

VendorFS

Factoring (Assignment Agreement)

The Simplest Finance Solution

VendorFS (Vendor Financial Service) is a UK company focused on providing innovative financial products to vendor's customers and channel partners in EMEA, LatAm and India to create WIN-WIN-WIN solution for vendors, dealers and customers.

We develop customised finance programs tailored to our vendor's products and end-users'/channel partners' finance needs.

VendorFS helps customers to

- optimise the way you use vendor products
- reduce the cost of ownership
- structure payments in line with project development, budget, cashflow and CAPEX/OPEX requirements

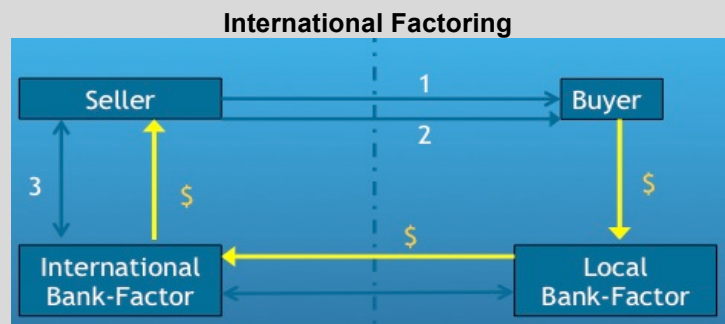
Finance Solutions:

- Finance lease
- Operating lease
- Managed Option
- Loans
- Assignment agreement (Factoring)
- Instalment sales
- Sale-Leaseback

- Programs: Pay as You Grow, Capacity on Demand, Partnership Model
- Tenor – up to 3...5Y, q-ly payments, downpayment - 0%
- Currency – USD, EURO, local currency: RUB, ZAR

Factoring options:

- **Pre-delivery factoring:** funding at order date
- **International Factoring:** if you have cross-border sales agreement
- **SW and licence Factoring**



A Seller provides deferred payment terms up to 3 years to a Buyer and sells payments (i.e., invoices) to a Bank (called a factor).

Documents:

1. Sales Agreement with deferred payment terms
2. Notice that payments should be paid to the Bank
3. Assignment Agreement

Payments:

- The Bank pays the Seller 100% invoice amount within 5 business days after delivery
- The Buyer pays The Bank in instalments (invoice amount + interest payments) within 3 years (subject to credit decision)

Advantages:

- **It is simple.** No lease or loan agreements. The only agreement to be signed is a standard Sales Agreement with deferred payment terms.
- No collaterals or guarantees (subject to credit decision)
- Influence on financial statements: no Bank Debt, just Accounts Payables
- Currency: local or USD or EURO
- Positive impact on financial ratios: Bank Debt, EBITDA
- No covenants
- Including software/licences and service (for some countries)
- No interest payments

Value for Customer

- | | |
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| <ul style="list-style-type: none"> • Match payments for equipment to revenue generated by the project. Pay as You Grow | <ul style="list-style-type: none"> • Increased efficiency, productivity and profitability of vendor products' upgrade |
| <ul style="list-style-type: none"> • Improved cash flow / budget management • Improved ROI, Bank Debt, EBITDA, PBP | <ul style="list-style-type: none"> • Finance solution for the total project (HW, SW, service, licences) |
| <ul style="list-style-type: none"> • Fixed payments over 3 years | <ul style="list-style-type: none"> • Simple documentation |

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