

1.

Partner identifies End User with desire to convert owned assets into capital.

2.

BDE will work with SDE to perform cursory credit analysis on End User, if possible. Purchase lease backs generally require stronger credits.

3.

Partner and/or BDE communicate items needed from End user to provide indicative purchase lease back pricing:

4.

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5.

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- Equipment List
 - Ideally, original asset invoices including bill of materials and/or product description (Can be either HW or SW).
 - Date of purchase
 - Depreciation schedule
 - Current book value or future book value on desired finance start date
- Terms of financing desired
 - This can be broken down into multiple term segments or done as one transaction
 - If multiple segments of financing (i.e. 50% with a 12-month term and 50% with an 18-month term), then End User must delineate which equipment belongs in each segment
- Payment Structure –
 - Monthly, Quarterly, Annual, etc.
 - Delayed payment, balloon payment, etc.
- Other - Standard information required to evaluate End User credit
 - 2 year's audited financial report
 - If public, link to corporate financial information

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Common FAQ on Purchase Lease Back (PLB)

1) What is a Purchase Lease Back agreement?

A Purchase Lease Back agreement refers to an arrangement where the owner of the equipment sell it to a buyer (IMFS), but remain in possession for a specific period of time while paying rental to the buyer. The seller of the asset become the lessee and the buyer (IMFS) that purchase the asset will become the lessor.

2) What is the advantage of doing a Purchase Lease Back?

The main advantage would enable the business to release cash from its existing asset / equipment and the additional cash received can be used for other purposes such as extra working capital or for purchase of other equipment for expansion purposes.

3) Would I recognise a book loss if I perform a Purchase Lease Back and how would you determine the value for the Purchase Back?

No. We will seek to identify the value that you have on books and use this numbers as the basic for the purchase price as oppose to market value recognition which will register a book loss from an accounting perspective. Doing it on book value will also help to provide you with the most capital.

4) Is there a specific timeline for Purchase Lease Back to be perform?

No. There is not specific timeline to perform a Purchase Lease Back on the equipment.

