



RIVERSaaS
CAPITAL

COMPARING EQUITY AND DEBT FINANCING

YOUR FAST-GROWING SAAS COMPANY

PRE-INVESTMENT EQUITY VALUE	NUMBER OF SHARES AUTHORIZED & ISSUED	PRICE PER SHARE	FOUNDER OWNERSHIP	DESIRED INVESTMENT AMOUNT
\$10,000,000	100,000	\$100	100%	\$1,000,000

Your fast-growing SaaS business needs working capital. You're considering equity and debt financing options and have questions. Follow each path in the scenario below to learn more.



DEBT FINANCING

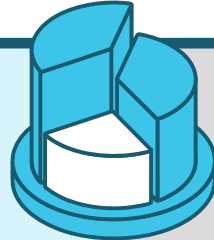
EQUITY FINANCING



How many shares do I issue to my investor?

NO SHARES ARE ISSUED.

River SaaS Capital does not require warrants. Some debt financiers require warrants or an ownership position for borrowers to qualify for initial term loans



YOU ISSUE 10,000 SHARES

at \$100 per share to the investor to secure your desired investment of \$1,000,000

\$10,000,000

100,000 shares

AFTER ISSUING SHARES TO MY INVESTOR

\$11,000,000

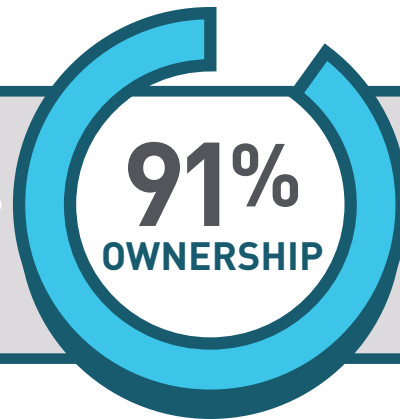
110,000 shares

How does issuing shares affect ownership?

100% ownership.
No shares issued,
no dilution



vs



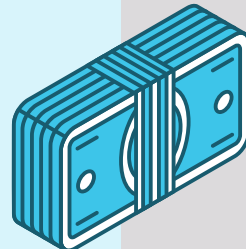
10,000 shares issued
dilute your ownership

How and when is my desired investment repaid?

\$1,000,000 INVESTMENT AMOUNT

PREDICTABLE PAYMENTS OVER 48 MONTHS

\$972,707 total interest
\$1,972,707 total repayment



UNPREDICTABLE TOTAL REPAYMENT

As your organization grows, the value of outside investments grows and is repaid upon exit

What's my takeaway at exit?

ASSUMING \$50,000,000 VALUATION

\$500

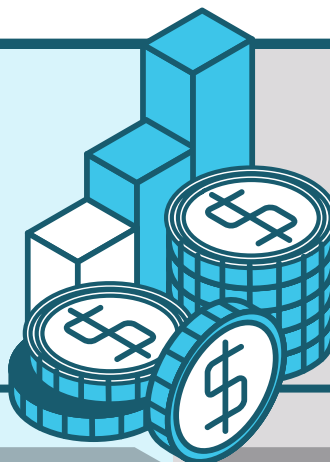
value per share

No dilution of per share value
Predictable repayment of outstanding debt plus interest is made

\$454

value per share

Additional issued shares diluted ownership and per share value



100,000 shares

\$500.00 value per share

\$50,000,000

\$1,972,707.00 debt repayment

\$48,027,293

100,000 shares

\$454.55 value per share

\$45,455,000

\$0 debt repayment

\$45,455,000

THE BOTTOM LINE

Opting for debt financing, owner exits with an additional \$2,500,000+

Contact River SaaS Capital about debt today
info@riversaascapital.com | 440.348.9695

