RAISTONE

INVESTING IN
WORKING CAPITAL
FINANCE ASSETS

Accounts Receivable Finance | Supply Chain Finance | Purchase Order Finance | Flex Pay | Virtual Cards

OVERVIEW

HISTORY & VISION

Raistone was born with the vision of equalizing access to working capital and meeting the demand for structured finance on a global scale. We combine deep trade finance experience, legal/regulatory knowledge, and enterprise-grade technology to provide operational and financial servicing, enabling companies of all sizes to improve their cash collection cycles and access incremental sources of non-debt working capital.

ROBUST STAKEHOLDERS

A world-leading fintech collaboratively owned by a $30-billion-plus family office, a $900 billion asset manager, a global broker dealer and a multinational bank, Raistone enables the financing of billions of dollars in transactions every year. We provide facilities from $50,000 to over $500 million.

PROVEN LEADERSHIP

The collective expertise of our accomplished leadership team, comprised of industry veterans hailing from the world's largest trade finance institutions, amounts to over $500 billion of receivable assets purchased and 150 Supply Chain Finance programs created over the last 15 years.
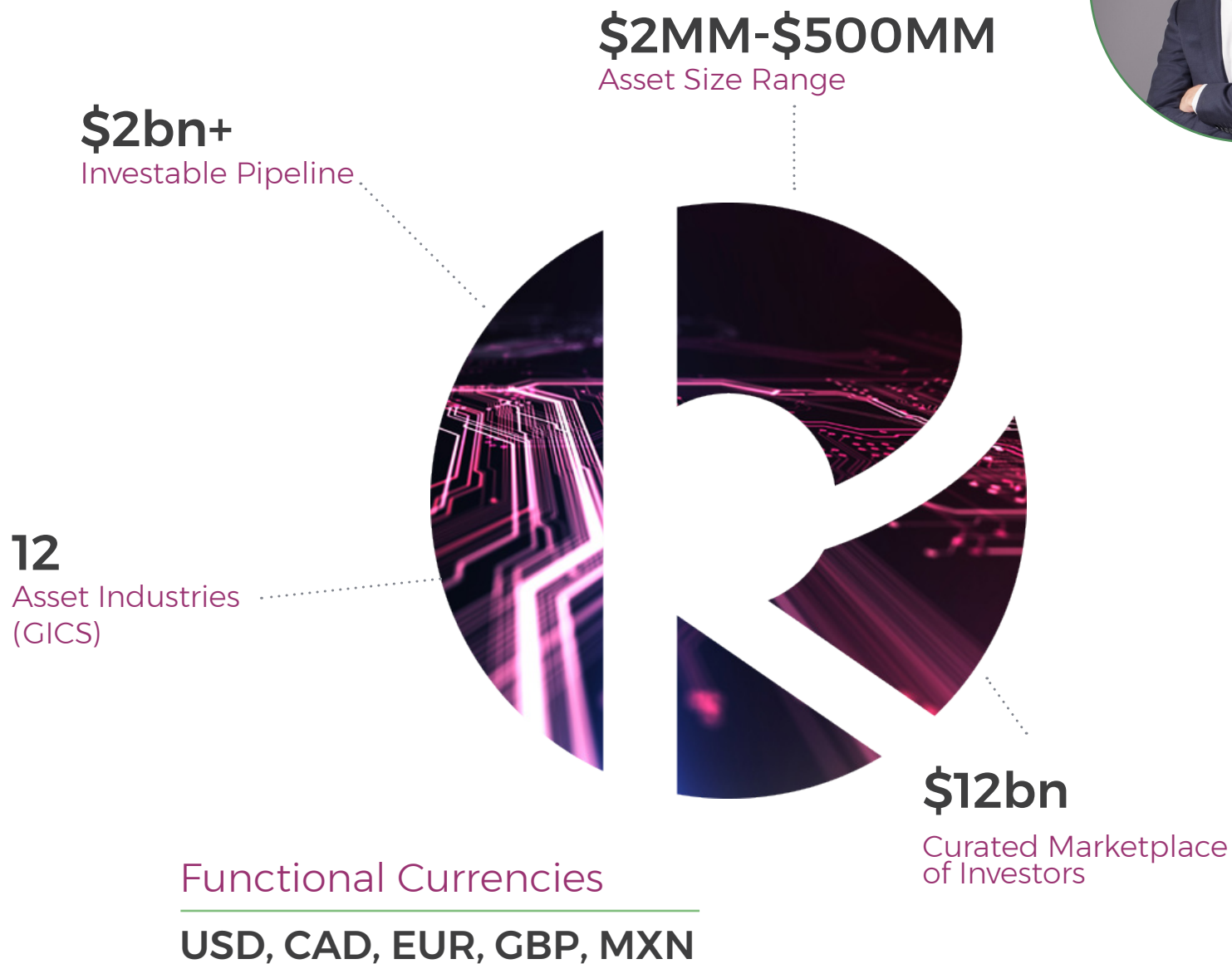
DIVERSIFIED PARTICIPANT BASE

We actively originate and service structured trade finance transactions, onward selling the originated assets to banks and non-bank institutional investors, such as asset managers, hedge funds, family offices, and retail platforms (each a "Participant").

DIFFERENTIATED DEAL FLOW

We provide Participants access to deal flow across a range of industries and credits. We are a large player in the non-investment grade space and structure each opportunity to fit both the needs of our Clients and Participants, with tenors averaging from 2 weeks to 180 days, and advance rates up to 100% dependent on historical dilution.

BY THE NUMBERS

$2MM-$500MM
Asset Size Range

$2bn+
Investable Pipeline

12
Asset Industries
(GICS)

$12bn
Curated Marketplace
of Investors

Functional Currencies

USD, CAD, EUR, GBP, MXN

"At Raistone, we believe that access to capital markets should not be restricted merely to the few 'in the know' — it should be accessible for every business looking to grow and effectively manage their working capital."

David Skirzenski
CEO of Raistone Capital

MARKETPLACE DYNAMICS

Problem: A growing supply of unfunded trade finance assets

2.5x
Longer payment terms vs '09

- Large corporates extending supplier payment terms
- Suppliers don't want to wait up to 120 days or longer
- Cash flow problem for supply chains
- Increasing demand from suppliers to finance their trade flows
- Global trade financing gap greater than $2.5tn [1]

35%+
Extreme interest rate charged

- Basel III constraining banks from providing liquidity to supply chains
- Banks are less willing to hold trade finance assets on their balance sheets
- Expensive capital has stepped in: 35% APR, i.e., OnDeck and Kabbage
- Market Place / P2P lenders offer limited facility size (~$35,000)

GAP
IN EXPERTISE

B2B Commerce Networks (ERPs, payment processors, e-Invoice networks, credit card networks) connect the global supply chains and are seeking to offer trade finance services...

BUT require firms such as Raistone to provide trade finance experience, access to sources of capital, daily operations and legal/ regulatory knowledge.

[1] https://www.adb.org/publications/2023-trade-finance-gaps-growth-jobs-survey

RAISTONE
PRODUCTION SUITE

Our solution:
Fully integrated trade finance asset distribution

FINANCING (Origination/Sales)	SERVICING (Operations)	CONVERSION (Credit/Risk)	PLACEMENT (Distribution)

Provide working capital finance

- Data integration to facilitate automated underwriting, KYC, AML and OFAC
- Expertise and technology to work in multiple jurisdictions and currencies
- Innovative solutions such as no-lien, non-disclosed, virtual cards, AI instant payments and pre- and post-invoice approval financing

Service acquired assets

- Web-based SaaS platform
- Payments/collections
- Cash reconciliation
- Legal, accounting and regulatory Advisory
- Credit underwriting
- Deal structuring
- Creation/management of bankruptcy-remote SPVs

Convert if necessary

- Into more liquid and flexible forms of capital such as loans or industry standard risk participations
- Enhance credit risk via receivables puts, AI, trade credit insurance, bespoke structuring, etc.
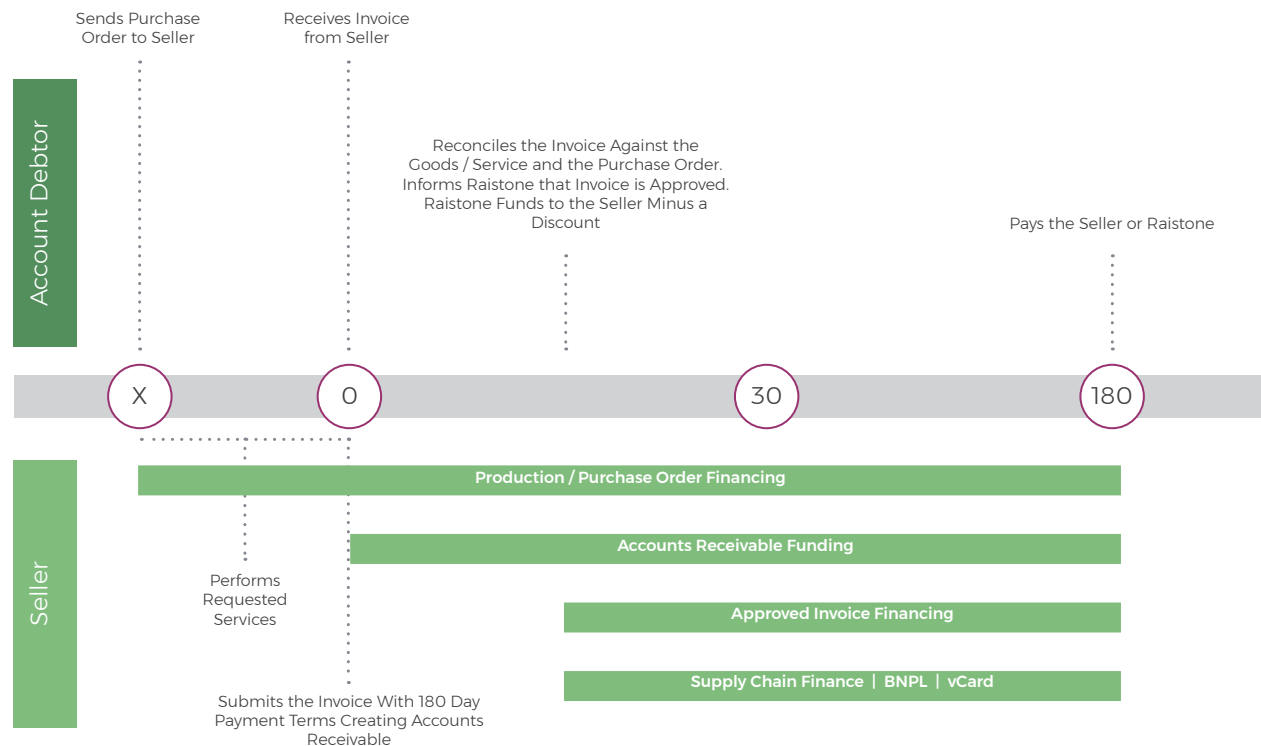- Jurisdictionally appropriate Trade Finance Regulatory Compliance Monitoring

Place with Participants

- Trade Finance Platform data vetting and due diligence
- Across all jurisdictions, currencies, size and credit risk parameters
- Flexible asset allocation per strategy, program, participant, etc.
- Ongoing program management for offers, credit limits, payments, reconciliation, etc.
- Support in the event of a workout

FINANCING TRADE FINANCE

Illustrative trade finance transactions supported by Raistone

Account Debtor

Sends Purchase Order to Seller

Receives Invoice from Seller

Reconciles the Invoice Against the Goods / Service and the Purchase Order. Informs Raistone that Invoice is Approved. Raistone Funds to the Seller Minus a Discount

Pays the Seller or Raistone

| X | 0 | 30 | 180 |

Seller

Performs Requested Services

Submits the Invoice With 180 Day Payment Terms Creating Accounts Receivable

Production / Purchase Order Financing

Accounts Receivable Funding

Approved Invoice Financing

Supply Chain Finance | BNPL | vCard

Overview

Seller-Centric:

Accounts Receivable Financing

- Finance (factor) the Seller Invoice

- Risk of Account Debtor (Buyer) insolvency

- Risk of Seller performance mitigated by invoice approval information

Production / PO Financing

- Finance the production of the goods

- Risk of Account Debtor insolvency

- Risk of Seller performance to manufacture and ship goods or perform the service

Buyer-Centric:

Supply Chain Finance | Buy Now, Pay Later | Virtual Cards

- Finance the Seller Invoice / Buyer Payable

- Risk of Account Debtor (Buyer) insolvency

- No risk of Seller performance as Account Debtor has guaranteed the payment

TRADE FINANCE ASSETS OVERVIEW

Attractive asset class for institutional Participants

PORTFOLIO YIELD ENHANCING CREDIT INSTRUMENT WITH UNIQUE MONEY MARKET-LIKE LIQUIDITY PROFILE

By rolling a corporate's trade finance asset facility across successive payment cycles, a similar risk-adjusted return can be achieved in comparison to that from holding its respective corporate bond to maturity.

Even more, the uncommitted and self-liquidating nature of trade finance assets enables participants to exit deteriorating credit names over a defined roll off period (typically 30-90 days). This feature compares favorably to MTM loss exposure when trading out of corporate bonds.

TRADE ASSETS PERFORM VERY WELL

The International Chamber of Commerce's[3] 2021 Trade Register Report, which contains data up until the end of 2020, states that trade finance products present low credit risk.

- Exposure-weighted default rates for SCF in 2020 were 0.18%, and in 2019 they were just 0.02%

- Defaults without warning are uncommon so default risk exposure on trade finance assets can be dialed back relatively quickly by halting new purchases and allowing receivables to roll off
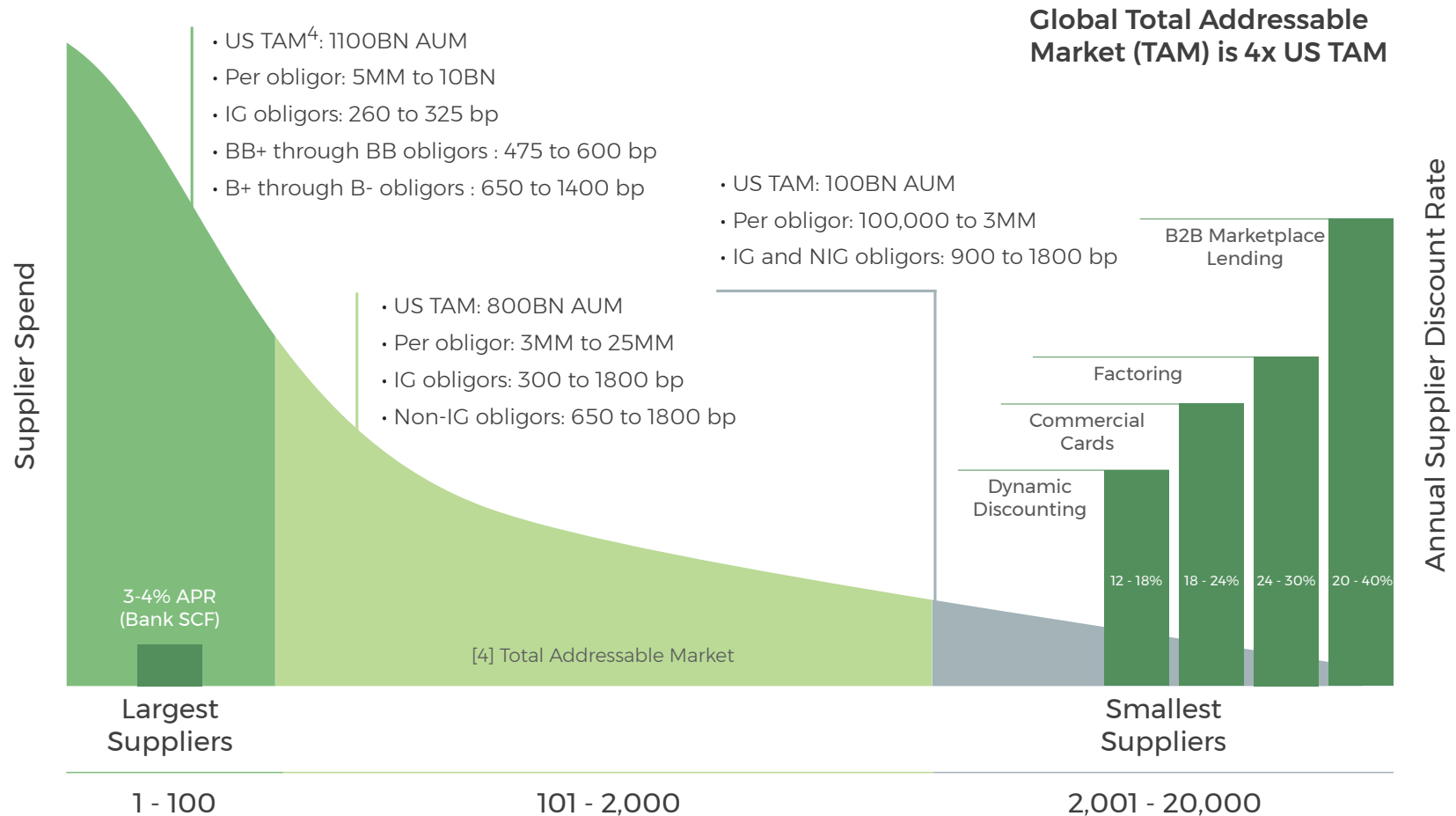
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[3] https://iccwbo.org/publication/icc-trade-register-report/

Factors Contributing to Favorable Risk-adjusted Returns

- **UNCOMMITTED:** Participant may stop purchasing new assets at any time

- **SHORT TENOR:** Self-liquidating over defined 30–180d revolving payment cycles

- **NO MTM RISK:** No risk of capital depreciation during spread widening events

- **LOW CREDIT RISK:** Exposure limited to defined payment cycle tenor

- **UNCORRELATED:** Trade finance exhibits low or negative correlation with other asset classes such as equities or bonds

- **HIGH PRIORITY OF PAYMENTS:** While rent/loan payments can be deferred, payments to suppliers are vital for continued operations and are typically made by asset-holding OpCos

- **ACCURATE & VERIFIABLE HISTORICAL TRADE PAYMENT DATA:** Data available to evidence on-time historical payment history for each credit

- **NEGLIGIBLE INTEREST RATE RISK:** Floating rate self-liquidating investments with low duration risk

EXPLORATION OF THE
INVESTMENT OPPORTUNITY SET

Typical corporate supply chain – invoice financing (all in rates)

Supplier Spend (y-axis, left)

- US TAM[4]: 1100BN AUM
- Per obligor: 5MM to 10BN
- IG obligors: 260 to 325 bp
- BB+ through BB obligors : 475 to 600 bp
- B+ through B- obligors : 650 to 1400 bp

Global Total Addressable Market (TAM) is 4x US TAM

- US TAM: 100BN AUM
- Per obligor: 100,000 to 3MM
- IG and NIG obligors: 900 to 1800 bp

- US TAM: 800BN AUM
- Per obligor: 3MM to 25MM
- IG obligors: 300 to 1800 bp
- Non-IG obligors: 650 to 1800 bp

Annual Supplier Discount Rate (y-axis, right)

B2B Marketplace Lending

Factoring

Commercial Cards

Dynamic Discounting

3-4% APR (Bank SCF)

[4] Total Addressable Market

12 - 18%   18 - 24%   24 - 30%   20 - 40%

Largest Suppliers

Smallest Suppliers

1 - 100   101 - 2,000   2,001 - 20,000

[4] Total Addressable Market

PARTICIPANT
DAILY RECONCILIATION

Includes all cash flows, assets, collections & write-offs

Daily reconciliation of cash flows between the SPV and the Participant showing:

• New Collateral (receivables) purchased

• Collections against Collateral

• Written off Collateral

• Straight-through cash (e.g., remainders due Seller if less than 100% advance rate, or pass through of non financed receivables)

LEADERSHIP TEAM

Distinguished industry experts in finance, tech & risk

DAVE SKIRZENSKI

Chief Executive Officer

Former Head of Supply Chain Finance at Citibank; Greensill Capital; Morgan Stanley; Ariba; IBM

MIKE BRUYNESTEYN

Chief Financial Officer

Former Treasurer at Turner Construction; Lehman Brothers; Prudential Securities; General Motors

QING FAN

Global Head of Risk Distribution

VP of Global Trade Finance at BNP Paribas; Sumitomo Trust and Banking; Kraft Foods

AVI NAINANI

Chief Risk Officer

Former Head of Trade Finance Risk at Hitachi Capital; CIT

MIKE WALKER

Chief Technology Officer

Former Head of Technology and Global Operations for LiquidX/ Receivables Exchange

MATT MCALPINE

General Counsel

Former Global Head of Trade Finance Compliance at Deutsche Bank; Global Head of Trade Finance Legal at Citibank and Banking Associate at Skadden Arps

CONTACT

Matt McGarry

Director of Asset Distribution

Raistone

646.604.0553

mmcgarry@raistone.com

Kristin Lynch

Assistant Vice President of Asset Distribution

Raistone

646.216.8370

klynch@raistone.com

RAISTONE

raistone.com

NEW ORLEANS

2831 Saint Claude Ave
New Orleans, LA 70117

HEADQUARTERS

360 Madison Ave 22nd Floor
New York, NY 10017

SALT LAKE CITY

1633 W Innovation Way, 5th Floor
Lehi, UT 84043

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