | 0 |
| Previous Directorships | 4 | Consumer File Notes | 0 |
| Proprietorships | 0 | File Messages | 0 |
| Other names used | | | |
| Other names used | 0 | | |



Go to the **Directors** section of your report for details about identity, trading history, business relationships, credit enquiries, payment defaults, court actions, and more.

You won't see consumer credit file information on other commercial credit reports. We're unique in the market for our ability to pull together a detailed and comprehensive director profile that includes ASIC director and shareholder information and data from an individual's consumer profile. Credit reports used for high-risk decisions need to have director information to provide a complete picture of potential risk.

7 PPS Registrations

The Personal Property Securities Register (PPSR) is a national online noticeboard of security interests in personal property. If any personal property registrations for a company and its directors are found in a PPSR search, they will be listed here. Personal property can include goods, crops, livestock, debtors, cash, vehicles, plant and machinery.

A PPSR search shows whether a company's goods or assets are being used as security for a debt or other obligation, which may indicate potential risk.

Personal property refers to all forms of property that are not land, buildings or fixtures. Examples include tangible property like motor vehicles, boats, stock in trade and artworks. Plus intangible property like patents, copyright and bank accounts.

PPSR Registrations

| | |
|--|---------------------------------------|
| Total PPSR Registrations | 8 |
| PPSR Registrations < 12 months | 0 |
| PPSR Registrations > 12 months | 8 |
| PPSR Purchase Money Security Interest (PMSI) registrations recorded | 3 |
| PPSR Registrations Recorded for your Organisation's Designated Secured Parties | 0 |
| PPSR Registrations Recorded for Other Financier's Designated Secured Parties | 8 |
| Grantor Search Results for | ACN 123456789 XYZ AUTO FINANCE P/L |

8 Australian Business Number

This section shows information about a business supplied when they register for an Australian Business Number (ABN). Details include GST status, entity name, entity type and trading names.

Australian Business Number Details

| | | | |
|---------------|----------------------|-------------------------------|---------------|
| ABN | 11223344556 | Main Business Location | |
| Last Modified | 15 Mar 2016 | State | NSW |
| ABN Status | ACT from 10 Jul 2015 | Postcode | 2000 |
| GST Status | ACT from 10 Jul 2015 | Other Registrations | |
| Entity Name | ABC Business Pty Ltd | ACN or other | 123456789 |
| Entity Type | - | Trading Names | |
| | | Trading Name | Busy Business |



9 Industry Classifications

The Australian and New Zealand Standard Industry Classification (ANZSIC) was developed by the Australian Bureau of Statistics and Statistics New Zealand to classify businesses into industries.

Companies applying for an ABN through the Australian Business Registry must choose whichever ANZSIC code best describes their core business. These codes are listed here, providing an insight into whether a company is from a high or low-risk industry.

Industry Classifications (ANZSIC 2006)

| | |
|--------------|---|
| Division | H / Accommodation and Food Services |
| Sub-division | 45 / Food and Beverage Services |
| Group | 451 / Cafes, Restaurants and Takeaway Food Services |

Companies aren't compelled to update their ANZSIC code if their predominant activity changes over time, so their classification code may not be accurate. Our predictive model overcomes this challenge, ensuring each company has a code that matches its core activity.



10 Documents

If you want to see which documents the company has lodged with ASIC, this is the place to do it. Find out key dates, such as when they changed addresses, company status or went into liquidation.

Documents

ASIC Documents (6 Documents)

Last 5 ASIC documents lodged

| Code and Description | Document | Date Received | Date Processed | Pages | Date Effective |
|--|-----------|---------------|----------------|-------|----------------|
| (484A1) Change to Company Details Change Officeholder Name Or Address | 0EBQ51234 | 23 Jul 2021 | 23 Jul 2021 | 2 | 11 Jul 2021 |
| (484) Change to Company Details Appointment or Cessation of a Company Officeholder Changes to Share Structure Changes to (Members) Share Holdings | 0EBF54321 | 02 Jul 2021 | 02 Jul 2021 | 3 | 01 Jul 2021 |
| (484B) Change to Company Details Change of Registered Address | 0EAB49876 | 15 May 2021 | 15 May 2021 | 2 | 15 May 2021 |



Click on the **ASIC Documents** tab to order any of these documents.

5 Ways You Can Improve Your Equifax Commercial Score

1

Pay debt on time

Adverse information is a strong indicator of risk. Showing you have a history of paying your loans and debts punctually demonstrates responsibility to lenders.

2

Keep up with trade account payments

On-time payments across trade accounts indicate reduced credit risk and will improve your score.

3

Maintain stable directorships

Ensure the individuals behind your business entity remain stable. Your score can be affected by the actions of your directors, such as their trading history and business relationships.

4

Ensure your directors' other businesses are low risk

A director's other entities can also impact your credit score. Be sure to only associate with low-risk companies that pay their debts on time.

5

Limit your credit enquiries

Lenders want to know that you're not stretching yourself financially. So when you apply for credit, show restraint with the frequency of applications and the number of providers you contact.





If you have any questions about our commercial credit reports,
please contact your Equifax Account Manager.

helloAU@equifax.com

equifax.com.au/business