



LINKLEASE CAPITAL FINANCE PLC



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For further information please contact:

Sales/distribution enquiries: KNG International Advisors [Mex Office: +52 (998) 500-1627 | UK Office: +44 (207) 183-3787] [info@kngadvisors.co.uk | www.kngadvisors.co.uk]

Our latest 9.75% Bond is available for subscription

LATEST BOND & TRACK RECORD

The Linklease Finance PLC 9.75% 2025 Bond offers investors a return over a 3-year term. This latest USD Bond is the fourth series from the programme and offers a fixed semi-annual income to investors by providing Linklease with capital to originate new leasing deals.

Linklease's first USD Bond series has been running for four years, and has fully paid its first 16 coupons. The GBP Bond is over two years old, and has paid its first five coupons, and the EUR Bond is over one year old, and has paid three coupons.

KEY FEATURES

- 9.75% per annum, paid semi-annually
- 3-year term
- USD denominated
- Asset-backed
- Fixed return

Funds from this Bond will be allocated to equipment leases across a diverse range of sectors including clean energy, healthcare, logistics, manufacturing and infrastructure.

SECTOR SPOTLIGHT



As a dynamic business, Linklease regularly assesses the performance of sectors. We look to identify where the opportunities are so that we gain value for Bondholders; and to ensure that diversification and concentration are considered when building out the portfolio. In the sector update table below, we provide insight into our decision making process and how we see the factors impacting those sectors over the coming months. We've focused in on some of the interesting sectors in the region, the ones to avoid, the ones where we should grow cautiously and of course, the sectors that have strong growth potential.

		PAST 6 MONTHS	OUTLOOK 6 MONTHS	COMMENT
Clean Energy				Solar, gases, biofuel and wind continue to be strong sectors resilient as the government presses towards its environmental goals. Alternatives to traditional fuels are attractive to leasing as it usually involves capital equipment that is easily transferable. This is an 'Acquire' sector.
Lifting				UAE has seen strong economic growth in 2022 which is reflected in construction, logistics and facilities management sectors. Assets are strong with great secondary markets values. This is an 'Acquire' sector.
Manufacturing				While the manufacturing sector has also shown return to growth, the challenge is to select the right assets within the sector. Most assets in Manufacturing have challenging secondary market demand and restrictive resale values. If the right assets are available for leasing, this sector presents good opportunities and will have become an "Acquire" sector.
Medical				Healthcare is a strong defensive sector, with good residual values, and is an 'Acquire' sector for Linklease. Imaging equipment, simple laser non-invasive equipment and industrial tanks for holding oxygen and liquid nitrogen are 'Risk-off'.
Beauty & Wellness				In a similar vein to medical, the wellness sector is accelerating back to its pre-Covid level with high standards of cleanliness allowing people to return to clinics and salons to optimise themselves. This is a mainstay of Linklease's portfolio and is an 'Acquire'.
Food & Beverage				Food & Beverage, whilst an abundant sector in the UAE with wide varieties of brands and segments, the equipment used within the sector (kitchen equipment and fit-outs) is often customised has little re-sale value. 'Avoid'.
Transport & Logistics				Whilst international logistics has weakened, domestic logistics (amazon, home shopping etc.) has burgeoned. So careful expansion in this sector is undertaken only when a clear understanding of the underlying source of business is known and assessed.
Aviation/ Hub				Whilst passenger aviation has seen a significant retrenchment and is a 'Hold', commercial aviation, private aviation and small domestic jets/helicopters are continuing to operate. Leases for equipment that support these operations are 'Acquire'.
Shipping & Yachting				The importance of shipping to the global economy can't be understated. The UAE has the largest Middle East Port and ship-to-shore operation, as well as a large substantial yachting business catering for the tourist and expat market.

The UAE Economy

UAE economy is one of the fastest growing economies in the world. As per the UAE Central Bank report for 2022, the UAE's gross domestic product (GDP) grew at 7.6 per cent last year, one of the fastest growth rates in the world. Strong economic activity reflects a rise in oil production, as well as a significant improvement in the non-oil sector. The CBUAE projects real output growth to slow to 3.9% in 2023, largely reflecting a decline in oil production partially offset by the strong performance of the non-oil sector. Growth is projected to increase to 4.3% in 2024, owing to a better performance in both the oil and non-oil sectors.

Non-oil GDP growth accelerated to 6.6 per cent in 2022 from 5.8 per cent in 2021. This was due to removal of Covid-19 restrictions and recovery in global travel and tourism, the real estate and construction sectors, expanding manufacturing activity, and increased activity associated with world-class events, such as Expo 2020 Dubai and FIFA World Cup in Qatar. The largest non-oil sectors in the UAE economy include Wholesale/retail trade, Manufacturing, Real Estate followed by Tourism and Hospitality.

UAE economic highlights during 2022 also included a 10.5% increase in banking sector assets versus 2021, a 6.5% increase in insurance sector gross written premiums, a 4.6% expansion of banking credit, and a doubling of tourist arrivals. Benchmark stock indices in Abu Dhabi and Dubai rose 40.5% and 20.9%, respectively, during the year. In addition, the UAE government ended the first nine months of 2022 with an AED 169.6 billion budget surplus.

As mentioned earlier, while the economic growth in 2023 is expected to slow down to 3.9%, UAE remains one of the strongest world economies for its stability and investment prospects. Real estate, Fintech and Renewable energy are some of the key sectors which are in focus apart from traditional sectors like Manufacturing and Travel and Tourism.

Source: UAE Central Bank Report 2022

LINKLEASE FINANCE PLC

MAY 2023 – OUR RANGE OF BONDS

www.link-lease.com

KEY FEATURES

- Up to 9.75% per annum
- Available in USD, GBP and EUR
- Asset-backed
- Fixed-return
- Proven track-record; 24, in full and on-time coupons paid across the range

Please note, as of the end of December 2022, our first USD Bond is closed to new subscriptions.

All the Bonds are asset-backed and have 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.

USD BOND	9% 2023	GBP BOND	9% 2025	EUR BOND	9% 2026	USD BOND	9.75% 2025
SERIES NO.	2018-LL1	SERIES NO.	2020-LL2	SERIES NO.	2021-LL3	SERIES NO.	2022-LL4
COUPON	9% per annum, paid quarterly	COUPON	9% per annum, paid semi-annually	COUPON	9% per annum, paid semi-annually	COUPON	9.75% per annum, paid semi-annually
STATUS	Senior Secured Debt under English Law and UAE Law	STATUS	Senior Secured Debt under English Law and UAE Law	STATUS	Senior Secured Debt under English Law and UAE Law	STATUS	Senior Secured Debt under English Law and UAE Law
SERIES SIZE	Up to US\$50m	SERIES SIZE	Up to GBP20m	SERIES SIZE	Up to EUR20m	SERIES SIZE	Up to USD50m
ISIN	GB00BGWL1326	ISIN	GB00BKWG9Z31	ISIN	GB00BK9R4J84	ISIN	GB00BPLKP206
ISSUE DATE	19 December 2018	ISSUE DATE	15 July 2020	ISSUE DATE	14 October 2021	ISSUE DATE	15 December 2022
DENOM.	US\$125,000	DENOM.	GBP100,000	DENOM.	EUR100,000	DENOM.	US\$125,000
CALC. AMOUNT	US\$1,000	CALC. AMOUNT	GBP1,000	CALC. AMOUNT	EUR1,000	CALC. AMOUNT	US\$1,000
LISTING	Frankfurt (Open Market)/ Cayman Islands	LISTING	Frankfurt (Open Market)/ Cayman Islands	LISTING	Frankfurt (Open Market)/ Cayman Islands	LISTING	Frankfurt (Open Market)/ Cayman Islands

COUPON HISTORY AND SCHEDULES

USD BOND	QUARTERLY COUPON AMOUNT/STATUS	GBP BOND	SEMI-ANNUAL COUPON AMOUNT	EUR BOND	SEMI-ANNUAL COUPON AMOUNT	USD BOND	SEMI-ANNUAL COUPON AMOUNT
19-JUN-19 ¹	4.50% PAID	15-JAN-21	4.50% PAID	14-APR-22	4.50% PAID	15-JUN-23	4.875%
19-SEP-19	2.25% PAID	15-JUL-21	4.50% PAID	14-OCT-22	4.50% PAID	15-DEC-23	4.875%
19-DEC-19	2.25% PAID	15-JAN-22	4.50% PAID	14-APR-23	4.50% PAID	15-JUN-24	4.875%
19-MAR-20	2.25% PAID	15-JUL-22	4.50% PAID	14-OCT-23	4.50%	15-DEC-24	4.875%
19-JUN-20	2.25% PAID	15-JAN-23	4.50% PAID	14-APR-24	4.50%	15-JUN-25	4.875%
19-SEP-20	2.25% PAID	15-JUL-23	4.50%	14-OCT-24	4.50%	15-DEC-25	4.875%
19-DEC-20	2.25% PAID	15-JAN-24	4.50%	14-APR-25	4.50%		
19-MAR-21	2.25% PAID	15-JUL-24	4.50%	14-OCT-25	4.50%		
19-JUN-21	2.25% PAID	15-JAN-25	4.50%	14-APR-26	4.50%		
19-SEP-21	2.25% PAID	15-JUL-25	4.50%	14-OCT-26	4.50%		
19-DEC-21	2.25% PAID						
19-MAR-22	2.25% PAID						
19-JUN-22	2.25% PAID						
19-SEP-22	2.25% PAID						
19-DEC-22	2.25% PAID						
19-MAR-23	2.25% PAID						
19-JUN-23	2.25%						
19-SEP-23	2.25%						
19-DEC-23	2.25%						

1. As per the pricing supplement, the first coupon was payable six months after issuance (19 December 2018). This coupon was for two quarters.

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