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GSCF offers IT Distribution Financing to over 50 Hewlett Packard distributors in EMEA

ZUG, SWITZERLAND - Global Supply Chain Finance Ltd. (GSCF) is pleased to assist IT Distributors with the structuring of working capital financing aimed at increasing their payment terms with Hewlett Packard.

GSCF enables, together with its partner Banks and Insurance Companies, the extension of terms to Distributors via an innovative structure called "*Synthetic Receivables*" which is based on confirmed Payables from selected Distributors and in relation to their trades with Hewlett Packard. The key advantage is that the Vendor does not sell its Receivables to a Financial Institution based on the terms of a Receivables Purchase Agreement, but it is the Distributor that individually enters into a Trade Finance obligation with the GSCF program Funder. Although the Vendor is not a direct party to these programs, it strongly benefits from this innovative Distribution Financing solution which can be implemented more quickly than a program based on the sale of Receivables.

The main benefits for the different stakeholders are summarized below:

For the Distributor:

- Cash flow flexibility: Extend payment terms when required
- Keep part of the early payment cash discount on offer
- Balance sheet improvements: Increase DPOs; not affect leverage (this financing is not treated as Bank Debt)
- Obtain additional borrowing capacity as existing credit lines do not have to be utilized for working capital
- Gain administrative efficiencies and full transparency over the trading activity with the Vendor

For the Vendor:

- Reduction in DSOs with no uncertainty
- No credit risk associated with Distributor after payment is received by Funder
- Possibility of increasing sales based on the Distributors' improved cash situation
- Improve competitive advantage versus other IT vendors with less attractive payment terms for buyers

Global Supply Chain Finance LTD ("GSCF") is a leader in the structuring, implementation and servicing of cross border accounts receivable and accounts payable programs for large corporations.

For more information about GSCF please visit our website: www.gscf.com or place your inquiry with info@gscf.com or call us under +41 41 922 2200.