



Trading Update

SUPPLY@ME CAPITAL PLC

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1 April 2021

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, provides the following update on its business activities and strategic initiatives.

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 special purpose vehicles.

Key points

- Managing - more efficiently - the Inventory Monetisation programme via two parallel work streams in order to:
 - optimise the funding cost for the Italian portfolio of client companies such that it could produce higher returns;
 - capitalise on the interest of the Inventory Funder to monetise a more global portfolio diversified by country.
- Gross origination of Client companies increased 13% between December 2020 and end March 2021
- TradeFlow Capital Management Pte Ltd due diligence progressing in accordance with the projected time-table
- Appointment of new Chief Financial Officer, effective June 2021

Alessandro Zamboni, Chief Executive, commented, "2020 saw the groundwork laid for a number of business initiatives which have either been implemented or are close to fruition. We have also strengthened the board and senior management team with the appointment of a Chief Financial Officer and several highly experienced individuals to key positions. Despite challenging market conditions, SYME progresses towards the completion of its first inventory monetisation transactions. The proposed acquisition of the complimentary inventory "in-transit" business is continuing and, on a successful close would bring Supply@ME closer to its goal of being a leading global inventory monetisation platform. We aim for the positive revenue impact from several of our business streams to be reflected in the Company's next Interim Statement".

On 30 October 2020, Supply@ME announced its decision to collaborate with a single Inventory Funder ("Investor") for the first securitisation issuance. The Investor agreed the monetisation structure in January 2021, following which the Company had expected to deliver on both Captive-Funding and Self-Funding initiatives by the end of the first quarter of 2021. However, SYME has since needed to invest additional time in addressing the request of the Inventory Funder to invest in a more diversified portfolio (by country) of inventory assets, and the subsequent refocus of the Captive-funding route on wholly Italian portfolios as outlined below.

1. Inventory Funding Programme: managing - more efficiently - the Inventory Monetisation programme via two parallel streams

Captive-funding route

Progress has been made with Quadrivio Group and the Captive Bank acquisition process.

The Inventory Funder, that had initially proposed to fund a wholly Italian portfolio (through the Open-funding route explained below), has expressed a preference to invest in a more diversified inventory portfolio across several countries rather than in a single country.

SYME has therefore agreed with its partners that, subject to the successful completion of the Captive Bank transaction, this Captive-funding route will be used to begin the monetisation of its Italian portfolio of Client companies. The first group of Italian Client companies that are expected to be monetised have been informed of this solution.

SYME anticipates that the Captive Bank should be able to provide a lower cost of funding than other investors which, if achieved, would deliver higher gross returns to SYME from each contract.

The Company and Quadrivio Group will provide further details of this dedicated Italian monetisation programme through a separate announcement.

Open-funding route

Inventory Funder

On 30 October 2020, Supply@ME announced its decision to collaborate with a single Inventory Funder ("Investor") for the first securitisation issuance. As noted, this investor has expressed the preference to invest in a more diversified portfolio by country. In this regard, SYME's UK team is working with the Investor to complete legal requirements and agree terms reflecting a global portfolio (in particular in the UK and UAE which both operate under UK common law, a preferred jurisdiction of this Inventory Funder).

StormHarbour Securities LLP ("SH")

Following this revised funding strategy and taking into account the growth of the portfolio shown below, SH is continuing to roll out its securitisation placing programme as per the RNS of 20 April 2020.

Shariah platform

Since its launch, the Shariah-compliant version of the Platform has seen strong levels of interest. SYME continues to work with the Shariah Funding Specialist towards a Shariah compliant capital market placement.

2. Client company origination: growth through successfully leveraging commercial partnerships

Overview

The portfolio of Client Companies continues to grow. Gross origination of Client companies increased 13% between December 2020 and the end of March 2021.

Value (Euro)	31.3.20	30.6.20	30.9.20	31.12.20	31.3.21
Gross origination ^[1]	1.22bn	1.43bn	1.64bn	2.13bn	2.4bn
Number of client companies	82	97	142	165	187

According to the GICS^[2] classification adopted by the Company, the key Portfolio core sectors are currently Materials, Capital Goods, Retailing & Food and Beverage & Tobacco. Below is a breakdown of the Client company origination with reference to the geographical region served.

Client company Geographical breakdown 31.3.21

A geographical breakdown of SYME's client company portfolio is given below. Italy continues to be the source of the majority of Client companies given that SYME has been operational in this country for longer. Over the past year, demand for the Supply@ME service has increased in the UK whilst the launch of the Shariah compliant platform has led to more interest from the MENA region.

Value (Euro)	UK	MENA	Europe (Italy)	Other geographies
Gross origination	299.4m	199.6m	1.751bn	150m
Number of client companies	22	12	152	1

3. Potential business acquisition

Proposed acquisition of TradeFlow Capital Management Pte Ltd ("TradeFlow Capital")

As announced on 17 March 2021, the proposed acquisition of TradeFlow Capital offers SYME the opportunity to complete its global offering and further extending the Company's geographic footprint.

The acquisition would also allow SYME's Platform to monetise inventory (in particular, commodities) "in-transit" and will also generate a number of benefits for SYME from both a funding and customer origination perspective. This was recently demonstrated by a partnership signed between TradeFlow Capital and The International Chamber of Commerce ("ICC") that enables the leveraging of TradeFlow Capital's innovative non-lending and non-credit based instruments and ICC's global network of more than 45 million chambers of commerce and businesses. The partnership will enable the creation of an ICC SME Fund to provide small businesses with the right level of financial support to execute import/export trades in bulk commodities.

SYME will announce a further update on the proposed acquisition in due course.

4. Corporate matters

Appointment of Chief Financial Officer

Supply@ME is pleased to announce the appointment of Ms Amy Benning as Chief Financial Officer with effect from 7 June. Ms Benning will join from Alfa Financial Software Holdings plc, a UK main market listed company. Prior to this she spent 12 years at PwC London where she specialised in UK capital raising transactions, M&A and IPOs for a range of clients.

AGM

The Company will shortly announce details of its 2019 AGM which will be held in April.

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

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[1] "Gross origination" includes all client companies that have signed an NDA, a term sheet, or are in, or have completed, the onboarding process. For clarity, the gross origination also includes commercial opportunities postponed or lost/ not eligible.

[2] www.mscl.com/gics.

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