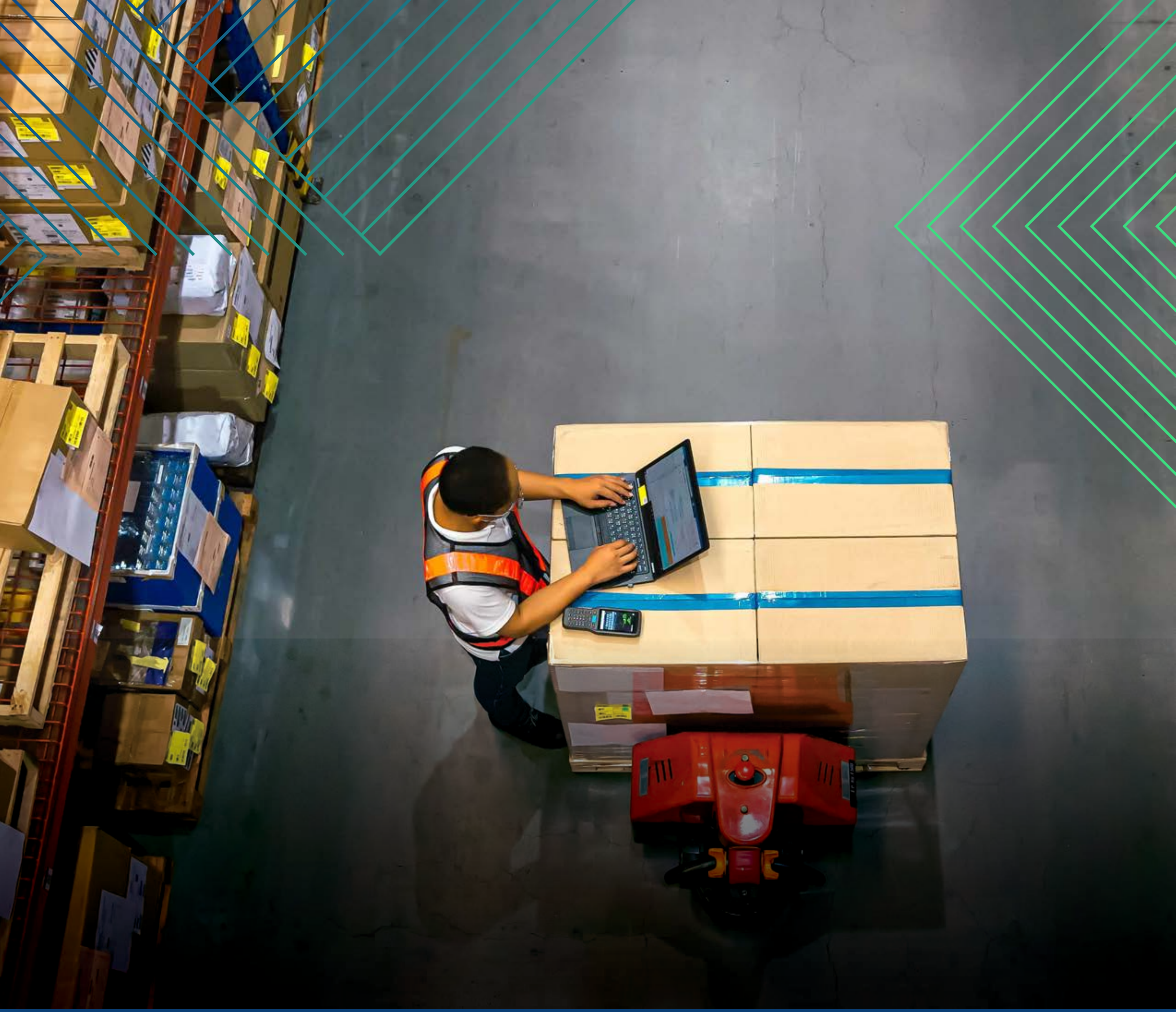

Powering Your Ambition

How to optimize today's working capital to drive tomorrow's growth.

2022

How to optimize today's working capital to drive tomorrow's growth.

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PrimeRevenue

Digital transformation, dynamic and disrupted markets, geopolitical uncertainty, and ever-growing corporate transparency are putting increasing pressure on companies' liquidity and cash flows.

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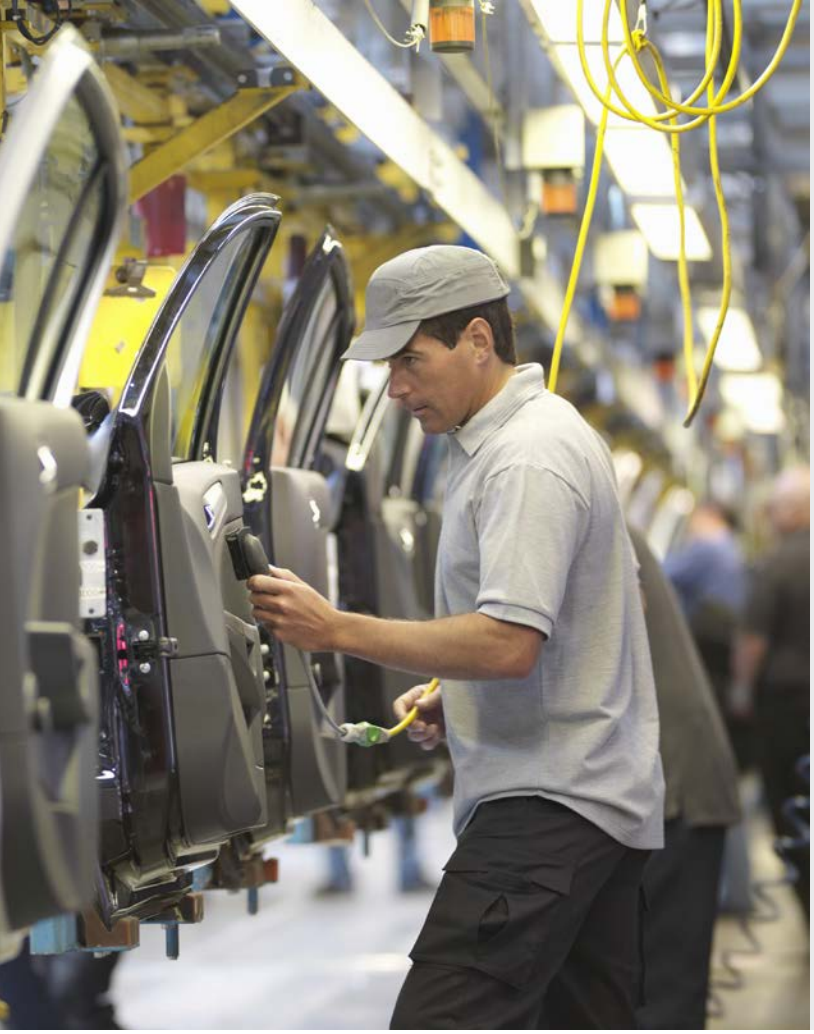
Organizations are rethinking their business models with supply chains at the center

In the past supply chain was thought of as a necessary evil. You needed your supply chain there to get products to your customers. There is a different mindset, with more and more organizations seeing a robust, healthy supply chain as a real differentiator. Availability has become this year's innovation. If you have product on the shelf and supplies in the warehouse, that's better than any new product introduction that's coming along.

Today's supply chain mindset isn't, "How to operate a supply chain at the absolute lowest cost assuming everything will go right?" But instead, "How to sustain and expand a supply chain with the right levels of resilience — to ensure both the buyer organization and the entire supplier network can meet productivity, expansion and other critical mission goals?"

Businesses are rethinking their supply chain strategies with the health of the suppliers in mind to provide small- and medium-sized suppliers access to the liquidity they require, thereby decreasing risk to their operations.



Cash is the fuel that powers business transformation and growth.

Transformation and growth in the modern corporation requires cash; cash to power research; cash to fund acquisitions; cash to enter new markets; cash to pay down debt and to beef up the balance sheet.

Innovative companies put their cash to work, powering growth and mitigating risk in their supply chain.

Strong liquidity and working capital management improve a business's perception and create cash flow to dive strategic priorities, including R&D, M&A, and debt repayments.

A strong liquidity position and working capital control opens up possibilities — to do more, grow faster, and advance confidently.

The Benefits of Supply Chain Finance

1 Creates cash flow, reduces dependency on financed debt

2 Improves operational performance

3 Strengthens supply chains and supplier satisfaction, reduces risk

4 Fuels opportunities and new sources of profitability

Funding flexibility is critical in supply chain finance

Supply chain finance (SCF) is one of the most efficient forms of capital used in the market .

More companies opt for this approach over other methods such as factoring, loans against receivables and pre-shipment financing.

Buyers offer SCF to their suppliers as an investment to maintain supply chain health, offering suppliers an option to manage their liquidity through early payments. The opportunity has proved exceptional, as the industry has experienced significant increases in early payment volumes. It also provides the valuable benefit of optimizing the allocation of risk across the supply chain.

A multi-funder approach to supply chain finance is critically important.

Companies have significant opportunities to accelerate cash flow and experience the benefits of improved working capital. However, the success of a supply chain finance program is directly tied to the funding relationships that support it.

Working capital programs often require more than traditional lending sources can provide.

Traditional financing for mid-market companies is frequently inaccessible or expensive. Stand-alone banking institutions struggle to provide cost-effective financing due to low-risk tolerance, technical deficiencies, limited resources, and more.

A viable alternative to traditional funding is supply chain finance. However, tying a supply chain finance program to a bank institution that relies on a single funder exposes a company to instability and limits competitive rates. Single bank programs also frequently lack the currency and jurisdictional coverage that mid-market companies need to sustain and scale the business. Additionally, bank-led supply chain finance programs often look at just the top suppliers, ignoring the opportunity that lies across the entire span of the supply chain.

The key to overwhelming success is developing a program that extends deep into the supply chain and is backed by multi-funders from across the globe. Funding flexibility protects from possible disruption by providing buyers and suppliers multiple sources of liquidity while making the price of funding for suppliers more equitable. It also opens the door for non-bank funders that are more apt to fund non-investment grade suppliers and smaller tail suppliers.

Tying a supply chain finance program to just one bank limits competitive rates, whereas a multi-funder strategy provides buyers and suppliers with numerous sources of liquidity.

Helping buyers and suppliers overcome their toughest challenges to experience their greatest triumphs.

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The multi-funder advantage.

Only a bank agnostic, multiple-funder supply chain finance platform with a network of global funders mitigate the risks associated with a single-bank funding model.

While some supply chain finance providers claim to use a multi-funder strategy, this is not always true. Often bank-led programs, and even some FinTechs, use a syndication strategy whereby the bank purchases the invoices and then packages them into assets to be sold off and redistributed to a funding pool of second-tier banks. This strategy does not eliminate the risks of a single source of funding.

PrimeRevenue is one of the few supply chain finance providers that takes a deep and broad approach to program implementation. Because programs leverage a network of funders around the globe, instead of restricting funding to a single source, the platform can support more suppliers of varying sizes in more jurisdictions and currencies..

Additionally, by allowing multiple funders to participate in their supply chain finance program, companies protect and strengthen valuable relationships and, in some cases, strengthen their relationships outside of the supply chain. That means organizations can expect better results and working capital solutions to make confident business moves.

Get the liquidity you need.
Strengthen your supply chain.

A common misconception is trade finance is reserved for large, investment-grade enterprises, and middle-market businesses turn to alternative liquidity solutions.

With more than 100 financial institutions in PrimeRevenue's funding network, not only do companies access liquidity at lower rates than other sources, they address risk in their supply chain.

While some supply chain finance providers claim to use a multiple-funder strategy, this is not always true.

Mitigate risk. Forge a mightier supply chain.

With supply chain finance, both buyer and supplier improve their working capital and their mutual relationship. Buyers get access to cash while providing suppliers with greater financial certainty and stability. Suppliers boost their cash position by participating in their buyers' SCF offerings and accelerate payments at more attractive rates. For optimal results, programs should scale quickly and reach the entire supply chain network. Supply chain finance expertise and the meticulous study of each organization's needs and industry are essential to putting programs in the best position to win.

The ultimate flexibility. Third-party cash or self-funded.

As liquidity needs vary over time, a program should change too. The ability to seemlessly switch between 3rd-party funded supply chain finance or self-funded dynamic discounting - or run both programs simultaneously - is game-changing. Dynamic discounting allows companies to capture supplier discounts that generate substantial savings quickly. Risk-free high returns go straight to the bottom line for improved profitability and a mightier supply chain.

Supply chain finance has the potential to improve much more than cash flow.

Most mid-market companies turn to supply chain finance to accelerate cash flow. It's perhaps the most important financial metric and one of the most immediately realized.

Many finance executives are surprised to learn that supply chain finance also positively impacts numerous other metrics. Even more surprising are the long-tail implications of these improvements. From better credit ratings to increased shareholder value, supply chain finance can strengthen the overall fiscal health of a company.

Moreover, buyers and suppliers streamline the payment process – improving payment visibility for suppliers and operationalizing all maturing and on-time payment programs from a single system.

- **Flexibility**
  Buyers insure on-time payment for every invoice while allowing suplliers to leverage early payment to improve cash flow depending on their unique requirements.

- **Payment visibility**
  Suppliers gain full transparency into invoice approval status and reporting.

- **Reduced AP/AR burden**
  Payment data from all ERP systems funnels up into a single platform to streamline AP/AR processes, reduce administrative burden, and minimize payment processing errors and delays.

- **Complete supply chain coverage**
  A comprehensive B2B payments platform supports all suppliers – big and small – across the entire supply chain as well as different jurisdictions and currencies.

- **Support for all payment programs**
  Manage and offer early and on-time payment programs, including supply chain finance and dynamic discounting.

Supply chain finance

Buyers

- Improved cash flow
- Stronger supply chain
- Optimized working capital

Suppliers

- Improved cash flow
- Payment visibility
- Discounted liquidity
- Off-balance sheet funding

Funders

- Low risk, high return
- Reduced payment risk
- Attractive asset pool

About PrimeRevenue

More than 40,000 customers across the world

$130 billion annual invoice transactions

90+ countries

30+ currencies

150 employees

100+ funding partners

As a pioneer in global B2B payments, the PrimeRevenue Platform connects the entire supply chain by improving working capital and automating digital payments. Thousands of companies around the world leverage one streamlined platform to increase payment visibility, enhance control, and improve cash flow. PrimeRevenue is headquartered in Atlanta, with offices in London, Prague, Hong Kong, and Melbourne.

For more information, visit www.primerevenue.com.