

RNS Miscellaneous



Capital Enhancement Plan & Revised Date of Results

SUPPLY@ME CAPITAL PLC

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27 April 2022

Supply@ME Capital plc

(The "Company" or "SYME")

Capital Enhancement Plan to support implementation of the upcoming 2022 Strategic Plan:

New equity funding agreement secured; Mercator loan agreement restructured;

Revised date for Publication of 2021 Annual Accounts.

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 a Capital Enhancement Plan.

The Capital Enhancement Plan principally comprises:

- The entry into a binding agreement dated 27 April 2022 with Venus Capital SA ("Venus Capital") to enable SYME, subject to customary conditions, to draw down up to £7,500,000 in new equity capital (the "Capital Raise") from the date of the Agreement to 31 July 2023 through the issue of new ordinary shares in tranches.

Venus Capital is a Luxembourg investment company with a long-term strategy focussed on investments in diversified sectors, including the fintech industry.

It is the intention of the Company to enable its existing shareholders to participate in an Open Offer in order to offer existing shareholders the ability to acquire new ordinary shares and warrants at the same subscription price as Venus Capital's Capital Raise mandatory tranches.

Further detail on the arrangements with Venus Capital are set out under "Key Terms of the Funding Facility" below.

- The entry by the Company and Mercator Capital Management Fund LP into an amendment deed dated 26 April 2022 (the "Mercator Amendment") to the Loan Note Instrument and Convertible Loan Note Instrument (together the "Instruments") announced in the Company's RNS dated of 29 September 2021. The Amendment is aimed at avoiding further conversions under the terms of the Instruments and allows the Company:

- to repay in cash the £678,333.34 of outstanding Convertible Loan Notes issued by the Company on 4 March 2022, using the proceeds of the first tranche of the Capital Raise;
- to repay in cash to Mercator the balance of the outstanding Loan Note Instrument, through an updated instalment plan, in accordance with the current terms and conditions of the Instruments and the new conditions comprised in the Mercator Amendment.

Pursuant to the Mercator Amendment, Mercator has further agreed that the Company is required to issue only one further tranche of warrants related to 20% of the most recent Loan Note Instrument monthly repayment of £678,333.34.

- The application to access specialised SME loan facilities provided by Italian commercial banks with the support of government guarantees to further lower the cost of capital and enhance shareholder value. In connection with this application, the Company established on 25 March 2022, Supply@ME technologies S.r.l. (the "NewCoTech"). The purpose of NewCoTech is to hold the Group's Intellectual Property rights relating to the Platform, together with future developments in a dedicated entity. This will highlight the value generated by the Platform in terms of trademarks, technology and innovative legal & accounting frameworks. It is also envisaged that NewCoTech will be the direct counterparty of White-Label contracts and other potential strategic partnerships which the Group is evaluating.

In March 2022, the Company appointed an independent adviser to prepare it for its next phase of growth, which will focus upon the delivery of long-term business objectives and its governance system requirements. Likewise, the Capital Enhancement Plan forms part of the Group's new 2022 Strategic Plan (the "2022 Strategic Plan") the Board will present to shareholders.

The Company will shortly announce details of a General Meeting of shareholders to seek the necessary authorisations for the implementation of the Capital Enhancement Plan.

Revised date for publication of the 2021 Annual Report and Accounts

In the Trading Update RNS of 31 December 2021, the Company announced that it expected to publish its Annual Report and Accounts for the year ended 31 December 2021 by the end of April 2022.

Following consultation with its auditors, the Company now confirms that publication of the Accounts will be slightly deferred to allow more time to complete the audit process. It now expects to publish these Accounts no later than 31 May 2022 utilising the FCA's two-month temporary relief from reporting deadlines due to the impact of the Covid-19 pandemic. Such relief was updated by the FCA on 23 March 2022.

SYME Chief Executive, Alessandro Zamboni said:

"The Capital Enhancement Plan will provide Supply@ME with both commercial and financial support during the next phase of the Group's development. It's also great to involve our existing private investors shareholding base in this new journey. Accompanying the new 2022 Strategic Plan, the Board expects the Capital Enhancement Plan will help to create value for all shareholders. I'm excited to partner with Venus Capital and its powerful eco-system of long-term investors. I would like to thank Mercator Capital Management Fund LP for the flexible support they have provided to the Company in a period of global economic uncertainty".

SYME Chief Financial Officer Amy Benning said: *"As the business continues to recover from the impacts caused by the Covid-19 pandemic, the implementation of the Capital Enhancement Plan is an important step for Supply@Me's next phase of development and growth."*

Key terms of the Funding Facility:

SYME has agreed the following key terms with Venus Capital for the equity funding facility:

- Binding commitment to draw down up to £7.5m via multiple tranches with a longstop date of 31 December 2023.
- Mandatory draw-downs equal to £3.75m in a number of tranches.

The first tranche comprises 2,770,000,000 ordinary shares (raising £1,385,000). Application has been made to the Financial Conduct Authority and to the London Stock Exchange for admission of such ordinary shares to be admitted to the standard segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively ("Admission"). It is expected that Admission will occur at 8.00 a.m. on or around 28 April 2022.

- Additional optional tranches equal to £3.75m can be drawn down at the Company's election subject to certain conditions.
- Subscription price for the mandatory tranches: fixed price of 0.05 pence (approx. 21.5% discount to the lowest market closing price of the last 52 weeks). Subscription price for the optional tranches: the lower of (a) 0.05 pence and (b) 85% of the lower of (i) the volume-weighted average price of the ordinary shares over the 15 Business Days before the date one Business Day before admission to trading of the shares comprised in the relevant optional tranche; and (ii) the closing bid price of the ordinary shares on the second Business Day immediately before the date of admission to trading of the ordinary shares comprised in the relevant optional tranche.
- Warrants issuance:
 - following the signing of the binding agreement, the Company will issue 3,250,000,000 warrants to Venus Capital.

Mandatory tranches

- on the completion date of each mandatory tranche, the Company will issue to Venus Capital 1 Warrant for every 2 Subscription Shares comprised in such tranche;
- the exercise price of the warrants is 0.065p with the warrants exercisable at any time up to 31 December 2025.

Optional tranches

- on the completion date of each optional tranche, the Company will issue to Venus Capital 1 Warrant for every 5 Subscription Shares comprised in such tranche;
- the exercise price of the warrants is 0.065p with the warrants exercisable at any time up to 31 December 2025.
- In June 2022, the Company will launch an Open Offer reserved to existing shareholders giving them the ability to participate on the same terms as Venus Capital as to the subscription price and associated warrants related to the mandatory tranches. Any Ordinary Shares not taken up by existing shareholders through the Open Offer will be subscribed by Venus Capital in July 2022, as part of its binding commitment to provide up to £7.5m.
- Opportunity, at the discretion of the Company,
 - to draw down, commencing from June 2022, a bullet-loan of up to £1.95m repayable in shares with a maturity date of 31 December 2025 at a 10% p.a. of interest rate; the principal of the loan also includes also the financing of the arrangement fees for the transaction equal to £450,000.
 - to accelerate receipt of the proceeds expected from the issuance of the optional tranches by the end of December 2022, by publishing a prospectus. In this case, the Company will accelerate the raising of the additional proceeds relating to the optional tranches (up to the aggregate binding commitment of £7.5m) and, with reference to the previous point, will also issue further shares to repay the loan earlier, saving the related finance costs.

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 a global Inventory Monetisation programme which will be focused on both inventory in transit monetisation and warehouse goods monetisation. This program will be focused on creditworthy companies and not those in distress or otherwise seeking to monetise illiquid inventories.

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