

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU, WHICH IS PART OF UNITED KINGDOM DOMESTIC LAW PURSUANT TO THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS (SI 2019/310) ("UK MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION (AS DEFINED IN UK MAR) IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

5 May 2023



Supply@ME Capital plc
(the "Company" or "SYME")

Execution of first Inventory Monetisation© transaction using traditional funding sources

SYME, the fintech business which provides an innovative fintech platform (the "Platform") for use by manufacturing and trading companies to access Inventory Monetisation© ("IM") solutions enabling their businesses to generate cashflow, is pleased to announce the execution of the first IM transaction using traditional funding sources (the "IM Transaction").

This announcement follows recent Company updates, including the RNS of 26 April 2023, when SYME disclosed that Supply@ME Stock Company 1 s.r.l. ("StockCo") had secured a binding commitment provided by an institutional investor (the "Investor") to invest in the IM Transaction, pursuant to the Company's action plan to work with a consortium of European investors to fund IM transactions with monetisable value of up to €5m, as announced on 20 January 2023.

The counterparty to the IM Transaction is an Italian client company, which is one of the market leaders in the tyre re-treading sector with operations around the world (the "Client Company").^[1]

The IM Transaction has been structured as follows:

- StockCo, the same entity which executed the inaugural IM transaction which was announced on 12 September 2022, entered into the commercial contractual package, with a duration of three years, with the Client Company to execute the IM Transaction. Due to the seasonal nature of demand for the Client Company's inventory and fluctuating levels of inventory which it holds, the total value of the warehoused goods to be monetised is forecasted as follows:
 - €650k as an initial tranche;
 - €550k as a planned tranche, with a best endeavours commitment from both StockCo and Client Company to complete such planned tranche before 31 December 2023; and
 - throughout the duration of the IM Transaction, a potential increase up to €10m of eligible inventory, by virtue of the right of first refusal retained by StockCo.
- with reference to SYME's wholly-owned subsidiaries:
 - Supply@ME S.r.l. ("Supply@ME Italy"), acting as originator and servicer, has in place an operating agreement with StockCo which includes an annual inventory servicing fee and, additionally, will charge the Client Company an up-front origination fee; and
 - Supply@ME Technologies S.r.l., the owner of the IM intellectual property rights and Platform provider, has in place a license agreement with StockCo and will charge an annual Platform fee. The Platform will be used by the Client Company to upload inventory to be monetised, integrate and transfer the Enterprise-Resource-Planning data to allow the necessary monitoring and inspection activities by StockCo, supported by Supply@ME Italy.
- StockCo, in turn, shall issue a bond subscribed for by the Investor. The security package of the bond comprises of, *inter alia*, a non-possessory pledge on the inventory owned by StockCo. This leverages the recently approved Italian legislation *pegno non possessorio* (the "PNP Regulation").

The total expected average annual fees to be invoiced by the Company's wholly-owned subsidiaries, as detailed above, over the duration of the IM Transaction, equates to approximately 2.7% of the gross value of the Client Company's inventory to be monetised by the StockCo. This is towards the upper range the Company expected could be achievable for the "Captive" Platform servicing fees as set out in the revenue model previously disclosed by the Company.

Alessandro Zamboni, CEO of SYME, said: "We are thrilled to be able to announce the execution of the first IM transaction powered by traditional funding sources, which is also the second IM to date facilitated using our Platform."

"Each IM transaction validates Supply@ME's proprietary model and clearly evidences the value which we can assist corporates, funders and client companies to unlock. Moreover, this IM transaction confirms that we are continuing to achieve the upper range of our expected returns."

"The structure of the contractual agreement we have facilitated will provide a blueprint for future IM transactions using traditional funding sources in Italy, backed by the PNP Regulation, opening the door wide open to others in our pipeline and boosting the finalisation of white-label agreements with banks."

For the purposes of UK MAR, the person responsible for arranging release of this announcement on behalf of SYME is Alessandro Zamboni, CEO.

Contact information:

Alessandro Zamboni, CEO, Supply@ME Capital plc, investors@supplymecapital.com

Notes:

SYME and its operating subsidiaries provide its 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 warehoused goods waiting to be sold to end-customers or goods 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 warehoused goods monetisation. This programme will be focused on creditworthy companies and not those in distress or otherwise seeking to monetise illiquid inventories.

^[1] Investors should note that SYME is not able to disclose the names of client companies unless such entities have given express permission to do so.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCFIFVEEAIEIV