A smart solution
for the sustainability of your supply chain.

Support suppliers and improve purchasing conditions without costs or constraints.
A distinctive, open, sustainable solution that strengthens the client company's market position, its relationship with suppliers and its financial ratios.

2024

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What is Polars

Polaris-wcs® is the smart solution created by the TXT Group to dynamically and centrally manage the financial component of supply relationships, overcoming the limitations of traditional **Supply Chain Finance** solutions. An open solution, without significant costs for customers, but with numerous advantages for the customer and its suppliers.

MADE IN ITALY

INNOVATION

Polaris-wcs® is an **innovative solution**, based on a unified contract architecture and an open market paradigm, perfectly integrated with **SAP ERPs**.

SUSTAINABILITY

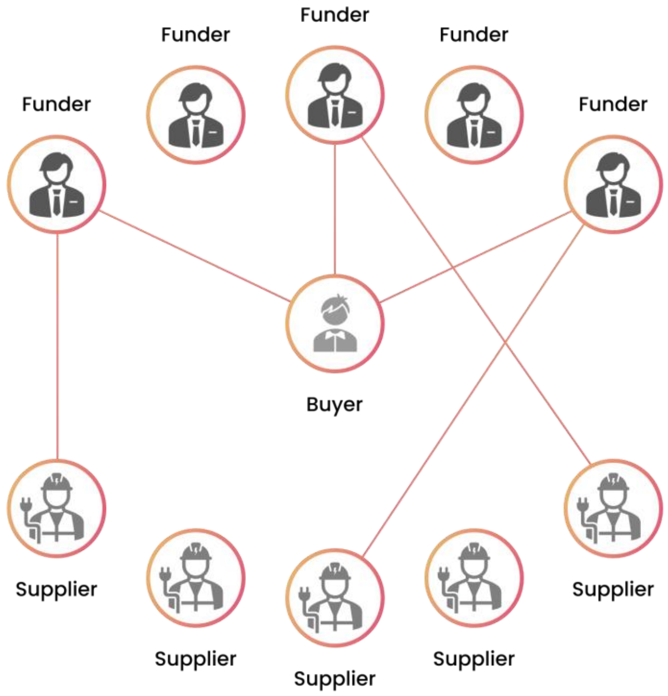
Polaris-wcs® allows suppliers to turn their customer credit into **liquidity** in an easy, unlimited and convenient way, without drawing on their own **credit capacity**.

TRASPARENCY

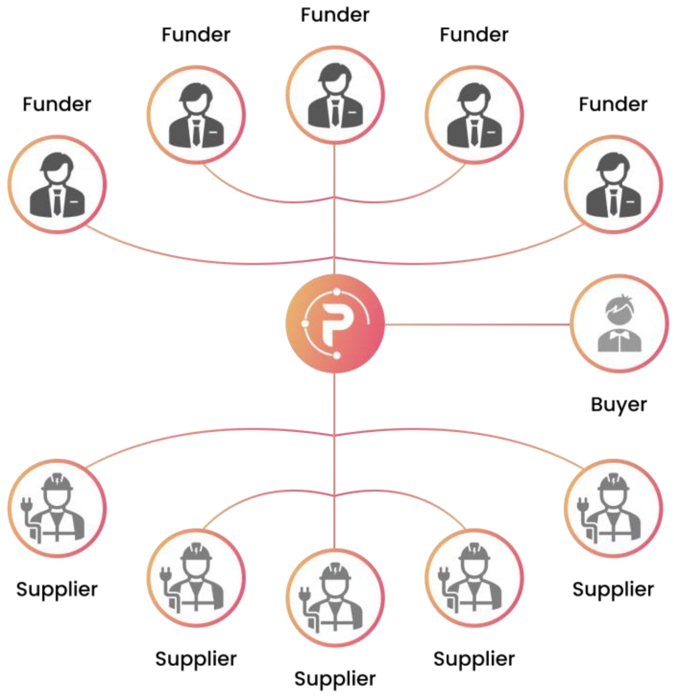
Polaris-wcs® ensures **transparency** and **comparability** of the economic conditions applied by the system's financial partners.

From Hub to Ecosystem: the evolution of Polaris

Old Solutions



Polaris Ecosystem



The conceptual scheme

Buyer

- They define their SCF programmes (participants and conditions)
- They feed information on their trade payables into Polaris and declare their payability

Credit insurance

- Provides credit capacity on the Buyer for the benefit of the Lenders involved or directly for the suppliers
- Hedging can also be capital relief, with the effect of reducing the Funder's use of capital

Supplier

- They give Polaris the necessary information to operate with Lenders (KYC)
- They use Polaris to sell their invoices or obtain payment in advance (Dynamic Discount)

POLARIS
WORKING CAPITAL SOLUTIONS

- Manages the onboarding of the different actors
- Manages the formation of sales contracts for trade receivables
- Supports the management of Buyer payments to creditors, also in advance (dynamic discounting)

Funder

- Determines and publishes on Polaris the credit lines and prices for the purchase of trade receivables from the Buyer
- May trade the assets acquired against the Buyer on the secondary market

Why Polaris

Credit

Ensuring more credit for active cash cycle management policies

Derisking

We reduce the risk of SCF transactions for all players and improve the risk/return ratio of these transactions

Community

We create business communities where goals, information, processes as well as credit and liquidity can be shared

Efficiency

We make the use of credit availability, accession processes and contract structure more efficient

Winning collaboration between Buyer, Funder and Supplier

BUYER

- Centralised management
- Accounting neutrality
- Allocative efficiency
- Availability of additional credit leverage

FUNDER

- Optimising credit and operational risks
- Reducing process costs
- Declination of a traditional product into an open and digital format
- Opportunity to save on allocated regulatory capital

SUPPLIER

- No fixed costs. Pay per use
- Sell more, without risks
- Absence of constraints
- Financial neutrality (no debt)

Scalability - Portability - Accounting neutrality

Scalability

Polaris is an **open solution**, thus supporting needs of **any size**

Portability

Freedom from exclusive banking relationships, avoiding any impact on supply chain relationships (but if the exclusive relationship is a choice, Polaris manages it)

Accounting neutrality

Financing the working capital never becomes a financial debt, neither for the buyer nor for the supplier.

Solutions for Buyer and Supplier Needs

TXT | WCS

Polaris: solutions for buyers

BUYER'S GOAL

Supporting and retaining suppliers

Open Liquidity Sourcing

Purchase Order Finance

Sustainability Journey

Extending payment terms

Open Liquidity Sourcing

Credit Enhancement

Increasing the volume of purchases

Credit Enhancement

Employing quality transient excesses

Liquidity Investment

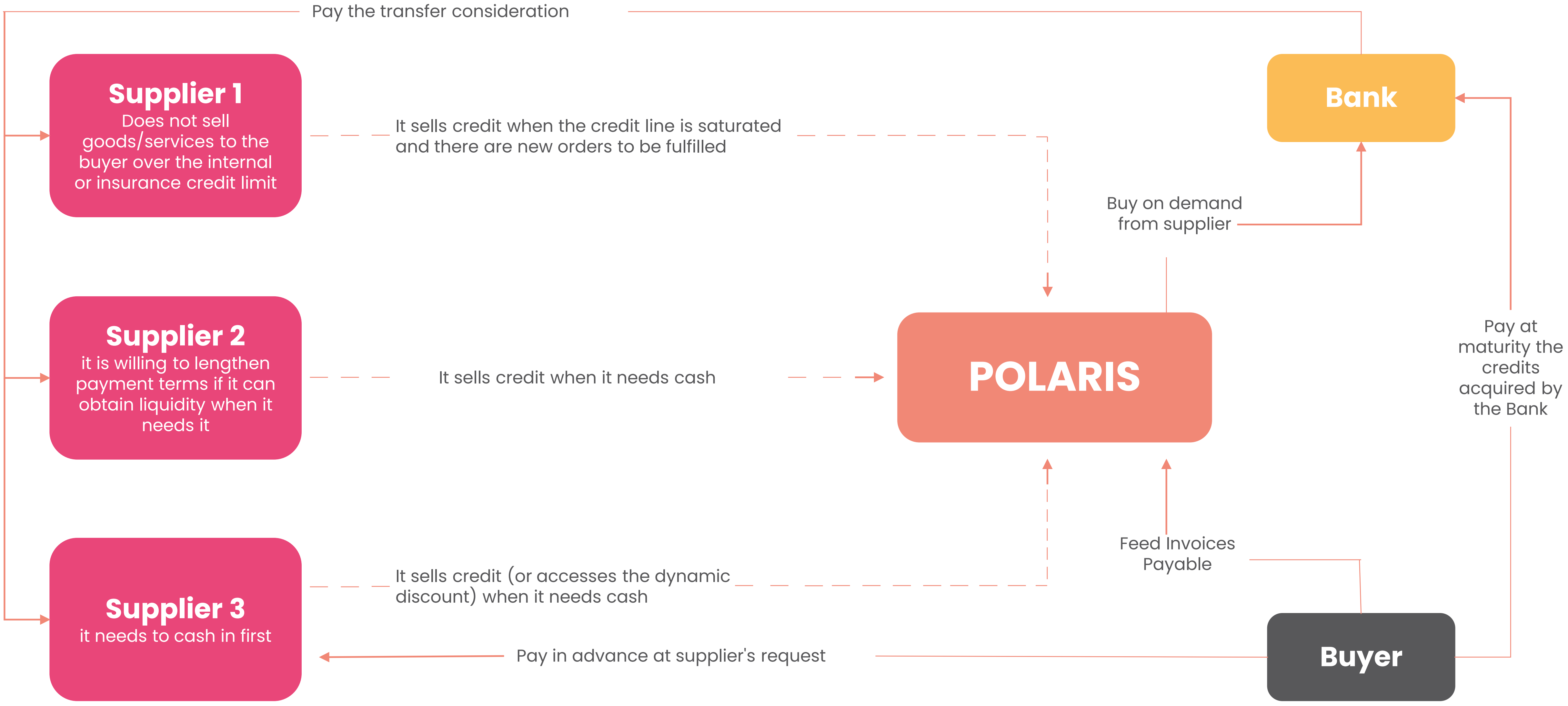
Supplier support tools

Polaris offer	Solution	Description
 **Open Liquidity Sourcing**	Revolutionize your SCF solutions.	A tool to enable the negotiability of supplier credit, within a contractual and operational framework that grants the Buyer total control over its debt, without impacting its accounting classification.
 **Purchase Order Finance**	Pre-financing easy and self-liquidating.	Polaris member financial partners consider granting credit lines for advance payments on contracts confirmed by the Buyer, in favour of Polaris member suppliers. A pillar of financial certainty, around which to build the supply relationship.

Support instruments for active policies

Polaris offer	Solution	Description
 **Sustainability Journey**	Your ESG vision, in action.	Polaris offers support programmes for suppliers in sustainability policies, linking pricing conditions to sustainable performance and offering discounts of up to 20% on transaction costs.
 **Liquidity Investment**	A tool for your treasury.	With Liquidity Investment, short-term **liquidity investment** can be optimised, allowing suppliers to obtain advance payments in exchange for a **financial discount**.
 **Credit Enhancement**	A boost for the management of your operating cycle.	Polaris, through its financial and insurance partners, offers credit capabilities to improve payment terms to suppliers and increase procurement by exploiting insurance and financial engineering.

… and also for suppliers



Synthesis

Polaris as a tool for:

Procurement

- Decriticise the deferred payment terms granted by the supplier and **negotiate more attractive payment terms** where appropriate
- ***Credit Enhancement*** from Polaris-wcs® can be an additional tool, which can be used in negotiations with suppliers that are particularly sensitive to the amount of credit exposure to the customer
- ***Purchase Order Finance*** can be an attractive financial instrument to support suppliers who are called upon to significantly increase their production capacity, rather than to participate in projects with a very tight schedule

Finance

- Extending payment terms to suppliers helps to **balance the company's financial structure** without incurring additional debt
- Using Polaris-wcs® as a liability cycle management tool allows you to benefit from an 'accounting neutrality' regime and avoid over-dependence on individual financial partners
- ***Liquidity Investment*** can be, at the same time, a short-term treasury optimisation tool and a support tool for classes of suppliers characterised by purchase volumes that are too limited or non-recurring to be included in the operational circuit of programmes that also involve financial partners

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