

IFC and Demica Partner to Unlock \$9.8 Billion for Suppliers, Distributors in Emerging Markets

London, October 1, 2018—IFC, a member of the World Bank Group, and Demica, one of the world’s largest working-capital financial technology firms, today announced a new partnership that will help unlock as much as \$9.8 billion in annual financing for suppliers and distributors in emerging markets—particularly small and medium enterprises.

In addition, IFC participated in Demica’s \$25 million second round financing that will enable the company to further expand internationally, move into inventory finance and continue to invest in its technology and operations. Additional investors in this round included Wyelands Capital, a member of the GFG Alliance, alongside strong involvement from the existing investors: JRJ Group, TOMS Capital, and 76 West Holdings.

Small and medium enterprises in emerging markets face a finance gap of \$4.5 trillion—and the scarcity of working capital and trade finance accounts for much of that gap. Demica’s proprietary technology platform enables suppliers around the world to sell their receivables and optimize their cashflow simply and at low cost—by connecting them to large corporations and investors. Demica facilitates more than \$90 billion a year in working-capital financing, connecting more than 150 corporations with suppliers and customers across more than 130 countries.

“IFC’s investment is an amazing endorsement from one of the world’s largest multilateral institutions,” said Matt Wreford, Demica’s CEO. “We have been working closely with them for the past twelve months and are excited about the deepening relationship. This strategic partnership will materially enhance our clients’ ability to ensure all of their suppliers can access low cost liquidity irrespective of jurisdiction.”

By 2022, IFC’s investment in Demica is expected to facilitate \$9.8 billion in annual financing for suppliers and distributors in emerging markets—at least 40 percent of

which will be small and medium enterprises.

“Supply chains are becoming more global, introducing currency and jurisdiction complexity for investors in working-capital finance,” said Andi Dervishi, who leads IFC’s fintech investments. “At the same time, those supply chains want more capital choices and faster capital delivery. Hub-and-spoke, multi-jurisdiction and multi-currency models like Demica’s provide the business model and the infrastructure to meet these needs. Such approaches are key to IFC’s drive to create new markets by changing market architecture and market participation.”

About Demica

Demica is a rapidly growing Fintech providing working capital solutions to large corporates and banks with a broad range of receivables, inventory and payables finance products. The company focuses on multinational clients all over the world, across industries and sectors. Over the past three years, Demica has materially expanded its origination, structuring, implementation and placement teams to enable it to offer a seamless end-to-end solution to a wide universe of clients. In parallel, significant investment in its proprietary technology platform has enabled it to automate complex, high volume programmes and release billions of dollars of trapped working capital from supply chains. Today, over \$9bn of funding is outstanding on the platform, provided by a diverse range of banks and institutional investors. For more information, visit www.demica.com

About IFC

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities in the toughest areas of the world. In fiscal year 2018, we delivered more than \$23 billion in long-term financing for developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org

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