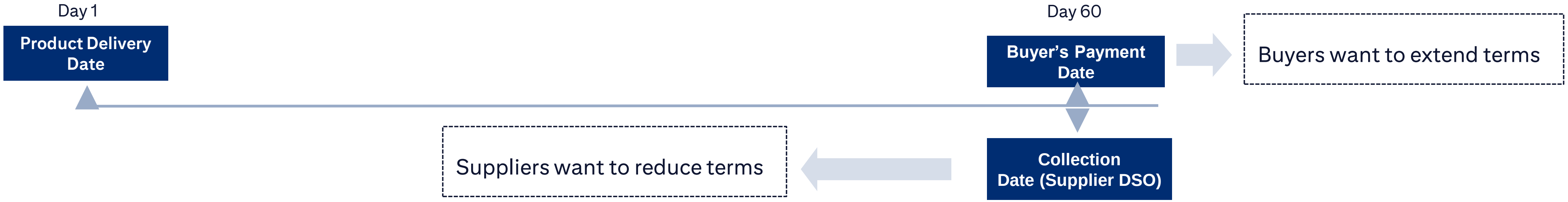
Citi Supplier Finance Program

What Do We Mean by Supplier Finance at Citi?

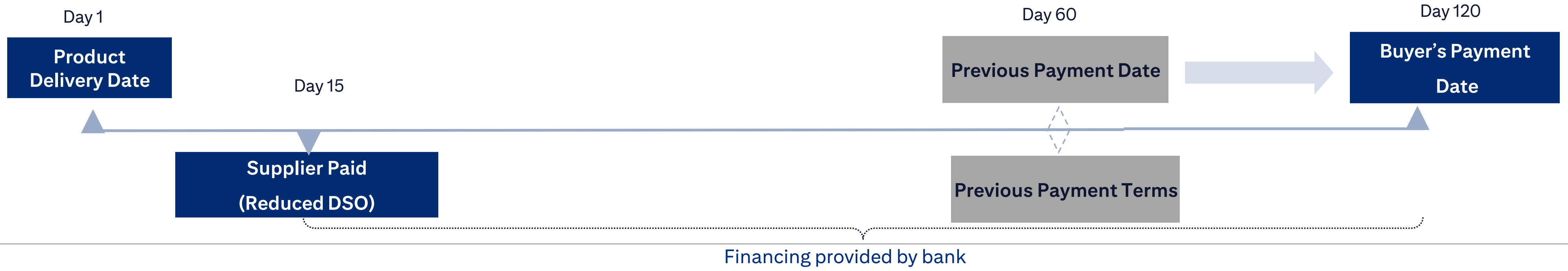
Without Supply Chain Finance

In a tradition payment term negotiation, Buyers and Suppliers have conflicting objectives: Buyers want to pay as late as possible, while Suppliers want to collect their money as soon as possible



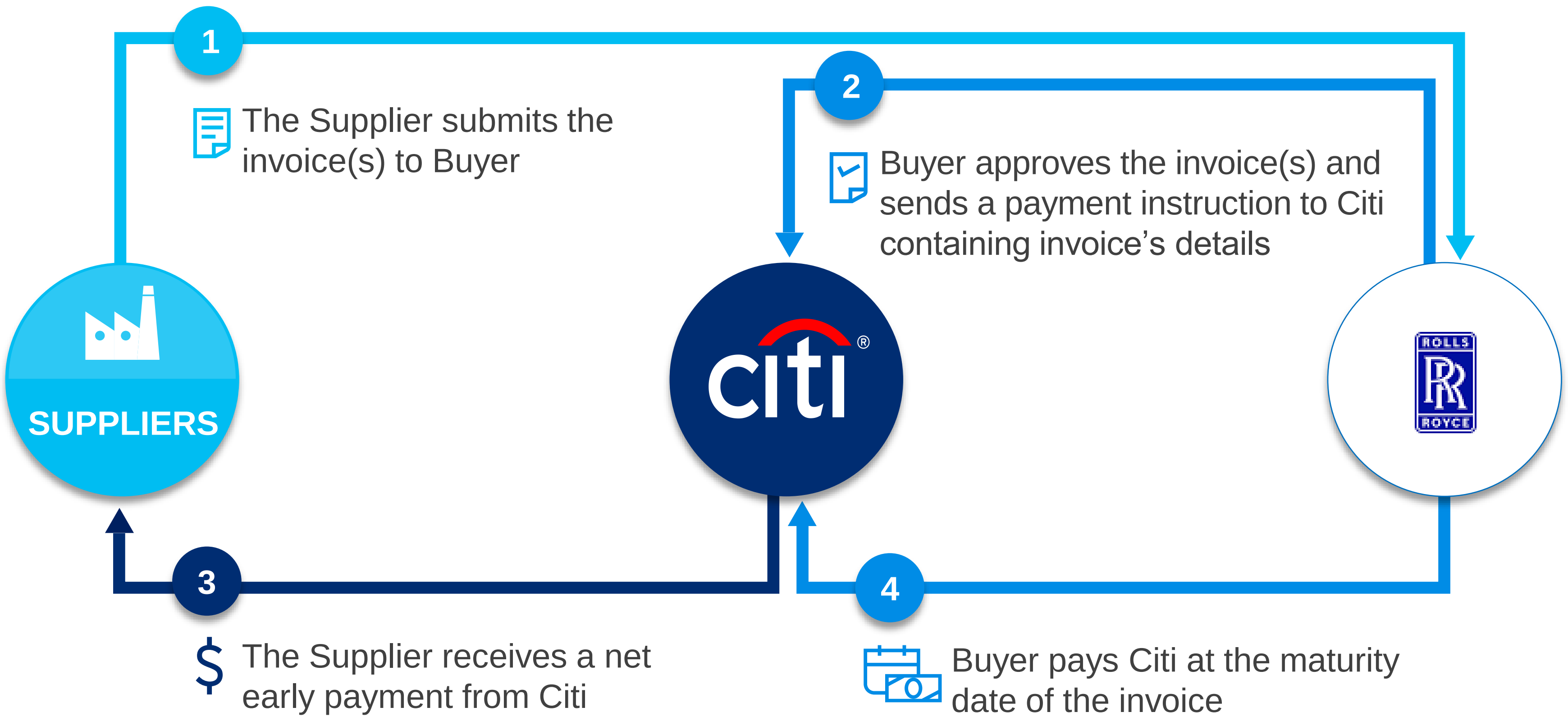
With Supply Chain Finance

- Supply Chain Finance eases this tension by de-linking the payment date from the collection date
- The bank provides the financing for the period from the collection date to the payment date
- Buyers can extend their payment date (increasing Days Payable Outstanding)
- Suppliers can benefit from cash flow acceleration, shortened DSO (Days Sales Outstanding) and improved financing cost



Citi Supplier Finance: How it works

Citi Supplier Finance enables suppliers to get paid earlier.



Citi Supplier Finance: Supplier Benefits

An innovative solution tailored to a supplier's needs.

Save Resources

Early cash access at a very attractive discount rate

Free enrolment with zero additional costs or charges

Attractive Rates leveraging the buyer's strong credit rating

Greater flexibility

Dynamic platform for managing your program and reporting

The Supplier does not need to be a Citi client or open a Citi bank account

Tailored Solution for the most **preferred and strategic supplier relationships**

Get paid sooner

Citi eliminates potential late payment risk of the Buyer

Non-recourse payments and off-balance sheet funding

Turn your invoice(s) into cash quicker to strengthen your financials

Supplier Financing Options

Early Payment Options

- Receive full remittance detail for each payment
- Exercise option to receive funds early (You are not required to have an account with Citi)

Automated Financing Option

- Funds are automatically paid into your bank account on the same day (subject to cut off time) once Buyer approves and uploads payments in Citi Platform
- Funds are sent electronically
- No need to request early payment manually

Automatically Discount Receivables

Manual Financing Option

- You can choose when to discount receivables or can simply collect on the receivable on the due date of the payment
- Funds are paid into your bank account on the same day (subject to cut off time) financing is requested
- If financing is not requested, you are paid full amount into your account on the maturity date of the invoice

Manually Request Early Payment

Hold Receivable to Maturity

Citi Supplier Finance: Example Discount Cost Calculation

A step-by-step calculation for early payment.

Hypothetical Scenario:

Invoice Amount: €100,000.00

Days to Approve Invoice: 10
Number of days the buyer takes to approve the invoice and send payment instruction to Citi:

Discount Rate % 3.0 + 1.20 = 4.20

Benchmark* Rate	Citi Rate	Discount Rate
3.0	1.20	4.20

Day-count convention 360

Invoice Term (days) 75
(Invoice maturity date-Buyer's approval date)

Early Payment Charge:

Formula: Invoice Amount × Discount Rate × $\frac{\text{Discount tenor}}{360}$ = **Cost of Financing**

$$€100{,}000.00 \times 4.20\% \times \frac{(75 - 10)}{360} = €\ 758$$

(0.76% of invoice value)

The Supplier will receive an early payment of € 99,242

* Euribor as of 17/11/2024. Indicative Euribor rates can be found at https://www.global-rates.com/en/interest-rates/euribor/euribor.aspx

Citi Supplier Finance: Example Discount Cost calculation

A step-by-step calculation for early payment.

Hypothetical Scenario:

Invoice Amount: **$100,000.00**

Days to Approve Invoice: **10**
Number of days the buyer takes to approve the invoice and send payment instruction to Citi:

Discount Rate %

Citi Rate		Spread Adjustment		Benchmark* Rate		Discount Rate
1.20	+	0.45	+	4.69	=	6.34%

Day-count convention: **360**

Invoice Term (days) *(Invoice maturity date-Buyer's approval date)*: **75**

Early Payment Charge:

Formula: Invoice Amount × Discount Rate × $\frac{\text{Discount tenor}}{360}$ = Cost of Financing

$$\$100,000.00 \times 6.34\% \times \frac{(75 - 10)}{360} = \$\,1,144$$

(1.44% of invoice value)

The Supplier will receive an early payment of **$ 98,856**

*SOFR as of 21/08/2024. SOFR rates can be found at https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html#

Citi Supplier Finance Embedded FX

CSF Embedded FX is designed to provide a way for *suppliers* to **choose** to be paid in an alternative preferred **currency**.

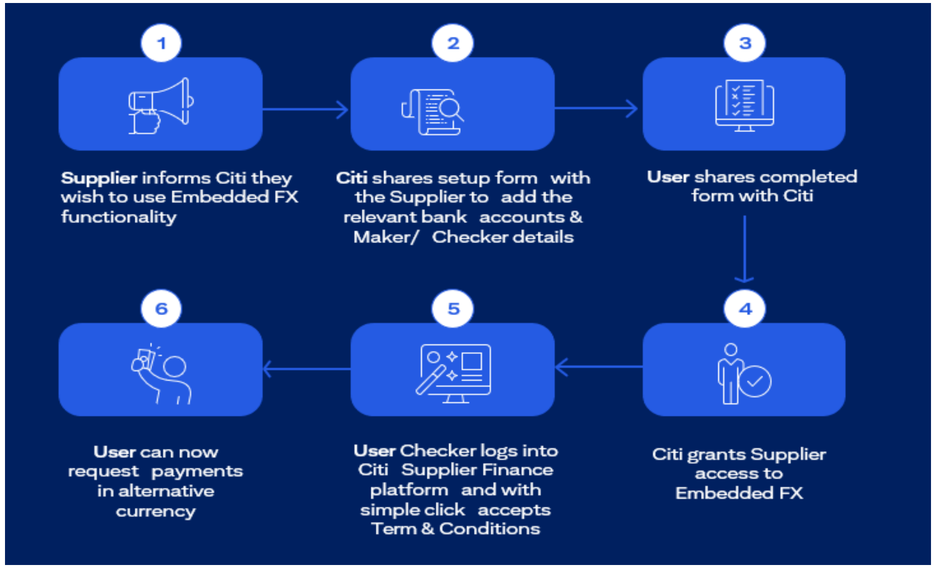
What does it do?

- Gives suppliers the option to receive payments in local/preferred currency
- Uses latest competitive rates (with no hidden charges) for suppliers to choose from, rates refresh every 30 minutes

How does it work?

- Embeds competitive rates into our existing Citi Supplier Finance platform
- Suppliers have full visibility of exchange rates
- Provides clients option to elect directly to be paid in alternative currency
- Value date for FX conversion is T+1

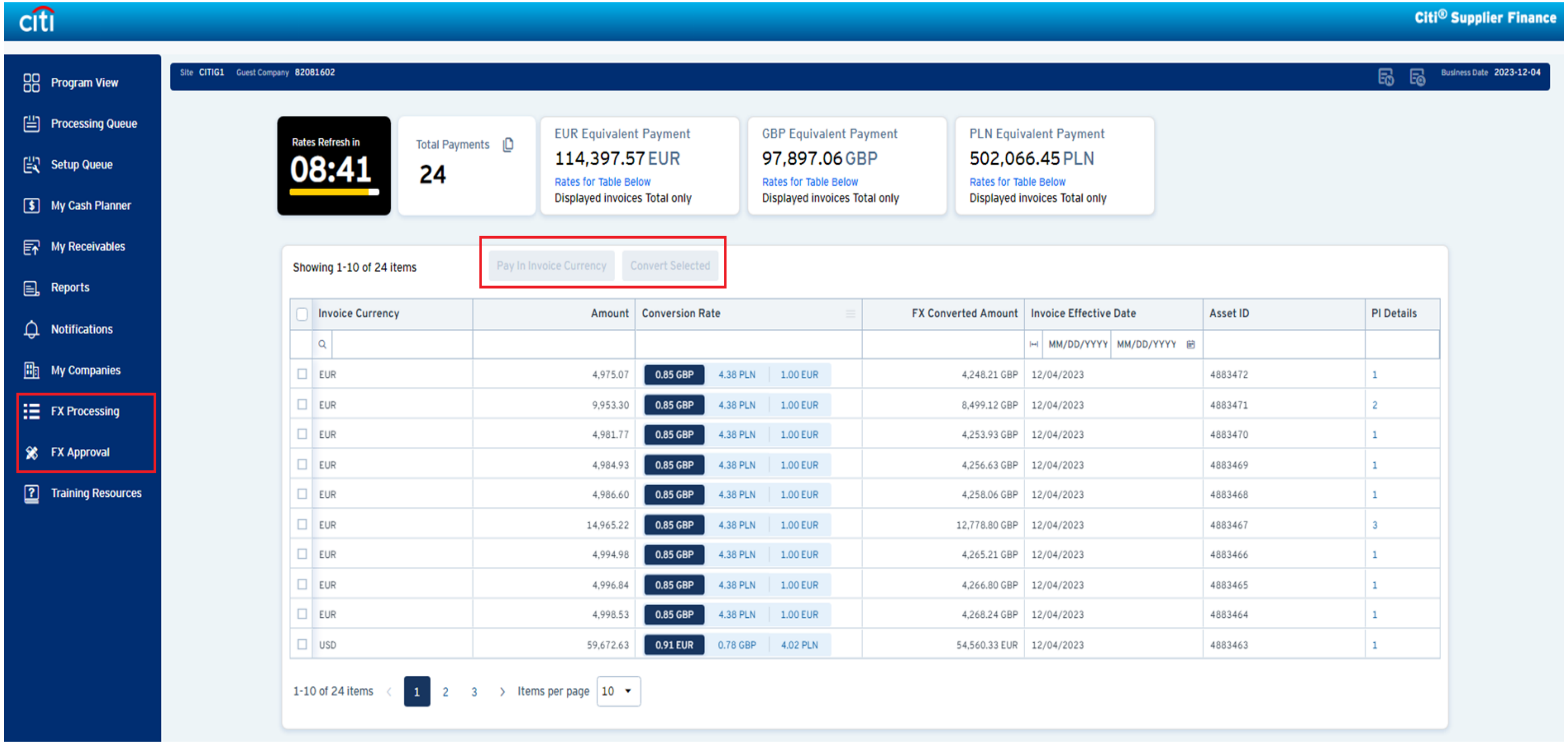
How to set it up...



Key Benefits

- **Convenience** - simplified way to convert receivables into a different currency as part of the existing Citi Supplier Finance
- **Flexibility** - ability to decide which invoices are paid in an alternative currency without being tied to ongoing conversion
- **Economic Benefits** - Competitive FX rates on conversion and no extra fees such as inward remittance
- **Visibility** - Visible rates held for short duration

Embedded FX – Accessed on CSF



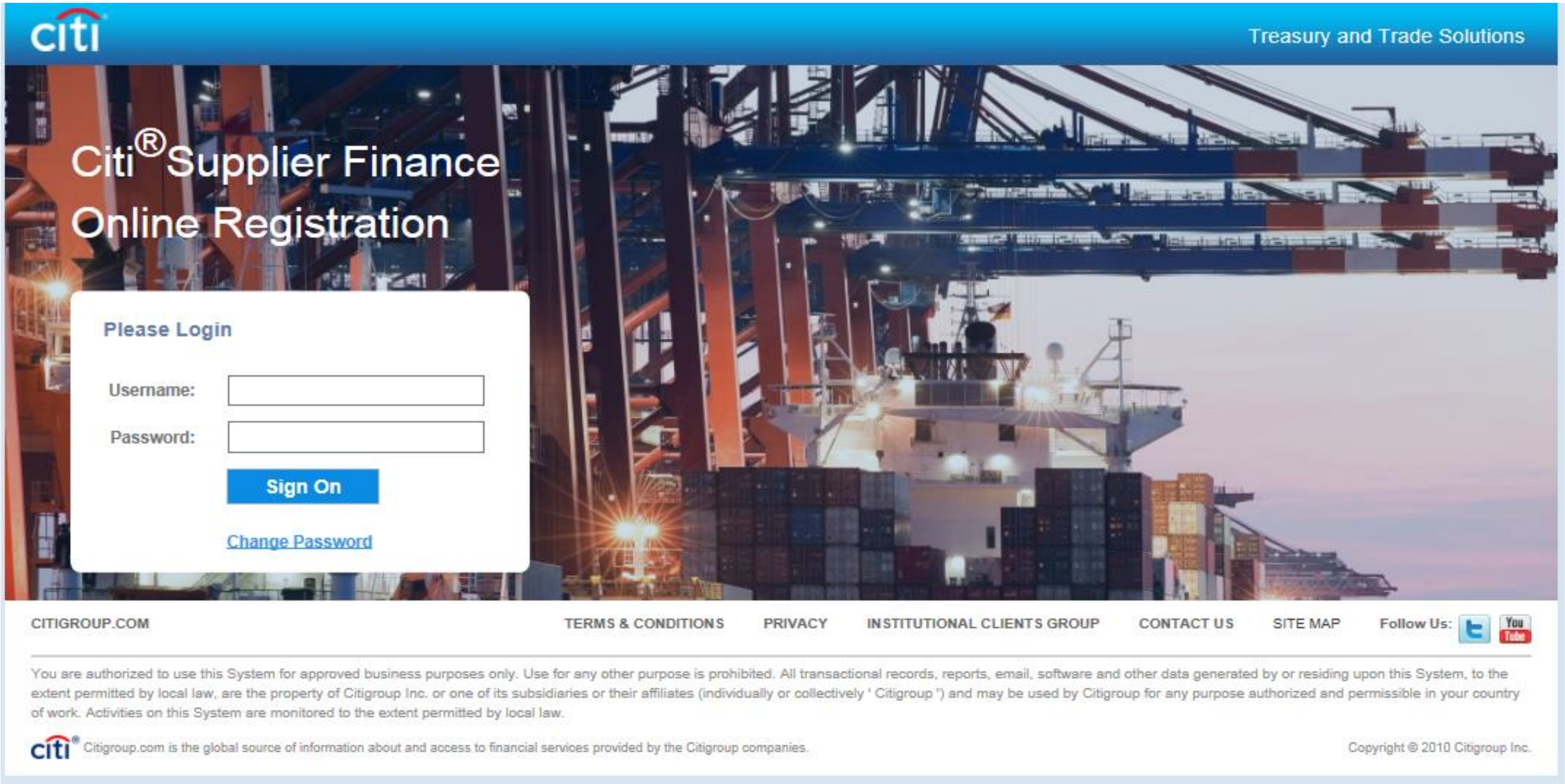
Available Currencies in Citibank Europe Plc (CEP)*

- *EUR invoices can be converted as follows:* EURNOK, EURJPY, EURCHF, EURPLN, EURDKK, EURGBP, EURCZK, EURAUD, EURUSD, EURSEK
- *USD invoices can be converted as follows:* USDSEK, USDNOK, USDJPY, USDCHF, USDPLN, USDDKK, USDGBP, USDCZK, USDAUD, USDEUR
- *GBP invoices can be converted as follows:* GBPSEK, GBPNOK, GBPJPY, GBPCHF, GBPPLN, GBPDKK, GBPCZK, GBPAUD, GBPEUR, GBPUSD

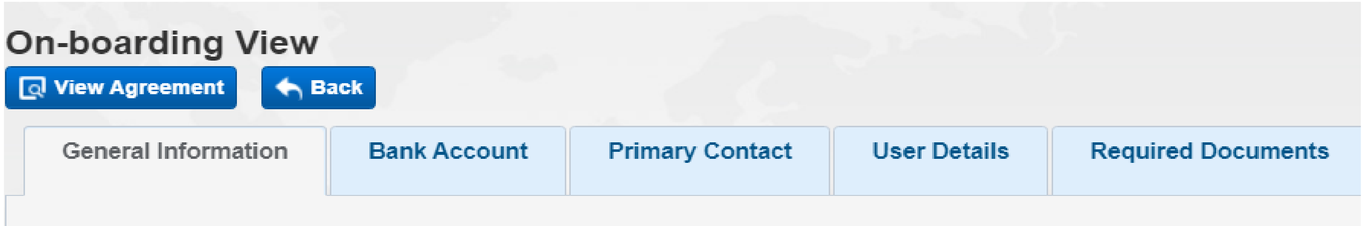
**Currency combinations may be updated from time to time*

Citi Supplier Finance Online Registration

Digital onboarding streamlines the process and improves timeframes



DocuSign



**Agreement can be executed via DocuSign (jurisdiction permitting, applicable in 40 countries)*

Easy Sign-up Process

1. Receive two emails generated from the platform with the subject line *"Important User information"*, containing log in details. Please ensure all inboxes are checked.
2. Enter the platform through the provided link and entering the user credentials.

1. Fill in the tabs with the required information.
2. Print agreement and sign it
3. Upload the supporting documentation and signed agreement
4. Click submit

Citi will review the received document and will be in touch shortly.

Profile Setup Timeline

STEP 1

Once we have received accurately completed documentation, we will proceed to setting up your profile on the system.

STEP 2

Profile creation takes approximately 5 working days. When completed you and the buyer will receive a notification from Customer Service team.

STEP 3

Once you have access to the platform, you will be able to view uploaded invoices on the platform. If any invoices are not appearing, please contact your buyer representative.

Key contacts

Stage of Onboarding	Contact Point	Email Address
During Onboarding	**Supplier Engagement team**	Marianne.verstappen@citi.com
Post-profile set-up	**Customer Service team**	csf.service@citi.com

At Citi, building a sustainable future is our business. We work closely with our clients, peer financial institutions, NGOs and other partners to finance solutions to climate change, develop industry standards, reduce our own environmental footprint, and engage with stakeholders to advance shared learning and solutions. Building on more than 20 years of sustainability leadership, Citi has announced a commitment to net zero greenhouse gas emissions by 2050. Our Sustainable Progress Strategy is driven by our commitment to advance solutions that address climate change around the world in support of the transition to a low-carbon economy and focuses on three key pillars: Low-Carbon Transition, Climate Risk, and Sustainable Operations. Citi has committed to $1 trillion in sustainable finance by 2030, which aligns with the agenda of the United Nations' Sustainable Development Goals (SDGs) and builds on the work we outlined in our strategy. This includes extending our current $250 Billion Environmental Finance Goal by 2025 to $500 billion by 2030 and an additional $500 billion in support of the SDGs outside of environmental finance. Our $1 trillion commitment to sustainable finance helps ensure we are accelerating the transition to a sustainable, low-carbon economy that balances the environmental, social, and economic needs of society.