



PRESS RELEASE

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KIMURA AND PENINSULA PETROLEUM ARE DELIGHTED TO ANNOUNCE THE COMPLETION OF A NEW TRADE FINANCE FACILITY WHICH WILL PROVIDE AN ALTERNATIVE SOURCE OF LIQUIDITY FOR THE MARINE ENERGY SUPPLIER'S VESSEL FUEL DISTRIBUTION NETWORK IN THE MEDITERRANEAN

Leading integrated global marine fuel supplier Peninsula Petroleum ('Peninsula) and asset manager Kimura Capital ('Kimura') have today announced a new collaboration that will provide strategic funding for fuel supply operations in the Straits of Gibraltar, where Peninsula has operated since 1996.

Peninsula operates across 18 offices, employing around 380 people, controlling a fleet of approximately 40 vessels and benefits from strong support from both suppliers and financiers. With a conservative approach to risk across its integrated business units, Peninsula maintains a diverse base of partners to provide liquidity to its operations. Kimura has approved an initial Uncommitted Borrowing Base Financing Facility to provide working capital financing for a portion of the group's STS (ship-to-ship) supply business focused on the Strait of Gibraltar. The Loan Facility will be secured by pledge over the underlying fuel products financed, with product releases to Peninsula's customer-base being prepaid with funds credited to Kimura, prior to release. Very Low Sulphur Fuel Oil (VLSFO) will be the primary product financed under the new facility, as Peninsula enters 2021 with strong momentum from IMO 2020-compliant reduced emissions fuel supply.

'Lending into this type of transaction would have traditionally been dominated by banks. The growing level of both external regulatory, and internal policy restrictions has forced them out. With bespoke, agile and scalable funding solutions offered by established asset managers in the Commodity Trade Finance space, partnerships such as this add value for even the largest of global players as a source of liquidity diversification; especially for funding structures where inventory turnover is fast', says Alan Gordon, Kimura Global Head of Trade Finance.

Tom Francisco, Peninsula's CFO added "We are delighted to add Kimura to our growing liquidity pool. We appreciate Kimura's ability to structure a bespoke facility which provides the logistical flexibility needed in this region. Kimura have demonstrated the ability to step into transactions where traditional trade commodity finance banks find it more challenging to operate. We are excited to be partnering with Kimura to grow our business."

'As a leading supplier of marine energy globally, Peninsula is well-served by their existing relationship banks and we are aware that Peninsula's banks will step in at later stages of the same overall supply chains Kimura has agreed to finance. By collaborating with banks as part of the same, longer cycle of funding, offering a blended overall cost of funds for the trader, Kimura can help the trader maximise the monetization of their assets at each stage of supply and distribution', says Harry Hitchcock, Kimura Origination.

Alternative sources of finance have seen increasing demand from SME's across the wider commodity sector since tightened regulatory capital requirements came into effect and full or partial withdrawals of flagship trade banks from the sector have exacerbated the gap. Prior to the COVID-19 pandemic the International Chamber of Commerce (ICC) estimated the trade finance gap to be \$1.5 trillion in 2019. Estimates now put that number anywhere between \$3tn and 8tn. For global trade to continue

to thrive, other means of financing are required. This is where commodity trade finance funds such as Kimura move to the fore in supporting the real economy.