

Abal Group Plc
("Abal" or "the Company")

**Proposed Acquisition of Supply@ME S.r.l ("Supply@ME")
Proposed Change of Name to Supply@ME Capital plc
Proposed Admission of the Enlarged Share Capital to the Official List
and the Main Market of London Stock Exchange
and
Notice of General Meeting**

This Announcement should be read in conjunction with the circular and prospectus and a circular being posted to shareholders, dated 4 March 2020 detailing the proposed acquisition of Supply@ME., approval of whitewash, a proposed change of name, the proposed admission of the enlarged share capital of the company to the Official List and to trading on The London Stock Exchange's Main Market and notice of general meeting.

Background

Abal announces the proposed acquisition of the entire issued share capital of Supply@ME, an international fintech company which provides an innovative, proprietary inventory monetisation service to companies in a wide range of industrial sectors.

The enlarged group's market capitalisation on Admission, at the issue price under the acquisition will be approximately £227.5 million.

Through a placing and a vendor placing, a total of £42.18 million of Ordinary Shares have been placed with institutional investors and other investors. Further details of the placing and the vendor placing are set out below.

Introduction

Having created a proprietary platform, Supply@ME is re-inventing the inventory financing facilities market by providing manufacturing and trading companies with the means to unlock the value of inventory.

The Supply@ME business

The Directors and Proposed Directors believe that Supply@ME presents an attractive opportunity for the Company and its shareholders for the following reasons:

- *leading global platform in a large, underserved inventory financing market*
 - Supply@ME is a growing innovative "inventory monetisation" platform, having originated more than €300 million of prospective "inventory monetisation deals" in its first six months of operating (to June 2018);
 - in the first half of 2019, an additional prospective €300 million was originated. As at the date of the publication of the Prospectus and Circular to Abal shareholders, dated 4 March 2020, €972 million of prospective contracts have been originated. The Directors and the Proposed Directors believe this makes Supply@ME one of the fastest growing inventory FinTech providers internationally.
 - the target addressable inventory financing opportunity in Supply@ME's markets is estimated to comprise £1.9 trillion of inventory under management

- *attractive underlying business model, increasing customer and investor demand*

The Directors and the Proposed Directors believe that the Enlarged Group can continue to enhance Supply@ME's competitive position and market share across multiple territories, because of a virtuous circle of growth main drivers:

- The offer is attractive to customers which creates growing demand for the service;
 - With better data sets and systems, more customers, and a more diversified set of inventory assets to securitise, increasing numbers of funders are attracted to the platform
- *proprietary Inventory risk and trading platform, driving efficiency and platform quality*
Supply@ME already utilises methodologies to create an attractive and efficient proposition for both customers and funders. It utilises an integrated approach to value optimisation and inventory risk assessment throughout the customer lifecycle, from due diligence while onboarding, to initial inventory assessment, inventory trading and monitoring ongoing inventory movements
 - *experienced management team and entrepreneurial values-driven culture*
Supply@ME has built an experienced management team which has a blend of deep functional experience across financial services, financial services regulation, technology, product development, supply chain financing and risk management, as well as entrepreneurial experience

Background to the Acquisition

On 5 February 2019, Abal became a cash shell, pursuant to AIM Rule 15 following the completion of the disposal of its core operating business and assets. On 27 September 2019 the Company announced that it had entered into a conditional sale and purchase agreement to acquire the entire issued and to be issued share capital of Supply@ME.

Supply@ME has developed an innovative, proprietary, digital system which underpins a fintech platform that enables customer companies to carry out inventory de-recognition transactions by transferring their unsold stock of goods to stock companies established by Supply@ME, thus achieving significant benefits in those customers' balance sheets while maintaining the availability of the stock of such goods so as to enable them to continue to sell them to their end customers.

Conditional Placing and Vendor Placing

The placing comprises 331,604,094 new ordinary shares at 0.6756p per share, raising £2.24 million (before expenses) which will be used to finance the development of Supply@ME and for working capital. A further 5,912,021,519 of proposed consideration shares (totalling £39,941,617) have been conditionally placed out in a vendor placing.

Expected Timetable and Notice of GM

Further to the announcement dated 06 August 2019, trading in the Company's Ordinary Shares on AIM was cancelled on 7 February 2020, pursuant to AIM Rule 41.

The Acquisition and all related arrangements is subject to the approval of Shareholders at a General Meeting of the Company to be held on 20 March 2020, notice of which is set out at the end of the circular, which is was posted to Shareholders on 04 March, and which will be available on the Company's website: www.abalplc.com.

Admission of the Enlarged Ordinary Share Capital to the standard listing segment of the Official List and to trading on the Main Market of the London Stock Exchange, following Approval at the General Meeting, is expected to take place on 23 March 2020.

Simon Charles, Chairman of Abal commented:

"I am pleased that at long last we are putting proposals to shareholders for an exciting acquisition. We are very enthused by the growth prospects for Supply@ME. It has an impressive fintech platform and management team who have designed an inventory monetisation chain which we believe could transform the market. By providing innovative proprietary solutions it is tackling growing working capital constraints which have traditionally been impacted by the difficulties in tracking & monitoring inventory. As such, we believe there is huge growth potential for the business."

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