

## **Baltic Exchange and TradeFlow Capital Management complete pioneering escrow transaction for a commodity export trade**

**SINGAPORE, 09 January, 2022** – As the result of a partnership between the fintech-enabled fund manager TradeFlow Capital Management (TradeFlow), part of the Supply@Me Group (LON:SYME), and the Baltic Exchange, a leading provider of global freight market information and other maritime services, TradeFlow and the Baltic Exchange have successfully completed a pilot escrow transaction as part of a commodity trade executed through TradeFlow.

The transaction, which involves a shipment of agri-commodities from India to China, heralds a new age in the fast and secure digital exchange of ownership of physical commodities and payment. The service will initially focus on the underserved segment of small and medium-sized enterprises (SMEs) operating in the bulk commodity markets.

This successful test case paves the way for greater adoption of technologies and escrow processes which will reduce paperwork, minimise transaction time, and improve the overall efficiency of commodity trades, increasing the turnover velocity of capital in the commodity trade ecosystem without compromising security.

With a growing SME trade finance gap estimated by the Asian Development Bank (ADB) to be in excess of USD 1.7 trillion, this revolutionary use of escrow within a commodity trade holds the promise of unlocking and enabling additional SME commodity trades worth billions of dollars each year.

The Baltic Exchange runs an independent escrow service that holds funds on behalf of clients in dedicated escrow bank accounts. The service has been adapted to meet the needs of a range of markets and uses cases including asset sale & purchase transactions, disputes and as security for vessel chartering activities.

Dr Tom James, CEO and CIO of TradeFlow said: “Partnering with the Baltic Exchange is instrumental to achieving TradeFlow’s mission of enabling more trades for SMEs worldwide and delivering investment-grade strategies and products for investors at the same time. The Baltic Exchange’s services are highly complementary to our unique non-credit, non-lending, asset-backed approach which relies heavily on the simultaneous and secure exchange of ownership documentation with the payment to the suppliers of commodities we are investing in.”

John Collis, CRO of TradeFlow added: “Using traditional methods to execute these transfers can result in capital being tied up for many weeks which brings added costs and capital inefficiencies into the whole trade ecosystem. We have been impressed by the ease with which we were able to work with the Baltic Exchange and how smooth the entire escrow process has been.”

Mark Jackson, Baltic Exchange Chief Executive said: “We’re delighted to support this innovative initiative with TradeFlow. The independence and credibility of the Baltic Exchange backed up with robust processes and infrastructure, allows us to provide an escrow service that supports a wide range of businesses and applications.”

[End of Release]

### **Media Contacts**

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### **About the Baltic Exchange**

The Baltic Exchange represents a global community of shipping interests. These include shipowners, charterers and shipbrokers who are collectively responsible for handling a large proportion of the world's dry cargo and tanker fixtures, freight derivative trades as well as the sale and purchase of merchant vessels.

The Baltic Exchange is regulated by the UK's Financial Conduct Authority (FCA) pursuant to the EU Benchmark Regulation. It is the trusted provider of data for the settlement of physical and derivative freight contracts, underpinning risk management tools for the shipping and transportation markets.

Founded in 1744, the Baltic Exchange is headquartered in London with regional offices in Singapore, Shanghai, Athens, Stamford and Houston.

In 2016 the Baltic Exchange was acquired by Singapore Exchange ("SGX").

#### **Baltic Exchange services:**

- Daily benchmarks for dry, wet, container and gas freight markets
- OPEX, S&P, ship recycling & forward assessments
- Air cargo assessments
- Escrow and dispute resolution support
- Executive training via the Baltic Academy
- Networking for shipping professionals

[www.balticexchange.com](http://www.balticexchange.com)

## **About TradeFlow Capital Management**

TradeFlow Capital Management (TradeFlow) is the world's first Fintech-powered commodity trade enabler focused on SMEs. TradeFlow consists of a diverse team of experts with the focused mission of addressing the increasing trade finance gap faced by global SMEs operating as producers/traders/end-users in the bulk commodity trading space. By performing an enabling role in international trade and globalization, TradeFlow creates growth opportunities for businesses and economies.

**TradeFlow transforms the risk associated with SME company import/export Commodity transactions that form the lifeblood of modern economies into Investment Grade products for Banks and Investors. It achieves this by using a proprietary Risk Transformation Engine (RTE) combined with the latest Digitalisation technology including Artificial Intelligence to power its innovative non-credit, non-lending model. TradeFlow's RTE architecture provides the added advantage of superior risk-adjusted returns and capital preservation for investors and is highly complementary to traditional trade finance lending institutions like Banks.**

To date, TradeFlow has successfully invested in more than US\$750mn of physical commodity trade through 800+ transactions across 15+ countries and 25+ commodity types, with more than 800 SME counterpart entities KYC reviewed. As part of its unique business model, The TradeFlow Funds\*, advised by TradeFlow, were conceived in 2016 and launched in 2018.

To facilitate Environmental, Social and Corporate Governance (ESG) objectives that support the United Nations Sustainable Development Goals (UN SDGs), TradeFlow has implemented its Climate Impact Strategy (CIS) leveraging on its unique trade investment model since December 2020.

In July 2021, TradeFlow was acquired by Supply@ME Capital plc, the innovative fintech platform that provides the Inventory Monetisation© service to manufacturing and trading companies, and which is listed on the London Stock Exchange. The combined strengths of both entities further TradeFlow's ability to fulfil its mission of enabling trade for SMEs worldwide, and in doing so, support the UN SDGs.

TradeFlow is a Partner of the International Chamber of Commerce (ICC) to mobilise capital and improve trade finance access for small and medium-sized enterprises (SMEs) worldwide through the "ICC Trade Now" and "ICC Digital Trade Standards Initiative" platforms.

We are a FinTech Certified Company (SFA), a Corporate Member of the Singapore FinTech Association (SFA), a Member of the Alternative Investment Management Association (AIMA), a Member of the Bankers Association for Finance and Trade (BAFT), an Associate Member of EuroCham Singapore, and a Gold Member of the South African Chamber of Commerce.

TradeFlow is a Registered Fund Management Company (RFMC) regulated by the Monetary Authority of Singapore (MAS).

*\* No.1 SME-focused trade finance fund in annual net returns to investors in 2020, as reported by Prequin Alternative Investment Database records*

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