



Trading Update

SUPPLY@ME CAPITAL PLC

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

Trading Update

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

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

1. Inventory Funding Programme

SYME has progressed with all three of its funding channels.

i) Open Funding

The first Open Funding transaction is the inventory-backed securitisation note programme, managed by StormHarbour Securities LLP.

This securitisation issuance is now in its final phase. During November, many of the key issuance processes were either completed or have progressed to their final stages, including:

- engagement of a specialist inventory analyst to run a final examination of the inventory before monetisation takes place,
- extensive work by the legal team Gatti Pavesi Bianchi^[1] to finalise the transaction package,
- agreements with the Inventory funder have successfully completed relating to the inventory reporting processes and the business continuity plan relating to the Platform,
- design of a new fast-track procedure to accelerate the due diligence process of Client Companies, which may increase the number of corporates monetised in the first transaction,
- the final terms of the note subscription, which are expected to be agreed in the coming days and will be announced separately.

The objective of this crucial period of work by all Parties is to deliver the first transaction and create an entirely new Inventory Monetisation asset class that reflects best practice principles established in the securitisation market. It will therefore be a repeatable and scalable investment product for subsequent rounds of securitisation.

Upon completion, expected before the Year-end, the Company will disclose the detail of the securitisation transaction and Inventory funding partner.

ii) Captive-Funding

As announced on 21 September 2020, the Company entered into a strategic agreement with a leading European Alternative Investment Firm ("Financial Partner") and SYME's shareholders, 1AF2 S.r.l. and The AvantGarde Group S.p.A. ("Co-investors") to acquire a bank in Europe. The Bank will remain independent of SYME, owned by the Financial Partner (who has committed to recapitalise it) and the Co-investors. SYME will not be a shareholder and has no costs relating to the transaction, it will, however, be the main beneficiary of the acquisition which will provide funding through the Platform, via a novel "banking as a service" model.

SYME's objective is to complete the acquisition and authorisation processes during the first quarter of 2021, such that inventory funding commitments from the Captive Bank to the Platform can begin and that the Captive Bank becomes a cornerstone investor in SYME's wider inventory funding programmes.

The Company will provide details of the Financial Partner and their market position once the acquisition is sufficiently advanced, potentially by the end of the year.

Self-Funding

Self-Funding enables banks and other institutions to offer the Inventory Monetisation service direct to their customers, such that the banks and their client base can benefit from the systems, assessment and monitoring processes of SYME's Platform.

The Company continues to work with two Italian Financial Institutions on self-funding transactions and anticipates further business synergies between them and the upcoming Captive Bank. More specifically, one of the two Institutions is developing an insurance product which could combine the future role of the Captive Bank and the unique market position of the Inventory Monetisation Platform.

2. Client Company Origination

The portfolio of Client companies continues to grow and now includes mid-cap and large-cap businesses from Italy, UK and UAE. Gross origination of Client companies has increased 16% since September 2020.

Value (Euro)	31.3.20	30.6.20	30.9.20	30.11.20
Gross origination ^[2]	1.22bn	1.43bn	1.64bn	1.9bn
Number of client companies	82	97	142	152

The partnership with the EPIC platform announced on 7 September 2020 continues to supply a strong pipeline of Client companies. In addition to the 152 corporates originated by the end of November, a further 36 Client companies should become eligible to commence the due diligence phase.

According to the GICS^[3] classification adopted by the Company, the key Portfolio core sectors are currently Materials, Capital Goods, Retailing and Food, Beverage & Tobacco.

3. New Business Geographies

UK

Notwithstanding the continued uncertainties surrounding Brexit, the Company is working to make the UK a key hub for its Inventory Monetisation service as well as a "pivot" for cross-border monetisation operations (ideal for large corporates with inventory in a number of global locations).

SYME has new agreements with the following "eco-system partners":

- SIA Group^[4], a multi-award-winning asset appraisal, advisory and disposal company providing a range of solutions to asset-based lenders, banks, financial sponsors across the UK and Europe;
- ALTIMAPA Capital^[5], which helps corporate and financial clients access capital in non-traditional funding markets. Its founder, Pedro Tavares, led the Corporate Risk Advisory team at Nomura, and the Credit Analytics team at Merrill Lynch. He started his career in quantitative analytics within banking before covering a variety of roles across structuring and analytics.

In addition, the Company is in the process of agreeing an on-going collaboration with one of the Big Four^[6] that is highly active in the development of International Financial Reporting Standards (IFRS) relating to the multi-jurisdictional themes of Inventory Monetisation, given the expansion of SYME internationally.

In relation to the Inventory Monetisation programme for UK companies, SYME has agreed a Heads of Terms with a global asset manager for an Inventory funding facility with a potential value up to €500m. In accordance with confidentiality agreements signed by the Parties, the identities of those involved cannot be announced until additional key milestones have been achieved.

UAE

With the support of the Funding Specialist announced on 3 November 2020, the approval process of the Shari'a compliant version of the Platform is progressing to plan. SYME and its advisors have engaged with the Shari'a Scholars, who conduct the Shari'a appraisal, and have targeted the end of the year for formal sign-off.

Regarding company sourcing, SYME, together with its Funding Specialist and local partner iMass, has commenced a dialogue with government parties with the objective of offering the Inventory Monetisation process to certain of their sector holding companies as an add-on to their existing digital warehouse solutions.

US

The Company and The Trade Advisory are progressing with the development of a first pilot Inventory Monetisation within the retail sector and are also evaluating an opportunity to deliver an innovative inventory "in transit" monetisation model.

Commenting on the Update, Alessandro Zamboni, CEO, said:

"We are very pleased with the progress made across all funding fronts over the past month. The securitisation issuance is now in its final phase with many of the key processes either completed or in their final stages and I look forward to announcing its closing. Furthermore, working closely with the global asset management industry, the Captive Bank project will provide an additional boost to our business by supporting the inventory monetisation of our growing client portfolio."

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; paul.vann@walbrookpr.com

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

[1] www.gblex.it.

[2] "Gross origination" includes all client companies that have signed an NDA, a term sheet, or are in or have completed the onboarding process.

[3] www.msci.com/gics.

[4] www.sia-group.co.uk.

[5] www.altimapa.com.

[6] The Big Four is the nickname used to refer collectively to the four largest professional services networks in the world, consisting of Deloitte, Ernst & Young, KPMG and PwC. 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, please contact rns@lse.com or visit www.lse.com.

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