



## Everything an advisor needs to know before accepting to distribute this offer

### How much time does it take to learn the essentials of this offer?

30 minutes

### What are the documents you should know and review first?

- The video presentation
- The fact sheet
- The legal information (Investment Memorandum)
- The educational white paper

### Key points

- The total programme is £500 million.
- The company was founded in 2014.

### Currency: USD

- Total amount – 50m, the maturity date – 2025.
- Coupon – 9.75% paid Semi-annually.
- Minimum investment – 125 000 USD.

### Currency: GBP

- Total amount – 20m, the maturity date – 2025.
- Coupon – 9% paid semi-annually.
- Minimum investment – 100 000 GBP.

### Currency: EUR

- Total amount – 20m, the maturity date – 2026.
- Coupon – 9% paid semi-annually.
- Minimum investment – 100 000 EUR.

### How should you present?

#### Short

- Linklease is a recognized player in the industrial equipment leasing industry. With over 25 years of specialist experience in SME asset-based financing, the team has delivered deals to the tune of \$1bn across more than 3,500 transactions.
- Linklease develops its activities in the Middle East & North Africa region and offers leasing for periods of 12 to 60 months in different sectors: public works, logistics, oil industry, medicine. In 2019, 2020 and 2021, Linklease was honored by Capital Finance International magazine as the most innovative company in the field of leasing.
- In the UAE, SMEs are only 4% of bank lending against 18% in Asia and 12% in Europe. The reasons are mainly cultural, bank financing is very underdeveloped, and expertise is sorely lacking. The UN Economic and Social Committee estimates the financing

needs of SMEs in this region at \$60 billion.

- To finance its growth and lease more assets, Linklease has issued 20-million EUR & GBP senior secured bonds due in 2025 & 2026 offering 9% paid semi-annually as well as a 50-million USD senior secured bond due 2025 offering a 9.75% also paid Semi-annually
- Would you allow me to show you this solution in more detail during a quick meeting / call?

#### Long

- In the UAE, SMEs are only 4% of bank lending against 18% in Asia and 12% in Europe.
- The fundamental problems continue to be credit underwriting expertise and understanding assets. One of the reasons why the financing sector is very underdeveloped is the strict legislation towards those who do not reimburse their interests: one single payment missed, and they can go to court.
- The lending culture is underdeveloped but there is a real need. The UN Economic and Social Committee estimates the financing needs of SMEs in this region at \$60 billion. It is conservatively estimated that the regional SME credit gap is \$40bn, with a significant proportion being asset finance related.
- Linklease is a recognized player in the industrial equipment leasing industry. With over 25 years of specialist experience in SME asset-based financing, the team has delivered deals to the tune of \$1bn across more than 3,500 transactions. Linklease develops its activities in the Middle East & North Africa region and offers leasing for periods of 12 to 60 months in different sectors: public works, logistics, oil industry, medicine.
- Linklease invests in tangible assets generating income. They protect themselves by applying a higher depreciation coefficient than the residual value coefficient.
- Their evaluation criteria to integrate a new company / asset is very strict: *Company*: company history, debt capacity, diversified revenue streams and strong cash flow.

*Asset*: low obsolescence, strong secondary market, high residual value and ease of maintenance.

- To finance its growth and lease more assets, Linklease has issued 20-million EUR & GBP senior secured bonds due 2025 & 2026 offering 9% paid semi-annually, as well as a 50-million USD senior secured bond due in 2025 offering a 9.75% and paid Semi-annually.
- What would you like to know next?

#### In summary

- An opportunity to invest in a company with a reliable business model and a senior management team with decades of relevant experience.
- There is a strong security with the bonds being asset-backed and having security over a designated pool of equipment assets. The Issuer security is governed by and enforceable under English Law and assets leased by the borrower in the UAE are pledged to the trustee under a secure trust structure governed by UAE Law.
- Investors can participate with the minimum of 125 000 USD or 100 000 EUR/GBP direct or as little as \$10k via a platform account and earn up to 9.75% return.

### What are the criteria to evaluate the quality of the offer?

#### 1 - The business model

Linklease has designed a sound strategy providing innovative solutions to diverse carefully selected sectors (focusing on defensive sectors), performing rigorous asset and lessee analysis and diversifying its portfolio. Due to this, during the current COVID affected period, Linklease continued to originate new lease agreements and also renewed existing leases across a number of sectors.

#### 2 - Shortage of credit availability for SMEs

Banks are not inclined to finance SMEs in this region, yet their financing needs are estimated at \$60bn. Linklease fills the gap providing SMEs across the region with an alternative to traditional sources of finance.

#### 3 - Security of the offer

Bonds are fully asset-backed and have security over



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a designated pool of leases. The Bonds are “secured”, because the assets are held in a secure trust structure on behalf of the Bondholders and in a separate vehicle, which is bankruptcy remote. “Senior”, because investors benefit from priority of repayment in case of default.

### What makes this offer a serious one?

- Linklease is an award-winning company. It has been awarded as the most innovative SME equipment leasing company in the UAE 3 years in a row by Capital Finance International magazine.
- Linklease has a strong demonstrable track record. The Linklease team has delivered deals to the tune of 1bn across more than 3,500 transactions and have historical write-offs of less than 1.5%.
- Linklease diversifies its leasing. No asset represents more than 2.5% of its holdings; no asset class more than 10% of its portfolio; no company more than 10% of its customers; no sector of activity, more than 25% of those in which it operates.

### Why is the management qualified to deliver?

Linklease has assembled a team with specialist experience in the asset-based finance industry, who excel at client and asset assessment, as well as asset management and asset recovery

- Steve Williams (Founder & CEO) is a seasoned business and finance leader with over 25 years of proven regional and international experience. Prior to founding Linklease, Steve was the Group Chief Executive Officer of Gulf Finance, a leading SME financing organisation. Prior to joining Gulf Finance, Steve was based in Dubai with Lloyds TSB where he grew the consumer banking business from a single branch to a highly profitable, multi-branch operation across the Middle East.
- Czes Brodalka (Managing Director) leads the development of Linklease’s International businesses in Saudi Arabia, Mauritius, Africa and India. Czes is an experienced professional with more than twenty

years’ experience in the financial services and business development fields. His focus throughout his career has been the revenue growth and client acquisition through the introduction and development of new business streams and finance structure.

- Babar Malik (Managing Director) looks after the business in its core market and develops new channels for the business to engage with its clients in the UAE. He brings more than 2 decades of leasing expertise to the company. Babar has developed strong ties with local corporates and has grown a network of key relationships. Throughout his career, his focus has been to grow the balance sheet with a clear focus on sales, marketing and business development.

### What kind of clients are investing in this opportunity?

**High-net-worth individuals, Client’s looking for Fixed Income in a volatile world, Asset Managers, Portfolio Managers, Family Offices, Sophisticated investors and other institutional investors looking for:**

- diversified investments
- a regular stream of income
- reduced market volatility for their portfolio
- hedging against inflation
- an attractive yield
- private debt instruments with strong security

### What are the top 3 arguments?

#### Arguments related to the company

- Linklease is an award-winning company founded in 2014, working within one of the most stringent and controlled leasing markets in the world.
- Linklease focuses on strong vendor networks, active secondary markets, reliable equipment, and residual value.
- Linklease has a strong demonstrable track record and through their rigorous asset and lessee analysis they have built an enviable track record in managing asset backed investment.

#### Arguments related to the investors’ portfolios

- The coupon is paid directly to the investors’ bank account which can

create a stream of revenue. Coupon payments are always made in full and on time.

- The value of investors’ loan or income is not impacted by market valuations.
- 9%/9.75% yield act as an attractive alternative in the global environment of low returns as cash deposits and government bonds do not deliver more than 1-2% a year.

### What questions might prospects ask and how can you answer them?

#### What are the services Linklease provides?

Linklease offers sale and lease-back agreements as well as equipment management services. The company has implemented a robust tech framework that gives an omnipotent view of assets, able to monitor location and movement with the latest GPS tracking and RFID tagging technology - or even immobilise assets if ever necessary.

#### How will Linklease use the proceeds?

The bond programme provides Linklease with capital for new deals across various industries. The company is launching an app to allow investors to explore practical ownership opportunities of revenue generating equipment. It would allow them to own a slice of an MRI machine or JCB for example.