

# 3 Year Note (11.0% p.a. Fixed Interest)

Available for Subscription from 8<sup>th</sup> May 2023



Steve Thomas-Williams  
Founder and CEO, Linklease

## Message from the CEO

There is a substantial credit gap in the Middle East and Africa, caused by the rapid expansion of young countries and local financial services that haven't developed at the same pace.

At Linklease, we are helping to bridge part of that credit gap by leasing equipment to quality businesses in stable and secure sectors. We understand how leasing can be a key driver for growth and we've seen our clients, in sectors such as healthcare, clean energy, logistics and infrastructure flourish in recent years. Even during the most testing times, such as those experienced during the pandemic, equipment leasing has performed in a countercyclical manner.

The latest Linklease Capital USD Loan Note provides investors with a solid and regular coupon by acquiring and leasing equipment (equipment we retain ownership of).

We have the experience and skill to manage portfolios of equipment assets and because their tangible value provides strong security during the whole life of the Loan Note, investors can have increased confidence in the protection of their principal.

Our team of professionals have a lengthy pipeline of leases ready to write – where all equipment is insured, tagged, GPS tracked and inspected (quarterly).

We look forward to you joining us as we help businesses grow and provide you with a strong return.

## Linklease Capital Senior Secured Loan Note Offering

**Linklease Capital is offering an opportunity to invest in the next stage of its growth – and become part of the burgeoning leasing market.**

They are able to offer debt investments via their limited availability 11% p.a. Loan Note – providing a low risk, high yield, asset backed investment with visible and stable income streams.

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# Senior secured loan note offering



## overview

- Linklease has been operating since 2014, primarily in the Middle East and Africa
- Fully licensed, privately held company based and registered in Dubai
- Near term pipeline of \$50m
- The UAE population is made up of over 97% expatriates – so a truly international market to conduct business
- Proven robust credit and underwriting policies – with no defaults or late payments during the Covid pandemic
- Award winner – Most Innovative SME Equipment Leasing Solution UAE 2019, 2020 and 2021
- Linklease, helps bridge the credit gap for SMEs by leasing equipment to quality businesses in stable and secure sectors.
- Leasing is a key driver for economic growth
- Our clients are in sectors such as healthcare, clean energy, logistics and infrastructure
- Even during the testing times experienced during the pandemic, equipment leasing has performed in a countercyclical manner.
- The latest Linklease Capital Loan Note offers clients the opportunity to access a fully asset backed investment opportunity with complete security for peace of mind

## security features

### STRUCTURE

- Linklease Capital is a vehicle specifically set up in Mauritius to manage existing and new leasing opportunities and issue loan notes

### RINGFENCED BORROWER

- To provide added protection for the Noteholders, a stand-alone Cell has been setup to act as the Borrower of their funds
- This allows for the ringfencing of the assets for the Noteholders
- This has been structured in such a manner as to protect the Noteholders; who have security over the assets and lease contracts
- It also ensures that the assets are ringfenced from other existing portfolios
- All assets, shares and bank accounts of any Borrower SPVs are pledged to the Noteholders

### SECURITY FEATURES

- An Authorised Security Representative will act solely on behalf of the Noteholders in the event of a default (including a failure to pay a coupon or the principal to the Noteholders) and will hold all pledges on behalf of the Noteholders

## leasing example – siemens mri scanner



Linklease focus on conservative sectors such as private medical – which is huge in the region due to the fact all residents are required to have private medical cover. Medical equipment can be very expensive, so hospitals and private clinics prefer to lease the equipment to avoid using vital cash-flow within the business.

Here is a walk-through of how a general deal could look:

- A private hospital enquires about leasing a Siemens MRI Scanner over a 3-year period
- Once the due diligence has been completed on the client and they have been approved for the lease, Linklease then source the equipment from our partner Siemens
- The equipment has a value of \$800k and Linklease take a 15% deposit and because we order multiple machines annually, we receive a 5% discount
- The equipment is installed, and the monthly lease charge begins at an average annual rate of 20%
- The lease includes a full maintenance contract, so the scanner is kept completely up to date and regularly serviced to maintain maximum value
- As the lease nears the end the client has an option to purchase the equipment at Fair Market Value (FMV) or we take it back and re-lease to another client as the equipment has a lifespan of circa 12 years. At this stage the scanner will almost be paid off in full

Medical equipment is very often ‘mission critical’ as they are fundamental to helping hospitals and clinics generate revenues (predominantly from invoicing the private medical insurance companies). As a result of the scanners essential revenue generation, the risk of the lessee not paying his monthly lease is almost zero – especially when you consider it would make little business sense to not pay say \$20,000 per month for something that generates probably 10 times that with the guarantee that the insurance covers the cost anyway.

## about the loan note

Linklease Capital is offering an opportunity to invest into their latest Loan Note, which provides investors with a secured rate of return over a three year period.

Linklease will use these funds to purchase and lease equipment assets to credit approved businesses across the Middle East and Africa.

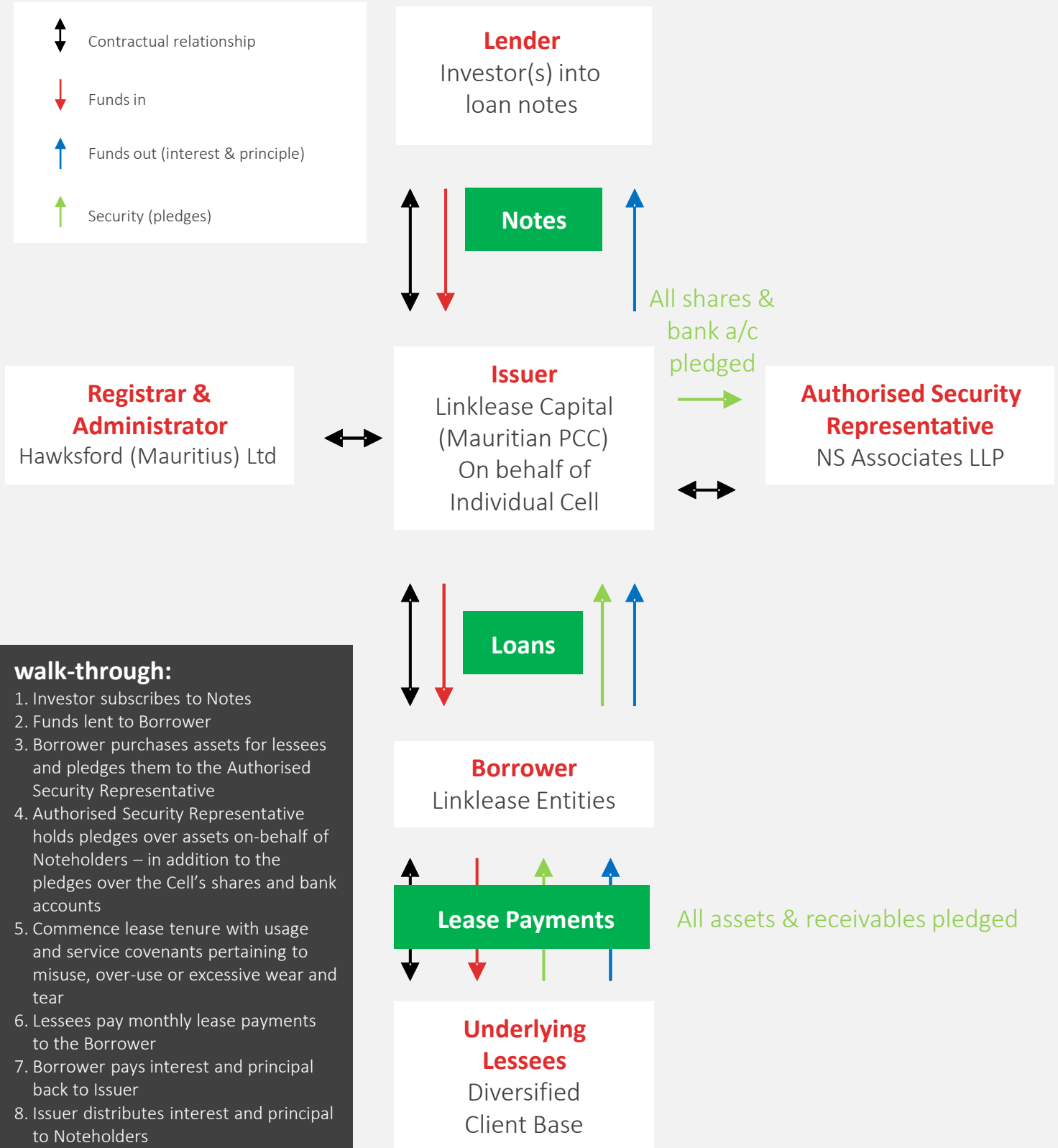
THE INVESTMENT OPPORTUNITY	3 YEAR NOTE
<b>Minimum Participation</b> Then increments of USD1,000	USD100,000
<b>Interest</b> Paid semi-annual	11.0% per annum
<b>Investment Term</b> Issuer has the option to redeem at any time prior to maturity	3 years from launch
<b>Capital Repayment</b> At end of term	100% of investment
<b>Security</b> Asset backed	All assets pledged to noteholders
<b>Transferability of Note</b> Unless approved by the issuer	Non-transferable

# Senior secured loan note security features



The Note is fully asset-backed and has security over a designated pool of leases originated and managed by the leading servicer and lease originator, Linklease Equipment Rental LLC.

**100% of the assets, shares and bank accounts are pledged to the Noteholders for their security.**





## why our clients choose to lease equipment

- No significant capital outlay
- No on-balance sheet depreciating assets
- Able to comfortably meet lease payments but no need to purchase or own the equipment
- Despite being financially sound, banks may have reached exposure appetite with the client
- Sale and lease-back proceeds can be applied to fund other working capital requirements
- Traditional providers of capital are unfamiliar with asset application and disposal routes
- A lack of trade lines to import the required equipment
- Linklease also offer cost effective programmes that can lead to the ownership of the equipment

**Linklease has been acclaimed as the Most Innovative SME Equipment Leasing Solution UAE by Capital Finance International (CFI) for three years running (2019, 2020 and 2021).**

**The CFI judges described Linklease as pioneers of leasing solutions to a wide range of industries. The Linklease team excels at client and asset assessment as well as asset management and asset recovery.**

## why our clients come to us to lease their equipment

- Linklease offers a one stop shop for all equipment related matters
- Vendors product range may be limited requiring clients to approach multiple vendors
- Banks do not offer a return option nor offer any management or maintenance aspects related to the asset
- Ownership remains with Linklease





## Who runs Linklease?

Linklease has a team of vastly experienced professionals who all have 20+ years of industry experience. The company is headed up by the founder Steve Williams, a seasoned business and finance leader with over 25 years of proven International experience.

## How many people work now at Linklease?

23 currently and we also recruiting as the business grows

## How many leases to Linklease currently have in terms of figures?

Linklease manage SPVs with a current investment value of \$77.6m which is growing by the day

## What is the market for leasing equipment in the region where you operate?

Estimated to be in the region of \$20 billion to fund moveable assets. Total SME lending required in the Gulf is said to be \$123 billion

## Linklease is working in one of the most stringent and controlled markets in the world? Why ?

The law in the UAE protects businesses from non-payments and indeed a client can be taken to court swiftly for even 1 x missed payment. The majority of equipment we lease becomes mission critical and generates valuable revenues so we become a priority to pay – The commercial level of Due Diligence carried out at the underwriting stage by our experienced team mitigates the majority of risk at the outset

## Does Linklease have competitors?

We are fortunate there is no other truly multi-sector leasing company operating in our region; which allows us to select clients from a rich pool of quality SMEs

## Do the UAE Banks offer Leasing?

Banks are unable to offer leasing as they are not permitted to own assets. A small handful have asset finance departments but they don't have big growth strategies due to the fact that the risk is too high – if a deal was to default they don't own the asset so would have to go through a lengthy court process unlike us

## What happens if a client stops paying his lease?

If we are unable to work out an amicable solution, we would then immobilize the equipment and file a repossession order with the courts – the process is estimated to take around 6/8 weeks from start to finish

## Has it happened?

Yes - We have repossessed vehicles, it takes a matter of days, they were redeployed and funds due were recovered in less than 60 days via the courts

## What types of equipment do you lease?

Equipment presently on our books; medical, aesthetic, photographic, industrial printers, fuel tankers, forklifts, commercial and passenger vehicles, bio diesel refining, industrial gas

## How safe is my investment?

There is very little risk involved in asset back instruments due to the fact we purchase physical assets with investment funds (alongside taking deposits from the underlying lessees). Our worst case scenario is if a client stops paying his lease, however, we have a ready made pipeline of clients waiting for the opportunity to lease equipment – so redeployment is swift

## I notice the investment offer period is open for 6 x months from the 8<sup>th</sup> of May 2023

### What happens if I invest halfway through this period?

You would simply receive the pro-rata return from the day you invested for the first coupon period and full coupons thereafter

### What evidence do I need to provide when I submit my application form?

As with all reputable investments we require supporting information such as certified passport copies, proof of address and usually evidence of investment proceeds – your advisor will help with this aspect

### How long will it take for my investment to go 'live' after submitting the application?

Generally up to five working days if all supporting documentation is submitted

### How do I receive my coupon payments every six months?

These are paid back to your bank account on the original subscription agreement

### What happens when the Loan Note matures after the 3-years?

100% of your original investment is repaid in full at maturity