

## Processing and Liquidation

Based on our first-hand knowledge of the secondary device market, the average used mobile device loses about 1% of its value per week. HYLA<sup>™</sup> Mobile's end-to-end processing and liquidation solutions are designed to ensure devices move quickly and accurately through our systems from receive, through evaluation and finally disposition to maximize net residual value.



## Intelligent Device Processing

**Receiving:** Our warehouse management system provides us visibility into the inventory we should expect from our clients. This advance forecast is key to optimizing regular warehouse schedules for the fastest throughput. Upon receipt, each device goes through an automated process to match cartons to shipments, devices to source transactions and each model to one of over 50,000 SKUs in our device catalog.

**Device Processing:** Every device goes through an initial inspection to ensure they can be powered on and to grade any physical damage. All customer data is cleared and an electronic certification of data clear is produced and archived. SIM and memory cards are removed and shredded. The process is automated at each step from initial triage, evaluation, and data clearing resulting in a grade for disposition of each serialized device.

**Automated Device Testing:** HYLA has the capability to run upwards of 40 tests to ensure that critical device features such as the touch screen, wireless network signal, external buttons, etc. are in working order. The tests we run are specified by device and run in an order that maximizes potential sales value while minimizing time spent by an operator in the case that any specific tests were to fail. Our buyers that purchase these devices have come to rely on our consistent high level of accuracy and the results show with extremely low return rates post sale.

## Technology and Processing (TaP) Center

The leadership team at HYLA's TaP Center are veterans in the wireless and mobile device processing industries. HYLA's team brings unparalleled experience and Lean Processing expertise together to drive the best results for our clients.

Our secure 120,000 square foot facility offers the flexibility and scale to support multiple clients with dedicated space and inventory for each client. Access to the facility and inventory is tightly managed, ensuring good stewardship of our clients' products. Located in Middle Tennessee, it is centrally located and only a few hours away from major transportation hubs for ground and express air deliveries.

# Intelligent Device Processing

**Device Repair:** Our proprietary software, HYLA Analytics, provides us insight into the sales value of a device at multiple final grades. With this knowledge, we can make an informed decision as to whether increase in sales value would offset the time and cost of a repair. If so, repairs are quickly made and the device is prepared for resale.

**Quality Control:** Not only do all devices go through our mostly automated inspection process, we also randomly select a substantial number of devices post inspection to conduct a final quality check that allows us to quickly identify and correct any negative trends.

**Resale:** Our goal is to achieve the highest net residual value possible for our customers. In addition to the efficiency in our processing and accuracy in device grading, we achieve high ASPs through our well-developed relationships and broad array of qualified resellers across 5 continents. And, because of our reliability, the majority of the inventory that we process is pre-sold which significantly improves how quickly our customers realize revenue on their devices.

**Return to Vendor:** Not all devices that are in working order are prepared for resale. Many of our carrier, retail and OEM customers rely on HYLA to data clear and triage a device believed to be in great working order to be returned for use in their other programs such as warranty, insurance and/or for resale as Certified Pre-Owned.

**Salvage:** When a unit is deemed beyond repair, all reusable parts are recovered and the device is responsibly recycled.

**Certifications:** In addition to device level quality, we maintain quality and environmental certifications of R2, ISO 14001 and OHSAS 1800.

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HYLA's unparalleled accuracy and velocity in device processing and strong resale channel ultimately provides our customers with high recovery values. As such, in addition to our commitment to efficiency and accuracy, we have developed robust safety, quality, and environmental compliance programs over the past seven years to ensure adherence to the strictest standards of our clients.

We leverage our warehouse management platform and our exclusive, industry-focused analytics software solution to forecast, track and fully process each device that comes through the HYLA Technology and Processing Center.

