

# Frontline's Term Model

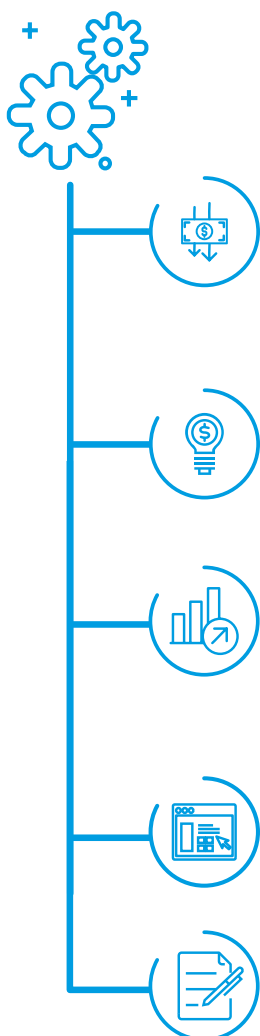


## What is a Term License?



A term license is buying the rights to use a piece of software for a predefined period called the **Term period**. During the Term period, the customer gets maintenance (as defined in Frontline's customer maintenance contract) and access to all versions released within the Term period. Term licenses are very common in the software market. It is estimated that 80% of the software sold will be in Term licenses.

## What are the Term Benefits?



There are many benefits. Buying a Term license requires a lower upfront investment and makes this important decision much easier. You avoid the budgeting of an annual maintenance contract, since maintenance is included in the Term, and in most cases expenses are turned from Capex (Capital Expenditure) to OPEX (Operational Expenditure). You will always enjoy the latest version released with its newest functionality, staying on top of your goals.

### Lower upfront investment

Term licenses cost less than perpetual licenses, even taking into account the maintenance fee. Term licenses become even more attractive with Frontline's exclusive buy-back offer: Frontline will pay customers for each Genesis or GenFlex seat they trade-in for the first Term period, which makes the trade-in price per seat highly attractive.

### Operational cost budget

Buying a Term license can be done through the operational budget, so the software is no longer considered as part of the shop's inventory. There is no longer a large upfront investment, and financial forecasts are stable and predictable.

### Flexibility based on market conditions

We make sure our products best suit our customers' needs. The Term model enables you to make your decision based on your actual needs and challenges, without being tied to a decision you made years ago. When you buy a Term license, you can decide to increase or decrease capacity based on current market conditions and your real needs.

### Access to newly released versions – free of charge

During the Term period, you are entitled to get all released versions free of charge, since maintenance is included.

### No annual budgeting maintenance contract

As the Term license includes maintenance, there is no need to run an additional budgeting item every year.

## Q&A

**Q: Can I mix Term licenses into my current perpetual license?**

**A:** If your perpetual license is under service, you can add new Term licenses into it. If your license is not under maintenance, new Term licenses will be delivered in a new license.

**Q: Why can't I own the product for life?**

**A:** The world is changing rapidly. As technology evolves, old products become less capable of supporting new demands and challenges, such as 5G, mSAP, automotive, Flex, IoT, or high-speed technologies.

Term licensing enables us to help you cope with changing needs, ensures you enjoy maximum flexibility, and gives you the ability to function according to your organization's needs.