

RNS Miscellaneous



New Loan Facility closes Agreement with Negma

SUPPLY@ME CAPITAL PLC

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02 September 2021

Supply@ME Capital plc

(The "Company" or "SYME")

Supply@ME agrees new short-term loan facility to close Agreement with Negma Group

Supply@ME Capital plc, the innovative fintech platform which provides an Inventory Monetisation© service to manufacturing and trading companies, is pleased to announce it has signed a term sheet for a short-term loan facility with a family office investor, provided by ARC Group^[1] ("ARC").

ARC Group is a global Investment Bank specialising in the middle markets, with representative offices across all continents. The Bank focuses on providing global fundraising solutions to its clients from institutional investors.

Subject to the execution of the definitive agreement, the short-term loan facility will replace the Subscription Agreement previously signed with Negma Group Ltd ("Negma Group"), as per the RNS of 16 June 2021. In relation to the Negma Group facility, the Company has made an application to the London Stock Exchange and the Financial Conduct Authority for admission to trading of 840,000,000 New Ordinary Shares (representing less than 3% of the Company's issued share capital) to be allotted to Negma Group. The remaining outstanding par value of the Convertible Loan Notes not yet converted is £2,106,000 and this residual portion is expected to be repaid in cash, funded by the new short-term loan facility.

Pursuant to the current contract executed with the Company, Negma Group:

- will not undertake any short sales of the Company's Ordinary Shares or any lending of the Company's Ordinary Shares;
- with respect to any disposal of Ordinary Shares on any given day, will not participate in more than twenty five percent (25%) of the daily Value Traded with respect to the Ordinary Shares on such day.

Loan conditions

The new agreement with the family office provided by ARC will help to ensure that the Company continues to be well capitalised and increases its balance sheet flexibility enabling its growth initiatives.

SYME has agreed to the following key terms for the facility:

- Initial tranche of £5 million, with a further £2 million available within 60 days;
- 12-month term, with an interest rate of 10%;
- Warrants will be issued for 20% of the £7 million loan value. The warrants will have a term of 3 years and exercise price of 130% of the lowest closing VWAP over the ten days immediately preceding the issue of the loan.

The ARC short-term loan facility will be linked to a Convertible Loan Note facility (CLN), should the Company require cash to facilitate further growth and need to trigger the facility.

At the same time SYME will work closely with ARC to further explore a dual listing on NASDAQ. In this regard, SYME will benefit from ARC's expertise in supporting foreign issuers on their journey onto NASDAQ and post-listing.

Alessandro Zamboni, CEO, Supply@ME Capital plc, said: *"This is a key development for Supply@ME providing us with further flexibility to execute our plans and accelerate our expansion in key markets. ARC was impressed with our recent developments, confirmed by the recent trading update and the related revenue guidance. I am very pleased to strengthen our relationship with ARC at this important stage in our company's growth and I look forward to working with them closely as we further our efforts towards a dual listing. I would like to thank the Negma Group for the support provided which has enabled us to acquire TradeFlow and to support our recent growth initiatives as we move towards securing our first inventory monetisation transactions."*

Jesús Emilio Hoyos, Managing Partner of ARC Group, said: *"As the Financial Advisor to Supply@ME, we are very excited to facilitate this partnership between the Company and this Family Office. We believe that this is the beginning of great journey together and that the funds will help support the future growth of the Company."*

Notes

The Company enables businesses to generate cashflow, via a non-credit approach and without incurring debt, by monetising their existing stock which is intended to be sold to end-customers or through monetisation of goods and or commodities as part of a typical import/ export transaction. SYME' Global Inventory Monetisation Fund enables creditworthy companies to improve their working capital cycle. The Fund does not target monetisation of inventories owned by companies in financial distress or otherwise seeking to monetise illiquid inventories.

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[1] <https://www.arccap.us/>

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