

# WOW Commodity Purchase Program

Tap the full cash value of your inventory



# WHY Commodity Purchasing?

- Inventory **ties up** large amounts of **capital**
- Inbound transportation and warehousing add **monthly costs**
- Traditional loans **don't deliver full value** of the inventory
- Risk of **commodity price volatility**



Businesses need to cash flow the full value of inventory without adding monthly expenses.



# The Solution

The WOW Commodity Purchase Program provides:

- ✓ **Purchase 100% of products value** - We buy your inventory at its full value
- ✓ **No monthly payments**
- ✓ **Deferral** of all storage/handling, and inbound transportation **costs**.
- ✓ Flex up/down based on needs with **no fees**
- ✓ Ability to **lock in pricing** by forward positioning inventory
- ✓ **Improved cash flow** including payment terms

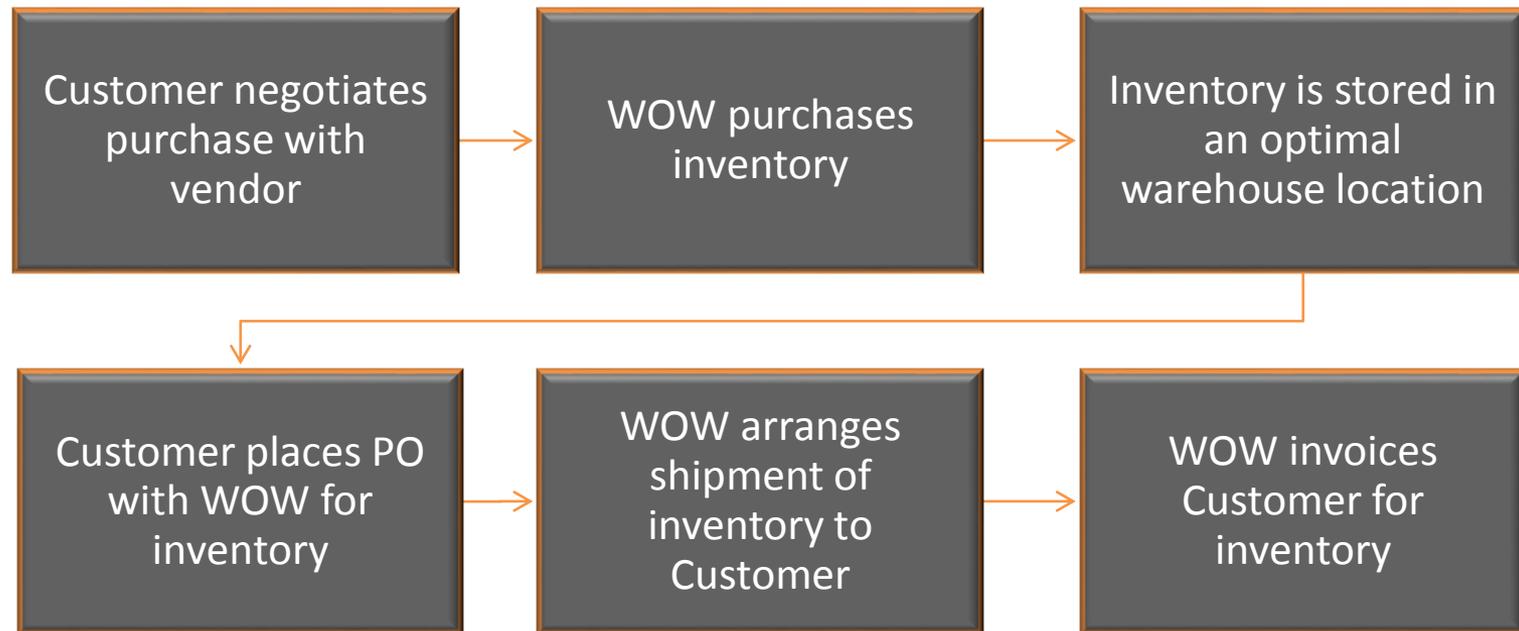


# Positioning the WOW Commodity Purchase Program to Your Customers

- ✓ **Reduces** your accounts receivable **risk**
- ✓ Ability to offer **fixed pricing**
- ✓ **Improved cash flow** from the immediate sale of inventory
- ✓ **No monthly cost** for carrying inventory
- ✓ Customer can take position in market when **pricing is favorable**



# Operational Process



# The Bank vs. WOW

	BANK	WOW
Advance rate	60%	100%
Required equity (% of inventory)	40%	0%
Misc. costs/fees	Many	None
Personal guarantee	Required	Not required
Approval process	Months	Days
Term	Multi-year	1-year general commitment
Monthly payments	Yes	No
Interest	Compounded rate	Simple rate calculation

WOW **beats a bank** when **total costs** are figured in, as well as ease of doing business.



# Program Setup

- ✓ **Nondisclosure Agreement**
- ✓ **Pricing (Good Faith Estimate)**
  - Outline commodity type, volume information and cost per lb. including transportation, handling and storage costs if available
- ✓ **Review 3 years of Audited Financials**
  - WOW's credit committee will review and determine credit limit
- ✓ **Commodity Purchase Agreement (CPA)**
  - Template of CPA will be provided upon completion of non-disclosure agreement
  - Coordinate a call/page turn between our attorney's to expedite the approval process
  - FAQ document will be provided to help facilitate the execution of the CPA



# Adding It All Up

- ✓ The WOW Commodity Purchase Program **frees up equity** dollars to deploy elsewhere in your business
- ✓ Those dollars and their earning power are increased with WOW's **100% advance rate**
- ✓ Monthly cash flow is greatly improved through WOW's **all-in rate** – no monthly payments

**Bottom line:** Money tied up in equity or a low advance rate comes at a lost opportunity cost



# Questions

