



# Working Capital Evolved - A Fintech Solution

March 2024

companies  
that HAVE  
cash

companies  
that NEED  
cash

A





# Platform Powers Working Capital Programs for the World's Largest Companies



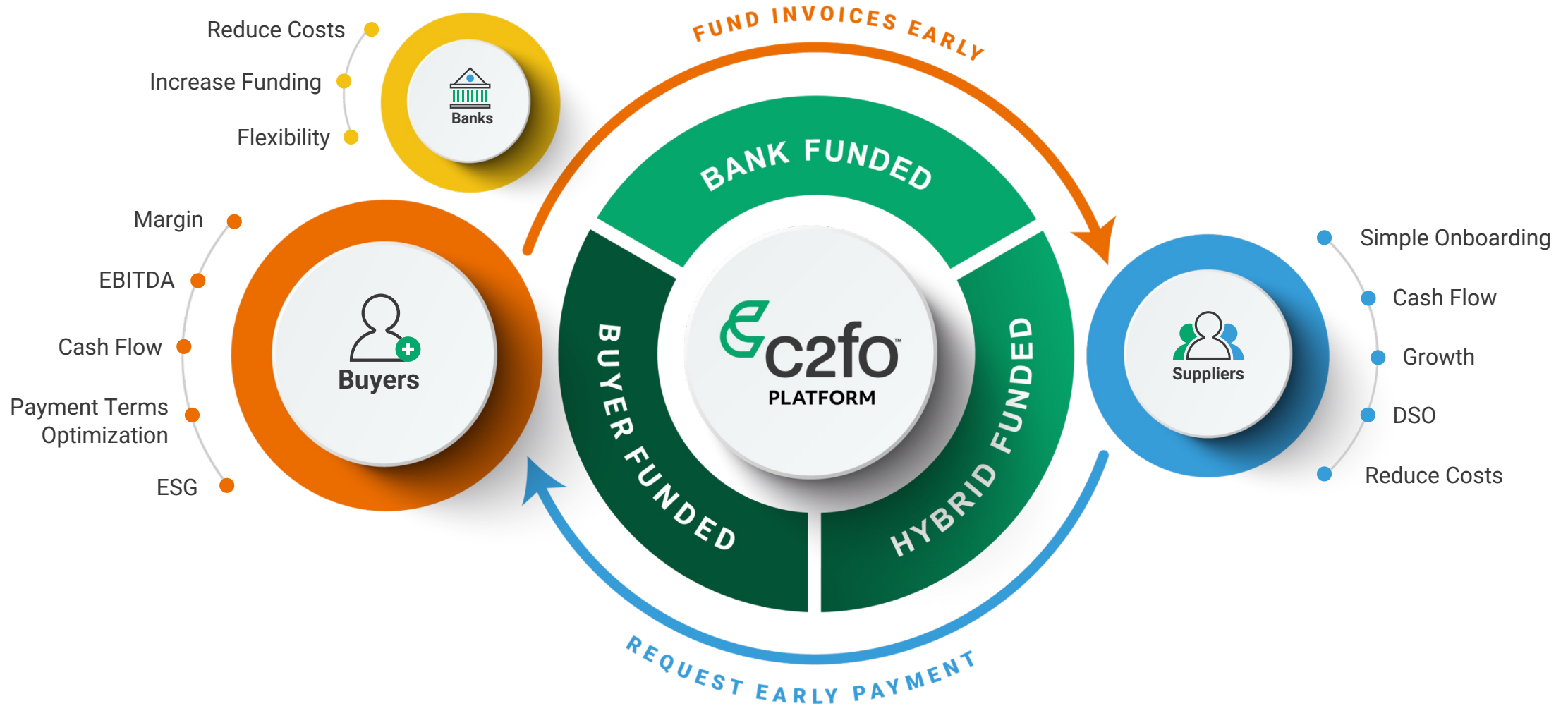
## Fortune 100 Top 10

1. Walmart\*
2. Amazon\*
3. ExxonMobil\*
4. Apple\*
5. UnitedHealth Group
6. CVS Health\*
7. Berkshire Hathaway\*
8. Alphabet
9. McKesson\*
10. Chevron Corporation\*

\*C2FO Customer



# Connects Buyers, Suppliers and Banks to Efficiently Move Liquidity on Demand and Align to Specific KPI's



# The State of Working Capital


Businesses need working capital to survive. The C2FO Working Capital Survey conducted in January 2024 was designed to understand the challenges businesses have navigated, what challenges are weighing on them moving forward, and how – or even if – companies can secure the funds they need.

## Summary findings include:

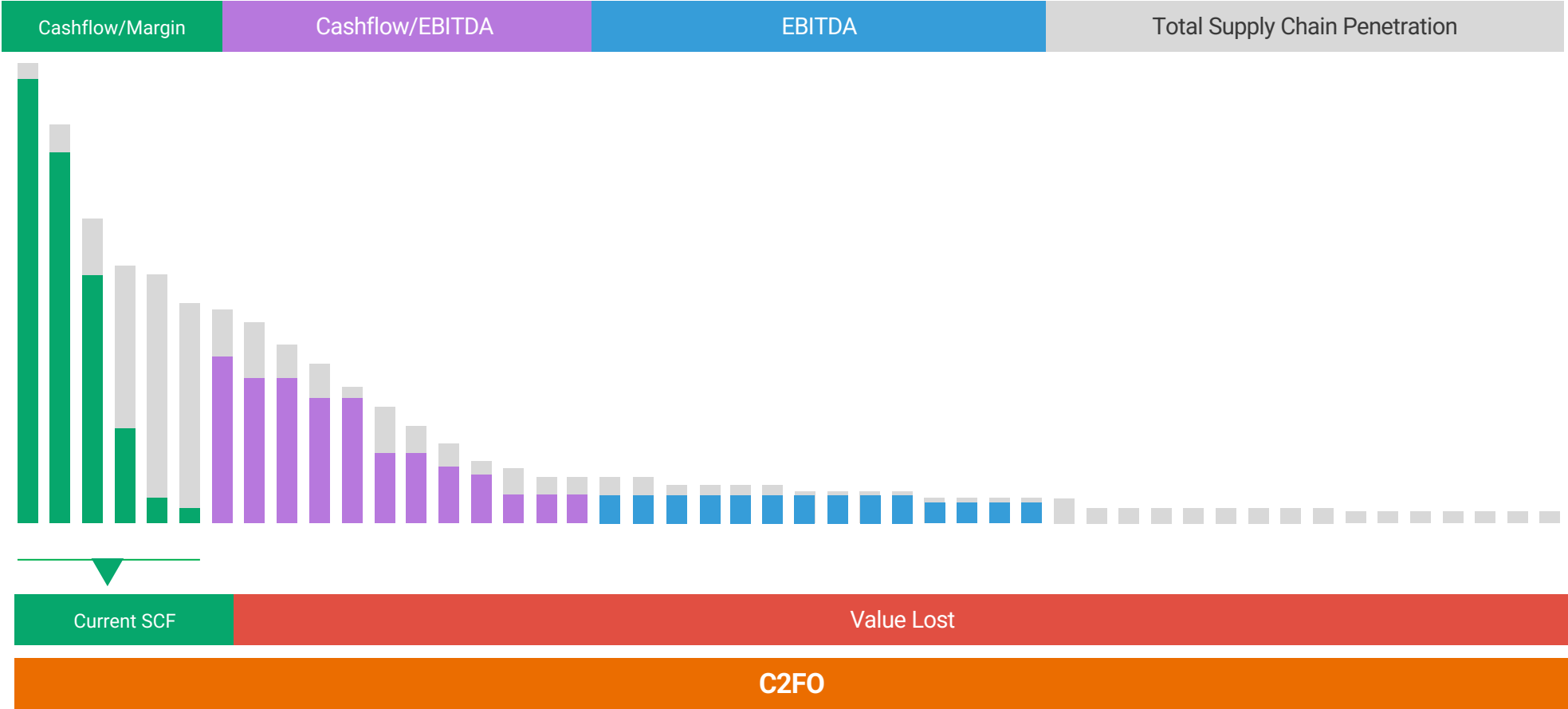
- 25% of all suppliers lack the liquidity necessary to run their businesses over the next 12-months
- Due to lack of access to funding, businesses are not able to expand, offer employee benefits, reach their business goals, and had trouble keeping cash flow
- 56% of suppliers have a dynamic discounting early payment program option and 50% have access to traditional SCF programs
- 70% of both buyers and suppliers want the flexibility to name their own rate to engage in early payment programs



# Customers Call C2FO to...

- 
- **Increase** return on cash
  - **Reduce** costs & improve margins
  - Extract **more value** from early payment
  - **Optimize** Working Capital
  - **Improve** supply chain health
  - **Incentivize** ESG efforts

# Multi-Faceted Toolkit and Approach is Key to Ensure Entire AP Portfolio is Optimized





# Indicative Playbook - Coupling Early Pay with a Payment Terms Optimization Effort Drives Savings and Working Capital

Companies reap significant working capital benefits from our proven approach to delivering a dynamic early payment program to your suppliers in combination with a payment terms optimization effort driven by real-time data and six sigma process.

## Payment Terms Optimization

- Standardize terms to industry based on data driven approach to improve DPO via six sigma approach
- Analyze terms versus supplier DSO or top tier of spend
- Consolidate number of payment terms from hundreds of different terms today
- Protect static terms value in targeted approach
- Real Time Data from C2FO provides differentiated **post pandemic** view

## Automated Fintech Early DSF

- Provide supplier finance option to all suppliers
- Easy to use platform allows suppliers access to early payment on demand at cost they offer
- Optimize returns on cash vs ST Treasuries or utilize Funding Network
- Automated, secure, proven platform including in Automotive
- Deep Network likely **includes majority of GEHC's spend already**

## Turnkey Programs Live/Complete in 120 Days

- C2FO/Pendulum carry the load in both programs with minimal upfront costs or resources to implement and execute
- We handle all aspects of Supplier Onboarding. We communicate to suppliers with collateral and cadences that are proven with industry peers
- Complete ability to control all aspects of communication
- 1-2 hours per month required from Treasury per month once live

# Mechanics of Core Platform



The C2FO working capital platform:



Buyer **controls** the cash available, the funding source (buyer, bank), minimum yield, and more

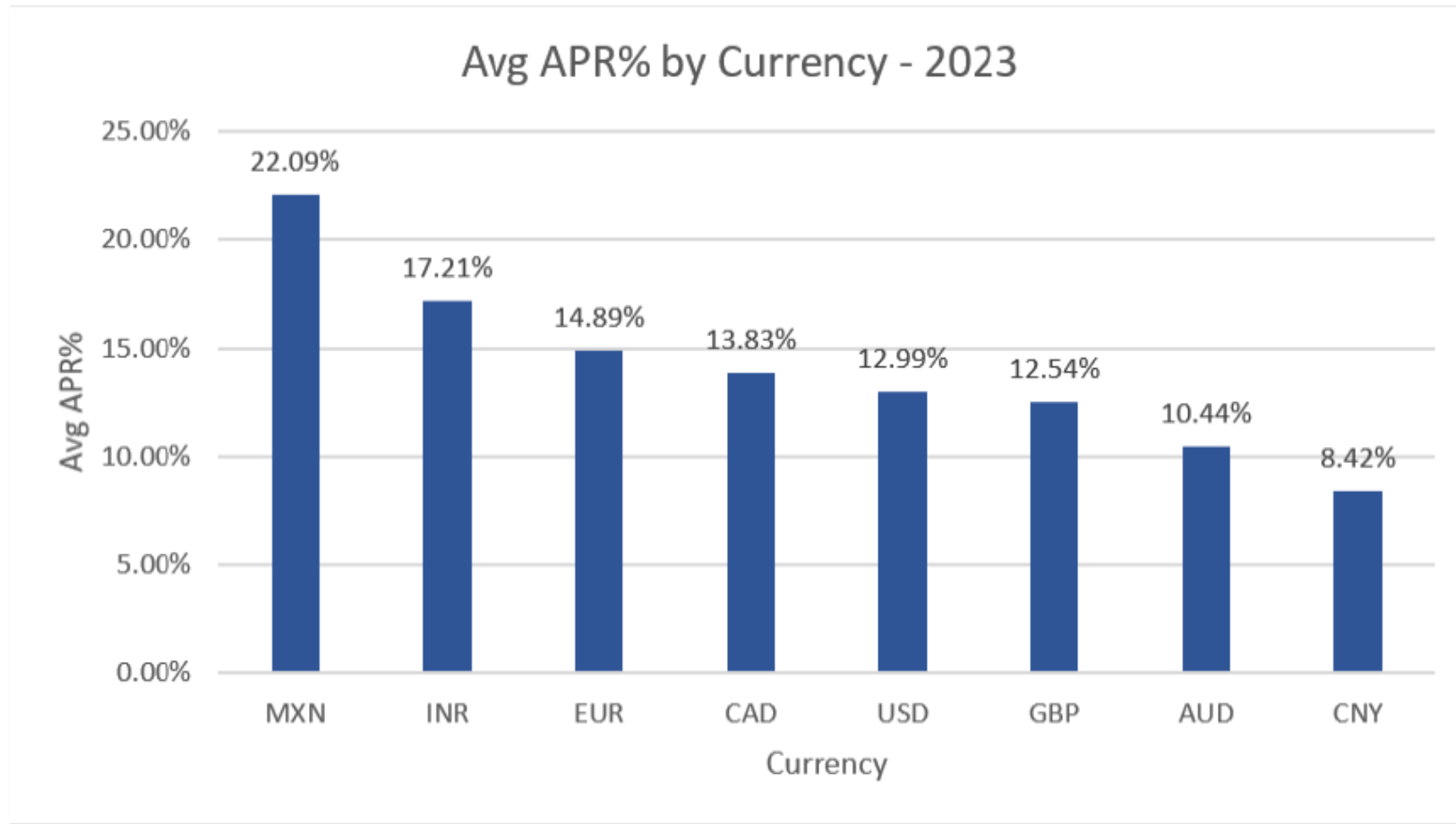
C2FO **discovers** and optimises the discounts and provides updates for your ERP system

Suppliers **offer discounts** in return for early payment based on their unique circumstances at the time





# Treasury Consideration - Returns on Cash Invested in C2FO Early Payment are Significant Upside vs S-T Invested Operation Cash





# Treasury Controls All Joysticks Around Cash and Return

You approve two main settings.  
We guarantee results for the period.

You decide the minimum acceptable **YIELD** and **CASHPOOL** allocation for a time period.

C2FO Market Pulse Suppliers Insights Market History Settings					
Market Settings					
	MARKET	MARKET YIELD		MARKET CASHPOOL	
	EUR	<b>8.75%</b>	quarterly	€50,000,000.00	monthly
	NT	<b>10.00%</b>	quarterly	\$65,000,000.00	monthly
	CNY	<b>12.00%</b>	monthly	¥100,000,000.00	monthly
	USD	<b>9.50%</b>	annually	\$30,000,000.00	monthly

## Additional market settings we manage for you

- Market type (Geo/Currency/Cost Center)
- Invoice restrictions
- Pay schedule
- Payment processing days
- Holiday schedule
- Adjustment rules
- Global reserves
- Max DPE payment
- Invoice APR minimum
- User permissions

## Dynamic Pricing Capabilities

- Market-based
- In vs. out-of-quarter
- Supplier size (i.e. special rates to meet SME CSR requirements)
- vs. Inter-bank Offered Rate
- Set yield targets by period

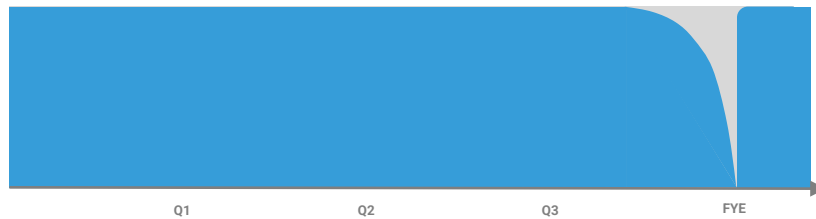


# Hybrid Funding Options Enable Alignment to Your Businesses' Economic and Secular Cycles

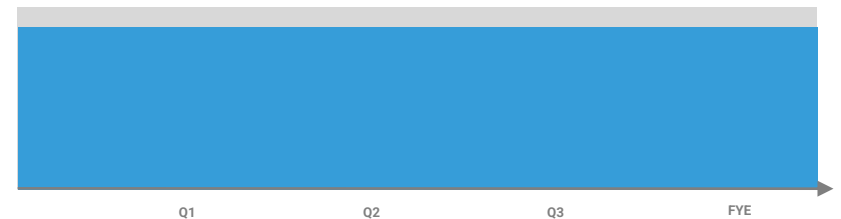
Some examples of how some buyers vary the use of their own cash and bank funds over time:

Own cash  
Bank funds

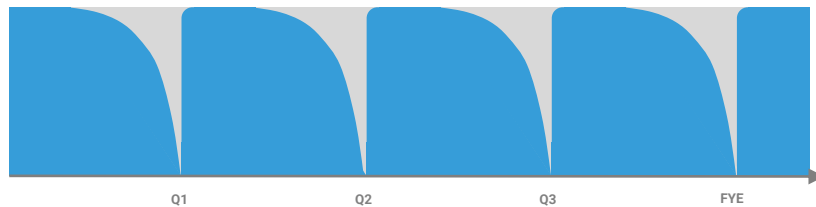
Example (a): client reduces own cash to zero at year end



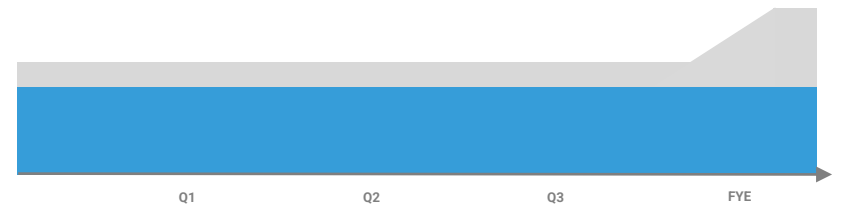
Example (d): client has dedicated bank line for strategic use e.g. SME suppliers



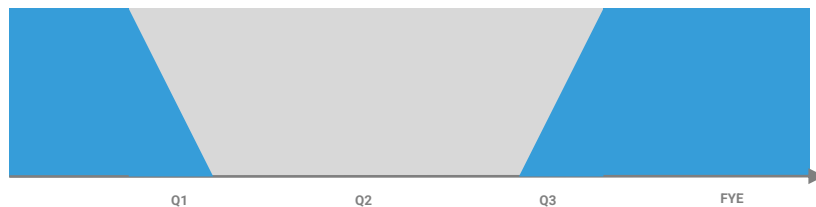
Example (b): client reduces own cash to zero at quarter ends



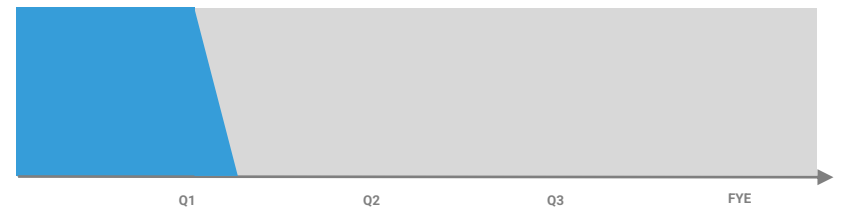
Example (e): extra bank funds used to fulfil peak early pay demand at year end



Example (c): client uses own cash in line with cyclical cash flow



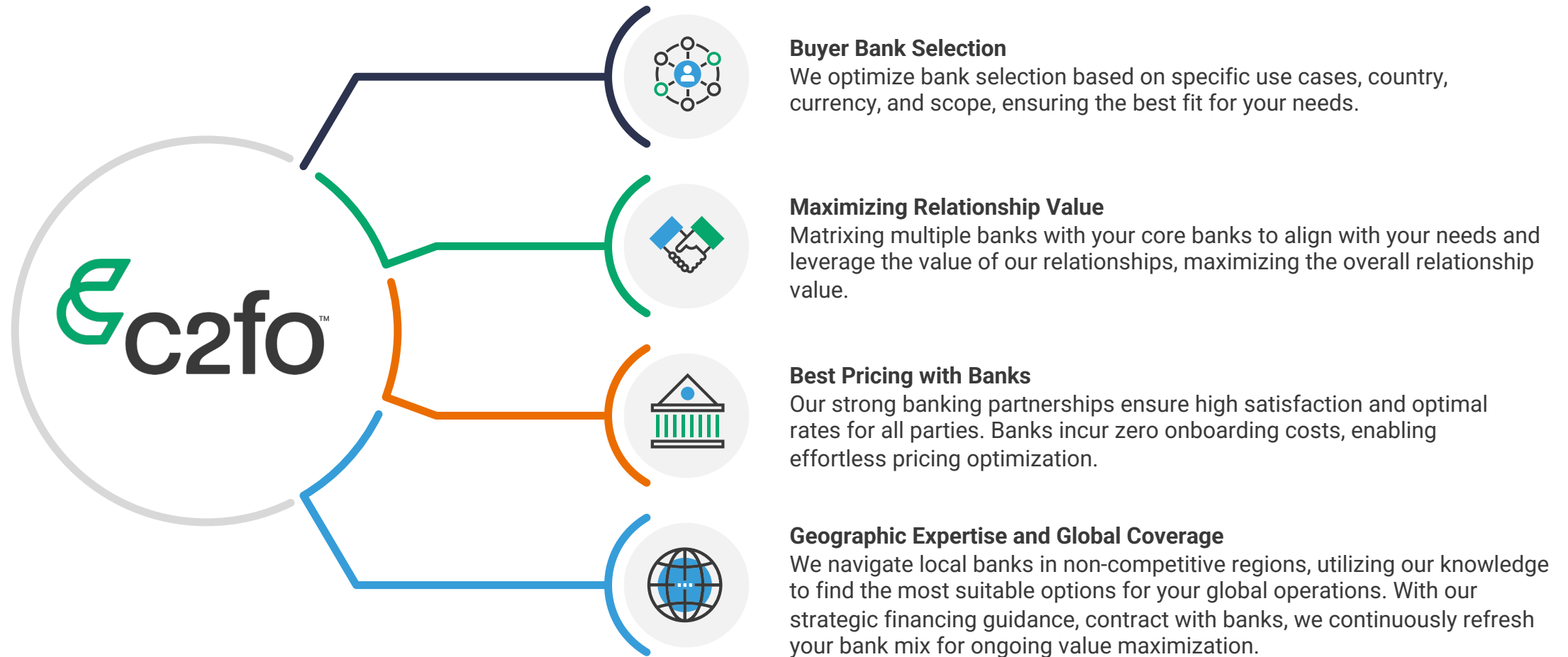
Example (f): client replaces own cash with bank funds for several months for strategic reasons





# Connectivity to Relationship Banks Can Be Powerful Aspect






DSF allows you to offer wallet share across your banking group, de-risking legacy SCF solutions and putting you in complete control of who funds your early payment solution

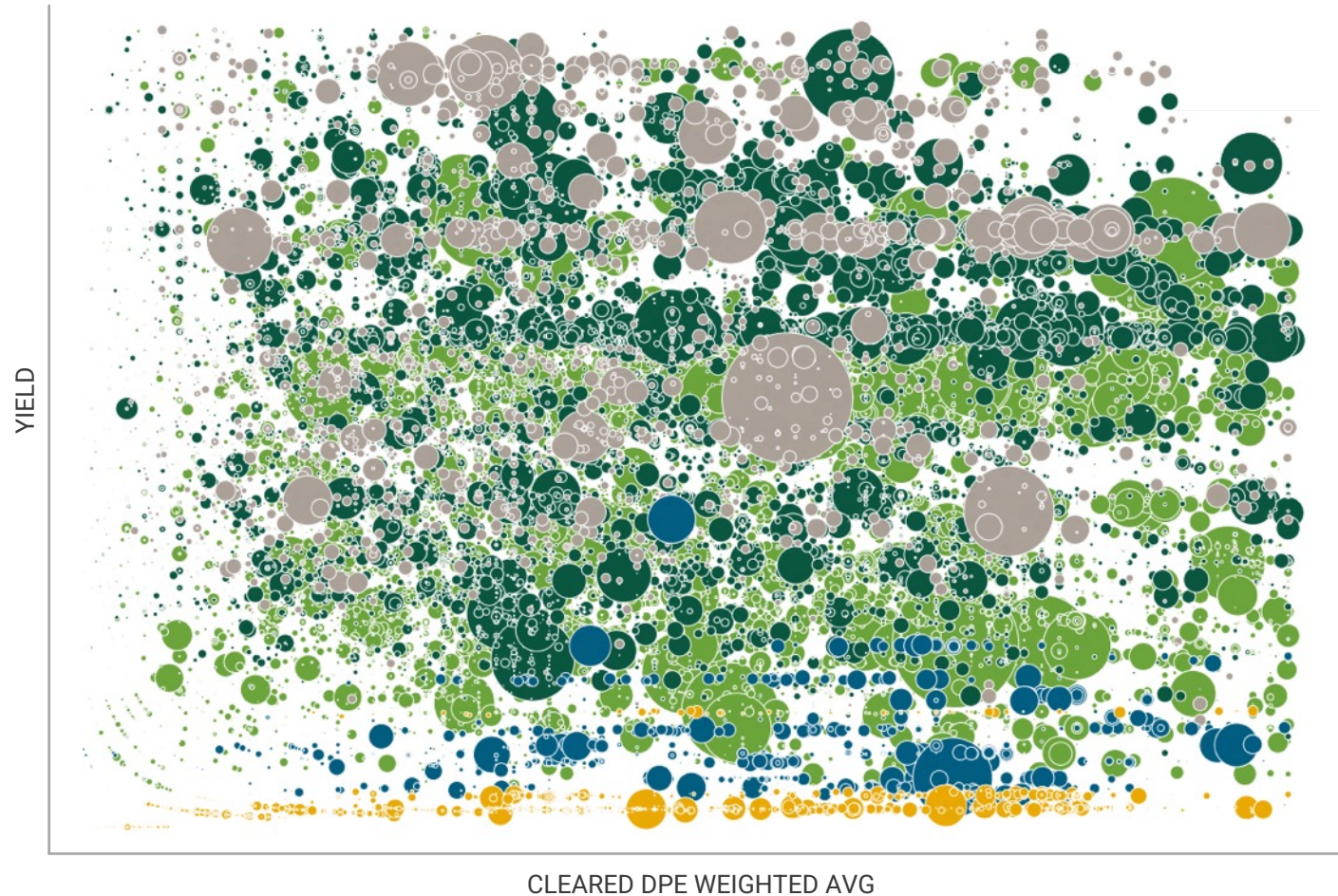




# Multiple Supplier Pricing Approach Delivers Optimal Results Across All AP

Global awarded offers by Dynamic Pricing type

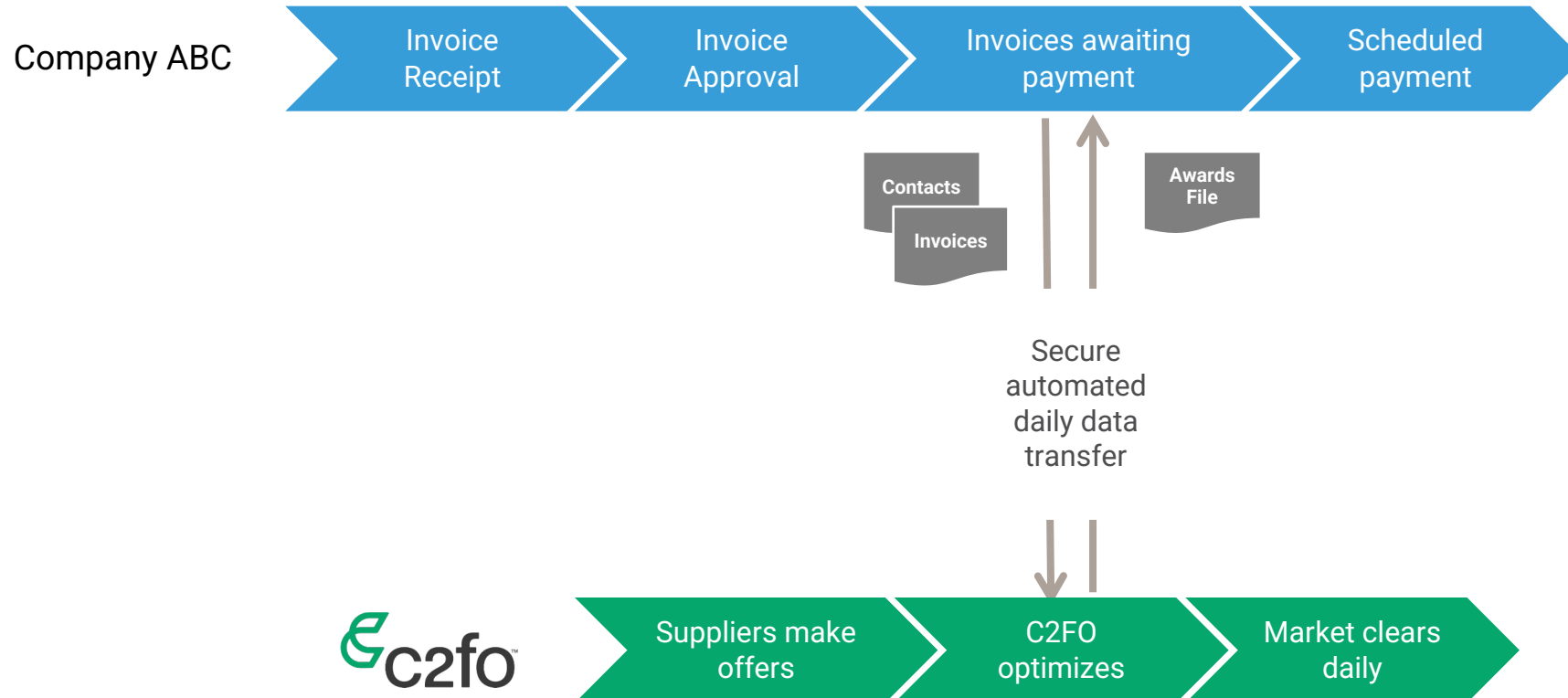
-  Name Your Rate™
-  Trending Rate (Predetermined)
-  Express Accept (Predetermined)
-  Preferred
-  ESG (D&I and Sustainability Programs)



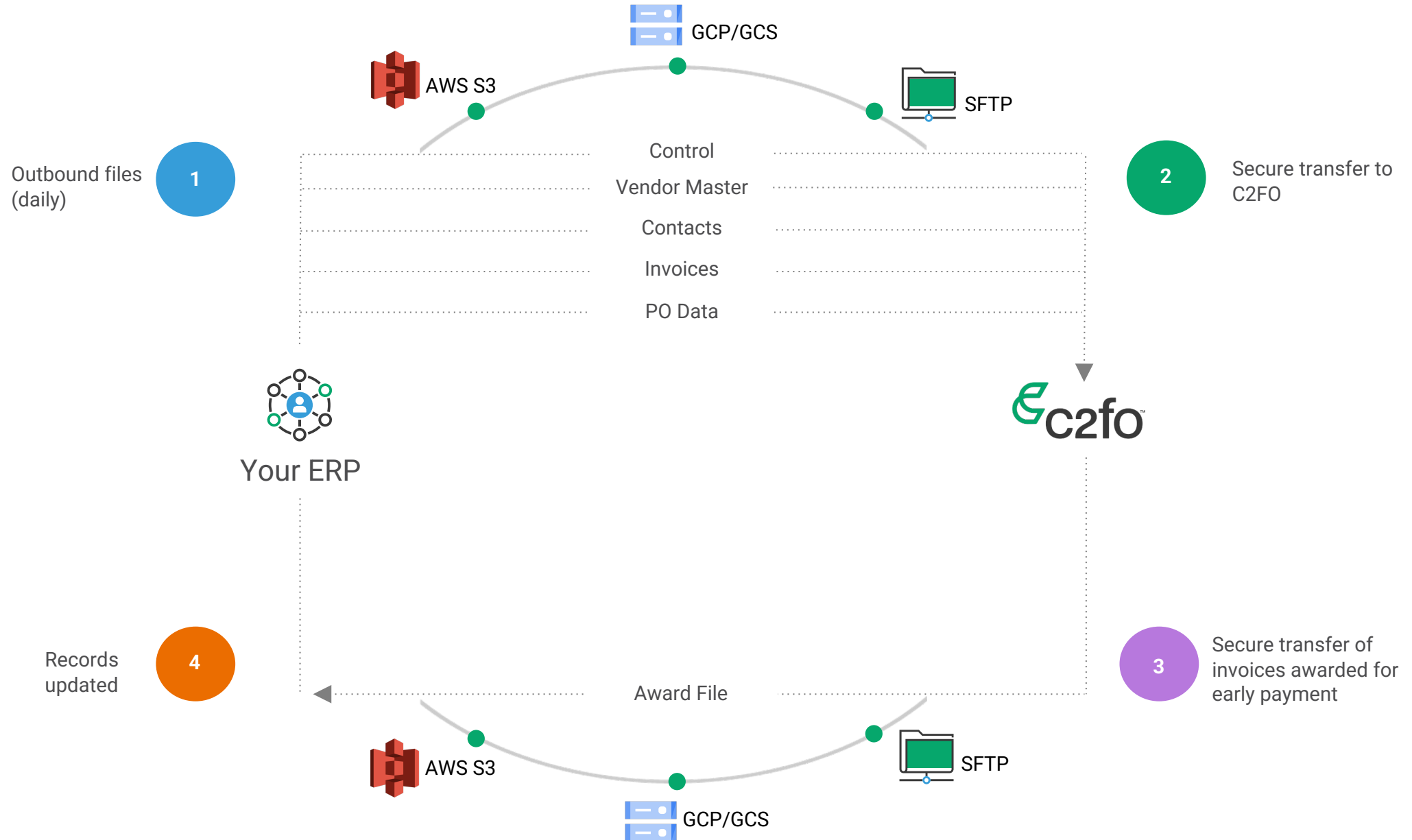


# Simple Connection – Easy to implement

C2FO exchanges data with to your ERP system to automatically receive invoices and credits and feedback updates via provided certified SAP code. The setup process is straightforward and operationally there is no impact on your AP/Shared Services process or team.

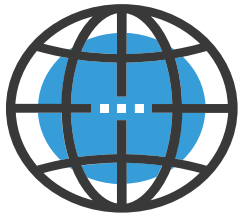


# A Simple, Automated Data Exchange Process Which is ERP Agnostic





# Data Science Team Segments Supply Chain for Optimal Outcomes



ENTERPRISE

- Top 10% of spend with more complex decision-making and financial complexity
- Typically participate during quarter-end and other reporting periods
- Dedicated enterprise sales team with a high touch executive level engagement
- Work closely with our Buyers to engage with these key suppliers



MID-SIZED

- Middle tier spend with more direct decision-making and monthly working capital needs
- Typically participate in more than one C2FO market and want ongoing team support
- More experienced senior sales reps are assigned for the lifetime of the relationship



SMB

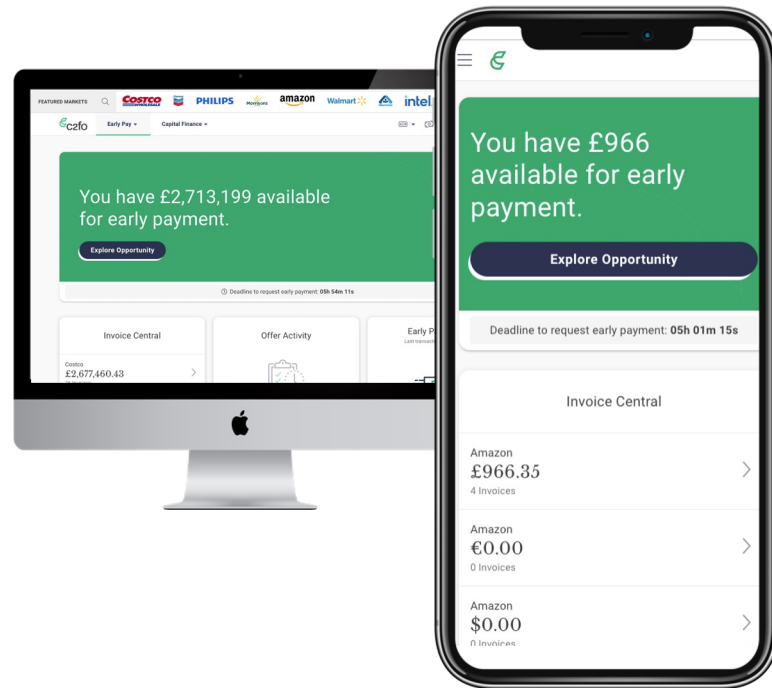
- Lower spend tier focus is SMBs with more ongoing cash needs for business operations
- Global in-house team assigned to specific suppliers
- The lower end of the core spend tier is supported by our general customer service team



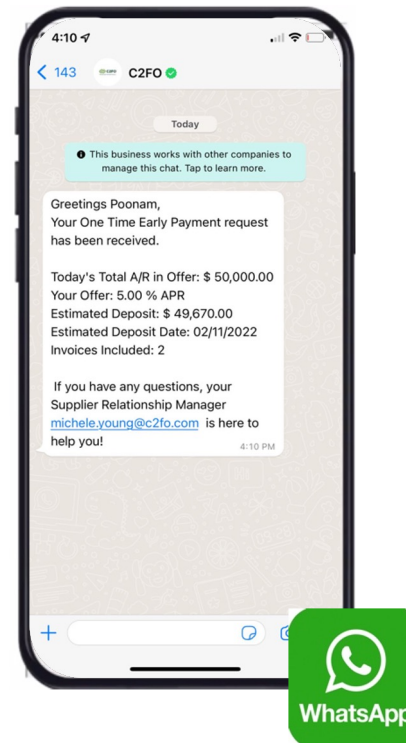


# Omni Access for Suppliers to Access Platform

C2FO has multiple channels to communicate with suppliers.



Mobile-first design



WhatsApp discounting



WeChat onboarding  
(mostly applicable to Chinese suppliers)



# The Equity and Inclusion Marketplace

**Ensure a reliable funding source for your diverse suppliers through a dedicated, reduced-rate marketplace.**

- An early payment program that offers a greatly reduced rate of 50% or more
- Utilize your own balance sheet, our global funding network, or both – without impacting your suppliers
- Lower fees from C2FO in proportion to the reduced rate offered in your Equity and Inclusion Marketplace
- An analysis of tens of thousands of minority- and women-owned businesses shows that these businesses participate in our early payment programs at a rate 5.2x and 2.2x other businesses, respectively.

**We recommend the development of an Equity and Inclusion Marketplace with preferential rates that will help alleviate the challenges many diverse businesses face.**

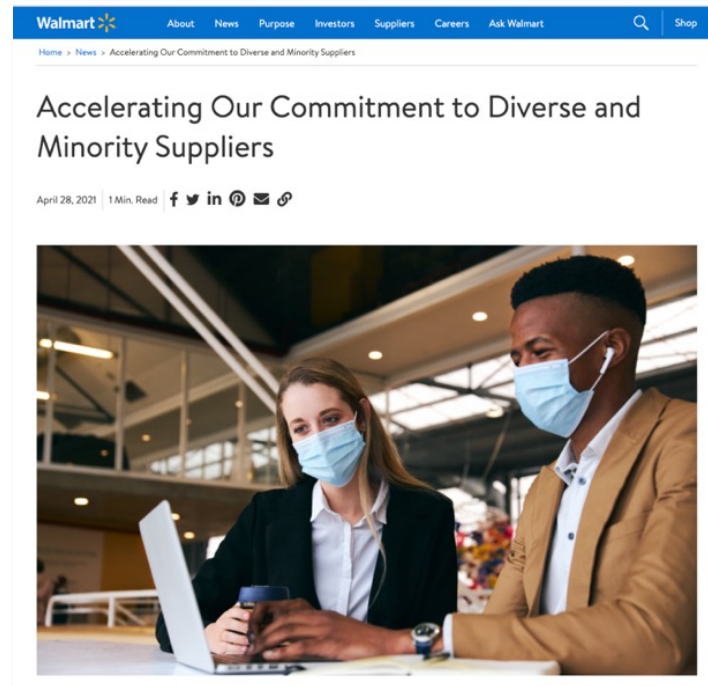


# Empowering All Businesses to Thrive



\$5.4B

In accelerated funding to women- or minority-owned businesses in 2023



*"In partnership with C2FO we can provide diverse and minority-owned suppliers with convenient and consistent access to reliable funding sources."*

- **Scott McCall, Walmart**  
Chief Merchandising Officer
- **Megan Crozier, Sam's Club**  
Chief Merchandising Officer

“

We believe our partnerships with these vendors will give us the tools we need to expand our supplier diversity in all areas of our business. We hope it will also make it easier for diverse suppliers to work with us.”

**Jonathan Mayes, SVP**  
Chief Diversity and Inclusion Officer  
Albertsons Companies





# Working Capital Advisory - Payment Terms Optimization

# Data & Insight



*Working Capital Advisory services leverages data and insights from DSF nightly receipt of 50 million invoices*

**\$2 Trillion+**

Vendor Spend Loaded on our platform

**2.6 Billion+**

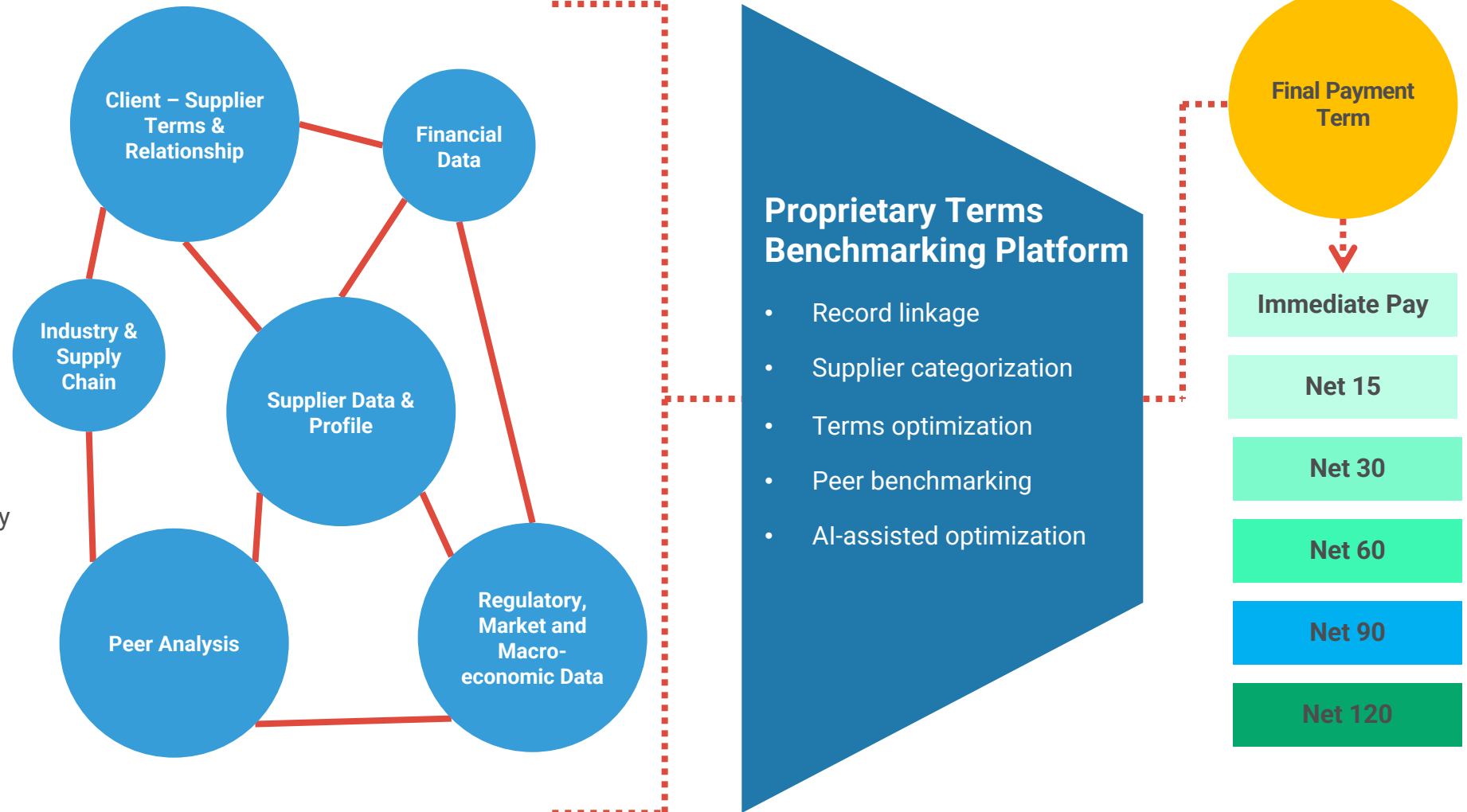
Invoices loaded and analyzed

**2 Million+**

Vendor relationships in proprietary database

**100+**

Currencies supported in over 170 Supplier Countries



# Working Capital Optimization Overview

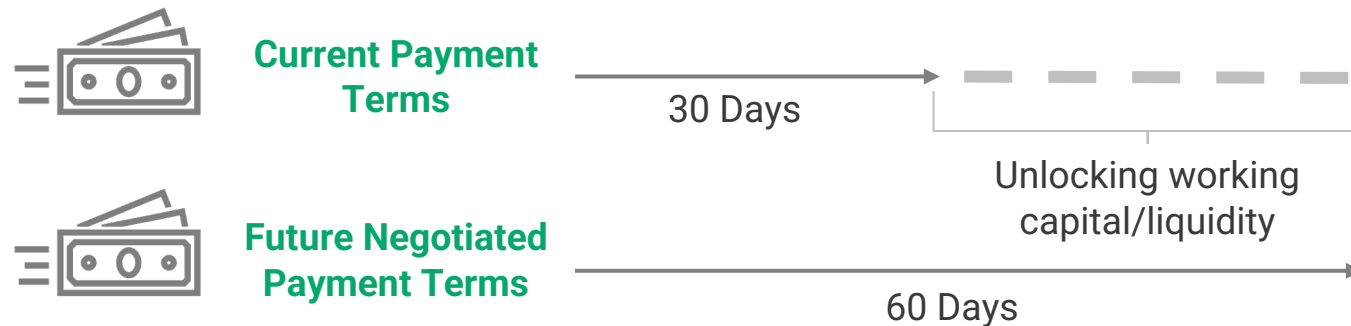


WCO extends Days Payable Outstanding (DPO) for clients and is fully executed from analysis to terms conversion by C2FO

## Leveraging Real-time Data

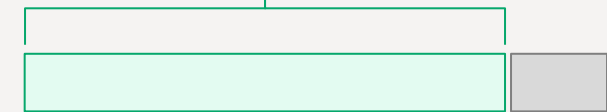
Real-time data on the C2FO platform (approximately \$2.3 Trillion in Accounts Payables in 2022) can be leveraged by C2FO to provide unique insight into post-pandemic trends with respect to terms offered by suppliers across industries and regions

### Illustrative Example



### Success Rate

81%



81% of in-scope spend converted on average. We have never converted less than 69% for any client.

## Full Turnkey Program

C2FO provides a turnkey program that is fully executed from analysis to terms conversion





# Tailored Process to Optimize Results

1

## Initial Recommendation

C2FO works with Procurement & Treasury stakeholders to develop an initial Working Capital Vision.

Example: "Plus 30 Day to Current Terms Initiative" or "90 Day Standard Terms Policy"

2

## First Pass-Through Exclusions

C2FO identifies commonly excluded suppliers such as Utility, Governmental, and Intercompany entities. C2FO leverages automation and expertise to capture suppliers with low probability of conversion.

3

## Deep Dive Analysis

C2FO enriches Client's spend file with Global & Regional Marketplace metrics to match recommendations with real-time aggregated data. Additionally, public financial data is integrated and analyzed to give client full view of supplier.

4

## Supplier Segmentation & Final Review

C2FO engages in detailed alignment discussions with Procurement stakeholders to identify "Pain-Points" with specific suppliers and achieve tailored recommendation for each supplier



# Mostly Turnkey Solution Removes Burden from Client

## C2FO Working Capital Advisory Dedicated Project Mgr. & Support Team Responsibilities

- Supplier segmentation analysis
- Recommendation based on strategic review of suppliers using the following:
  - NAICS codes industry terms
  - Small, Medium, Enterprise (SME) & Diverse supplier consideration
  - Financial data
- Generate and provide:
  - Letters, FAQs, exception policy, internal training material, internal communication letter & create a sustainable terms optimization strategy
- Share best practices and tips to maximize working capital
- Maintain project plan to ensure timely execution of project
- Manage all supplier communication (Mailbox Support Period)
  - Mailbox Support Period lasts 45 days after letters are sent

## Client Responsibilities

### Project Lead – one hr/week

- Streamline communications
- Coordinate calendars
- Review FAQs, letters, internal docs and provide to Legal for approval

### Procurement – 5 hours total

- Supplier segmentation
- Confirm suppliers in scope
- Procurement team training
- Escalation support if needed





# Working Capital Optimization Track Record

WCO has had extraordinary success in extending clients Days Payable Outstanding (DPO) by an average of 32.7 days leveraging real-time data

Average improvement of

# 32.7

days to DPO

Average execution lifespan of

# 120 to 150

days

Adoption rate of

# 81%

On average, 81% of in-scope spend is converted.  
We have never converted less than 69%

## Working Capital Optimization Successes

	Fortune 100 Insurance Company	\$2B Adhesives Company	Fortune 100 Telecom Company	Fortune 300 Automotive Company	Fortune 100 Life Science Company
# of Vendors	1,275	17,939	8,195	11,000	13,000
Spend in Scope	\$1.8B	\$2B	\$5.2B	\$1B	\$4.5B
Working Capital Extended	\$151M	\$113M	\$325M	\$65M	\$130M
Terms Change	+ 30 Days	+ 36 Days	+ 40 Days	+ 45 Days	+35 Days



On-Demand Capital  
for Every Business