

A man with glasses and a beard, wearing a brown sweater, and a woman with blonde hair wearing a dark blue puffer jacket, are leaning over a table in a warehouse. They are looking at a clipboard and some papers. The background shows industrial shelving and lights.

**MINIMIZE RISK,  
BENEFIT TOGETHER -  
WITH TRADICO**

Your SME partner for purchase optimization

**tradico**  
SPEED UP YOUR BUSINESS

# Optimize your liquidity - fast and digital!

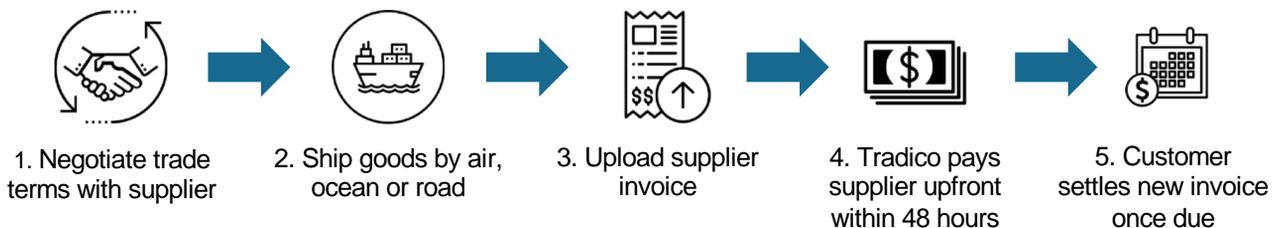
Many small- to medium-size customers face regular liquidity challenges while sourcing goods domestically and abroad. These challenges arise in almost every business and are definitely not a sign of poor management or company performance. Most manufacturing and trading businesses simply have to pay their suppliers before being able to collect the money from their customers. Therefore bridging liquidity is required to close this financial gap.

Stricter financial regulations and loan security requirements lead to complicated, slow and often expensive processes to bridge these financial gaps through traditional financial institutions. Tradico developed a fully digital bank-independent solution to simplify procurement finance significantly.

## How does our purchase financing solution work?

Tradico directly purchases the physical goods on behalf of its customer from the supplier and pays the supplier invoice immediately (within 48 hours) once the goods were picked up from the warehouse. At the same time Tradico sells the goods back to the customer with extended payment terms (30, 60, 90 or up to 120 days). Satisfy suppliers through early payments and maintain a cash positive situation even in seasonal demand peaks.

Tradico enables its customers to finance their trades anytime and anywhere while requiring no minimum finance amount, no registration fees, no fixed costs and no additional assets for loan security.



## What advantages do our customers have?



### Digital and transparent

- Free account registration < 10 minutes
- (almost) paperless process
- 100 % transparent + competitive pricing



### Easy to use and fast

- Upload supplier invoices with only a few clicks
- Take advantage of all early payment discounts
- Approvals up to EUR 500'000 < 48 hours



### Improve supplier relationship

- Early payments increase negotiation power
- No default risk for suppliers
- Free of charge for suppliers



### Maximum flexibility

- Individual shipment financing
- No additional loan security required
- Uncomplicated credit check within 48 hours



*"Tradico enables us to smoothly pre-finance parts of our inventory!"*

**Patrick Gehr**  
CEO Mediashop AG

## Interested?

Register for free on [www.tradi.co](http://www.tradi.co) and receive your first transparent offer online!

A good feeling is important - please therefore feel free to reach out to us anytime for a personal meeting!

## Our solution in comparison

Our purchase financing (FineTrading) is often confused with factoring and our advantages are compared directly with short-term bank loans. The advantages are particularly distinctive in terms of complexity, flexibility and transparency.

### Our solution compared to factoring

Differences	Our solution	Factoring
<b>Aim</b>	Purchase financing (Accounts payable)	Sale of outstanding receivables (Accounts receivable)
<b>Minimum volume</b>	None	+/- EUR 100'000.- revenue
<b>Lead time</b>	48 hours	Up to 4 months
<b>Minimum term</b>	None	1 – 2 years (Notice period 3 – 6 months)
<b>Balance sheet effect</b>	Key figure optimization (importer) + shortening of balance sheet (suppliers)	Shortening of balance sheet and improvement of equity quota
<b>Funding rate</b>	100 %	80 – 90 %
<b>Fixed costs</b>	None	+/- 0.5 % of yearly revenue +/- EUR 10.- audit fee per customer
<b>Variable costs</b>	0.8 – 1.5 % on supplier invoice amount (30 days)	4 – 10 % of yearly revenue

### Our solution compared to short-term loans from banks

Differences	Our solution	Short-term bank loans
<b>Usage</b>	Purchase financing (Accounts payable)	Various (e.g. purchase of raw material)
<b>Limitations</b>	Non-perishable goods	Banks often restrictive and have a say
<b>Additional loan security required</b>	No	Various (e.g. securities, assignment of accounts receivables)
<b>Registration</b>	Within 2 working days	Within 2 – 10 working days
<b>Required documents</b>	Balance sheet and income statement of the last 2 years	Extensive qualitative and quantitative credit analyzes
<b>Emergence of costs</b>	After new payment terms (usually cost-neutral with early payment discounts)	Immediately in the form of interest payments
<b>Accounting</b>	Liabilities from goods and services	Liabilities from banks
<b>Fee structure</b>	Transparent (1 price without hidden fees)	Mix of variable and fixed cost components
<b>Costs (fixed &amp; variable)</b>	0.8 – 1.5 % on supplier invoice amount (30 days)	Depending on individual creditworthiness and loan securities

*“Our customers benefit from not using bank loans to finance their imports.*

*This increases their credit-worthiness and their probability of receiving a bank loan for larger investments.”*

# Potential of early payment discounts

Early payment discounts offer attractive savings but often small and medium-sized companies cannot take advantage of them. The lack of liquidity forces them to forego on financial opportunities that often offer savings that are much bigger than their external financing costs.

Tradico now enables its customers to conveniently take advantage of these saving opportunities without putting a strain on their existing bank credit lines.

## Practical example

In order to visualize the benefits let us assume the following business case:



Spare parts imported from Shanghai, CN



Buying: EUR 100'000  
Payment terms: 3/10 or net 30



Transport mode: Sea  
Duration: 40 days



Selling: EUR 120'000  
Payment terms: Net 30

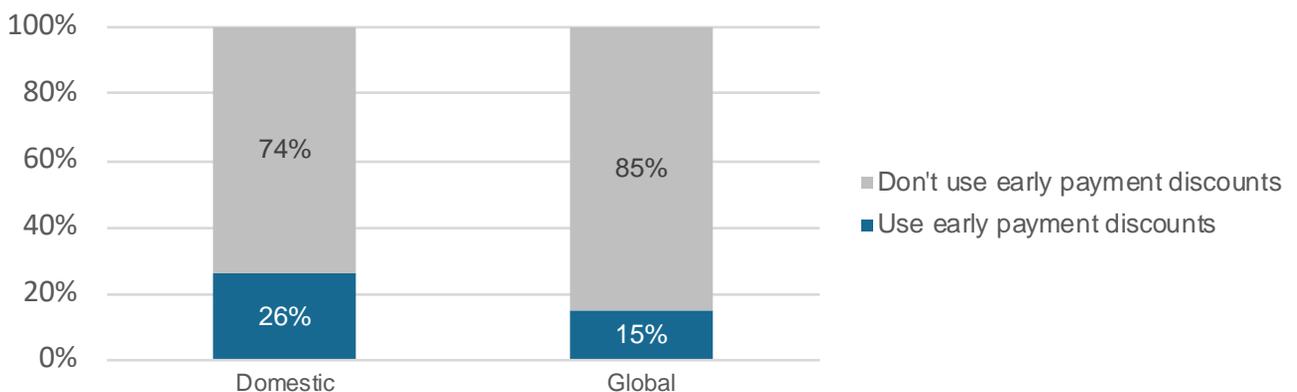
As an importer, you have three options to pay your supplier invoice. You can pay the invoice without an early payment discount after 30 days (1), you can pay the invoice with an early payment discount of 3 % after 10 days (2) or you can use our purchase financing solution and extend your payment terms by 60 days with a supplier payment through us after 10 days (3).

	Supplier payment	Fee*	Payment to Tradico	Payment from customer	Negative Cash Flow	Profit
(1)	EUR 100'000 (Day 30)	EUR 0	EUR 0	EUR 120'000 (Day 70)	EUR 100'000 (40 days)	EUR 20'000
(2)	EUR 97'000 (Day 10)	EUR 0	EUR 0	EUR 120'000 (Day 70)	EUR 97'000 (60 days)	EUR 23'000
(3)	EUR 97'000 (Day 10)	EUR 1'940	EUR 98'940 (Day 70)	EUR 120'000 (Day 70)	No negative Cash Flow	EUR 21'060

\* In this example: Financing rate 1 % for every 30 days (based on individual credit rating)

Compared to the first option (1), the payment period was extended by 40 days and the profit increased by EUR 1'060. In addition, no bridging loan from financial institutions of EUR 100'000 is required for 40 days.

## How many companies use early payment discounts?



According to a survey by the global credit insurance company Atradius, 26% of domestic and only 15% of foreign customers claim possible early payment discounts in B2B transactions. This leaves a lot of saving potential and we are happy to assist our customer with additional liquidity to take advantage of these opportunities!

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