

KEY INFORMATION

Company Headquarters:

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www.extendcredit.com
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Management

President and CEO: Bob Richardson
CFO: Joe Simrell

Markets:

- Veterinary
- Dental
- Education
- Cosmetic/Healthcare

COMPANY HIGHLIGHTS

- Online service launched in 2010
- Revenue generated from recurring merchant fees and payment plan fees
- Future revenue opportunities in secondary debt market, expanded financing options, and market penetration beyond healthcare
- Rapid month-over-month growth in terms of merchants and payment plan volume
- Private branding capabilities position EC for significant growth through indirect channels
- Technology and service differentiators are unparalleled in market patients

BUSINESS DESCRIPTION

ExtendCredit.com provides a comprehensive, easy-to-use software platform that fully automates the process of creating and managing payment plans, and consumption-based membership and wellness plans.

Through a highly secure software-as-a-service (SaaS) approach, ExtendCredit.com automates payment plan origination, underwriting, document generation, recurring billing and payment management, borrower communications and support, collections resolution, and realtime reporting and analytics. The software also tracks consumption of products and services as well as commission and performance pay based membership or wellness programs.

Many small to mid-sized U.S. businesses in elective healthcare, veterinary services and dental care rely on consumer financing and recurring payment programs to help their customers afford their services.

Tighter credit standards and more consumers with FICO scores under 650 are significantly limiting access to consumer financing and making the financing that is available more expensive for these businesses.

ExtendCredit.com is filling this gap by enabling these businesses to take control of their consumer financing needs by providing a turnkey, online service for creating and managing their own internally-funded payment, membership and loyalty programs designed to increase sales, customer loyalty and revenue.

Key Differentiators:

- End-to-end, online payment plan platform automates the entire payment plan lifecycle and simplifies compliance with payment plan and privacy laws
- Purpose-built Instant Credit, Banking and Fraud analysis built into the platform
- Comprehensive, end-to-end payment management module manages all aspects of recurring billing and payments
- Integrated lending CRM capabilities to manage all customer activities and communications
- Robust real-time payment plan portfolio reporting
- Comprehensive consumption-based solutions for membership and wellness plan offerings

MARKET OPPORTUNITY

According to industry research completed just prior to the credit crisis, approximately 28 million people financed more than \$59 billion in healthcare expenses, with 10 percent using payment plans and 30 percent using credit cards. Though this was originally expected to grow to over \$195 billion by 2015, the credit crisis and resulting tightening of the credit markets has impacted these numbers.

For example, approval rates for traditional financing through credit cards or lending institutions have declined nearly 67 percent causing many consumers to forgo needed and desired elective healthcare services and creating an estimated \$57 billion revenue gap for elective healthcare providers. Based on past research and current trends this gap, and resulting market opportunity, could grow to as much as \$101 billion and affect more than 49 million consumers by 2015.

The credit crisis has also impacted many other B2C industries, such as education, legal, and others that suffer from the lack of effective third-party financing. As a result, they are turning to internally-funded payment plans and membership programs as a way to fill the gap and create a "win-win" for their businesses and the customers they serve.

Together with our sister company H3 Financial Services Inc., our software is used by 1000's of businesses in industries such as Veterinary, Dental, Education, Medical/Cosmetic and more.

EXTENDCREDIT.COM'S VALUE PROPOSITION

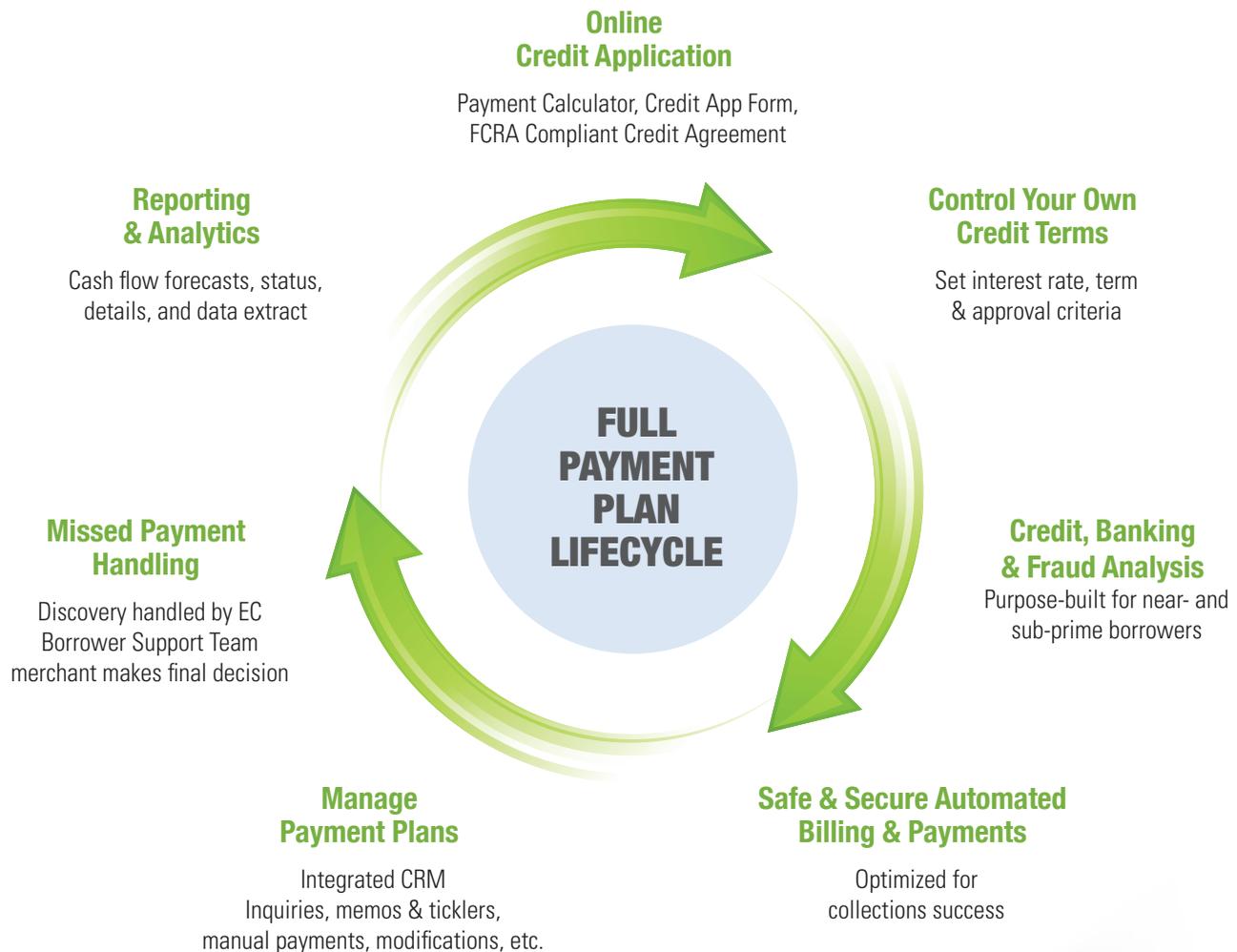
Merchant Value Proposition

- Captures revenue lost to limited 3rd party financing as well as capturing revenue that historically would have walked out the door
- Reduced accounts receivable balances and outside collections costs
- Improved efficiency gains in billing, collections, AR and customer service
- Improved cash flow forecasting and accelerated collections
- Capture a significant revenue stream with 10% plus interest
- Significantly reduce and manage 3rd party financing fees
- Enhanced customer service
- Secure and compliant payment plan environment

Borrower Value Proposition

- Access to needed financing for out-of-pocket healthcare costs
- Secure, automated recurring billing with online & toll-free borrower support

PRODUCT INFORMATION



ExtendCredit.com is delivered as an online service from a safe and secure SSAE 16 Type II compliant data center. All data and transactions are encrypted using the latest security technology. Access to the application is controlled by role-based security using unique user IDs and passwords.