

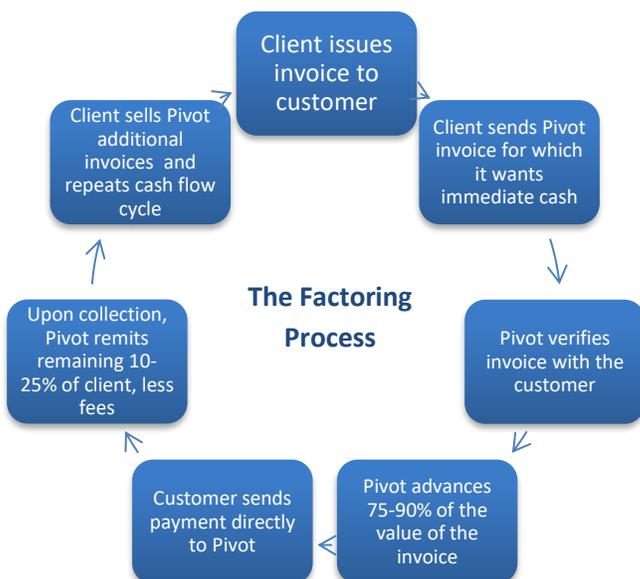


About Pivot Financial Inc.

At Pivot Financial, we believe in entrepreneurs! That's because we are entrepreneurs ourselves and understand the challenges you face in financing your business through times of growth, cyclicity and, sometimes, unexpected situations. While many might only see problems with your current situation, we most often find solutions and provide your business with the cash flow it needs to succeed. We offer a number of creative, atypical financing solutions to help our clients meet their working capital needs, including: Factoring, Purchase Order Financing, Asset-Based Lending, DIP (Debtor in Possession) financing, bridge term financing, supplier credit financing and other options.

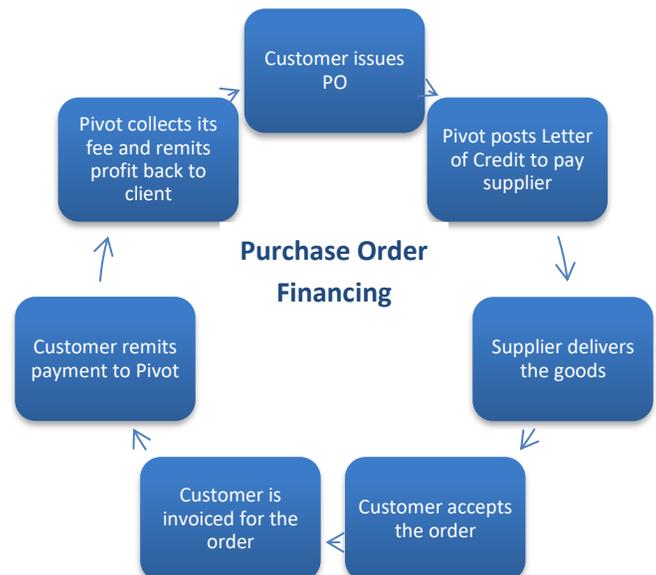
What is Factoring?

Factoring is not a loan. It is an alternative financing solution where accounts receivables are sold in exchange for immediate cash. Specifically, factoring is the purchase of **high quality, credit-vetted, verified accounts receivable** at a discount. A significant portion of the face value of the invoice is provided to the client for working capital purposes and, after the receivable is collected by Pivot, the balance, less charges, is remitted to the client. This is Pivot's primary investment activity.



What is Purchase Order Financing?

Purchase Order Funding is a short term financing tool that provides up to 100% of the cost associated in filing a purchase order from a creditworthy customer. When a business (distributors, wholesalers, resellers) receives a purchase order for products, the business often lacks the cash necessary to pay their supplier for the products that have been ordered. In most cases the purchase order has to be for a finished good or product to qualify for Purchase Order Funding.





What is Asset-Based Lending?

While traditionally businesses will often look to banks for loans, asset-based loans are an alternative method of funding where collateral is the main criteria for approval. **It is a popular method for companies that want to take advantage of potential growth opportunities, but lack the traditional balance sheet requirements to qualify for more traditional financing.**

Asset-based lending is essentially lending against a secured or collateralized asset. The loans are often tied to accounts receivable, inventory, land and equipment. There is also an extensive analysis of the company's financials, current cash flow, and the future projections. It is a popular method when immediate capital is necessary or payment timelines are varied.

It also allows your business to maintain a much steadier cash flow when sales are based on seasonal business cycles. This is critical when you need to do large inventory orders to meet the demand of the peak season.

Facilities typically range from \$500,000 - \$10,000,000

What is Supplier Credit Financing?

Pivot's supplier credit financing program is a flexible, fast and simple way for a growing business to fund purchases. Companies typically tap into supplier credit financing when they see an opportunity for immediate growth, or to take advantage of a time-limited bulk sale through their supplier network – and they don't want to tie up working capital to finance the cost of the payment. It's the only short-term financing solution Pivot offers that is based solely on your company's credit status.

If your business credit is strong, we'll finance your in-transit inventory—*no matter where your supplier is located or whether the goods are for resale, inventory or consumption*—providing a letter of credit to your supplier if required. You receive your goods, and the transaction becomes final once you pay the supplier credit invoice to Pivot as negotiated in the terms of our agreement. Here are the 5 easy steps:

1. You provide a PO to Pivot;
2. Pivot issues a PO to your approved supplier;
3. Your supplier issues an invoice to Pivot;
4. Pivot pays the invoice and sells the corresponding goods to you; and
5. You pay Pivot in the agreed upon terms.

What's the best part about supplier credit – it works as subordinated debt, so it won't interfere with your existing bank or other facilities.

Facilities typically range from \$100,000 - \$1,000,000



Why do business with us?

- ✓ Pivot Financial offers alternative working capital solutions to small & mid-sized businesses when traditional forms of financing might not be available.
- ✓ Pivot Financial can turn your accounts receivable into immediate cash flow virtually overnight.
- ✓ Imagine what it would feel like operating your business with continuous, predictable cash flow without incurring debt?

Banks Say “NO”

We typically say, “YES” and companies just like yours are seeking our resources. The credit crisis has made it virtually impossible for most businesses to secure credit or working capital.

Did You Know...

Regardless of business size or industry, cash flow management is repeatedly cited as the key constrictor to surviving the credit crisis. The biggest challenge is sourcing capital to fund daily operations. Even those companies that are doing well find themselves out of luck when it comes to finding the necessary capital to meet demand, much less to take advantage of growth opportunities.

Let's Get Started!

- ✓ Debt Free Financing ranging from \$50,000 to \$10,000,000
- ✓ We can turn your accounts receivable into immediate cash flow without incurring debt.
- ✓ Learn about a simple process that is quick, convenient, flexible and is ideal for start-up and rapidly growing businesses.
- ✓ Learn how you can increase your cash flow in as little as 24 hours, with a no obligation proposal.

Recent Transactions

WHOLESALE & DISTRIBUTION

\$2.5 Million Factoring & PO Finance Facility

A New York based wholesaler & distributor of electronic components was experiencing significant growth, to the point they could no longer fund the continued flow of larger orders being placed with their suppliers in the United States and China. Funding up to 100% of the cost of their orders, we provided a a fast solution, completing this financing in just a couple of weeks.



Pivot Financial Inc.

The Entrepreneur's Bank

About Pivot Financial Inc.

Established in 2015, Pivot Financial is a private debt fund providing progressive, alternative financing solutions to small and medium-sized enterprises (SME's). We offer a number of creative, atypical financing solutions to help our clients meet their working capital needs, including:

- Accounts Receivable Financing (Factoring)
- Purchase Order Financing
- Asset-Based Lending
- Supplier Credit Financing
- Leasing (joint venture with Gould Leasing)

Facilities range from \$50,000 to \$10,000,000...

Why choose Pivot Financial?

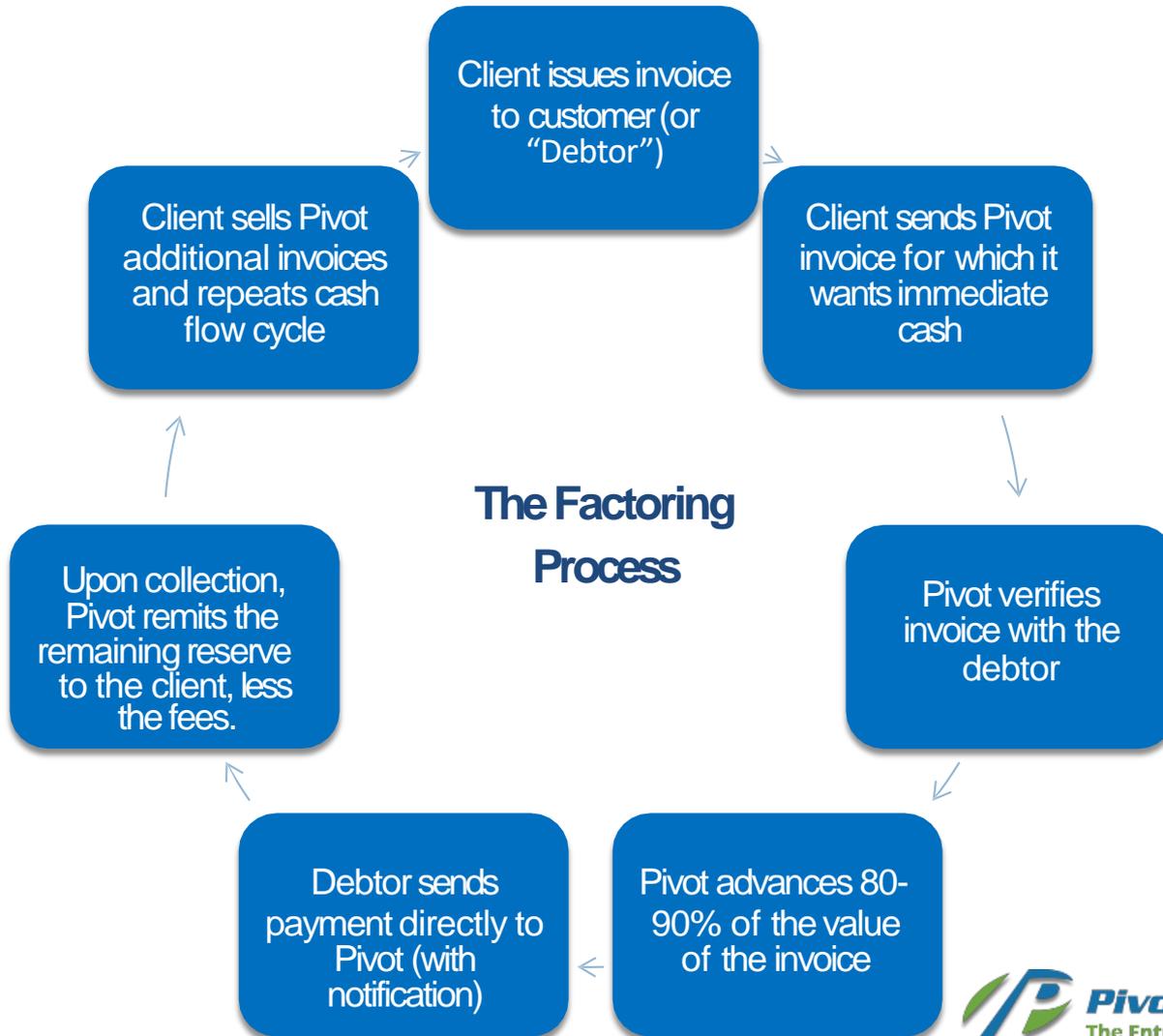
- ✓ **We're fast** – Our credit committee consists of two people who work in the same office. Decisions can be made in a matter of minutes...
- ✓ **We're flexible** – Unlike many of our competitors who leverage, we fund with our own equity. As such, we have the ability to provide flexible solutions based on our own risk tolerance; not having to follow stringent guidelines of other lenders.
- ✓ **We're transparent** – What you see is what you get; there are never any hidden charges or extra fees. Unlike most of our competitors, we provide our clients with **FULL** online access to their account with us. They can see what we see!
- ✓ **We're competitive** – In addition to being one of very few who can actually provide a full suite of financing solutions, our solutions are priced amongst the most competitive in the industry.

About Factoring

Simply put, Factoring is the purchase of accounts receivable at a discount. A significant portion of the face value of the invoice is provided to the client for working capital and, after the receivable is collected by Pivot, the balance, less fees, is immediately remitted to the client. Some of the specifics are:

- Advances typically range between 80% - 90%
- Fees typically range between 1.25% - 1.75% per 30 days.
- Funding is with recourse to the client. The typical recourse period is up to 90-days, however can range up to 180-days.
- We provide notification and non-notification facilities. Non-notification facilities require a blocked account.
- We provide a full service solution, which includes credit checks and investigations, follow up on collections (with notification accounts) and more.
- We typically provide same day funding on invoice submissions.

Factoring Flow Chart

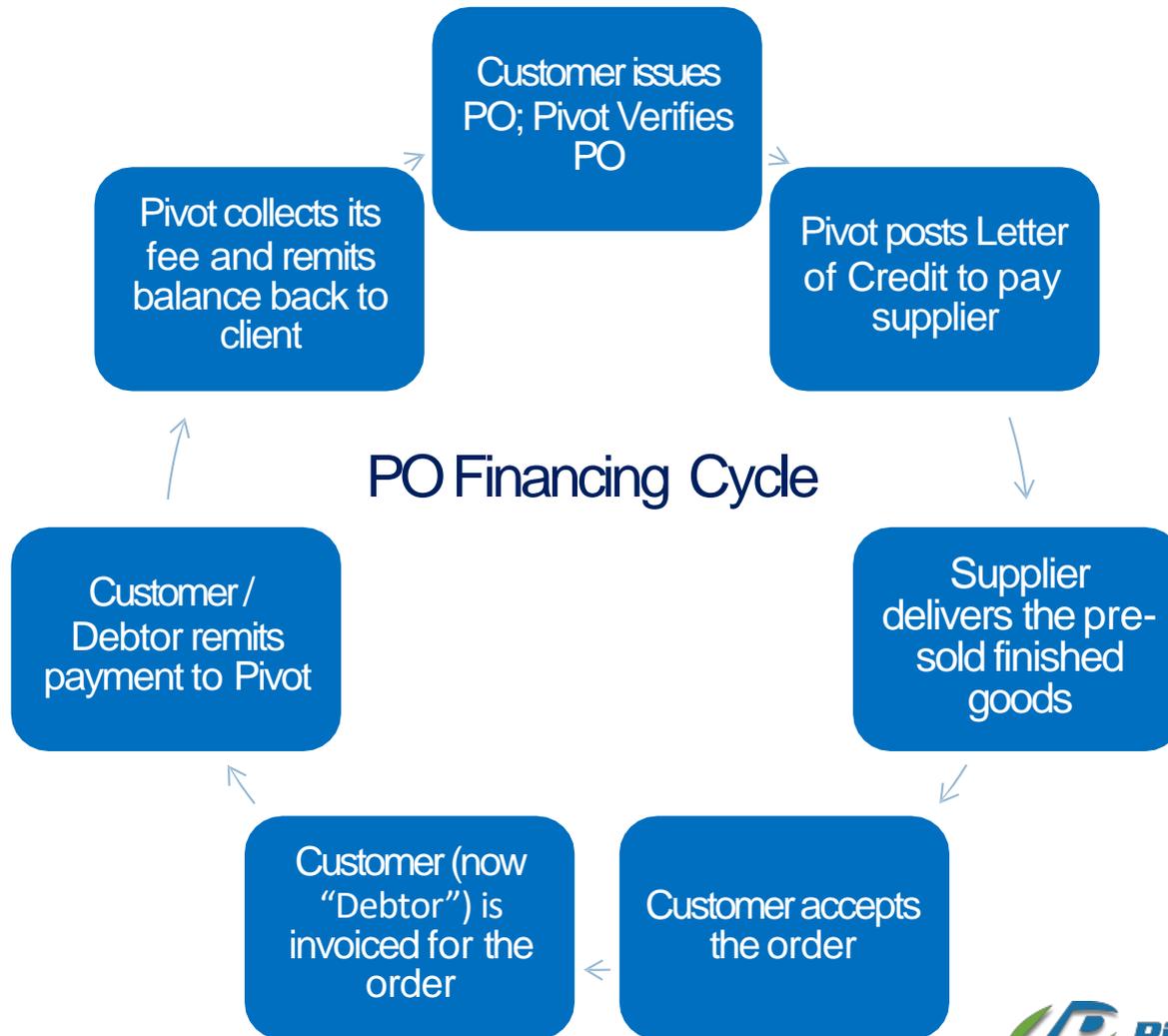


About Purchase Order Financing

Purchase Order Funding is a short term financing tool that provides up to 100% of the cost associated in filing a purchase order from a creditworthy customer. When a business (eg. distributor, wholesaler, reseller) receives a purchase order for products, the business often lacks the cash necessary to pay their supplier for the products that have been ordered. Some of the specifics are:

- Fees typically range from 1.5% - 3% per 30 days
- In most cases, the purchase order has to be for finished goods that are shipped directly, or are ready to be shipped to the creditworthy customer(s).
- Unlike many, we allow our clients to receive the goods to “break bulk”.
- When dealing with offshore suppliers, we most often use a Letter of Credit (L/C). L/C's are drawn on the TD Bank.
- Goods must be adequately insured in transit, with Pivot named as loss payee.
- We typically require an inspection of the goods at the site, prior to shipment.
- We typically require the goods in question to be sellable in an open market.

PO Financing Flow Chart



About Asset-Based Lending

Asset-Based Lending allows businesses to take advantage of potential growth opportunities, but lack the balance sheet requirements to qualify for more traditional financing. It is essentially lending against a secured or collateralized asset. The loans are often tied to accounts receivable, inventory, real estate and/or equipment. Some of the specifics are:

- The process includes an extensive analysis of the company's financial performance to determine ongoing viability.
- Field exams should be expected. There would be an initial exam to review the company's current position, as well as recurring exams to verify reporting.
- Typical advances on A/R are up to 85%. Advances on inventory are up to 75% of the forced sale value, as determined by our appraisers.
- We also advance up to 75% of the forced sale value of machinery and equipment, as determined by our appraisers. Repayment is typically 2% of the declining balance monthly .
- Term loans secured by real estate can be serviced interest only.

About Supplier Credit Financing

Pivot's Supplier Credit Financing program is a fast and simple way for a growing business to fund purchases. Companies typically tap into Supplier Credit Financing when they see an opportunity for immediate growth, or to take advantage of a bulk sale through their supplier network.

Here are the 6 easy steps:

1. Our client issues a PO to Pivot.
2. Pivot issues a PO to a pre-approved manufacturer.
3. The manufacturer issues an invoice to Pivot.
4. Pivot pays the invoice and sells the corresponding goods to the client.
5. Pivot issues an invoice to the client for the sale of the goods, which is credit insured by Euler Hermes.
6. The client pays Pivot within the agreed upon terms.

What's the best part about Supplier Credit Financing? It can work as subordinated debt, so it won't interfere with existing bank or other facilities.

About Leasing

Leasing allows businesses to take on new machinery and equipment without having to tie up all of their working capital. Pivot offers leasing through a joint venture with Gould Leasing. Some of the specifics are:

- Facilities range from \$10,000 - \$500,000, however larger facilities can be arranged.
- Financing up to 100%, with low monthly payments.
- We typically work with B and C credits.
- Interest ranges between 9%-15%.
- Funding can be approved within 24 hours.
- Upon approval the lease agreement is emailed for execution. The document must be signed and returned with a cheque for first and last month's security deposit.
- Upon receipt of the documents and payment, we will arrange payment to the Vendor and the new equipment will be ready for pick-up or delivery.

Recent Transactions

 <p>Community Colleges</p> <p>\$750,000</p> <p>Senior Credit Facility Halifax, Nova Scotia</p> <p>Provided a cash flow bridge to a group of private community colleges. Waiting to collect more than \$2M from the Provincial Government in April when the student's have completed their term, they required immediate cash flow to fund operations. We provided a fast and flexible bridge, which will be repaid within 4 months.</p> <p>2018</p>	 <p>Global Marketing Firm</p> <p>\$4,000,000</p> <p>Factoring Facility GTA, Ontario</p> <p>Provided a factoring facility to a wholly owned subsidiary of a publicly traded Australian based marketing firm, trading on the Australian Stock Exchange. Rather than further dilute to fund their continued global expansion, they sought a factoring solution to fund their growth.</p> <p>2017</p>	 <p>Food Distributor</p> <p>\$150,000</p> <p>Factoring & Purchase Order Finance Facility GTA, Ontario</p> <p>Provided a factoring & purchase order finance facility to a distributor of brand name, gluten free pizzas and pastas, sold to large distributors. With their suppliers requiring terms of COD, our flexible solution provides for wire transfers directly to the manufacturer, who completes the orders and ships directly to distribution customers.</p> <p>2017</p>	 <p>Marketing Firm</p> <p>\$2,500,000</p> <p>Factoring & Demand Loan Facility GTA, Ontario</p> <p>Their previous factor was unable to provide funding on invoices billed in advance, nor provide additional working capital to fund their continued growth. Supported by real estate assets, we were able to structure a creative factoring solution, as well as provide a \$750K loan to help fund new staff and other related costs.</p> <p>2017</p>
 <p>Food Distributor</p> <p>\$10,000,000</p> <p>Back to Back L/C Facility GTA, Ontario</p> <p>Provided a letter of credit financing facility to a distributor of pulses to international customers located in Pakistan, India, Egypt, and other. With orders secured by a L/C confirmed by a bank approved by Pivot, we make payment by L/C or wire transfer to their Canadian and/or US based suppliers.</p> <p>2017</p>	 <p>Manufacturer</p> <p>\$250,000</p> <p>Factoring Facility Guelph, Ontario</p> <p>Provided a factoring facility to a Guelph based manufacturer of industrial cutting tools and accessories. Experiencing challenges, their bank moved them to Special Loans. Our facility repaid the bank and provided for an ongoing cash flow solution. The business has since return to profitability.</p> <p>2017</p>	 <p>Oil & Gas</p> <p>\$500,000</p> <p>Factoring Facility Grand Prairie, Alberta</p> <p>Provided a factoring and purchase order finance facility to a provider of welding and support services to the oil & gas sector. Experiencing significant growth, with customer terms ranging from 60-150 days, the company couldn't keep up with payroll. Our factoring solution allows them to make payroll on a regular basis.</p> <p>2017</p>	 <p>Medical Supply Distributor</p> <p>\$500,000</p> <p>Supplier Credit Facility Pittsburgh, Pennsylvania</p> <p>Provided a supplier credit facility to a distributor of medical supplies sold to the State of Pennsylvania, destined for various correctional facilities. Pivot purchases goods from prescribed suppliers, which are pre-sold to our client. Supported by credit insurance, we offer N90 terms to our client to repay the invoice(s).</p> <p>2017</p>



2425 Matheson Blvd E., 8th Floor | Mississauga | ON | L4W 5K4

Office: (289) 444-FUND (3863)

Toll Free: (844) 839-FUND (3863)

Fax: (877) 742-2417

inquire@pivotfinancial.ca

www.pivotfinancial.ca