



RNS

Trading Statement



Trading Update

SUPPLY@ME CAPITAL PLC

Released 07:00:09 27 July 2020

RNS Number : 1360U
Supply @ME Capital PLC
27 July 2020

27 July 2020

Supply@Me Capital plc

(The "Company" or "SYME")

Trading Update

Development of Dual-Funding Model

Supply@ME Capital plc, the innovative fintech platform which provides the Inventory Monetisation[®] service to European manufacturing and trading companies, is pleased to provide an update on its Inventory funding process and Client company originations.

The SYME platform works by aligning Client companies (manufacturing and trading companies) seeking to monetise part of their inventory for cash, with Inventory Funders (debt funds, banks and similar financial institutions), that invest through the platform into portfolios of inventory assets via Securitisation Special Purpose Vehicles.

Highlights

- 1 The Company is now progressing two funding routes to achieve Inventory Monetisation:
 - Open-Funding: The Company's securitisation note programme, being managed and placed by StormHarbour Securities LLP, has seen an increase in its list of interested investors to 16;
 - Self-Funding: potential partnerships are progressing with two leading Italian banking institutions that intend to use the SYME platform to service their existing customers, whilst also providing the inventory funding capital.
- 2 Client companies already originated and awaiting inventory funding stand at 97 (up from 66 at 31 December 2019). A further 272 new Client companies have been introduced by one of the two new Self-Funding Partners and are currently undergoing SYME's rigorous assessment and due diligence processes.
- 3 Discussions with a large UK financial institution relating to a UK inventory monetisation pilot programme are progressing. Target to start the pilot by the end of 2020.

Details:

1. Inventory Funding Process

Based on positive discussions with a number of large institutions interested in investing through SYME's platform into inventory portfolios, the Company has further developed and refined its multi-channel inventory funding offer. SYME's funding offer now comprises Open-Funding and Self-Funding models.

Open-Funding

- a. Client companies are originated by the Company and its commercial partners;
- b. Inventory funding is delivered by securitisation programmes subscribed, typically, by institutional investors. The first such product is the inventory-backed note programme referred to in the Company's Interim statement published on 30 June 2020, and currently being placed by StormHarbour Securities LLP.

Storm Harbour's placing is progressing, notwithstanding the impact of COVID-19. Potential Inventory Funders involved in the securitisation programme are now working closely with Supply@ME to assess the client companies that form the inventory portfolio as the next step towards funding. There are now 16 institutional investors (mostly global asset managers) interested in progressing/investing through the process.

SYME has also started a process with two major credit rating agencies with the objective of rating future securitisation programme issuances. The Company believes that an independent third-party credit rating would further widen the group of potential inventory funders able to invest.

Self-Funding

This is an important new development of the funding model and has been requested by a number of interested institutional investors: Client companies and Inventory funding are both provided by the financial institution itself. SYME is now developing the Self-Funding model with two leading Italian Banks and is targeting a first Agreement during Q3 2020.

- a. Client companies are originated from within the existing customer base of the Inventory Funder (such as Banks and other institutions);
- b. The Inventory funding is also provided directly by the institution - effectively funding their own customers through the platform.

The Self-Funding approach enables banks and other institutions to offer the SYME service direct to their customers, such that the banks and their client base can benefit from the systems, assessment and monitoring processes of the SYME inventory monetisation platform.

2. Client Company Origination

Demand for Supply@ME Inventory Monetisation© from pipeline client companies remains high.

The average target client company typically has €100m of turnover. The average target size for each inventory monetisation transaction is circa €15m.

As reported in the latest interim financial statements, the Company's portfolio of client companies has continued to grow. This Portfolio is expected to increase significantly should the Self-Funding transaction model described above proceed because the funding institutions would add-in many of their own existing clients into the portfolio.

The tables below show growth in origination from December 2019 to June 2020 together with a breakdown of the sectors in which the client companies operate.

Value (Euro)	Dec 19	31.3.20	30.6.20
Gross origination	972m	1.22bn	1.43bn
Number of client companies	66	82	97

Sectoral concentration	%
Retail	20,62%
Materials	17,53%
Capital Goods	13,40%
Food, Beverage & Tobacco	12,37%
Food & Staples Retailing	9,28%
Consumer Durables & Apparel	8,25%
Automobiles & Components	5,15%
Pharmaceuticals, Biotechnology & Life Sciences	3,09%
Technology Hardware & Equipment	3,09%
Energy	2,06%
Consumer Services	1,03%
Health Care Equipment & Services	1,03%
Household & Personal Products	1,03%
Media & Entertainment	1,03%
Telecommunication Services	1,03%

A further 272 potential new Client companies have been introduced by one of the two Self-Funding Partners mentioned above.

3. Roll-out of the service into the UK and other new geographies

Supply@ME is working with a large, UK financial institution to arrange a first UK inventory monetisation pilot (up to 10 UK client companies) by the end of 2020, whereby a positive outcome may lead to a first Self-Funding agreement in the UK. In parallel, the Company is in discussions with several other potential UK commercial partners to commence origination of the first UK client companies.

Further feasibility studies have been initiated to assess roll-out of the Inventory Monetisation service in other geographies, as per the Company's business plan. As part of this, Supply@ME is also analysing opportunities in non-European regions.

Contacts

Alessandro Zamboni, CEO, Supply@ME Capital plc: investors@supplymecapital.com

Paul Vann, Walbrook PR Limited, +44 (0)20 7933 8780

Brian Norris, Cicero/AMO, +44 (0)20 7947 5317

Notes

Supply@ME enables businesses to generate cashflow, without incurring debt, by monetising their existing stock. Before a business has found an end customer for its inventory, the Supply@ME platform enables them to sell part of their stock and receive cash immediately, thus boosting their working capital. The Supply@Me service enables strong companies to improve their working capital cycle. SYME does not monetise inventory for companies in financial difficulty or with inventory that they are struggling to sell.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, contact rns@lse.com or visit www.rns.com.

END

TSTKKOBBPBKKOOB

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

© 2020 London Stock Exchange plc. All rights reserved.