



MERCHANT CASH ADVANCES

Helping Businesses Solve
Cash Flow Needs





The Problem

- **Most businesses will experience a cash flow crunch due to:**
 - ▶ Unanticipated opportunity
 - ▶ Unexpected expense
 - ▶ Poor planning
- **Many businesses will face hurdles in accessing needed capital quickly**
 - ▶ Some traditional financial institution processes and risk criteria may not align with small business needs
 - ▶ The SBA is facing challenges
- **Personal credit options are becoming less attractive**
 - ▶ Credit cards have little known penalties, high interest rates after intro period
 - ▶ Home equity loans can place your house at risk

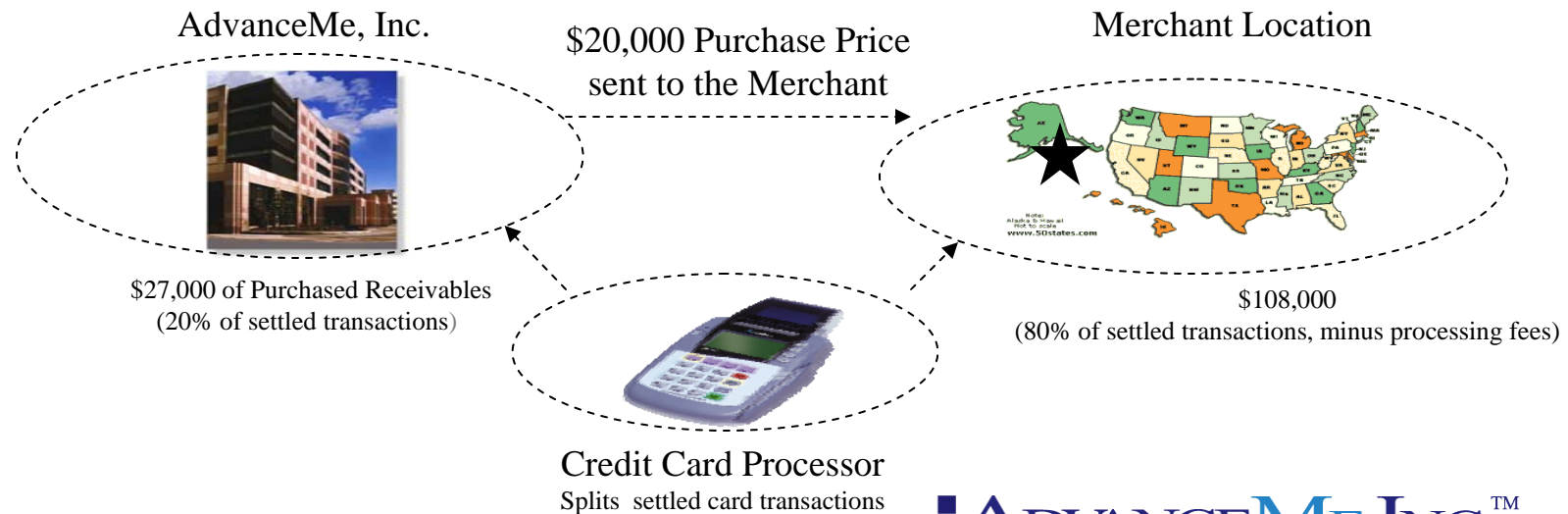


What is a Merchant Cash Advance?

- **Businesses are able to get a sum of money today by tapping into a hidden asset.....their future credit card sales**
- **The business sells a fixed amount of its future credit card sales at a discount**
- **Retrieval of purchased receivables is usually integrated with the credit card processor and is automated**

How a Merchant Cash Advance works

- The Merchant sells \$27,000 of its future credit card receivables to AdvanceMe in exchange for a discounted purchase price of \$20,000.
- The Merchant contracts with one of AdvanceMe's credit card processing partners to process its credit card transactions for each of its contracted locations.
- Every day the credit card processor sends an agreed upon percentage (in this case, 20%) of settled credit card transactions directly to AdvanceMe and the remaining 80% (net of merchant processing fees) to the Merchant until AdvanceMe collects the total amount of receivables it purchased (\$27,000)
- AdvanceMe estimates in this example that it will receive the total amount of purchased receivables over approximately a 7 month period. However, the merchant has no obligation to deliver the purchased receivables within a given timeframe. The amount of time it takes for AdvanceMe to collect its purchased receivables depends on the agreed upon percentage and the Merchant's credit card sales volumes.





Benefits to Businesses

- High approval rates
- Easy application process – 4 months of processing statements
- Minimal documentation – no financial statements
- Fast funding – as few as 3 days
- Retrieval of purchased receivables is automated – no checks to write
- No hidden fees
- Purchased receivables are usually collected within 12 months (depends on retrieval percentage and Merchant's credit card sales volumes)
- The retrieval percentage never increases
and.....
- RETRIEVAL AMOUNTS ALIGN WITH SETTLED TRANSACTION AMOUNTS – AdvanceMe gets paid when the Merchant gets paid



Typical Customer

- The business accepts and processes at least \$5,000 credit card sales per month
- It is managed by a busy owner who does not have time to waste
 - ▶ *filling out complicated applications*
 - ▶ *waiting for approvals*
- The owner wants funding based on the profitability of the business.....*not their personal credit history*
- The business will benefit from funding with retrieval amounts that align with settled transaction amounts



How Businesses Use Merchant Cash Advances

The funding can be used for any business purpose.....

no pre-designation is necessary

- **Take advantage of opportunities!**
 - ▶ Purchase inventory
 - ▶ Renovate
- **Manage unexpected expenses!**
 - ▶ Upgrade equipment
 - ▶ Make repairs
 - ▶ Pay taxes
- **Grow the business!**
 - ▶ Open new locations
 - ▶ Fund advertising and promotional programs



About AdvanceMe, Inc.

- We are the nation's leading provider of Merchant Cash Advances to small and mid-sized businesses
- Since 1998, more than 40,000 Merchant Cash Advances have been provided to almost 20,000 businesses in all 50 states.....*over a BILLION dollars in capital*
- 3 out of 4 eligible customers decide to use AdvanceMe again..... *attesting to the high level of customer satisfaction*
- More than 500 industries and 100 premier franchise concepts have been served.....