



All-Inclusive Financing from Ascentium Capital¹

*Avoid CAPEX Delays: Use Customized Financing
for Software, SaaS, IoT & Cloud-Based Solutions*

Contact Your Finance Specialist
to Learn More!



¹ Financing dependent on credit parameters. Loans made or arranged pursuant to a California Financing Law license. Equipment provider and clients should consult a tax advisor regarding expensing payments and treatment of OPEX and CAPEX items and other tax and accounting considerations. Vendor programs and financing structures based on approval.



Benefits of All-Inclusive financing from Ascentium Capital

Whether you offer 100% software or a mix of hardware, software, IoT, including aaS options, working with Ascentium Capital may greatly impact your bottom line. Our all-inclusive financing program follows the traditional monthly SaaS business model with an additional benefit to equipment and technology providers: **accelerated positive cash flow**.

For approved programs, Ascentium pre-funds you, the technology solutions provider, for the future aaS payment stream, including services, up to 5 years in advance. Customers receive a monthly payment plan for the services and solutions you offer. The difference: Ascentium pays you for the present value of the monthly payments. *It's that simple!*

All-Inclusive Financing



Ascentium's underwriting for your software or aaS business model is focused on the customer's desire to acquire your software and technology solutions and pay for your ongoing services and support at a fixed, monthly cost. Working with Ascentium Capital, customers pay Ascentium monthly over that same contracted period. You convert long term, at-risk receivables into cash plus you no longer incur billing or collecting expenses. When the initial financing term concludes and is in good standing, the Installment Payment Agreement (IPA) between Ascentium and your customer is finished. Ascentium assigns the rights to the IPA back to you. You determine what happens next (example: renewals).

This turnkey financing program means your clients can easily finance and combine cloud-based software and/or hardware, service, storage, support, maintenance, training and installation all with fixed monthly payments. It is called offering "bundled services".

- **Client benefits:** affordable monthly bundled payments for a 12 to 60-month finance term.
- **Your benefits:** ability to provide a total client solution, plus you receive a lump sum up-front payment from Ascentium for the present value of the (total) future monthly payment stream.

Benefits of Accelerated Cash Flow

Many software and technology providers only offer 12-month contractual terms. With Ascentium, it is possible to maximize your cash position today by extending the finance term up to 36 or even 60 months. Longer term commitments may result in a more rapid acceleration of cash flow.

How it Works

"Pay for use" is a very different sale versus presenting a traditional capital expenditure (CAPEX) request. Customers often want to pay monthly for your complete solution and as an operating expense to avoid CAPEX process and associated delays. For increased sales success, introduce all-inclusive financing during the beginning of the sales process. It is 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. When the program is approved, Ascentium can fund up front by offering customers third party, all-inclusive financing.



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

Financing can range from \$10,000 up to \$2.0 million. Our online quoting tools work from a desktop, tablet, smartphone, or can be embedded into your proposal. Remember: the goal is to get your client pre-approved as quickly as possible to remove the competition!

Simplified Proposal: Once you build your proposed client solution, the cost is presented as a monthly payment with monthly benefits versus requiring up-front cash. 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.

Your sales personnel simply extend monthly payment options. In other words, change the traditional path of presenting a cash-only price. Once confirmed, your sales force can send a monthly payment proposal to interested prospects in less than 60 seconds.

Fast Application Process: Credit approval for all-inclusive financing starts with a simple application. If the financed amount is less than \$250,000, we typically do not ask for additional financial disclosure (our application-only product). Most credit decisions are finalized within minutes.

To close more sales, offer the customer a deferred payment option:

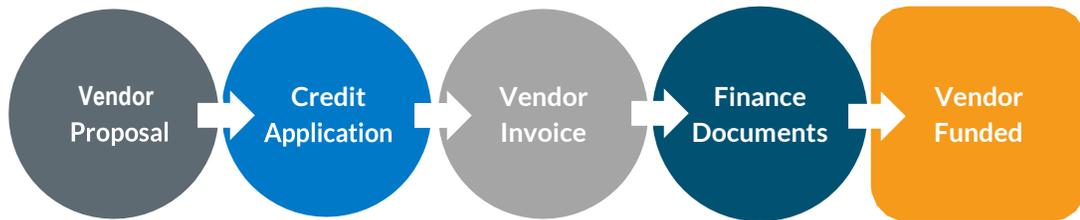
Example: The first three months may be as little as \$99 each month, followed by regular payments – this allows the customer time to implement the software before regular payments begin - but you still get paid in advance.

Closing the Sale: Presenting your total solution as a monthly payment plan enables you to qualify the expense by zeroing in on the Return on Investment (ROI).

Getting Paid: Would you rather receive the full project's cash value today OR wait to realize it over the next 36 months? You determine the percent of the sale that you require to be paid in advance to secure the order. Ascentium is able to prefund up to 100% for transactions less than \$250,000. This means you may avoid account receivable issues. Additionally, you do **not** have to bill and collect from these customers for future payments.

Rate Structure: If rate becomes a client obstacle with 100% prepayment, we can discuss how you may buy down the rate which will lower the customer's monthly payments. You are still able to benefit from receiving cash now for providing a bundled service package you will be servicing in the future. Plus, your organization be the owner of the renewal(s) after the original term expires.¹

Streamlined Financing



Pass-Through Billing: This is an optional service from Ascentium. The goal is for the customer to only pay one bundled monthly payment, so the service(s) portion of your aaS monthly expense are passed through to the vendor monthly (collected by Ascentium from your client via our monthly billing).

One requirement is that the service(s) 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 warranties. Processing pass-through billing incurs a service charge: 3 percent of the passed-through monthly payment or \$50, **whichever is less**. This service fee may be paid by the client or absorbed within your net proceeds, monthly.

Our vendors receive a monthly consolidated report from Ascentium showing all service money collected (passed-through and remitted) to our vendors. Therefore, you can remove issues with billing and collecting for services from your customers. Additionally, you will have access to our online portal, MyAscentium.com, a real-time portal to view application status, contract expirations and other data.

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

The customer has several convenient options:

1. **Renew:** Our mutual goal! You set the renewal payments and finance terms. We convert them into cash. Ascentium then funds you again.
2. **Month-to-month contract:** You determine the monthly payment plan until a new long-term commitment is obtained from the client. We can pass-through those payments until then.
3. **Upgrade:** This means another possible sale you can capture that Ascentium may 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, the financed items are assigned back to you.*



How All-Inclusive Financing Creates an Easier Sale

Avoid CAPEX Delays: The difference in selling all-inclusive financing versus requiring a CAPEX investment is that the cost is presented as a monthly payment. In the CAPEX model, there are typically large 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.

Use OPEX: Ascentium structures monthly payments which typically means companies only need to seek approval for a monthly operating expense (OPEX) for a set period. There is no asset to depreciate since the customer does not own 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 easily managed by the customer as opposed to buying the hardware and software, then agreeing to a separate long-term contract for services. Instead, bundle your total solution into one simple monthly payment. Realize longer retention with a longer commitment from the client.

Supersize the Order: Create the total solution, then establish a monthly payment. With Ascentium's financing, software modules or services can easily be added to the original proposal. Example: sell additional software licenses, 24/7 service, or expanded software modules as a cost per month. Successful salespeople establish acceptable base pricing then can offer upgraded packages for a few dollars more per month based on the duration of the payment structure.

Summary

Converting bundled services into a fixed monthly payment plan can help meet business initiatives. Software and aaS solutions focused on monthly benefits when compared to monthly costs are easier to sell and easier for the customer to afford. 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 financing conveniently bundles monthly solutions and payments are customized for the customer. Our program can help accelerate a technology provider's cash position by monetizing the aaS business model.

What's next?

Our goal is to become your preferred financier. Ascentium Capital is an award-winning commercial lender. 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.

Let's start our shared successes today: contact Ascentium Capital to learn more!