



LIQUID CAPITAL ASSET-BASED LENDING (ABL)

KICK YOUR ASSET VALUE UP A NOTCH

Accounts Receivable Factoring – essentially selling your accounts receivable – is often a solution for companies in need of financing, but for larger companies with a stronger credit rating and more comprehensive financial reporting and internal controls (monthly financial statements, aged A/R and A/P summaries), **Liquid Capital's Asset-Based Lending (ABL)** solution provides an excellent financing option that is more **cost-effective, flexible** and **discreet** than factoring.

It is not always just small companies that find themselves long on orders but short on working capital. Many larger companies, with substantial client lists and sophisticated financial structures, still find themselves in **situations where payables pre-date receivables**. They simply don't have the working capital to keep up. They may fall just shy of bank loan criteria, or if they do qualify, they have seasonal or otherwise time-sensitive capital requirements that the rigid structures of traditional bank loans can't accommodate.

ABL IS ONE OF THE MOST FLEXIBLE, OPTION-RICH FINANCING ALTERNATIVES AVAILABLE, LETTING YOU SECURE FINANCING THAT INCLUDES - BUT GOES FAR BEYOND - THE VALUE OF YOUR ACCOUNTS RECEIVABLE.

ABL: A STEP BEYOND

ABL provides all the advantages of factoring when it comes to leveraging the value of your accounts receivable, as well as **providing additional financing by leveraging all your assets - including inventory, equipment and real-estate**.

Larger ABL clients with strong financial reporting and internal controls may qualify for non-notification financing. With non-notification, you handle invoicing and collection activities and are paid directly. Payments are then deposited into a "sweep account" (typically at your bank) from which Liquid Capital collects. Your client is not aware that Liquid Capital is handling your financial transactions.

A further advantage is that – since our risk is lower due to your good credit and strong financial reporting – your rates can be significantly lower than they would be with a pure factoring solution.

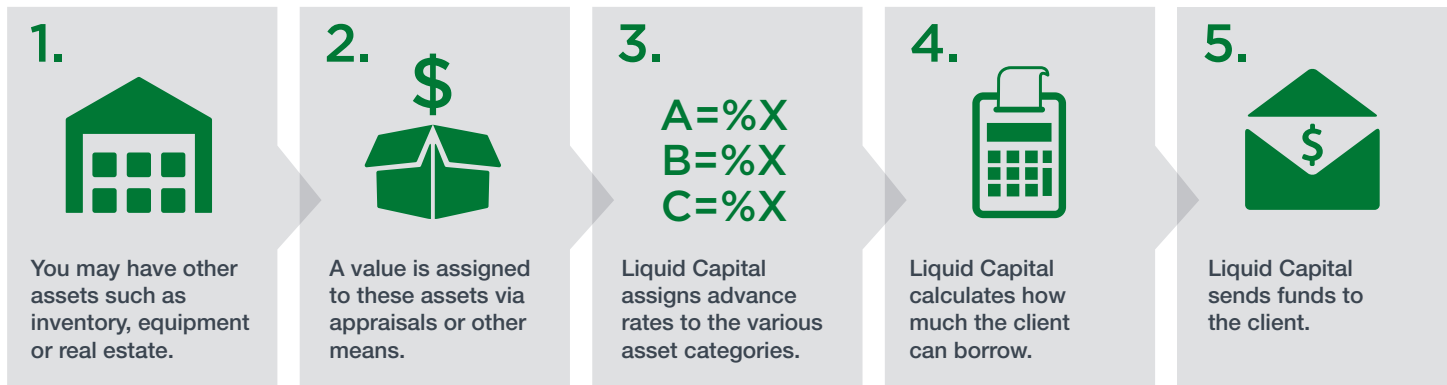
For smaller ABL clients, the advantages of factoring are combined with the ability to secure additional funding by including your inventory, equipment or real-estate. Although these deals may not qualify for non-notification financing, the client benefits by receiving a larger amount of funding than if it were solely an accounts receivable factoring solution.



HOW IT WORKS - ACCOUNTS RECEIVABLE



HOW IT WORKS - OTHER ASSETS (IE. INVENTORY, EQUIPMENT, REAL ESTATE)



NOW ALL YOUR ASSETS CAN HELP GENERATE THE WORKING CAPITAL YOU NEED

With ABL, you can secure loans against all of your assets – not just accounts receivable – including inventory, equipment and real estate (both residential and commercial).

Inventory — Raw materials, work in progress (WIP) and finished goods, can all generate much needed working capital. Margin rates (the percentage that Liquid Capital will advance) will vary depending on the nature of the inventory.

Equipment — Equipment, generally valued by a third-party appraisal will typically generate funding up to 75% of liquidation value.

Real estate — Valued through third-party appraisals or letters of opinion, real estate with strong sales potential can generate up to 75% of the appraised value, less any prior encumbrances such as a mortgage.

Liquid Capital ABL delivers a variety of benefits:

- Improved customer optics – your ABL solution is invisible to the end customer
- Leverage multiple asset categories to generate extra capital as required
- Rates are lower than with a pure factoring solution
- We don't believe in long-term contracts or hidden fees
- Available borrowing amounts are typically calculated weekly (not monthly as with a bank) so if you're in a strong growth cycle, your ability to borrow increases more quickly
- Liquid Capital's extensive North American footprint means you always deal with a local representative who knows your business and your market