



# Preserve Cash and Accelerate Your Growth

## Strategic Equipment Lease Financing Options

IMAGING • SEQUENCING • GENETIC ANALYZERS • ROBOTICS • TECHNOLOGY

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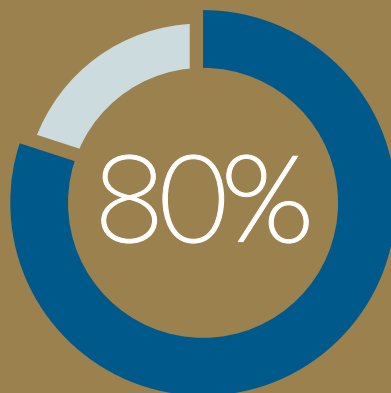


# Introduction

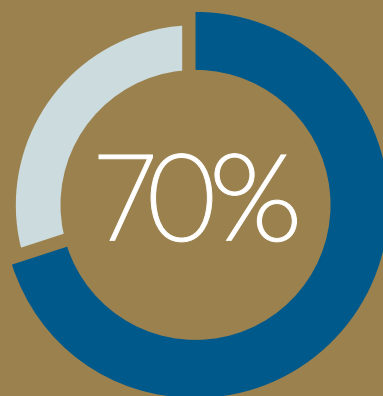
Imagine a world where the next life-saving drug or revolutionary biotech innovation never comes to market because the promising company developing it can't secure the necessary equipment financing. This is the harsh reality many visionary firms face when traditional bank financing isn't an option. This scenario is more common than you might think when companies explore business concepts that aren't yet proven, generating revenue or profit.

## The Financing Challenge

About 80% of businesses that acquire equipment use at least one form of financing to do so, including equipment lease financing. Traditional lenders, however, often avoid these riskier ventures in favor of "investment grade" opportunities that define potential in terms of the company's current assets, liabilities and equity. This leaves a significant gap for innovative Biotech and Life Sciences companies in need of flexible financing options.



*of businesses that acquire equipment use at least one form of financing to do so*



*70% of companies in the professional, scientific and technical services sector are estimated to use at least one form of equipment financing and leasing is the most popular method to finance*

Source: <https://www.leasefoundation.org/industry-research/horizon-report/#KF>

# The Solution: Innovative Equipment Lease Financing

Traditional underwriting and lending methods often overlook a company's true potential, as these metrics don't consider the company's motivation, mission and story.

The solution to this problem is innovative equipment financing partners who evaluate the potential impact of the company's innovations and the value the leased equipment will bring to the company rather than ROI metrics. For instance, NFS Capital, an independent equipment lease financier, offers flexible financing solutions tailored to Biotech and Life Sciences companies' unique needs. These solutions enable businesses to act quickly on opportunities and upgrade their technology and equipment to advance to the next level.

Innovative equipment lease partners provide the possibility and opportunity for companies to make the most of their financial resources and spend their money in the areas where they need it most.

*"Biotech and Life Sciences companies face unique challenges that require specialized equipment lease financing solutions for essential business processes such as development, optimization, trials and scale-up. These businesses must be prepared to act quickly on opportunities. Obtaining critical equipment or upgrading their technology is often required to accelerate their growth. Equipment lease financing provides the flexibility needed to help get them to the next level."*

— **Richard Vassallo, Vice President of Business Development at NFS Capital, LLC**



## Strategic Benefits of Equipment Lease Financing



### ACCESSING UP-TO-DATE TECHNOLOGY

*By leasing equipment, businesses can ensure they have access to the latest technology without the need for large upfront capital investments.*



### PROTECTING AGAINST EQUIPMENT OBSOLESCENCE

*Leasing equipment allows businesses to upgrade to newer models as technology advances, protecting against obsolescence.*



### SECURING TAX ADVANTAGES

*Depending on the structure of the financing agreement, companies may be able to deduct lease payments as business expenses.*



### OPTIMIZING CASH FLOW

*Lease financing provides a way for companies to acquire necessary equipment while conserving cash flow for other critical business needs.*

Here's a look at three benefits of working with an innovative equipment lease partner to pursue growth on your terms without diluting your equity prematurely:

### 1. Maintain Maximum Flexibility for Financial Resources

In a traditional equipment financing scenario—if you want one or can secure one at all—the bank or leasing company sets the terms and conditions for financing and the Biotech and Life Sciences company must operate within those terms for the life of the financial relationship.

Securing equipment lease financing with a partner like NFS Capital, however, gives you flexibility in the terms and conditions of the agreement. This approach helps emerging and high-growth businesses secure the necessary assets and preserves capital for other critical needs such as R&D and scaling operations, product development, marketing, staffing and more.





For example, consider the following customized lease solutions available with a partner like NFS Capital:

## Equipment Lease Financing Structures for Biotech and the Life Sciences Sectors

Item	Details	Benefit
<i>Master Lease Agreement (MLA)</i>	Sign an MLA one time upfront with NFS Capital	Very quick and easy to obtain multiple equipment lease financing by adding simple lease schedules to the MLA
<i>Fixed Payments</i>	Monthly payments are fixed at the commencement of the lease and do not change throughout the term	Eliminates rate fluctuation risk for ease of budgeting and cash flow management
<i>Flexible Lease Terms</i>	Terms from 24 – 84 months	Lease term is matched to your cash flow needs and equipment lifecycle
<i>Step-up Payments</i>	Monthly payment amount starts lower and increases over time	Provides a ramp-up period for businesses expecting revenue to grow over time
<i>Step-down Payments</i>	Monthly payment amount starts higher and decreases over time	Beneficial for businesses with strong initial cash flow (or with initial grants or equity investment) that is expected to level out over time
<i>Skip Payments</i>	Allows for monthly payments to be skipped during certain periods as agreed upon in advance	Beneficial for businesses with fluctuating cash flow that need flexibility
<i>Seasonal Payments</i>	Monthly payment amount varies based on the business's seasonal revenue cycles	Ideal for businesses with seasonal income or projection of peaks and valleys of revenue over the year
<i>Balloon Payments</i>	Lower monthly payments during the lease term with a balloon payment during term and/or at end of term	Aligns monthly payment amount to expected large increases in cash flow over the duration of the lease



Flexibility in equipment lease financing is especially important for Biotech and Life Sciences companies because of their frequent rapid growth and development. When exciting, game-changing advances crop up quickly, your company needs to maintain as much flexibility as possible in securing the equipment and instrumentation needed to develop your solutions to drive revenue. In fact, in many cases, equipment leasing can help to drive revenue.

## 2. Capitalize on Growth Without Losing Equity

A world of opportunity is available in the Life Sciences and Biotech space. Recent data displays that the global biotechnology market generated a revenue of \$1.6 trillion in 2023. The market is projected to reach an estimated revenue of \$3.9 trillion by 2030 at a compound annual growth rate of 14% (CAGR, 2024 – 2030). In the U.S. alone, \$552 billion in revenue was generated, accounting for the largest contribution to the worldwide biotechnology market. As an example, revenue generated by DNA sequencing technology is anticipated to grow at a CAGR of 19.3% over that forecast period.



*“We have been supporting Biotech and Life Sciences companies for over a decade and understand the kind of flexibility that drives success. We customize our financing structures to fit each company’s growth trajectory, including lease financing options such as partial payments, step-up and step down payments and other structures tailored to meet the customer’s needs. This approach benefits the company in both the short term and the long term.”*

– Eric Renaud, Chief Credit Officer at  
NFS Capital, LLC

# Life Sciences and Biotech space market size and growth



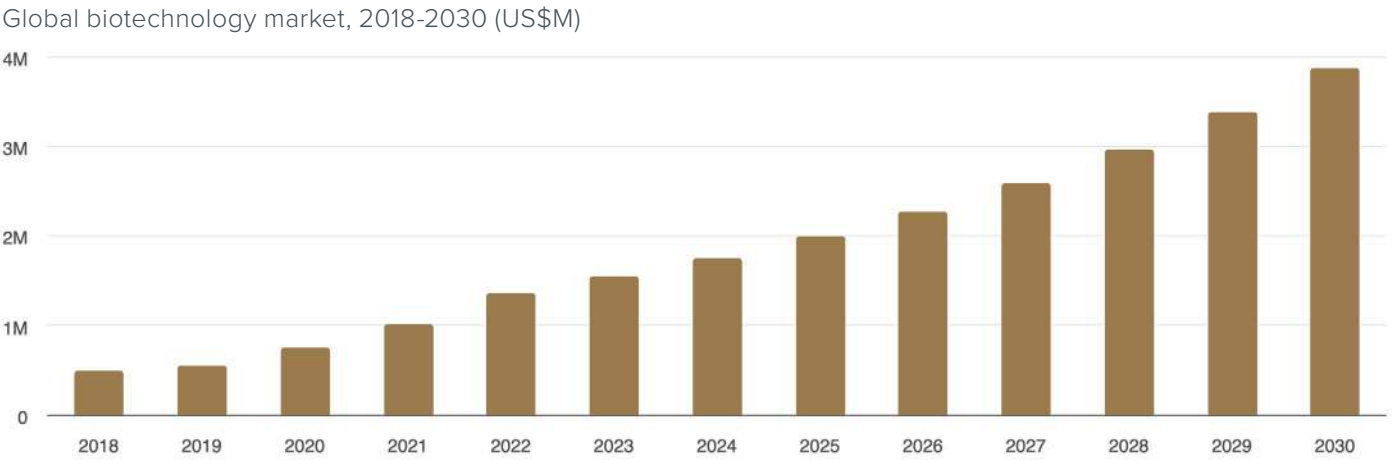
Revenue, 2023 (US\$M)  
**\$1,553,854**



Forecast, 2030 (US\$M)  
**\$3,879,508**



CAGR, 2024 - 2030  
**14%**



Source: <https://www.grandviewresearch.com/horizon/outlook/biotechnology-market-size/global>

While biotech leads the way in scientific advancement, securing equipment financing through traditional means remains challenging, even for the most promising concepts. The pioneers of Biotech startups had to be inventive in their financing search before the standard venture capital playbook was established. Today, we are once again tapping into that spirit of creativity. This resurgence in innovative equipment financing strategies is a testament to where innovators and entrepreneurs truly excel.

Given the difficulty of securing traditional equipment financing, it is crucial to allocate the funds obtained to areas that cannot be financed through other means, such as staffing and rent. Spending precious capital on equipment and supplies is not the most efficient use of cash flow. Instead, leveraging a leasing solution for the equipment allows you to preserve capital for critical operational needs and growth initiatives.

Example Scenario	Therapeutics company raises \$8M in funding
Option 1	Spend \$4M on scientific, lab and technology equipment
Option 2	Lease the scientific, lab and technology equipment and invest the \$8M into research and development, trials, staff, marketing, and other priorities



Looking at the big picture, equipment lease financing allows companies to achieve growth on their own terms because they can advance further in their development process, drawing less on their funds and ultimately preserving more equity in the company. This is particularly beneficial for early-stage companies that want to retain control over their business.

“Many of the companies we support at NFS Capital use our equipment lease financing to complement capital from other sources, such as venture capital and private equity. As these businesses progress through research and development, they realize the need for more flexible financing options to sustain growth. Rather than committing millions upfront to purchase equipment, it’s often more strategic to lease it at a fraction of the cost over time,” says Richard Vassallo, Vice President of Business Development at NFS Capital, LLC.

### 3. Respond to New Challenges and Opportunities with Confidence

Inspiration can strike at any time—and so can changes in the market and advancements in technology. Consider the transformative impact that AI has had in just the last 12 months as it moved at lightning speed and reshaped entire industries.

To remain competitive and innovative, Biotech and Life Sciences companies must be agile and responsive to challenges and opportunities as they arise. However, innovation in these industries relies on access to the right technology and equipment at

*“We’re the easy button for early-stage businesses, providing a seamless entry point with lower equipment leasing amounts and gradually expanding those leases as our clients grow. Our goal is to help our clients with equipment lease financing during all phases of their lifecycle, including R&D, clinical trials, product development, market-entry and commercialization. We take pride in having played a part in their success story.”*

– **Jonathan Bova, Vice President  
of Business Development at  
NFS Capital, LLC**

the right time. Without the flexibility and freedom to pursue new advancements, businesses will be limited in their ability to respond effectively.

“Banks can be notoriously slow in gathering information and making decisions about individual companies, transactions, or equipment types,” says Renaud. “This sluggishness can cause businesses to miss out on opportunities. At NFS Capital, we are faster and more responsive to action, which offers companies a competitive advantage to address new challenges quickly and confidently.”

Flexible equipment financing offers faster approval and customized repayment options, providing startups with the financial flexibility needed to drive innovation and growth. Flexibility and freedom also lay a strong foundation for adaptability and preparedness. Companies can adjust their plans and commitments, quickly adapting to market changes and emerging industry trends without being hindered by rigid financial constraints. This adaptability facilitates faster decision-making and implementation when changes occur, ensuring your company stays ahead of the curve and continues to innovate.



# Investing in the Future: Who Will Lease the Equipment for Tomorrow's Unseen Rewards?

The Biotech and Life Sciences sectors are at the forefront of technological innovation and often need equipment financing to bring these innovations to life. But not every idea that will play a crucial role in driving progress, improving lives and shaping society's future is ready to deliver revenue in the early stages.

Innovative financing partners understand long-term investments are required for essential business processes—development, optimization, trials and scale-up—and don't measure return on investment in the traditional way. This approach helps emerging and high-growth businesses secure the necessary assets and preserves capital for other critical needs.

Flexible equipment lease financing and versatile usage—imagine the possibilities, if your company had the technology and equipment financing it, needs to fulfill its future promises.

**NFS Capital, LLC** is a trusted independent equipment lease financier that provides flexible equipment finance solutions. NFS Capital understands that Biotech and Life Sciences companies play a crucial role in driving progress, improving lives and shaping society's future and wants to help its customers find a financing solution.

*"In partnership with Biotech and Life Sciences companies, we have consistently supported them from launch, helping secure the necessary financing to obtain or upgrade equipment. Our goal is to bridge the gap between their current state and future growth. When opportunities arise, quickly securing equipment financing is essential for effective action."*

— **Richard Vassallo, Vice President of Business Development at NFS Capital, LLC**



*We are THE story lender. Tell us your story.*

## ABOUT NFS CAPITAL, LLC

Founded in 2006, NFS Capital, LLC is a leading story lender, providing flexible equipment financing and asset-backed loans to small and middle-market businesses across the U.S. and Canada. We specialize in supporting companies that may not meet traditional lending requirements, helping emerging, turnaround, and established businesses access the capital they need to grow. With over \$1.5 billion deployed, NFS has fueled business expansion, created thousands of jobs, and built lasting partnerships across various industries.

**Contact us today and tell us your story at [www.nfscapital.com](http://www.nfscapital.com).**

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