

HERMES
CAPITAL

HERMES TRADE LINE

Product Overview

What is the Hermes Trade Line?

The Hermes Trade Line is a fully secured revolving term loan. It helps SMEs grow by converting their accounts payable to their trade suppliers into 3 or 4 equal monthly instalments.

What is the security?

GSA PGs and where applicable – 2nd mortgage. Security can be unencumbered equipment and/or a second mortgage valued by Hermes valuers.

What is the funding process?

Clients present batches of supplier invoices monthly. Hermes processes these as single drawdown requests, paying suppliers directly.

How is this priced and charged?

The charge is a drawdown fee, a flat 5.0-7.5% fee per drawdown calculated on the drawdown amount with no ongoing interest charges (except on overdue balances).

What are the repayments?

Repayments are spread over three or four months in equal monthly installments.

How many drawdowns a month?

Clients can draw down up to twice a month, maintaining ongoing access to working capital.

No interest?

Interest is only payable on overdue balances.

Can this facility stand alone?

Yes, Hermes Trade Line can stand alone from invoice finance (i.e., Invoice Finance is not a prerequisite).



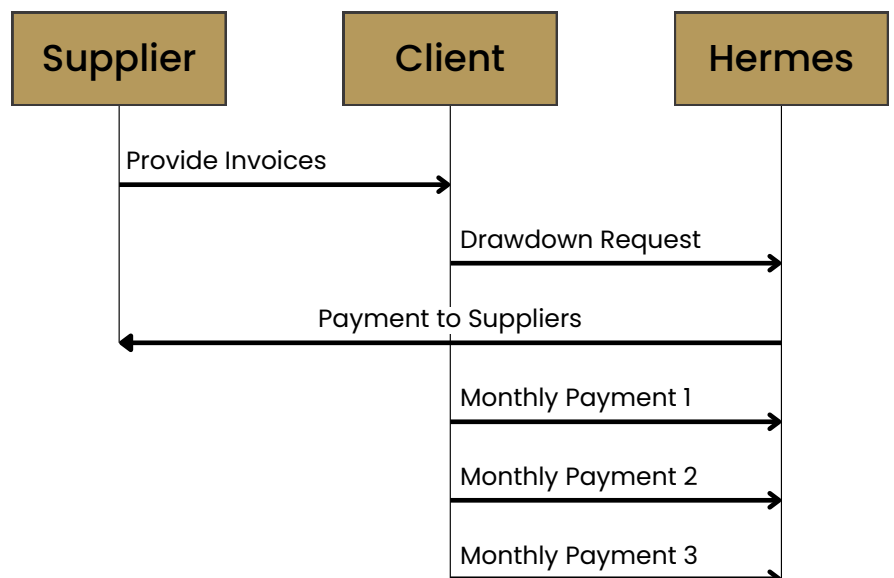
Drawdown Process

Payment calculation:

Monthly Payments =
(Drawdown Amount +
Drawdown Fee) / Number
of monthly payments.

For example, for a \$100
drawdown incurring a 5%
fee for three months:

$$\text{Payments} = (\$100 + \$5) / 3 = \$35 \text{ per month}$$



Eligibility

Types of Acceptable Security:

Determined during due diligence based on the equipment or property value.

Supplier and Invoice Restrictions:

Trade suppliers only (suppliers in the normal course of business).

Why the Hermes Trade Line?

Flexible Credit Approach:

Our experienced team and lean structure provide best-in-class service.

Cash Flow Management:

Helps clients stay current with supplier terms, facilitating ongoing supplies and potential early payment discounts.

Process and Timeline

Approval Time:

Within 48 hours of receiving all requisite information.

Facility establishment process:

Client / Broker

1. Submits finance application.



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Provides written priced finance proposal outlining key terms.

2. Acceptance of proposal terms, payment of initial fee.



Hermes Commences due diligence, instructing valuers etc.

3. Meets conditions precedent.



Issues documentation

4. Executes documents submits first supplier invoice batch and drawdown request.



Settlement and funding



Case study

A furniture manufacturer found themselves on “stop credit” with a number of key suppliers after a working capital issue severely constrained their cash flow. The owner had stepped away from the business and the new manager allowed margins to collapse. The owner was able to remedy this issue but needed supplies to fulfil new orders and restore their original business growth trajectory. Their suppliers refused to continue supply until their accounts were brought back into order.

The client's broker introduced a Hermes Tradeline. Once the facility was approved and established, the client presented a batch of supplier invoices which Hermes promptly paid. The suppliers released the withheld stock and the business was able to resume manufacturing and fulfill the profitable orders it had on hand. It repaid the initial drawdown over four equal repayments and is now able to re-draw on the facility again to import lines of products from China to complement its own manufactured goods to expand its business further.

What next?

Speak with your finance broker or complete Hermes online application form on our website!

hermescapital.com.au