

RNS    Miscellaneous



## **New £7million Loan Note Facility completed**

### **SUPPLY@ME CAPITAL PLC**

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**29 September 2021**

### **Supply@ME Capital plc**

(The "Company" or "SYME")

### **New £7 million Loan Note Facility completed**

### **Supply@ME finalises short-term loan facility with Mercator Capital Management Fund LP to close Agreement with Negma Group**

Supply@ME Capital plc, the fintech business which provides an innovative Platform for use by manufacturing and trading companies to access Inventory Monetisation© solutions enabling their businesses to generate cashflow, is pleased to announce that further to the agreement of term sheets, as per the RNS of 2 September 2021, it has now finalised and signed a short-term loan facility with Mercator Capital Management Fund LP ("Mercator").

Mercator is a Cayman regulated fund, introduced to the Company by ARC Group ("ARC"), a global Investment Bank specialising in the middle markets, with representative offices across all continents. ARC focuses on providing global fundraising solutions to its clients from institutional investors.

The short-term loan facility replaces the Subscription Agreement previously signed with Negma Group Ltd ("Negma Group"), as set out in the RNS of 16 June 2021. Following the most recent issuance of 840,000,000 New Ordinary Shares which were allotted to Negma Group as per the RNS of 2 September 2021, the remaining outstanding par value of the Convertible Loan Notes not yet converted of £2,016,000 is expected to be repaid in cash by the Company, funded by the new short-term loan facility.

SYME will also use the funds to support the Group's growth and its ongoing working capital requirements. SYME will also continue to work closely with ARC to further explore its 'NASDAQ dual listing' project.

**Alessandro Zamboni, CEO, Supply@ME Capital plc**, said: *"We are delighted to finalise our agreement with Mercator Capital Management Fund. The funds will increase our balance sheet flexibility and ensure we are well funded as we continue our business expansion. We are hugely grateful to ARC for introducing us to a high-quality funding partner"*.

#### **Detail of the Loan arrangement**

SYME has agreed to the following key terms for the short-term loan note facility:

- Initial draw down of £5 million, with a further £2 million available within 60 days subject to certain conditions precedent;
- 12 month term, with an interest rate of 10%; and
- Warrants will be issued representing 20% of both tranches. The warrants will have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the issue of the warrants.

The short-term loan note facility will be linked to a Convertible Loan Note facility (CLN), which can be used should SYME elect not to repay any of the interest or principal relating to the short-term loan notes in cash (for example, if the Company decides to preserve cash for working capital requirements or to facilitate further new strategic initiatives). The CLN facility is for the same aggregate value as the short-term loan facility including interest (£7.7 million) and can be drawn in tranches equal to the monthly loan repayments. The CLN contains the following key terms:

- Issued at par value;
- 12 month term with a conversion price of 85% of the lowest 10 day closing VWAP prior to the issue of the conversion notice. Mercator can convert CLNs on request once issued. The Company can elect to repay in cash any CLNs which are not subject to any conversion requests at 105% of the outstanding nominal value;
- Any CLNs outstanding on the first anniversary of issue will automatically convert into Ordinary Shares; and
- Warrants will be issued for 20% of each tranche. The warrants will have a term of 3 years from issue and an exercise price of 130% of the lowest closing VWAP over the ten trading days immediately preceding the request to issue a new tranche.

The Company has given Mercator customary warranties in respect of certain commercial matters. The Company has also agreed not to undertake certain matters without the Investor's consent (not to be unreasonably withheld, delayed or condition), including undertaking further indebtedness, charging its assets and issuing shares (subject to certain exemptions, including share issues to employees, directors and their related parties).

#### **Notes**

Supply@ME Capital PLC and its operating subsidiaries (together the "Group") provide an innovative fintech platform (the "Platform") for use by manufacturing and trading companies to access inventory trade solutions enabling their businesses to generate cashflow, via a non-credit approach and without incurring debt. This is achieved by their existing eligible inventory being added to the Platform and then monetised via purchase by third party Inventory Funders. The inventory to be monetised can include warehouse goods waiting to be sold to end-customers or goods/commodities that are part of a typical import/export transaction. SYME announced in August 2021 the launch of the Global Inventory Monetisation Fund ("Fund") which will be focused on both inventory in transit monetisation and warehouse goods monetisation. This Fund will be focused on creditworthy companies and not those in distress or otherwise seeking to monetise illiquid inventories.

#### **Contacts**

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