



## Update on Business Operations

### SUPPLY@ME CAPITAL PLC

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#### Supply@ME Capital plc (The "Company" or "SYME")

#### Update on business operations

Supply@ME Capital plc, the innovative fintech platform which provides the Inventory Monetisation<sup>®</sup> service to European manufacturing and trading companies, is pleased to provide an update on its Client company origination.

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

#### Client company growth

The Interim statement released in July 2020 ("Interims") detailed the increasing demand for the Supply@ME Inventory Monetisation<sup>®</sup> service. This demand has continued to grow.

Value (Euro)	Dec 19	31.3.20	30.6.20	30.9.20
Gross origination	972m	1.22bn	1.43bn	1.64bn
Number of client companies	66	82	97	142

By the year end, on 30 September, there will be 142 Client companies, originated in Italy (up from the 97 announced in the Interims). The acceleration in the number of corporates ready to be served is a result of the re-opening of activities in Italy post the COVID-19 lockdown, combined with the positive reaction from Client companies to the progress that Supply@ME has made with its Inventory funding.

Additional Client company demand has been created by:

- the EPIC fintech platform alliance announced on 4 September which has delivered 19 Client companies into the Inventory Monetisation programme (included in the above table), and
- as announced on 27 July, the pool of 272 companies originated by one of the two Italian "Self-Funder" institutions that has resulted in the initial selection of 29 corporates upon which due diligence will commence.

Portfolio core sector analysis:

Sectoral concentration	%
Materials	21.4%
Capital Goods	21.3%
Retailing	15.5%
Food, Beverage & Tobacco	15.4%
Consumer Durables & Apparel	8.5%
Food & Staples Retailing	6.4%
Automobiles & Components	4.2%
Pharmaceuticals, Biotechnology & Life Sciences	3.0%
Energy	1.3%
Technology Hardware & Equipment	1.2%

The thirty Italian Client companies that form the first Inventory Monetisation portfolio will be notified that their target completion date is the end of October. This portfolio comprises corporates of various sizes which form part of supply chains led by the following companies.

- Materials sector
  - JSW Group: international conglomerate in steel, energy, minerals and materials
  - Stemcor London Trading: international steel trader, distributor and stockholder
  - Tosal Group: international leader in the iron and steel industry
  - Steelcom: Steel and Commodities, international steel trading business
- Capital Goods sector
  - Clarke International: manufacturer and supplier of electrical and mechanical workshop equipment
  - Tecalemit Garage Equipment Co.: a leading supplier of vehicle servicing equipment
  - Ansaldo Energia: international player in the power generation industry
- "Retailing" and "Food, Beverage & Tobacco e Retailing" sector
  - Esselunga: a leading Italian supermarket chain
  - Carrefour: a French multinational corporation specialised in retail
  - Coin: a leading Italian department store chain

The first Client companies within the new operating regions of the UK, UAE and US are currently being analysed in partnership with local partners and inventory funders. Specific updates will be provided on each of these operating regions in due course.

#### Contribution to financials

*Year ending 30 September 2020*

The SYME business model is structured such that, prior to each portfolio Inventory Monetisation, the Company generates revenues from the client onboarding processes. These revenues grow in line with the increasing size of the portfolio of Client companies. For the extended financial period to the year ending 30 September 2020, revenues are expected to be approximately £2.3m.

*Year ending 30 September 2021*

The first portfolio Inventory Monetisation is expected to have a value of approximately €300m and to complete by the end of October 2020 (the first month of the next financial year). This is expected to deliver approximately £20.5m of annual revenue into special purpose securitisation vehicles and to generate an average annual net servicing fee of £6.5m to Supply@ME. The Inventory Monetisation contracts have a three-year fixed duration plus a one-year option.

The next securitisation programmes for delivery by 31 March 2021 is now being initiated. These aim to complete the Inventory Monetisation of the remaining Client companies in the current portfolio, and may include Client companies sourced for the pilot operations in the Company's new geographies. Inventory funders for this programme will include both institutional investors, and, following regulatory approval, the Captive Bank announced on 21 September.

The Company will continue to keep shareholders updated.

#### 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 ("monetise") their stock and receive cash immediately to boost 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.

#### 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

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