



100% financing from Ascentium Capital: Create Positive cash flow for you and your customers plus avoid CAPEX delays!

*Results-based financing program for
Software, SaaS, IoT & Cloud-Based Solutions*



Capture the benefits of 100% financing from Ascentium Capital

Whether you offer 100% software or a mix of hardware, software or IoT, partnering with Ascentium Capital can greatly impact your bottom line. Our all-inclusive, 100% financing program follows the traditional monthly SaaS business model with an additional benefits to our vendor partners: **accelerated, positive cash flow.**

For approved programs, Ascentium prefunds vendor partners for the future SaaS payment stream, including services, up to 5 years in advance. Customers receive their total solution then simply pay Ascentium their fixed monthly payment over time. The difference: our vendor partners receive cash for the present value of the future SaaS monthly payments. It's that simple!

All-Inclusive Financing



Ascentium's 100% financing for the SaaS business model is a turnkey solution focused on the customer's desire to save their cash while employing your software and technology solutions, along with your ongoing services and support, at a fixed, monthly cost. Your customers pay Ascentium monthly over a specified period of time. When the initial financing term concludes, the contract between Ascentium and your customer is finished. Ascentium then assigns the rights to the financed items back to you, our vendor partner, for \$1. You determine what happens next (example: renewals).

This unique financing offer means your clients can easily finance and combine cloud based software and/or hardware, service, storage, support, maintenance, training and installation all within one fixed monthly payment, over time.

- **Client benefits:** an affordable monthly bundled payment plan for a 12 to 60 month finance term.
- **Your benefits:** ability to provide a total client solution, plus you receive payment up-front from Ascentium for the present value of the (total) future monthly payment stream and you no longer have to bill and collect from your customers – all without recourse to you.

Converting SaaS Revenues to Longer Term Commitments & Cash Up-Front

Many software and technology vendors offer 12, 24 & 36 month SaaS contractual terms. With Ascentium, it is possible to extend the finance term up to 60 months. This means you receive larger up-front payments by monetizing the total sale. Longer term commitments equal more cash up-front.

How it Works

For increased sales success, introduce 100% financing from the very beginning. "Pay for use" is a very different sale than presenting a traditional capital expenditure (CAPEX) request.

Customers often want to pay for your total solution monthly as an operating expense to avoid the CAPEX corporate guidelines and associated delays. It is simply easier to sell a monthly expense and even easier to sell add-on components as a fixed cost for a few dollars more per month. You can always fall back to a cash offer, or, Ascentium can fund a third party lease-to-purchase plan with a \$1 buyout, or other financing offer.



Here's how:

Simplified Proposal: Once you build your proposed client solution, the cost is presented as a monthly payment and justified with monthly benefits versus requiring cash up-front. This encourages a sale. The Proposal refers to an Installment Payment Agreement (IPA) which simply states the number of months the finance contract lasts and the monthly payment amount.

Change your Proposal Format: If you prefer, you can generate a traditional cash proposal for internal use, then your salespeople simply offer prospects monthly payment options. In other words, you do not have to follow the traditional path of presenting only a cash price. Ascentium can help convert cash sales into monthly payment plans quickly, using our online proposal format.

Using Ascentium's finance platform means you can quote within seconds!

Financing can range from \$10,000 up to \$1.5 million. Our online quoting tools work from a desktop, tablet or smartphone, or can be embedded in your proposal format. Remember: the goal is to get your client pre-approved as quickly as possible for additional buying power!

Fast Application Process: Credit approval for all-inclusive financing starts with a simple one-page application. If the financed amount is less than \$250,000, we typically do not ask for additional financial disclosure. Credit worthy clients receive credit decisions in hours, not days.

Closing the Deal: Once you have developed a solution, simply present 100% financing that results in an immediate, determinable Return On Investment (ROI). "Break even can occur within xx months" is a strong selling technique, as well as "hours saved per month" and "after the initial payment period expires, you can renew for an extended term for \$X dollars per month". All sell a cash flow justification.

Getting Paid: You determine the percent of the sale that you require in cash up-front, before delivery, to secure the order. Ascentium is known for prefunding, up to 100% for transactions less than \$135,000. We are creating positive cash flow for our vendor partners too. This means no A/R issues and you do **not** have to bill and collect from customers for future payments.

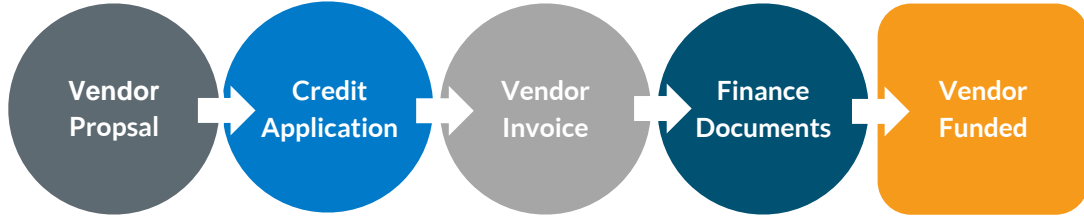
Is the customer interested in a deferred payment plan?

Example: the first three months could be as little as \$99 each month, allowing the customer time to implement the software before regular payments begin - but you still get paid in advance.

What's the rate?: If rate becomes an issue, because you are being 100% prepaid, we can discuss how you can buy down the rate which will lower the customer's monthly payments - as you ultimately will profit by providing a bundled services package and you will be the owner of the renewal(s).

Question: Would you rather receive cash today of \$100,000 or monthly payments of \$2,500 for the next 48 months?

Streamlined Financing



Pass-Through Billing: This is an optional service offered to our vendor partners. The goal is for the customer to only write one check per month, so the services portion of your SaaS monthly expense are passed through to you monthly (as collected by Ascentium from your client via our monthly billing).

One requirement is the services portion you want passed-through needs to be a fixed monthly amount. Examples of services include: maintenance, support, data conversion, ongoing training, storage fees and warranty. Processing pass-through billing incurs a service charge: 3 percent of the monthly payment or \$50, **whichever is less**. This service fee can be paid by the client or absorbed within your net proceeds, monthly.

Vendor partners receive a monthly consolidated report from Ascentium showing all service money collected, passed-through and remitted to our vendor partners. Therefore, you do not have to worry about billing and collecting for services from your customers.

Completion of the Client's Finance Term: What happens next is up to you and the customer. With Ascentium's All-Inclusive 100% financing option, you control the future.

The customer has several convenient options:

1. **Renew:** You set the renewal payments and finance terms. Ascentium can fund our vendor partner again. Longer renewal terms equate to more up-front revenue for you again!
2. **Month to month contract:** You determine the monthly payment plan until a new commitment is obtained from the client.
3. **Upgrade:** This means another possible sale you can capture that Ascentium can help finance.
4. **Negotiate:** Discuss a buyout-for-cash for any hardware with your customer or take back total control of the entire client relationship. You can extend payments month to month or annually.

What happens at the end of the original finance agreement?

The agreement between Ascentium Capital and the customer simply ends. By pre-agreement, we will assign back to you, the vendor, what we financed for \$1.



How All-Inclusive Financing Makes an Easier Sale

Avoid CAPEX Delays: The difference in selling 100% financing versus requiring a CAPEX investment is that the cost is presented as a monthly payment. In the CAPEX model, there are typically large up-front costs, due immediately. Annual service contracts are usually paid up-front too. This often results in cost objections. If a prospect's capital expenditures are frozen, or cash is being spent on other priorities, this signals your project may not be approved for CAPEX reasons. The driving force is to avoid delays by offering 100% financing.

Instead, use OPEX: 100% financing means companies only need to seek approval for a monthly operating expense (OPEX) for a set period of time. There is no asset to depreciate since the customer never owns an asset. It is similar to paying monthly office rent. The entire contract may be expensed because it is an installment payment agreement or a rental contract. It is much easier to get a monthly budget expense item approved than permission to buy capitalized assets.



Make it Simple for the Client: Vendors can mix hardware with software and services, all tied to a fixed monthly payment plan. This affordability encourages a “cost per month” approach which is easier to sell and is more understood by the customer as opposed to **buying** the hardware and software, then agreeing to a separate long-term contract for services. Instead, bundle everything into one simple monthly payment. The longer the customer's commitment, the better for you.

Supersize the Order: Create the total solution, then establish a monthly payment. With 100% financing, software modules or services can easily be added to the original proposal. Example: sell additional software seats, or 24/7 service, or expanded software modules as a cost per month. Successful salespeople establish acceptable base pricing then upgrade the entire package for a few dollars more, per month.

Summary

Software solutions focusing on monthly benefits when compared to monthly costs are easier to sell and easier for the customer to afford and justify. There is no tangible asset to account for, only a service to expense. There is no cash due up-front as with a capital purchase, thus no CAPEX delays.

All-Inclusive 100% financing conveniently bundles total monthly solutions, generating cash flow savings for the customer. All-Inclusive 100% financing improves the vendor's cash position by Ascentium prepaying a future income stream, thus accelerating your cash flow within the traditional SaaS month-to-month revenue model.

By contracting and selling a non-cancelable, fixed stream of monthly payments to Ascentium Capital, our vendor partners monetize their SaaS business model. Receive cash up-front for working capital, market expansion and present a stronger Balance Sheet and Revenues. It's simply a matter of bundling services into an affordable, fixed monthly payment plan while still providing the customer's total software, support and technology solutions. Now, you can maximize your up-front cash position and control what happens in the future with longer term commitments while retaining significant future renewal income.



What's next?

Our goal is to become your preferred financing partner. Ascentium Capital is the third largest private-independent commercial finance company by volume in the United States. Our funding capabilities can be catered to your company's specific needs. Once Ascentium Capital is set up as your financing resource, we can provide marketing material and online applications for your sales team to use to generate professional finance proposals. As a preferred vendor, your clients will receive most credit approvals within 24 hours. We can employ prefunding before you ship, and the client signs simple documentation for non-cancelable Installment Payment Agreements. Documents are emailed for maximum speed and efficiency (no originals required) and funding occurs electronically (ACH), often the same day as your customer's invoice is presented.

Finance Glossary

Non-Recourse: Ascentium's all-inclusive finance program is non-recourse to the vendor. This means if the customer defaults, the vendor has no obligation to the financial performance and payback terms of our mutual customer.

100% Software: If your solution is primarily software or your contract with the customer is a SaaS agreement, the client will sign an Installment Payment Agreement (IPA) since the software license agreements do not transfer ownership. The customer is simply choosing 100% financing with a fixed monthly payment for the use of the software for a specified period of time.

Hardware / Software Mix: If your solution is a mix of hardware, software and various services, a Rental Agreement is typically used. Customers do not own the financed products during the rental term. Ownership is passed back to you, the vendor, to oversee renewals, after the rental payments conclude, for \$1.00. Often, vendors actually transfer ownership of any hardware to the client after the initial rental period ends for \$1.00 since the focus is on contracting another, more lucrative, software license agreement and extending services. This makes renewals even easier and again, Ascentium can fund this payment stream for you with cash, up-front.

Assignment: Ascentium provides written assurance that all rights to what is financed will be assigned back to our vendor partner, for \$1.00. Once the client pays the initial contract term in full, the finance agreement is assigned back to the vendor. Example: You enter into a contract with NewCo to provide a total solution that includes computers, software, maintenance, training, installation and service for \$2,500 a month for 48 months. Ascentium enters into an Installment Payment Agreement with NewCo that states \$2,500 a month for 48 months. Independently, your invoice states your customer as the "sold to" and the "ship to" per your normal cash Invoice terms with an amount due to you of \$100,000. Upon this payment to you of \$100,000 from Ascentium Capital, it is without recourse to you. At the end of the 48 monthly payments, we assign what we financed back to you for \$1.



FAQs

What if the customer at the last minute says “I want to make monthly payments BUT own my software at the conclusion”? If the customer desires to have such a conclusion, then traditional financial instruments are better suited. Ascentium offers a wide array of traditional, third party \$1 buyout lease and loan options. You will still get paid up-front, but you are giving up the ability to receive future renewal income from your customer.

My proposal automatically displays the full cash price. What should I do? It is encouraged to present only monthly payment options. 100% financing is best presented as a standalone monthly payment presentation. If a standalone presentation is unachievable, the option to pay cash or employ 100% financing is still compelling and encourages the customer to make a buying decision.

How does the customer account for this? The customer is making monthly payments which are expensed, similar to their office rent or paying the electric bill and are off balance sheet items.

Does the customer need to provide insurance? Unless there is more than 30% of the overall mix of what we are financing tied to hardware, the customer does not have to provide insurance.

Do you need originals to be able to fund? No. Clients sign their Agreement then use scanned images sent to us by email or fax. Customers never have to leave their office.

Does Ascentium file a blanket lien against the customer’s business? No. Unlike a bank, who does file a blanket lien against all of a borrowing company’s assets, Ascentium is a credit lender. We focus on funding higher quality customers who use the software as a key element to their business. There is a higher risk associated with financing such a large percentage of soft costs which is offset by making insightful credit decisions and partnering with successful software sales organizations.

Do we still get our Software License Agreement signed? Yes. Your software license agreement with the customer is independent of the Ascentium Capital Rental or Installment Payment Agreement. Note: Ascentium will offer either an Installment Payment Agreement (for 100% software or SaaS) or a Rental Agreement (if hardware is included and it is greater than 30% of all financed costs). The Agreements between customer-vendor and customer-lender are independent of each other.

Can we create our own captive finance company so the customer interacts solely with us, not Ascentium, at the point of sale? Yes. For approved programs with significant annual funding volume of \$5MM or more, Ascentium can be the Assignor of the Agreements your captive finance company assigns to us. One requirement is that upon customer notification, all future monthly payment must be billed and collected by Ascentium directly. We employ co-branded monthly Invoices and again, assign all rights to what we financed back to you after the payment plan concludes.