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The Directors of the Company, whose names appear on page 5 of this document and the Company, accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge of the Directors and the Company (having taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Application has been made for the Enlarged Issued Share Capital to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 13 November 2013.

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The whole of the text of this document should be read. You should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in Part II of this document.

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EU Supply PLC

Incorporated and registered in England and Wales with registered number 08513444

**Placing of 22,123,894 ordinary shares of 0.1p each at 22.6p per ordinary share
and
Admission to trading on AIM**

Westhouse 

Nominated Adviser and Broker

The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, paid or made after Admission.

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Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Westhouse Securities from the date of this document for the period ending one month after Admission.

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KEY INFORMATION

The following information is extracted from, and should be read in conjunction with, the full text of this document. Investors should read the whole document and not rely solely on the information in this “Key Information” section or any other information summarised in this document.

Overview

EU Supply is the UK holding company of the EU Supply Group, a Sweden-based e-commerce business which has an established, market-leading, multilingual e-procurement platform for e-sourcing, e-tendering and contract management, tailored for the highly regulated European public sector market.

The Directors believe that the Group’s Complete Tender Management (“CTM™”) platform is one of the easiest to use and most functionally advanced solutions available in the market. The platform is provided under a SaaS contract model, and is developed and maintained as a single product. The platform has been designed to be configurable online and can be quickly, easily and cheaply configured to a customer’s specific needs, delivering a bespoke solution for each customer without any additional programming. The Directors believe that this combination provides the Group with a significant advantage over its competitors.

A very high proportion of the Group’s current revenue is generated from recurring annual licenses and support fees for the provision of the CTM™ platform.

The Directors believe that the increasing legislation in the e-procurement market, such as the proposed EU directives, presents the Group with an imminent opportunity to grow, in a market with significant barriers to entry, which is expected to grow rapidly in the next five years.

Since 2006, the Group has invested heavily in employing specialist programmers to add functionality, legal compliance as required and security features to the CTM™ platform to ensure that the Group is ideally placed to secure new contracts with Member States and their Contracting Authorities. The platform is available in 16 different languages. Furthermore, the CTM™ platform has a modular design, which allows ease of configuration and rapid roll-out. The Directors believe the Group now has one of the leading products in its market and is looking to recruit additional salespeople and bid management employees to market aggressively to prospective clients across the Member States.

The CTM™ platform today, at a glance:

- is used by over 6,500 European public sector bodies in 10 Member States;
- has National Procurement System status in four Member States (namely the UK, Ireland, Norway and Lithuania);
- is one of the market leaders in public sector e-procurement in Denmark and the Netherlands;
- approximately 250,000 tenders have been managed on the platform since 1999; and
- has approximately 250,000 supplier organisations currently registered on the CTM™ platform.

Placing and use of proceeds

The Group is seeking to raise £5.0 million through the Placing of the New Ordinary Shares. Application has been made to the London Stock Exchange for the Existing Ordinary Shares and the New Ordinary Shares to be admitted to trading on AIM, which is expected to occur on 13 November 2013. The net proceeds of the Placing will be used to strengthen the Group’s balance sheet, provide working capital to support the organic growth of the business as it expands and aims to gain market share, principally through the recruitment of additional salespeople and bid management employees and to repay borrowings, leaving the Group debt free on Admission.

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS SET OUT IN PART II OF THIS DOCUMENT

PLACING STATISTICS

Placing Price	22.6p
Number of Existing Ordinary Shares in issue prior to the Placing and Admission	35,541,602
Number of New Ordinary Shares being issued pursuant to the Placing	22,123,894
Number of Ordinary Shares in issue immediately following Admission	57,665,496
New Ordinary Shares as a percentage of the Enlarged Issued Share Capital	38.4 per cent.
Gross proceeds of the Placing	£5.0 million
Estimated net proceeds of the Placing receivable by the Company	£4.455 million
Expected market capitalisation at Admission	£13.0 million
AIM Ticker	EUSP
SEDOL	BFG3557
ISIN	GB00BFG35570

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	7 November 2013
Admission and dealings in the Enlarged Issued Share Capital to commence on AIM	8.00 a.m on 13 November 2013
CREST accounts credited	8.00 a.m. on 13 November 2013
Despatch of definitive share certificates, where applicable	20 November 2013

References to time are to London time unless otherwise stated. Each of the dates in the above timetable is subject to change without further notice.

DIRECTORS, SECRETARY AND ADVISERS

Directors	David Richard Cutler, <i>Non-Executive Chairman</i> Thomas Bo Beergrehn, <i>Chief Executive Officer</i> Mark Westcombe Elliott FCA, <i>Chief Financial Officer</i> Steffen Patrik Karlsson, <i>Non-Executive Director</i> all of 26 Red Lion Square, London WC1R 4AG
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Registered Office of the Company	26 Red Lion Square London WC1R 4AG
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PART I

INFORMATION ON THE EU SUPPLY GROUP

Introduction

EU Supply is the UK holding company of the EU Supply Group, a Sweden-based e-commerce business that has an established, market-leading, multilingual e-procurement platform for e-sourcing, e-tendering and contract management, tailored for the highly regulated European public sector market.

With over US\$30 million invested in developing the Group's Complete Tender Management ("CTM™") platform, the Directors believe the platform is one of the easiest to use and functionally advanced solutions available in the market. The platform is provided under a SaaS contract model, and is developed and maintained as a single product. The platform has been designed to be configurable online and can be quickly, easily and cheaply configured to a customer's specific needs, delivering a bespoke solution for each customer without any additional programming. The Directors believe that this combination provides the Group with a significant advantage over its competitors.

While the Group's customers include both private and public organisations, the Group has identified the European public sector market as the most attractive short-term target. The Manchester Agreement (2005) called for all public administrations across EU Member States to have the capability of carrying out 100 per cent. of their procurement electronically, where legally permissible, and for at least 50 per cent. of public sector tenders above the OJEU threshold value to be managed electronically by 2010. Although not all Member States succeeded in meeting this target, many countries, including the UK, introduced e-procurement solutions via framework agreements or legislation that mandated phases of tendering online.

In December 2011, the European Commission published a proposal for directives which would require, from 30 June 2014, all public bodies or authorities that are governed by public law to ensure:

- all of their tender notifications and documents are available electronically;
- all Central Purchasing Bodies to manage tender submissions electronically;
- from June 2016, all Contracting Authorities to manage tender submissions electronically;
- streamlining of dynamic purchasing systems, e-auctions and e-catalogues; and
- introduction of e-CERTIS, a mandatory electronic clearing-house which lists exhaustively the certificates and other proofs which Contracting Authorities may request from suppliers.

The Directors believe that the increasing legislation presents the Group with an imminent opportunity to grow, in a market with significant barriers to entry for others and which is expected to grow rapidly in the next five years.

Since 2006, the Group has invested heavily in employing specialist programmers to add functionality, legal compliance as required and security features to the CTM™ platform to ensure that the Group is ideally placed to secure new contracts with Member States and their Contracting Authorities. The platform is available in 16 different languages. Furthermore, the CTM™ platform has a modular design, which allows ease of configuration and rapid roll-out. The Directors believe the Group now has one of the leading products in its market and is looking to recruit additional salespeople and bid management employees to market aggressively to prospective clients across the Member States.

The Group continuously develops the CTM™ product and has already implemented many of the key requirements expected to be introduced as part of the proposed EU directives referred to above, for example, direct online availability of tender documents. The Group works with its larger customers to develop new modules to meet their requirements, recently adding dynamic reporting and contract life cycle planning modules. The CTM™ platform now also offers a business alert service for all of its approximately 250,000 registered supplier organisations.

The CTM™ platform today, at a glance:

- is used by over 6,500 European public and private sector bodies in 10 Member States;
- has National Procurement System status in three Member States (namely the UK, Ireland and Lithuania) and Norway;

- is one of the market leaders in public sector e-procurement in Denmark and the Netherlands;
- approximately 250,000 tenders managed on the platform since 1999; and
- has approximately 250,000 supplier organisations currently registered on the CTM™ platform.

At the current run rate, the CTM™ platform handles more than 75,000 tenders per year, all of which are hosted on service platforms that allow customers to manage tenders end-to-end, from specification to award. More than 4,500 tenders are typically open at any one time on the platform.

To comply with regulation and other requirements in various Member States, the Group has developed a strong Information Security Management System (“ISMS”), achieving IL3 for its UK business in 2009 and ISO 27001 certification for all its business processes in 2011. The Directors believe that ISO 27001 or similar information security systems will be required soon by most public sector bodies in the EU. The Group has also participated in the PEPPOL project since its inception. PEPPOL is the European Commission’s “Pan-European Public Procurement Online” project for implementing standards and aligning business processes for electronic procurement across Europe, (www.peppol.eu). The Group has already developed support for, and piloted, several of the new standards expected to be introduced in the “pre-award” e-procurement market (for example, digital certificate validation and the use of e-catalogues). The Group has seen a number of tenders requiring adherence to PEPPOL standards, and the Directors believe that early compliance with PEPPOL requirements may give the Group a competitive advantage. The Directors consider that these requirements, accreditations and standards represent a significant barrier to entry for competitors and that the Group’s ISMS is one of its key strengths.

A very high proportion of the Group’s current revenues is generated from recurring annual licenses and support fees for the provision of the CTM™ platform. Many of the Group’s larger customers also require additional paid-for integrations and enhancements, which the Group has built as configurable options within the main product, retaining full ownership of any new IP developed. For most new customers, there is also an implementation programme, which includes configuration of the platform to the customer’s requirements (or inheritance of standard templates already set up), and training for users at different levels in the customer organisation. The Group also provides technical and operational support to customers and their end users.

The Group’s sales team is led by Thomas Beergrehn, Chief Executive, with one full-time salesperson operating in Denmark and one part-time salesperson in Norway. Both of the Group’s dedicated salesmen have strong solution sales backgrounds and proven track records. The Group utilises sales and distribution partners in some Member States, such as The Netherlands, Norway and France. The Group has offices and employees in London, Stockholm, Tallinn and Roskilde and a further employee in Oslo.

The Group is seeking to raise £5.0 million through the Placing of the New Ordinary Shares. Application has been made to the London Stock Exchange for the Existing Ordinary Shares and the New Ordinary Shares to be admitted to trading on AIM, which is expected to occur on 13 November 2013. The net proceeds of the Placing will be used to strengthen the Group’s balance sheet, provide working capital to support the organic growth of the business as it expands and aims to gain market share, principally through the recruitment of additional salespeople and bid management employees and to repay borrowings, leaving the Group debt free on Admission.

History of the Group

eu-supply.com svenska AB (“Svenska AB”), the precursor to the current Group, was founded by among others, Thomas Beergrehn, the Group’s Chief Executive, in May 1999 focusing on the provision of e-auction management for contractors, builders and property developers and the public sector.

1999-2002

The original CTM™ platform was developed in-house and its first e-auction was managed in November 1999.

After demonstrating this success, Internet Capital Group Inc (“ICG”), a US-based venture capital fund made two significant investments totalling approximately £15 million, to fund the development of the CTM™ platform. Between February and April 2000, Svenska AB established local sales teams in Sweden, the UK, France and Germany and managed its first auctions in each country within three months of establishing the

local sales team. Svenska AB's strategy at this time was to capitalise on its "first mover advantage" and capture market share. To support Svenska AB's growth, more funding was required, so a third round of marketing was initiated. However, market conditions in the first quarter of 2002 were particularly difficult for technology companies and following ICG's decision not to invest further funds, Svenska AB went into insolvent liquidation on 14 January 2002.

In February 2002, the intellectual property and certain other assets of Svenska AB were acquired by a new group of investors and a new group structure was created under EUS Holdings Limited, managed by Thomas Beergrahn.

2002-2009

The Group's revised strategy was to focus most of its own resources on building its intellectual property and to establish partner/franchise relationships to market the CTM™ platform, without the Group being directly exposed to sales and marketing costs.

In 2004, a number of new EU directives were introduced and the Group saw an increase in interest and requests from the public sector. The Group thus shifted its focus to larger public sector organisations and Central Purchasing Bodies in EU Member States. In 2005, the Group was awarded a significant contract by British Nuclear Fuels Limited.

During 2007, the Group was awarded national system agreements in Lithuania and Norway as the sub-contractor to local distributors who already had strong customer relationships, and hired its current salesman in Denmark. During 2007 and 2008 the Group targeted several additional Member States, which were lacking National Procurement Systems (required to comply with the Manchester Agreement), whilst also developing the CTM™ platform to ensure it complied with Danish bylaws expected to mandate e-tendering in public sector building projects. In addition, the CTM™ platform was adopted by Het NIC, one of the leading public procurement consulting firms in the Netherlands.

In 2009, the Group was awarded the e-sourcing framework for the UK public sector by Buying Solutions (since renamed Government Procurement Service) on behalf of HM Treasury and another UK national framework by Eastern Shires Purchasing Organisation (ESPO). Later that year, the Group fulfilled its commitments to HM Treasury by becoming IL3 certificated for its UK business. The Group was also awarded a large contract with Trafikverket (national roads and rail) in Sweden.

During the period of 2002 to 2009, the Group's focus was on building the CTM™ platform and growing revenues with limited funding.

2010-2013

During 2010 and 2011, the Group continued to focus on sales in the UK, Denmark and via partners in the Netherlands. The Group also concluded sales partner contracts with Tradecom and Central-e for the Portuguese market in light of new laws mandating tendering in the public sector. It was not possible to obtain the necessary local accreditations with CEGER in time for the 2009 bid process in Portugal, but a new national framework agreement was opened for competition in 2012.

In 2011 the Group secured ISO 27001 certification for all business processes in anticipation of increased information security requirements across the EU. This was specifically required under the contract with HM Treasury. As well as security, many customers were seen to require tender management and contract management in combination and the Group responded to these requirements by significantly enhancing its contract management module.

During April 2012, following the European Commission's announcement of the proposed directives, the Group decided to plan for an IPO to raise equity capital to allow the business to exploit the window of opportunity expected to occur as Contracting Authorities prepared for the introduction of the proposed EU directives.

In May 2012, the Group entered into a contract to perform piloting, configuration and adaptation of its platform for a pan-European organisation. Following tender evaluations and several demonstrations to different user groups, the Group was selected as the preferred solution.

During the third quarter of 2012, having just been awarded the Irish national tender management system contract, the Group received preferred bidder indications on two new contracts. In order to be prepared to deliver more than one significant contract at any one time, the Group decided to strengthen its development team immediately. The Group raised £1.8 million during 2012 and 2013, mainly through the issue of convertible loan notes, and hired additional development staff and a project manager, who was later appointed as COO. The Group developed the required functionality for the Irish contract and additional features required to compete for the additional tenders.

In July 2013, the Group was successfully awarded the Doffin contract, which has an initial term of seven years (with options for extensions for up to five more years) and is expected to contribute £0.4 million of revenue per annum, starting in January 2014. Doffin is the Norwegian government's platform for the mandatory publication of notices of public contracts, and for economic operators to search and view contract notices of interest. The Group is now delivering the enhancements required for Doffin ahead of the system launch in December 2013. The enhancements include services for receipt of contract notices from external platforms, instant "as you type" full-text search, notice templates and other enhancements, all of which are expected to strengthen the Group's competitive position in the EU. The Group is building these enhancements in a modular manner to allow Contracting Authorities to, subject to applicable legislation, procure and simply turn "on" additional modules when required to comply with the pending EU directives.

The e-Procurement Market

Electronic tender management and pre-award procurement processes were first implemented in a material way during the late 1990's. However it was not until the early 2000's that adoption became more widespread. Initial solutions typically targeted only parts of the tender management process, for example, the Group started with e-auctions only.

All stages of the pre-award procurement process may now be managed electronically without the need to create and manage paper documents. The intention of this is to enable receipt of more tender responses (including cross border responses) and improve effectiveness of the tender process. Further direct cost savings may also be obtained through the use of e-auctions and spend aggregation.

Many governments have made public procurement more easily available to their respective authorities via national framework agreements (for example, the UK, Norway and Portugal) and/or national platforms (for example, Lithuania and Ireland). Some Member States have chosen to fully mandate e-tendering through their national legislation, for example, France mandated e-tendering in some procurement categories in 2005 and Portugal mandated it for all public procurement in 2009. Other Member States currently allow authorities to choose when and how to implement solutions, for example, Sweden and Denmark.

The Directors believe demand for e-procurement solutions in the EU public sector will grow as authorities seek to comply with the expected legislation, reduce costs and seek better control and transparency of their procurement processes.

The Directors believe that private sector growth will be driven by companies recognising that cost savings can be achieved relatively easily through better procurement and efficient selection of outsourcing partners on a project-by-project basis. In particular, the Directors believe that the construction industry would benefit from this approach, as sub-contracted services and the supply of goods and materials typically account for in excess of 75 per cent. of the total cost of a project and margins are low.

The Group's own forecasts of the market opportunity indicate that the European market for e-tendering solution licences and support could grow from €75 million in 2013 to €350 million in 2017. In addition to licences and support, the Directors estimate that the value of associated implementation services (training, configuration, paid-for enhancements and integrations) could add approximately €100 million per annum by 2017.

The Directors also consider there are significant opportunities to capture revenue from associated services such as the provision of credit rating reports (as required for many tender submissions) and providing an alert service for upcoming or new tenders advertised on the platform. The Group expects the European market for these associated services to reach €350 million by 2017.

The Directors estimate that if 10 per cent. of all public procurement is outsourced to the private sector, the market for outsourced sourcing, e-tendering, contract management services and auction event management services could reach €3 to 5 billion in the European Union within the next 5 to 8 years.

CTM™ Platform Overview

The Group's platform, CTM™, is a fully web-based, modular, SaaS e-tendering and contract management software product. All users access the CTM™ platform as Software as a Service, the vast majority via one of the Group's dedicated server environments hosted in the European Union and a small number via partner hosted environments based in Lithuania, Portugal and the UK.

Customers use the CTM™ platform to manage tenders and contracts for services, goods and works.

CTM™ offers a comprehensive range of functionality, including the following:

- Procurement and contract life cycle planning;
- Spend aggregation across a consortium;
- Tender specification;
- Supplier profile maintenance;
- Distribution of tender specifications to qualified bidders (and/or publication of notices);
- Preparation of tender responses;
- Receipt of proposals and opening procedures;
- Management of qualification;
- Evaluation of tenders;
- Auction management;
- Dynamic Reporting;
- Contract creation and management;
- Supplier performance evaluations;
- Supply Chain Collaboration; and
- Further competitions.

The platform provides intelligent support to both customers' procurement management staff and suppliers' bid teams throughout the procurement process. For example, CTM™ contains libraries of common questions and documents for procurement staff to choose from and intelligently suggests requirements that might need to be added to tender specifications based on the tender category. CTM™ pre-populates responses for suppliers based on prior tender submissions, warns both the bidder and the customer of non-compliance and omissions and provides automated evaluation of structured responses. This increases efficiency and effectiveness for both the organisation issuing tenders and those submitting tender responses.

Following the award of a contract, the platform can also assist in contract management, including contract creation, performance evaluation and control of the organisation's supply chains. Framework agreements may also be published on special web pages integrated with customers' intranets for easy access by their staff.

Modules can be switched on and off at a sector level, organisational level, unit level and even procedural level. The ability to enable or disable individual modules and customise options within the CTM™ platform allows it to be easily configured for use in both smaller organisations, where ease of use is typically the primary concern, and larger organisations with more elaborate tendering procedures and workflows.

Key Strengths of the CTM™ Platform

All customers use the same version of the CTM™ platform, with various combinations of modules and customisation applied. This removes the need for bespoke coding/versions which can be costly and time-

consuming to maintain. It also facilitates quicker implementation for new customers, reduced “cost of ownership” for customers and lower long-term hosting, maintenance and support costs for the Group. The Directors believe that CTM™ is one of the only e-tendering solutions worldwide that meets the requirements of the applicable legislation in most EU Member States from a single product, whilst at the same time allowing significant, timely and cost-effective customisation by individual customers.

The CTM™ platform is purpose-built and includes a range of specialised functionality:

- configurable online: this allows customisation at low cost, within short lead times and also increases buy-in within organisations;
- hierarchical specification model: ensures adoption of consistent best practices across Member States or organisations, whilst maintaining the ability to adapt the requirements at a local level if desired;
- intelligent support for buyers, for example, in setting specifications (ability to carry over previous tender requirements and structured libraries) and automated evaluations;
- intelligent support for suppliers, for example, pre-population of tender responses based on previous responses, a feature now sought by nuclear operators in the UK;
- advanced functionality for management of structured tenders, for example questionnaires for qualification and evaluation;
- full end-to-end tender and contract management coverage;
- security features for ISO 27001 and IL3 certification covering both CTM™ and all the Group’s business processes; and
- multilingual product design, available in 16 different languages.

The CTM™ platform also has many specialised features to support public sector construction contracts, with multi-level tendering through longer supply chains and bills of quantity management, with cross-referencing to specifications, all of which are already required by law for management of larger tenders in Danish public sector construction projects.

Platform development

Management and development of the CTM™ platform is conducted in-house. The Group has 19 staff working in product development. Of these, 15 are focused on development, 2 are focused on product management, architecture and code reviews and 2 are focused on testing. The Group also employs 3 members of staff focused on site operations and infrastructure.

The Group uses agile development methods (SCRUM) to develop the platform, deliver updates and for “hot fixes” as required. The risk of systems conflicts and other development issues are minimised by automated system builds and testing, complemented by manual testing throughout the development cycle. Since 2009, the Group has ensured in excess of 99.9 per cent. availability of its services.

The development team releases upgrades to the CTM™ software approximately every quarter, with typically one or two minor updates between each upgrade. The Group releases new versions typically at night or at weekends, scheduled well in advance and timed to suit customers’ requirements.

While many of the enhancements to the CTM™ platform introduced during the last two years have been in response to key clients’ needs, they are designed to allow flexibility, scalability and optional use over time by other customers. Recent and current examples of this include:

- Entity Management (“EM”), which was expanded and modularised in 2012;
- new evaluation engine which was built during 2012 and 2013 and is now available in beta form;
- capacity increase to allow more than 400 bidders in specific tenders;
- Procurement Planning and Dynamic Reporting modules, which were built during 2012 and 2013;
- more advanced search engine for notices, with both “phased” search and “instant full text” search ability; and
- interfaces for integration with external record management systems, which are currently being built.

The CTM™ Platform Modules

The CTM™ platform's modules are web-based, ensuring ease of access for both buyers and suppliers and allowing traceability of all actions. The SaaS delivery model enables wide market reach, high security, low one-off set up costs and low on-going maintenance, operation and support costs.

The ability to configure CTM™ online allows straight-forward customisation to meet multiple customers' demands on the same platform without incurring additional hardware, software and ongoing support costs. Customers can choose their own branding, terminology templates for messages, procedures, notices etc, and combine these with libraries of requirements by category and workflow. In addition, this can be effected on a hierarchal basis, which is of particular interest to EU Member States and larger organisations that require some aspects of the e-tendering and contract management processes to be standardised across many individual contracting organisations/departments, while allowing exceptions on a more local level.

Templates and libraries of good practice configurations can be set up at a "central level" and then pushed or brought down to the desired sector, group and/or organisation that manages tenders and contracts. Certain other aspects of the tender parameters can also be set by the specific requirements of that sector, group and/or organisation, and may even be selected on a tender by tender basis (to the extent supported by the applicable policy).

The key modules are:

e-Tendering

Customers can plan and create tenders online and configure the process and content based on their specific procurement policies and requirements. Tenders can be efficiently managed, including the use of templates and data structures that allow a high degree of automation, sub-modules for specific public sub-sectors, category libraries and publication directly to the OJEU, national publication websites and the contracting organisation's own website.

Spend aggregation

The "Spend aggregation" module provides the ability to structure and aggregate demand across multiple organisations ahead of launching a tender. Within this, users have flexibility to configure different alternatives within the shared scope (such as configuring and ordering computers from different suppliers).

Entity Management

Suppliers register and maintain their profiles online, including quality certificates and corporate documents. Management of supplier registrations allows the Group to build and manage a supplier database, including category profiling. Suppliers who register on the CTM™ system can be automatically alerted to the posting of a new relevant tender request. Organisational hierarchies/group structures and vetting and approvals processes are also supported.

e-Auction

The platform allows the co-ordination of forward and reverse auctions compliant with public sector rules. CTM™ supports a wide range of evaluation models, auction models, multi-lot/multi-line bidding (all monitored on a single screen) and a clever "what you see is what you must beat" presentation for bidders, in which, after submitting all criteria other than price, it is made clear for each bidder what price-bid is required to reach a winning position, hence driving the auction to the "best value" for the authority or private sector buyer.

Dynamic Purchasing System (DPS)

The CTM™ platform accommodates special DPS procedures aligned with the 2004 EU directives, which allow new bidders to qualify for the framework for the duration of the framework. The Directors believe that DPS is particularly useful in categories where services or products rapidly develop and where all economic operators in a category may not initially meet the new requirements.

e-Contract Management

Following the decision to award a contract, CTM™ allows the creation of project-based and framework contracts directly online. It allows for the creation of new "standalone" contracts or the importing of entire contract

registers created offline or in another system. Contract teams may be assigned roles, rights and tasks following a schedule of activities. CTM™ can then be used for performance evaluations, online Key Performance Indicators (“KPI”) tracking, evaluation, variation orders and generating statistics. For framework contracts, it also allows for multiple types of call-off procedures and further competitions depending on the contract type.

Contract Life Cycle Planning

Contract life cycle planning allows purchasing organisations to set up their own templates to automatically project forward completion dates, calculate milestones from specified target completion dates, determine roles and allow reporting against plans. All plans are automatically updated as information is provided via the other modules. There are interfaces to import plans from other tools, for example, the import and export of key event data to SAP.

Dynamic reporting and data warehousing

Once bidders have provided data to the CTM™ platform, the platform is able to provide dynamic reporting using SSRS (third party reporting service software). The “Report Builder” allows users to customise their own reports, whilst preserving information integrity and security and restricting information extractable by users, depending on their access privileges.

Services

The Group provides additional value through a wide range of services, for example, workshops on how to best configure CTM™, change management, training, auction event management, enhancements and integrations, configuration of reports, spend analysis and general procurement services.

Information Security Management System

Security is a cornerstone of the Group. The Group is ISO 27001 certified for all its business processes (awarded in 2011 and renewed annually) and is accredited to Impact Level 3 (“IL3”) by HM Treasury (first awarded in 2009 and renewed annually) in accordance with HMG IA standards (as now required across the UK Government), which allows handling of restricted information. IL3 accreditation for the Group’s business requires annual penetration testing, baseline personnel checks and pre-employment screening before the hiring of all staff. The Group’s distributors of CTM™ in Portugal (Central-e and Tradecom) have also been accredited by the Portuguese CEGER.

The Group is aware of the need to align itself with future requirements and is therefore contributing to the implementation of new standards in the industry. It has been a pilot member of PEPPOL since the programme started in 2008. The Directors believe that PEPPOL compliance is likely to become a widely required standard soon for e-procurement businesses in the EU. The Group is also a contributor to the European Commission’s e-Tendering Expert Group and the CTM™ platform has been included in the European Commission’s Golden Book of e-Procurement Good Practices.

Principal Markets

The Group’s primary markets are the UK, Denmark, the Netherlands, Norway, Ireland, Lithuania, Sweden and Portugal.

UK

The UK represents the Group’s largest market and accounted for approximately 36.6 per cent. of the Group’s revenues in 2012. The Group typically contracts directly with end users under one of the nationwide e-procurement frameworks, such as:

- e-Sourcing framework;
- G-Cloud framework; led by Buying Solutions/Government Procurement Services on behalf of HM Treasury; and
- the Eastern Shires Purchasing Organisation (“ESPO”).

The Group is currently listed on G-Cloud, a comprehensive framework which is open to UK authorities, allowing them to procure e-Sourcing solution services without the need for full-blown competitive tenders.

The UK is a highly fragmented market and consequently, pricing in open market tenders is competitive. The Group therefore focuses mainly on direct agreements with customers.

Key customers include British Nuclear Fuels (Sellafield Limited) several nuclear site licensees and a large number of customers in the NHS via hubs (for example, NHS South West, NHS North East Patches and NHS Shared Business Services).

The Group considers the UK market an essential part of its strategy.

Denmark

Denmark is one of the Group's largest markets. The Group contracts directly with more than 40 end users and approximately 20 more indirectly via procurement consultants or the Central Purchasing Bodies. Denmark accounted for approximately 15.8 per cent. of the Group's revenues in 2012.

There are a large number of procurement consultancies and several large Central Purchasing Bodies, such as Statens og Kommunernes Indkøbs Services A/S ("SKI"), Finansministeriets indkøb ("Statens Indkøb"), KOMBIT A/S ("KOMBIT"), Dansk Servicerådgivning ApS ("DSR"), and Publicure Advokatfirma P/S ("AlmenIndkøb") that manage tenders on customers' behalf. KOMBIT, DSR and Publicure Advokatfirma P/S are EU Supply customers.

To increase the transparency and cost efficiency of public sector construction work, bylaws were issued in 2007 which mandate e-tendering and e-project management for higher value projects partly funded by the Danish Central Government.

The Group employs its own sales professional in Denmark. It has developed client relationships in most key segments and with several of the larger CPBs and procurement consultancies. The Directors believe that the Group is regarded as a market leader of e-tendering and contract management solutions in most public sector segments in Denmark and customers are willing to pay a premium for the additional security, services and functionality offered by CTM™.

Following a number of recent contract wins, the Group has recruited two additional support, account management and implementation staff to meet demand. Customer satisfaction is very high, and the renewal rate is more than 95 per cent. among contracts that formally terminate.

In total, more than 20 of the close to 100 local authorities and 5 of the 8 universities in Denmark are customers of the Group, which has given the Group a strong reputation within the public sector. Clients such as Danish Broadcasting ("DR"), Danish Railways ("DSB") and Danish Betting Group ("Danske Spil") have all used the CTM™ platform for several years and have extended their contracts. The CTM™ platform is used by the largest ever hospital construction project in Denmark (the new University hospital in Aarhus – Skejby) and has been requested by the current construction engineers for use in their next large project in Denmark.

The Netherlands

The Netherlands is another important market for the Group. The Group has a sales partnership agreement with a local company, CTM Solutions BV ("CTMS"), which has over 80 customers currently using the CTM™ platform. The Group earns a royalty of 40 per cent. of SaaS based revenues generated on a customer by customer basis (15 per cent. during the first year and implementation projects). The Netherlands accounted for approximately 10.9 per cent. of the Group's revenues in 2012.

CTMS was established in 2010, and has become one of the leading providers of e-procurement solutions to the Dutch public sector. CTMS's customers include ministries and larger local authorities, such as the Amsterdam City Council. The NIC (the former national procurement agency), serving over 200 local authorities, uses CTM™ on a regular basis when managing tenders on behalf of its clients. CTMS has had particular success in supporting customers in their recruitment tenders, making use of the Dynamic Purchasing System ("DPS") module of the CTM™ platform.

CTMS provides support services to its customers and has operator-level access to its clients' user environments on the main EU-Supply platform hosted in Stockholm.

Norway

Since 2007, CTM™ has been one of two solutions available under a national framework agreement (“konkurransegjennomføringsverktøy” or “KGV”) issued by the Agency for Public Management and eGovernment (“Difi”). The Group delivers CTM™ under this framework as a sub-contractor to Visma. The Group earns a royalty of 70 per cent. of SaaS based revenues generated on a customer by customer basis. Norway accounted for approximately 15.8 per cent. of the Group's revenues in 2012. Direct agreements with the Group are being established to secure future use of the CTM™ platform irrespective of the expiration of the Difi KGV framework agreement in November 2013. Customers are expected to either re-tender for new contracts or seek direct agreements with the Group. For example, Jernbaneverket has already tendered and announced its intention to enter into an agreement directly with the Group.

Difi has not declared any plan to establish a new framework agreement. However, on 28 June 2013 it announced in a press release that it had initiated work on a strategy to drive adoption of e-tendering.

In July 2013, the Group was awarded the Doffin contract for creating and publishing notices of public sector contracts in Norway (www.doffin.no). This is a high value contract, expected to contribute £0.4m of revenue per annum from January 2014. The contract has a minimum term of seven years, and an optional extension for another five years. The Group also expects to drive further new business from within the pool of, in excess of 700, authorities which will be required by law to publish any contract valued in excess of £50,000 via Doffin. Authorities that use Doffin directly will use the CTM™ platform and, subject to applicable legislation, may procure and simply turn “on” additional modules to use the platform for additional services. This is expected to be particularly attractive from the point at which the proposed EU directives become effective.

Ireland

In 2012, the Group was awarded the contract for delivery of the National System for Ireland by the Department of Public Works (“OPW”). This agreement is for the provision of e-procurement solutions to all Irish public sector contracting organisations. The Directors expect authorities in Ireland to seek both value added modules, which are not part of the base level agreement, and additional services, for example auction event management services).

Lithuania

In 2007, the Group was selected as a sub-contractor and licensor to UAB HP to provide a national e-tendering platform for the government of Lithuania. The CTM™ platform is used for a significant proportion of public sector tenders in Lithuania, with over 38,000 tenders per annum managed on the platform. The initial service contract period has expired, but the platform is still in use (with certain continuing obligations on both parties) and the Directors expect that extension agreements and upgrades will be finalised shortly.

Sweden

As the market in Sweden is fragmented, the Group has historically chosen not to focus a great deal of sales effort in this market, such that Sweden only accounted for 9.9 per cent. of the Group's revenues in 2012. However, in 2009, the Group was awarded an important long term contract for the delivery of e-tendering and e-contract management services to Trafikverket (national roads and rail). Trafikverket manages approximately 2,000 tenders per annum on the Group's system. Some local authorities have also adopted CTM™ and the Directors believe that the current, rather fragmented market will soon consolidate as smaller competitors withdraw from the market. The Directors believe that the Group could quickly gain market share if this market was made a marketing priority.

Other markets considered for development

Portugal

The Group has a sales partnership with Central-e, under which Central-e markets CTM™ as a service hosted on a platform locally in Portugal. The Group has no revenues in Portugal at the moment, but CTM™ (via its partnership with Central-e) has been accredited by CEGER, the Portuguese information security authority.

The Directors believe that the Portuguese market could become an important market for the Group if Central-e is awarded the contract referred to in paragraph 13 of Part VII of this document, either as a single provider, or as one of several providers under a new framework agreement. By decree, authorities from the central government are obliged to use the national system framework, in circumstances where one exists, to fulfil their e-tendering requirements. If secured, the Directors believe this could lead to a material increase in revenue for the Group.

Other European Markets

The Group has also investigated market attractiveness, the legal requirements and the market opportunity in several other Member States, including Germany, Spain, Finland, Austria, France and Greece. In several of these markets, small local partners have already developed initial reference customers, notably in construction, local administration and health care in France, Spain and Greece. The CTM™ solution is already fully translated and configurable to meet legal and other local market requirements. The Directors believe that the Group can best exploit its market compliance and initial references by targeting certain sub-sectors of the public sector and related sectors where demand for more advanced services is expected to be high.

Additional Growth Opportunities

The Directors have identified the following as short-term targets to grow the business:

Targeting of organisations that operate closely with Governments

The Group intends to target organisations that operate closely with governments, such as engineering companies, capitalising on their advanced needs and the Group's strong references in this sector. Some of the Group's largest customers are in this sector, including the consortia for the new University Hospital in Aarhus, Denmark, and Køge Hospital, also in Denmark.

New tender business alert service

The Group intends to launch a subscription service to provide suppliers registered on the Group's CTM™ platform with notifications of new applicable tenders. There are currently more than 250,000 suppliers registered on the Group's CTM™ platform, so the Directors believe this represent a potentially substantial source of revenue for the Group. This service has already been launched in Denmark and Sweden, allowing suppliers to subscribe to receive alerts by email for any new tenders on the platform that match their business profile categories and markets of interest. Without any active marketing, 85 suppliers subscribed to this service within the first two months of operation. The Directors expect marketing campaigns and greater awareness of the service to generate a substantially higher conversion rate going forwards.

Auction event management and procurement services (directly or via partners)

Auction event management can generate substantial direct cost savings for authorities and procuring entities, but is still not commonly used. The Directors believe that this is mainly due to a lack of awareness of this service and its benefits, and reluctance amongst operating staff to change established business practices.

Legislative Drivers

The Manchester Agreement (2005), which was entered into by all EU Member States, set a deadline of December 2010 for all public administrations across Europe to have the capability of carrying out 100 per cent. of their procurement electronically, where permissible by law, and for governments to ensure that at least 50 per cent. of public sector procurement, above a set threshold, would be managed electronically. Although not all countries succeeded in meeting this target, most countries implemented measures to promote greater transparency, efficiency and effectiveness in public procurement.

Many EU Member States have made e-notification mandatory and have set up national e-notification platforms to provide suppliers with visibility of all contract opportunities above certain national thresholds (for example, Doffin in Norway, Udbud.dk in Denmark, HILMA in Finland). Many other EU Member States have established framework agreements for quicker adoption of end-to-end e-procurement services from qualified service providers. Most authorities are happy to use a SaaS solution and this has become the industry standard approach.

The European Commission has highlighted in press releases and at marketing events (for example, “A Digital Single Market by 2015”, which was presented at a high level EU conference in Copenhagen in February 2012) the importance of e-procurement in improving the efficiency of public sector organisations. The European Commission highlights that e-procurement solutions are already demonstrating savings of between 5 and 20 per cent. for public sector organisations. Based on current spending levels, a five per cent. average cost saving would result in a saving of €100 billion per annum across the EU. In May 2012, the EU adopted the conclusions of “A Digital Single Market by 2015” and stressed the importance of transitioning to e-procurement by 2016 in order to generate significant savings.

During 2012 and 2013, the EU Council and the Committee on the Internal Market and Consumer Protection of the EU Parliament have negotiated the proposed EU directives for procurement, which the Directors expect to be ratified by the European Parliament towards the end of 2013. A first preliminary date of 23 October 2013 was set, but the Directors expect that this will be rescheduled for December 2013. These dates are as per the Commission’s proposal published on 20 December 2011 (“SEC(2011) 1585 final”). Details of the negotiations are not published until a few days before the vote. The Directors expect that the deadlines for mandatory e-submission for central purchasing bodies and all authorities respectively will be shifted at by least one year given the duration of the negotiations in the EU Parliament and EU Council. Under the proposed directives:

- all Contracting Authorities are to provide electronic means of communication for specified phases of procurement procedures (electronic notification of tender opportunities and electronic availability of other documents) by 30 June 2014;
- the mandatory transmission of notices in electronic form, mandatory electronic availability of procurement documents, electronic submission and receipt of tender responses in all procurement procedures by 30 June 2016; and
- the streamlining of dynamic purchasing systems, e-auctions and e-catalogues and introduction of e-CERTIS, a mandatory electronic clearing-house which lists exhaustively the certificates and other proofs which Contracting Authorities may request from suppliers.

The proposed directives also encourage inter-operability between systems in order to address a current divergence in technologies, fragmented along national borders.

Customers

The Group currently targets three categories of customers, as follows:

1 – Direct end-user customers in markets where the Group has in-house sales resources

The Group focuses its direct-to-customer marketing on industries and sectors where it believes that the CTM™ platform delivers the greatest savings for the customer and hence the Group is able to command the highest prices and margins. Examples include the:

- Danish public sector;
- Nuclear industry in the UK: Sellafield Limited, Magnox Limited, DSRL and RSRL all use CTM™;
- NHS: the Group provides services to more than 70 trusts, primarily via hub deals and direct sales; and
- Major utilities such as Trafikverket (national road and rail) in Sweden that manages most of its approximately 2,000+ tenders per annum on CTM™ and Jernbaneverket (national rail) in Norway.

2 – National government systems, framework agreements and large public sector funded organisations in other markets

While all Member States are compelled to comply with the Manchester Agreement of 2005 and the proposed EU directives, each Member State has a different approach to ensure this. The Group prefers to make new market entries either through framework agreements or single national system deliveries, where it expects that such agreements will generate quick adoption and give the Group a market leading position in that particular Member State.

Based on this strategy, the Group has been awarded (directly or via sales partners) the following agreements in markets where it is at an early qualification stage and had none or limited own local sales resource:

- National framework in Norway in 2007 (KGV framework agreement);
- National system delivery for Lithuania in 2007;
- National frameworks in the UK (eSourcing by GPS in 2009; ESPO in 2009; G Cloud (ii) in 2012; G Cloud (iii) in 2013);
- National system delivery for Ireland in 2012; and
- National notice publication portal for Norway (Doffin) in 2013.

Revenue from such agreements and sub-contractor agreements is expected to grow in the next three years as individual authorities increasingly adopt the e-procurement solutions recommended by their Member States in order to comply with national legislation and the EU directives.

Large public-sector funded organisations, irrespective of their location in the EU, typically have more advanced e-procurement requirements and these are key target customers for the Group. For example, a pan-European organisation selected CTM™ as its preferred solution in H2 2012, and this could lead to significant revenues if concluded in a licence and roll-out program.

3 – Private companies

Private companies in sectors with a high demand for tendering, for example construction, engineering, procurement service providers and large multi-national organisations in general, have significant tender management requirements. The Group selectively targets such organisations and in particular, service providers that seek to serve the public sector.

Examples include:

- Consortia for the new University hospital in Aarhus – Skejby, Denmark, possibly the largest hospital project in Northern Europe;
- Consortia for Køge Hospital, construction of a DKK 4 billion University Hospital project in Denmark;
- NIC, serving a large number of authorities in The Netherlands; and
- Global eSourcing A/S.

Suppliers to the Group

Co-location services (for hosting)

The Group hosts CTM™ from two separate sites, and has recently set up a third in order to host Doffin, the Norwegian notices contract. In each case, the Group rents dedicated secure cabinets in vetted third party hosting centres. The Group has a disaster recovery site and backup storage located more than 10 kilometres from its main sites. The hosting companies do not have any access to the Group's cabinets or servers, but they are included in the Group's "reliance scope" as they are required to ensure the physical security of the hosting centres, continuity of power supply, cooling and last mile redundant connectivity, meeting all the requirements imposed by Government Procurement Services for the IL3 accreditation.

Software

Whilst all of the Group's software development is managed in-house, it does employ three consultant developers to meet demand when required. All intellectual property developed by employees or consultants remains the property of the Group.

Sales and Marketing Strategy

The Group's sales and marketing strategy is based on qualitative analysis of the market opportunity:

- Existing presence or cost of establishing a presence in a new market;
- Opportunity to rapidly access customers, for example whether a national framework or new legislation mandating e-tendering is expected imminently; and

- Focus on prioritised sub-sectors in established markets, where word of mouth and customer references provides the Group a competitive advantage to quickly win additional contracts.

Each sales opportunity is evaluated constantly throughout the process in order to ensure that the incremental investment of time (for both direct sales and indirect sales support) is expected to be sufficiently profitable. The Group is particularly careful to avoid costly tenders, leads from unqualified sales organisations into new territories and invitations to perform demonstrations to less mature, low value prospects in very competitive markets.

The Group prefers to sell “what we have”, but makes an internal business case for opportunities where some software development or integration may be required to win the deal and deliver the solution.

Partnerships

The Group utilises distributor relationships primarily for lead generation, but also as business operators where it is confident that the partner will dedicate sufficient focus to e-procurement and the promotion of the CTM™ platform. The Group also utilises distributor relationships in markets where the Group does not have its own sales presence, or where this is required to meet mandatory requirements, for example, a local presence. The Group works with different types of partners in different sub-sectors.

Intellectual Property Rights

The Group has developed the CTM™ platform wholly “in-house”. It is not dependent upon any patents or licences, industrial, commercial or financial contracts other than standard off-the-shelf licenses for Microsoft Windows Server, SQL (database software), and very small components such as for zipping, encrypting, virus scanning and uploading files, which could all be easily replaced.

Competition

At present, there are a number of rival providers in each of the Group’s key markets. The European market is very fragmented, with an average of between five and eight different competitors in each of the largest Member States.

However, the Directors believe that consolidation will occur as customers seek more advanced functionality and stricter information security. This is being driven both by the customers becoming more sophisticated in their requirements and by central government bodies seeking to establish minimum standards and security accreditations (for example IL2/IL3 certification mandated in the HMG Security Policy Framework in the UK (required by nuclear operators) and ISO 27001 based certification which is expected to be required in other Member States soon, as recommended by eTEG).

The Group is one of the few suppliers to have built a more advanced platform that has the flexibility to operate in all European markets (plus many more) without the need to develop and maintain multiple versions of the software.

The Group has won business following tests with competitors, and sees its key strengths as CTM™’s:

- range and depth of functionality;
- ease of use;
- ability to meet customers’ specific requirements at low cost by online configuration; and
- high level of security.

Many of the Group’s smaller customers are collaborating in hubs, thus increasing the value per agreement and the need for more advanced platforms that allow collaborative functionality and hierarchical models. The Directors believe that CTM™ is more accommodating of this than most other platforms.

The Group’s main competitors across the EU/EEC public sector are Bravo Solutions and European Dynamics, both of which operate a direct sales business in several Member States. The Directors believe that the CTM™ platform offers advantages over both of these solutions, for example the Bravo solution is perceived to be too inflexible and difficult to use.

Some of the larger ERP vendors and general business software system suppliers have acquired companies that provide e-tender management and e-contract management solutions (for example SAP acquired Ariba during 2012). Many others have chosen to partner with existing companies such as the Group in order to serve their existing clients' needs.

There are also a number of providers of adjacent solutions, for example, document management solutions with some added workflow capabilities.

A few US based competitors, for example, Procuri (acquired by Ariba, in turn acquired by SAP) and Frictionless Commerce (acquired by SAP) also offer services in Europe. However, the Directors believe that these operators have so far had less focus on the regulatory requirements of the different European public sector markets. Emptoris (acquired by IBM) has made inroads in the UK public sector, but the Directors do not expect the solution to be widely adopted outside UK central Government, as the solution is deemed by the Directors to be difficult to use, particularly on the bidder side.

Financial Record

The following audited and unaudited financial information on EUS Holdings Limited has been extracted from Parts IVB and VB of this document.

	<i>H1</i>		<i>H1</i>		
	<i>2013</i>	<i>2012</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>
Revenue	868	1,607	1,024	1,487	1,344
Operating loss (pre-exceptionals)	(1,195)	(1,251)	(23)	(491)	(128)
Loss before taxation	(1,573)	(993)	(181)	(599)	(175)
Net cash/(debt)	(1,795)	(2,693)	(1,562)	(1,860)	(1,237)
Net cash flow	177	(6)	(12)	(1)	83

Current Trading and Prospects

Trading through July and August was in line with management's expectations. The Group is making significant investment in the development of its software which is primarily to meet specific requirements of new customers. Its policy of writing off all development costs means that it continues to report losses and there is an on-going need to finance this. The Group has been successful in this regard in securing convertible and other loans as it progresses towards the planned IPO.

The potential business that the Company is aware of enables the Directors to view the future with confidence and they look forward to having the funds available with which to exploit the available market.

Reasons for the Placing and Use of Proceeds

The Placing will raise additional funds for the Group, which will be used to strengthen the Group's balance sheet, provide working capital to support the organic growth of the business as it expands and aims to gain market share, principally through the recruitment of additional sales people and bid management employees, repay borrowings and to support its future strategic development. In addition, the Directors believe that admission to AIM will raise the Group's profile as it expands throughout Europe and adds credibility to its perception amongst existing and potential customers. It will also provide enhanced access to capital and a currency for any future acquisitions as well as an opportunity to introduce share incentive schemes over the Company's publicly quoted shares to attract, retain and motivate its employees.

The issue of New Ordinary Shares pursuant to the Placing will raise approximately £4.455 million (net of expenses), which the Company intends to apply as follows:

- the recruitment of additional sales professionals, which will more than double the Group's sales capacity;
- the recruitment of additional bid-support staff to increase the Group's capacity for direct sales;

- the market launch of SaaS subscription based alert service for suppliers already using the CTM™ solution to respond to tenders;
- to repay borrowings; and
- for working capital purposes.

The Placing and Admission

New Ordinary Shares are being placed at a price of 22.6 pence per New Ordinary Share. The New Ordinary Shares will represent approximately 38.4 per cent. of the Enlarged Issued Share Capital. The Placing of New Ordinary Shares will raise approximately £4.455 million for the Group, net of expenses.

Westhouse Securities has agreed as agent for the Company, pursuant to the Placing Agreement and conditional, *inter alia*, on Admission, to use its reasonable endeavours to procure subscribers for the New Ordinary Shares at the Placing Price. The Placing is conditional, *inter alia*, upon:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective not later than 13 November 2013, or such later date as Westhouse Securities and the Company may agree, being not later than 8.00 a.m. on 29 November 2013.

Application has been made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. Admission is expected to become effective and dealings in the Ordinary Shares are expected to commence on 13 November 2013. The New Ordinary Shares will be placed free of expenses and any stamp duty and will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

Further details of the Placing Agreement are set out in paragraph 10 of Part VII of this document.

Lock-ins and Orderly Market Arrangements

Each of the Directors and certain Shareholders have agreed, subject to certain limited exceptions, not to dispose of any of their interests in Ordinary Shares for a period of twelve months from Admission. They have also agreed to certain orderly market provisions for a further twelve months up to the second anniversary of the date of Admission, whereby they agree to only deal in their Ordinary Shares through Westhouse Securities or, in the event that Westhouse cannot place the relevant number of shares at the requested price, through a third party broker at a higher price and on terms no less favourable than those offered by Westhouse.

In addition, certain Shareholders who have received their shares through the conversion of loan notes and/or preference shares have also agreed to enter into orderly market agreements whereby they agree, for a period of 12 months from the date of Admission, to only deal in their Ordinary Shares through Westhouse or, in the event that Westhouse cannot place the relevant number of shares at the requested price, through a third party broker at a higher price and on terms no less favourable than those offered by Westhouse.

Directors and Senior Management

Directors

David Richard Cutler, *Non-Executive Chairman*, age 70

David Cutler joined the Group in 2013 as Non-Executive Chairman. David began his career with Deloitte in London, followed by senior financial posts at NFC, British Leyland and CompAir. David was then finance director of London listed UKO International PLC, until it was sold following a public takeover. For twelve years he was the group finance director of Emess PLC, listed in London and Frankfurt. In addition, for seven years until 1999, he was a member of the supervisory board (Aufsichtsrat) of Frankfurt listed Brilliant AG. From 1998 to 2000, David was a director of ImagoQA Ltd, the leading independent software testing consultancy, guiding the company to a successful private financial sale. David was the Finance Director of Alterian PLC from its London Stock Exchange flotation in 2000, until his retirement in March 2011. During this time the company grew thirty fold, from a small office in Bristol to a successful international marketing

software business on four continents. He is currently a non-executive Chairman of Qwasi Inc., a private software company based in New York, and non-executive director of Inshowjumpers plc.

Thomas Bo Beergrehn, *Chief Executive Officer*, age 48

Thomas Beergrehn founded the Group and its precursor, having previously spent five years with McKinsey & Company. His expertise was in strategy under uncertainty and time to market process change, particularly in the communication/software sector. Projects included strategy and large scale change of time to market processes based on best practices from leading global companies like Microsoft, Oracle and Trilogy. Prior to working at McKinsey, Thomas was Commander of a naval patrol craft, following graduation at the top of his class at the Swedish Navy Academy. Thomas holds a PhD and an MSc in Systems Engineering from Case Western Reserve University, Cleveland USA, as well as an MSc in Engineering Physics from the University of Uppsala, Sweden (all with perfect GPAs). Thomas has been elected a member of the European Commission's eTendering Expert Group.

Mark Westcombe Elliott, *Chief Financial Officer*, age 54

Mark Elliott has worked with the Group on a consulting basis since 2012, and joined it as Financial Director in 2013. Mark is a Chartered Accountant and has spent the last 10 years as Managing Director of private equity group, ICE Partners Limited, having previously worked as an equity partner specialising in audit and corporate finance with Baker Tilly. He is also a director of 21st Century Technology plc and Enables IT Group plc.

Steffen Karlsson, *Non-Executive Director*, age 44

Steffen joined the Group in 2013 as a Non-Executive Director. Steffen started his career at Enskilda Investment Bank in 1993, before joining McKinsey & Company in 1994. He worked as a strategic and operational consultant at McKinsey & Company for 13 years, during which time he specialised in industrials, basic materials and private equity. In 2007, he joined EastOne Llc, a leading industrial conglomerate and investment firm in Ukraine, as Director of Strategy and Head of M&A. In 2009 he then joined Papyrus AB, the leading paper merchant in Europe as Senior Vice-President, Business Development (including M&A). In February 2013 he established his own consultancy company and is currently working as an independent consultant to private equity firms. He holds a degree in Corporate Finance and Marketing from Stockholm School of Economics. He speaks Swedish, English, French and Russian.

Senior management

Henrik Dige Christensen, *Country Manager Denmark*, age 46

Henrik joined the Group in 2007 as Country Manager for Denmark. He is responsible for sales, marketing, implementation and training for the Group's Danish clients. His key relationships are with the public sector organisations in Denmark. Henrik has over 20 years' experience in sales management and has worked as both a strategic and operational consultant and executive within international companies including American Express Corporate Travel, Next Step Multimedia ApS and Det Forenede Dampskibs-Selskab A/S (DFDS).

Tore Bråteng, *Country Manager Norway*, age 50

Tore joined the Company in 2012 as Country Manager for Norway. He works for the Company part-time and is responsible for sales, marketing, implementation and training for the Company's Norwegian clients. His key relationships are with public sector organisations in Norway. Tore has over 13 years' experience in sales management within software companies focusing on purchase and pay processes and has acted as EU-Supply's sales partner in Norway since 2007. Tore has worked as both a strategic and operational manager within international companies including Visma Software and Kuehne & Nagel (Logistics).

Matti Olofsson, *Chief Operating Officer*, age 39

Matti joined the Group in February 2013 as Project Management Director. He has initially focused on overseeing the integration of CTM™ with other systems used by the Group's customers. Matti was appointed Chief Operating Officer on 22 August 2013, with responsibility for development, testing, support and infrastructure management. Matti has more than 15 years' experience in project management and has worked on both strategic and operational large-scale IT projects and within development departments. He previously worked for Logica plc (as head of development in Sweden), CGI and Pipistrello, amongst others.

Other key employees

Anette Tavaststjerna, *Product Owner*, age 37

Anette joined the Group in 2002 as a software engineer and since 2007 has been the “Product Owner” of the CTM™ platform, responsible for prioritising and co-ordinating all aspects of software development and maintenance. She also assists in bid preparations and negotiating solution enhancements and integrations with customers. Anette previously worked at Scala Business Solutions, and she has a Bachelor of Science in Engineering and IT from Högskolan Dalarna, Sweden.

Taavi Koosaar, *Chief Architect*, age 29

Taavi joined the Group in 2009 as Chief Architect. He works with Anette to co-ordinate the maintenance and development of the CTM™ platform. He has particular responsibility for architecture, design and development of the CTM™ platform, root cause analysis of issues, code reviews and process improvements, along with technical design and solution information for bids. He has over 10 years’ experience in software development specialising in web solution design, development and performance. He holds a Diploma in Computer Science from Estonian IT College, a Masters in Computer Science from Tallinn University of Technology and has been awarded a Microsoft MVP title annually since 2009. He previously worked at Microsoft as a development consultant.

Advisory Panel

The Group engages from time to time with two key advisors.

John Mortensen, age 51

John Mortensen has provided tactical and strategic sales support to the Company since 2001. He has been a sales coach for more than twenty years, coaching CEOs, sales directors and sales staff in over 60 companies in all sectors, including ICT.

Hans Hammer Andersen, age 43

Hans is a sales and marketing specialist. Since 2006 he has owned Hammer Andersen (“HA”), a consultancy specialising in sales recruitment and development. HA has conducted over 400 recruitments and trained hundreds of salespeople and sales managers, primarily within the ICT sector, including for the like of Microsoft, Accenture, Oracle and IDC. Previously, Hans held sales management positions with the wireless operator “3”. He previously served as Managing Partner for Monster Worldwide companies in Denmark (NYSE: MWW). Hans holds an MBA from Edinburgh Business School.

Staff and Employees

The Group has staff based in Stockholm, London, Oslo, Tallinn and Roskilde. All staff are vetted according to the Group’s Staff Management and Vetting Policy to comply with IL3 and as additionally required by key clients (for example, Trafikverket, several Dutch ministries and the potential pan-European organisation).

Details of the number of employees (including executive Directors) of the Group at the end of each of the last three financial years is detailed below:

	<i>30 Jun 13</i>	<i>31 Dec 12</i>	<i>30 Jun 12</i>	<i>31 Dec 11</i>	<i>31 Dec 10</i>
Management & Administration	3.5	2.5	2	2	2
Development, testing, infrastructure & implementation	25	21	15	16	12
Support (1st and 2nd line)	12	11	4	3	2
Sales & Marketing	3	3	2	2	2
Total	<u>43.5</u>	<u>37.5</u>	<u>23</u>	<u>23</u>	<u>18</u>

The Group expects the current number of employees in Development & Support to be sufficient for the next two years, but intends to strengthen its sales and local implementation teams in prioritised markets. The Group is also strengthening its accounting and financial management by hiring a further full-time accountant.

Corporate Governance

The Directors recognise the importance of sound corporate governance and with that aim, the Group has voluntarily adopted the recommendations of the QCA Code that the Directors believe are appropriate to the Group's size at this time. To the extent that it is not compliant with the QCA Code, it is intended that it will become so as the Group and its business mature.

The Board will meet regularly to review key operational issues, strategic development and the financial performance of the Group. All matters of a significant nature are discussed in the forum of board meetings. The Board will continue to be responsible for internal controls to minimise the risk of financial or operational loss or material misstatement. These controls have been designed to meet the particular needs of the Company having regard to the nature of its business.

The Group has both an audit and a remuneration committee with formally delegated duties and responsibilities. The Audit Committee is comprised of David Cutler (Chairman) and Steffen Karlsson. The Remuneration Committee is comprised of Steffen Karlsson (Chairman) and David Cutler.

The Audit Committee determines the terms of engagement of the Group's auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee receives and reviews reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Group's auditors.

The Remuneration Committee reviews the scale and structure of the executive directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive directors are set by the entire Board.

Following Admission, the Board will be responsible for monitoring the Group's risks and implementing other systems which are deemed necessary.

The Group will ensure, in accordance with Rule 21 of the AIM Rules, that the Directors and applicable employees do not deal in any Ordinary Shares during a close period (as defined in the AIM Rules). In addition, the Group has adopted a code on dealings in the Company's securities.

Group Re-organisation

In preparation for Admission, a share exchange agreement (further details of which are set out in paragraph 4.3 of Part VII of this document) was entered into on 31 October 2013 with the shareholders of EUS in order to establish the Company as the new holding company of the Group by way of a share for share exchange. For each £1 share that a shareholder held in EUS the shareholder received 1,000 Ordinary Shares. Immediately following the share for share exchange there were 22,622,000 Ordinary Shares in issue in the Company.

Immediately prior to the share for share exchange, each preference share in EUS was converted into one ordinary share plus such number of new ordinary shares as was equal to the amount subscribed for each particular preference share based on the Placing Price. This resulted in the 8,297 preference shares in EUS being converted into 11,569 ordinary shares of £1 each in EUS.

EUS has issued a number of loans which will convert automatically upon Admission. It was agreed with the lenders that upon conversion, shares in the Company would be issued rather than shares in EUS. These conversions will result in 12,919,602 Ordinary Shares being issued.

Unaudited Pro Forma Statement of Net Assets of the Group

Set out in Part VI of this document is an unaudited pro forma statement of net assets of the Group illustrating the effect of Admission as if it had taken place as at 30 June 2013.

Share Option Scheme

The Company has established a share option scheme. As most of the employees are based in Sweden the option scheme is designed to meet Swedish tax requirements for treatment as “capital gains” rather than as “income from employment”. Under the terms of the scheme, employees pay an option premium, valued at arm’s length using the Black & Scholes formula for option pricing, in return for an option over a number of Ordinary Shares. In order to allow different risk/reward appetite for staff, the following exercise prices and option premium pairs have been made available:

<i>Option premium payable by the employee prior to Admission (per cent. of the Placing Price)</i>	<i>(p)</i>	<i>Exercise price payable by the employee at exercise (depending on which option premium was selected)</i>
11.5	2.599	1.5 times the Placing Price
6.0	1.356	2.0 times the Placing Price
1.9	0.4294	3.0 times the Placing Price
0.69	0.15594	4.0 times the Placing Price
0.29	0.06554	5.0 times the Placing Price

The options are exercisable for a period of 15 days from 29 February 2016, and replacement options would be issued at arm’s length in the event of a takeover or liquidation event.

In the event that the employee ceases to be employed by any company within the Group they must offer their options up for sale to the Company.

The Company has made available options over approximately 1.9 million Ordinary Shares, representing approximately 3.3 per cent. of the Enlarged Issued Share Capital, in accordance with the above.

Dividend Policy

The Board’s objective following Admission is to continue to grow the Group’s business and it is expected that any surplus cash resources will, in the short to medium term, be reinvested. In view of this, the Directors will not be recommending the payment of a dividend for the foreseeable future. However, the Board intends that the Company will recommend or declare dividends at some future date once they consider it commercially prudent for the Company to do so, bearing in mind its financial position.

Settlement and CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. It is expected that Admission of the Ordinary Shares issued and to be issued will become effective and that dealings will commence on 13 November 2013. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Persons acquiring Ordinary Shares as a part of the Placing may elect to receive such shares in uncertificated form if, but only if, that person is a “system-member” (as defined in the CREST Regulations) in relation to CREST.

Taxation

Your attention is drawn to paragraph 15 of Part VII of this document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser immediately.

EIS and VCT Status

Assurance has been obtained from HMRC that the Company qualifies as a qualifying company for the purposes of EIS and VCT provisions. Neither the Company nor the Company’s advisers give any warranties

or undertakings that EIS relief or VCT qualifying status will not be withdrawn. Should the law regarding EIS or VCT change then any reliefs or qualifying status previously obtained may be lost.

If the Group ceases to carry on the business outlined in this document or acquires or commences a business which is not insubstantial to the Group's activities and which is a non-qualifying trade for EIS and VCT relief during the three year period from the last allotment of Ordinary Shares, this could prejudice the qualifying status of the Company (as referred to above) under the EIS and VCT scheme. This situation will be closely monitored with a view to preserving the Company's qualifying status but this cannot be guaranteed. Circumstances may arise where the Directors believe that the interests of the Company are not best served by acting in a way that preserves the EIS relief (including capital gains tax) or VCT qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any shareholder. If the Company does not employ the proceeds of an EIS/VCT share issue (and other shares of the same class issued on the same day) for qualifying trading purposes within 2 years from the date of issue of the shares (or, if later, 2 years from the date the company begins to carry on the qualifying trade) the EIS shares would cease to be eligible shares and all of the EIS tax reliefs of investors would be withdrawn.

In respect of share subscriptions made by a VCT, the funds invested by the VCT would be apportioned pro rata and its qualifying holding would be equal to the VCT's funds that had been employed for qualifying trading purposes within the above time limits. Any remaining element of the VCT's investment would comprise part of its non-qualifying holding.

The information in this document is based upon current tax law and practice and other legislation and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Company.

Risk Factors

The Group's business is dependent on many factors and potential investors should read the whole of this document, and in particular Part II headed "Risk Factors".

Further Information

Your attention is drawn to the additional information set out in Parts II to VII of this document.

PART II

RISK FACTORS

An investment in Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risks set out below in addition to all of the other information set out in this document before investing in Ordinary Shares. The investment offered in this document may not be suitable for all of its recipients. Potential investors are accordingly advised to consult a professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities before making any investment decision. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial may also have an adverse effect on the Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Group. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements. If any of the following risks were to materialise, the Company's business, financial conditions, results or future operations could be materially adversely affected. In such cases, the market price of the Company's shares could decline and an investor may lose part or all of his or her investment.

Risks specific to the Group

The Group operates in an evolving market

The e-procurement industry is rapidly evolving. The Group's business and prospects must, therefore, be considered in light of the risks and difficulties the Group encounters operating in this evolving industry.

These risks and difficulties include:

- difficulties in managing rapid growth in personnel and operations;
- complex technology that may require substantial investment to keep up with technological developments;
- lack of profitability to date; and
- introduction and enforcement of the expected new EU directives.

The Group's CTM™ platform depends on the proper operation of the Internet and the Group's hosting sites

The Group's business model relies on the CTM™ platform's online user interfaces, through which all projects are accessed. The Group is therefore reliant on the proper operation of the Internet and its hosting sites for the operation of the business.

The Group relies to a significant degree on the efficient and uninterrupted operation of its computer and communications systems and those of third parties, including the Internet. Customer access to the CTM™ platform and the speed with which customers and suppliers navigate the platform may affect the retention of clients of the Group and the attractiveness of its services. Any failure of the Internet generally or any failure of current or new computer and communication systems or third party operating and database management systems could impair the processing and storage of data and the day-to-day management of the Group's business. While the Group does have an ISO 27001 based Information Security Management System covering all its business processes, including extensive disaster recovery ("DR") and business continuity plans ("BCP"), no assurance can be given that, if a serious disaster affecting the business, its systems or operations occurred such plans or prepared sites for DR would be sufficient to enable the Group to recommence trading without loss of business.

The efficient operation of the Group's business systems and IT is critical to attracting and retaining customers. If the Group is unable to meet customer demand or service expectations due to one or more of the aforementioned issues arising, deterioration in the Group's financial condition and future prospects may occur.

Information security procedures may fail to sufficiently protect its business or be compromised leading to loss of contracts and reputational damage

The Group relies on an Information Security Management System ("ISMS") based on ISO 27001, covering all its business processes, based on UK standards for risk assessment set by HMG IA and approved by GPS accreditors, and continuously improved. This ISMS is developed to protect it and its customers' information and its information assets and services in respect of confidentiality, integrity, non-reputability and availability of information and services (including in case of disaster at its main sites). The Group cannot, however, guarantee absolute protection against unauthorised attempts by any third party or parties to access information or threaten the integrity and availability of its IT systems and information, any accidental release, any other failures by the Group or security risks not caused by any party's action. If any failure in the Group's security measures were to occur and the Group's efforts to combat this breach are unsuccessful, the Group's reputation may be harmed leading to an adverse effect on the Group's financial condition and future prospects.

Technological risks

The Group operates in an industry where competitive advantage is heavily dependent on technology. It is possible that technological development may reduce the importance of the Group's function in the market.

Staying abreast of technological changes may require substantial investment. If it fails to keep up with technological developments and the resulting changes in user behaviour, its business, financial condition and results of operations may be materially and adversely affected.

The ownership of the intellectual property within the CTM™ platform used by the Group may be challenged by third parties

The Group's intellectual property has been developed by a number of individuals since 1999, most of whom were directly employed by the Group, but also by a number of external contractors. The external contractors involved in any software or other IP development have assigned the rights to any intellectual property developed for the CTM™ platform to the Group. The Group is not aware of any third party that has any claim over the intellectual property of the Group, however, if it was proven that part of the Group's intellectual property was in fact owned by a third party, this could lead to the removal of certain functionality from the CTM™ platform, a possible suspension of access to the CTM™ platform and the business, financial condition and results of operations may be materially and adversely affected.

Intellectual property protection

The Group has no registered intellectual property rights in respect of CTM™, however, under English law the Group would be protected by copyright over the source code of the CTM™ platform. UK copyright works are protected overseas by virtue of the UK being a signatory to four principal conventions (Berne convention ("Berne"), Universal Copyright Convention ("UCC"), Rome Convention (relating to performers rights) and the WIPO Copyright Treaty ("WCT"). Berne sets guidelines for minimum protections which must be provided under the laws of contracting states. Nationals of one contracting state can enjoy the same level of protection in another contracting state. WCT sits alongside Berne and concerns computer programmes and grants authors rights to authorise distribution, rental and communication of works. The Group delivers its services mainly through software as a service, does not deliver software outside the EU, and only contracts with parties with whom it has detailed agreements regulating rights in respect of IPRs and access. Reverse engineering and de-compilation may, however, still be possible by anyone granted or obtaining privileged access to the deployed code. The design of the user interface and some other "visible" IP may be copied by any user of the system.

Any failure to protect the Group's intellectual property may result in another party copying or otherwise obtaining and using the CTM™ platform without authorisation. There may not be adequate protection for the intellectual property in every country in which the Group's services are made available and policing

unauthorised use of proprietary information is difficult and expensive. Due to the Group's size and limited cash resources, it may not be able to detect and prevent infringement of its intellectual property.

Any misappropriation of the Group's intellectual property could have a negative impact on the Group's business and its operating results. Furthermore, the Group may need to take legal action to enforce its intellectual property, to protect trade secrets or to determine the validity or scope of the proprietary rights of others which may result in substantial costs and the diversion of resources and management attention and there can be no guarantees as to the outcome of any such litigation.

Company may be forced to replace any operating system and data base or other software/code licenced from a third party

The Group's business relies on various third party off-the-shelf operating system and database software from Microsoft (Windows Server and SQL server) and smaller components for zipping, encrypting, virus scanning and uploading files. If the Group's access to or use of this software was restricted or terminated, or would radically change then the Group would have to incur expense in either porting its software, sourcing suitable replacement and/or alternative systems, and time in relation to staff re-training, which could have an adverse effect on the Group's business, operation and financial position. So far as the Group is aware, it has not infringed on any other party's IP (for example patents), but the risk and impact of any claim cannot be excluded.

Litigation

Any litigation, by any member of the Group or against any member of the Group, is likely to be costly and there can be no assurance that the Group would prevail in any such litigation. Litigation could also involve a significant diversion of resources and management attention.

When the Group is awarded a significant contract it is commonplace for the losing bidder to launch a legal challenge against the award, leading to delays in the commencement of new contracts and possibly the need to re-tender

If a contract is awarded to the Group directly or following a tender procedure, occasionally losing bidders may take legal action against the entity awarding the contract. The awarding authority (with the witness and other support of the Group) may need to take legal action to enforce the award or the Group may need to take action to challenge any changed intent, and this litigation instigated by the Group's competitors, may result in substantial costs and the diversion of resources and management attention and there can be no guarantees as to the outcome of any such litigation. The process may result in a re-tender for the contract if lost or a delay in the commencement of the new contract if won.

Short term nature of contracts and contracts on a rolling basis

Some of the contracts which the Group has entered into with customers, partners and suppliers are on a short term basis and could be terminated at short notice. While the Directors are not presently aware of any reason likely to lead to such termination, there can be no guarantee that such termination will not occur in the future. Such termination could have a material adverse effect upon the Group's revenues and earnings.

New products may impact growth

The Group's future growth will be dependent on its ability to update and modify the current CTM™ platform and provide further services required by the customer. There can be no guarantees that new modifications and services will be successfully developed or, if developed, successfully sold to customers. This could affect the growth of the Group's future revenues and profits.

Expansion into overseas/new markets

The Group does not currently have a near term plan for any aggressive geographic expansion, but its future growth may be impacted by its ability to generate business in geographical markets which it has recently entered and which it desires to enter. There is no guarantee that the Group will be able to generate the required level of sales or profitability if the costs of entry into and operating in these new geographical areas prove to be higher than expected. Other anticipated barriers to entry include local support and the legal and regulatory regimes of the geographies concerned. There is also no guarantee that expansion into additional geographical markets will not cause disruption and harm to the Group's existing business.

Dependence on key executives and personnel

The Group's development and prospects are dependent upon the continued services and performance of its Directors, senior management and other key personnel. The loss of the services of any of the Directors, senior management or key personnel or a substantial number of talented employees, could cause disruption or the loss of experience, skills or customer relationships of such personnel, which could have a material adverse effect on the Group's business, financial condition and results of operations until a suitable replacement is found. However, the Group has purchased key man insurance to protect against the loss of Thomas Beergrehn.

Ability to recruit and retain skilled personnel

The Group depends on qualified and experienced employees to enable it to bid for new business and develop its products. Should the Group be unable to attract new employees or retain existing employees, this could have a material adverse effect on the Group's ability to grow or maintain its business.

Unionisation of workforce

Some employees of the Group are members of unions and must comply with the 1976 Co-determination at Work Act ("MBL") law in Sweden in respect of Swedish based employees. MBL regulates the obligation of companies to consult with applicable unions representing any of their employees prior to any decisions that may impact the role or working conditions of their employees, Unions have veto rights only in very rare situations, but failure to consult could be costly and may divert the efforts and attention of the Group's management and other personnel from normal business operations.

Sales partners may decide to take their relationships and custom elsewhere

The Group currently has distributor relationships within the UK, the Netherlands and Portugal. The Group's development and prospects are dependent upon retaining sufficient number of sales partners to effectively sell and distribute the Group's CTM™ platform. The loss of, or an inability to grow the partnerships could have a material adverse effect on the Group's business, financial condition and results of operations.

Loss of information security accreditation

The Group is currently ISO 27001 and IL3 certified. The Directors believe that ISO 27001 based accreditations will become a requirement for all e-procurement platforms in the EU in the next few years, and if so, this may provide the Group with an advantage over its competitors, but a loss of such accreditation may impact on the Group's ability to retain existing customers and attract new customers, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Loss of key customers or sales/distribution partners

Despite having a very large number of underlying customers, the majority of the Group's revenue and profit is generated via a small number of high value contracts with key customers and sales/distribution partners. If the Group were to lose a key customer, there is no guarantee that the Group would be able to replace this with a similarly significant new customer, resulting in a reduction in revenue and profitability. In most cases, the loss of a contract with a sales/distribution partner would lead to the loss of the associated underlying customers. The Group may seek to contract directly with these organisations, however, it is likely that it will only be possible to contract with some of the larger underlying organisations and therefore the Group could lose a number of the smaller underlying customers. Therefore the loss of a key customer or a sales/distribution partner could have a material adverse effect on the Group's business, financial condition and results of operations.

Regulation that the Company cannot comply with

The Group operates in a highly regulated market, influenced by EU directives, country level legislation and information security standards. If Group is unable to comply with any new regulation introduced, it may lose existing customers and/or find it more difficult to win new customers. Depending on the nature of the changes to regulation, the Group may be prohibited from offering the CTM™ platform to customers in certain countries or industries. Regulation could also mandate open source requirements, or standard settings, which would hamper exploitation of the Group's advanced features for "intelligent support" reducing the Group's market advantage. Furthermore, regulations relating to the Internet and online operations could

adversely affect the manner in which the Group currently conducts its business. The law of the Internet remains largely unsettled, even in areas where there has been some legislative action. In addition, the growth and development of the market for online service provision may lead to more stringent customer protection laws which may have a material adverse effect on the Group's business, financial condition and results of operations.

Lack of regulation, short notice implementation of mandatory provisions or slower growth of more sophisticated sub-sectors opening the market to cheaper competition

The Group has invested significantly in the CTM™ platform in order to comply with the existing and expected EU directives and national legislation within the EU. If the level of regulation in its markets was reduced this could attract other cheaper competitors with less sophisticated products and lead to greater competition in the Group's key markets. Some competitors may use lower pricing to sell lower level services and gain market share. There is no guarantee that the pricing levels for the Company's services will remain at current levels. This could have a material impact on the Group's ability to retain existing customers and win new customers. This could have a material adverse effect on the Group's business, financial condition and results of operations.

Rapid growth

In order to manage the further expansion of the Group's business and the growth of its operations and personnel, the Group may need to expand and enhance its infrastructure and technology, and improve its operational and financial systems, procedures and controls from time to time in order to be able to match that expansion. Whilst the Group has the necessary working capital to support its business plan and strategy for at least the 12 months after the date of this document, the Group may face challenges in matching the pace of its expansion with achieving corresponding improvements and enhancements in its controls and procedures in the future. If the Group fails to manage its expansion effectively, its business, operations and prospects may be materially and adversely affected.

Potential requirement for further investment

Any future expansion, activity and/or business development may require additional capital, whether from equity or debt sources. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds if raised, would be sufficient. If additional funds are raised by issuing equity securities, dilution to the then existing shareholdings may result. If the Group is not able to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon such planned expansion, activity and/or business development.

Market risks

The Group faces competitive and strategic risks that are inherent in a rapidly growing market. The Group's success will depend on market acceptance of the Group's CTM™ platform and operating model and there can be no guarantee that this acceptance will be forthcoming. Market opportunities targeted by the Group may change and this could lead to an adverse effect upon its revenue and earnings.

Competition

There can be no assurance that the Group will be able to win business quickly enough ahead of market maturity following any regulatory mandates or otherwise. Current and potential competitors of the Group may have substantially greater financial, technical and marketing resources, greater name recognition and more established relationships than the Group and so may be better able to compete in the Group's target markets or may use lower pricing levels to sell lower level services and gain market share. Some of the Group's competitors are also using low pricing to gain market share (ahead of the date when the expected EU directives are expected to become effective). Furthermore, even though the Group's main competition is currently from only a few multi-state operators and otherwise operators acting in only one or a few EU Member States, additional competitors may enter or increase their focus on the EU public sector, including US based predominantly private sector focused operators of similar services. Some markets may also be impacted by EU and national government initiatives.

Reputation in each local and national marketplace

The Group's reputation is central to its future success, in terms of the services and products it provides, the way in which it conducts its business, wins and retains key customers, and the financial results which it achieves. Failure to meet the expectations of its clients, suppliers, employees, shareholders and other business partners may have a material adverse effect on the Group's reputation and future revenue, and may be exploited by its competition.

Profits

Although the Directors are confident about the prospects of the Group to move into profitability, there can be no certainty that the Group will make a profit in the short or medium term or at all. Any such profits are likely to be retained and used towards the development of the Group's activities and business for the foreseeable future.

Dividends

The payment of dividends by the Group is subject to its having sufficient distributable reserves and cash for such purpose, each of which will depend on the underlying profitability of the Group. The Group's current policy is not to pay dividends. There can be no assurance as to the level of future dividends (if any) that may be paid by the Group.

The Group's objectives may not be fulfilled

Although the Group has a clearly defined future strategy there can be no guarantee that its objectives will be achieved. The failure of the Group to fulfil its strategy as currently anticipated (whether in whole or in part) may have an adverse effect on future Group revenue.

The Group has discretion as to the use of the net proceeds of the Placing and may not use these funds in a manner Shareholders would prefer

The Group's management will have broad discretion in how it applies the net proceeds receivable by the Group from the Placing. In addition, the Directors currently have no intention of departing materially from the purposes referred to in Part I of this document, however, the Group is unable to determine how much of the net proceeds will be used for any identified purpose because circumstances regarding its planned use of the proceeds may change. Investors will not have the opportunity to evaluate the economic, financial or other information on which the Group bases its decisions on how to use the net proceeds. The failure of the Group's management to apply these funds effectively could harm investor confidence and cause the price of the Ordinary Shares to decline.

Transfer pricing

There is a risk that amounts paid or received under intra-group arrangements in the past and/or the future could be deemed for tax purposes to be lower or higher, as the case may be, or be disregarded for the purposes of calculating tax which may increase the Group's taxable income or decrease the amount of relief available to the Group with a consequential negative effect on its financial and operating results.

Exchange rate risk

Exchange rate fluctuations could have an effect on the Group's cash flows, profitability or the price competitiveness of its products and services. The Group has plans to reduce its risk, but there can be no guarantee that the Group would be able to compensate or hedge sufficiently against such adverse effects and therefore negative exchange rate effects could adversely affect the Group's business and prospects, and its financial performance.

VCT and EIS relief

The Group has received advance assurance from HMRC that it is a qualifying company for VCT Scheme purposes. The actual availability of qualifying status for VCT Scheme purposes will be contingent upon certain conditions being met by both the Group and the relevant investors. Neither the Group nor its advisers give any warranties or undertakings that VCT Scheme qualifying status will be available or that, if initially available, such relief or status will not be withdrawn. Should the law regarding the VCT Scheme change then any reliefs or qualifying status previously obtained may be lost.

Circumstances may arise (which may include the sale of the Group) where the Board believes that the interests of the Group are not best served by acting in a way that preserves VCT Scheme or EIS qualifying status and the Group cannot undertake to conduct its activities in a way designed to secure or preserve such qualifying status or relief.

If the Group does not employ the proceeds of a VCT Scheme share issue for qualifying purposes within 24 months, the funds invested by the VCT would be apportioned pro rata and its qualifying holding would be equal to the VCT's funds that had been employed for qualifying trading purposes within the above time limits. Any remaining element of the VCT's investment would comprise part of its non-qualifying holdings.

The information in this document is based upon current tax law and practice and other legislation and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Group.

In the case of money raised from an EIS issue, the Group must employ the entire proceeds raised from the issue of the shares for the purpose of a qualifying business activity within 24 months of the issue of the shares in order for the shares to continue to qualify for EIS relief.

If the Group ceases to carry on the business outlined in this document or acquires or commences a business which is not insubstantial to the Group's activities and which is a non-qualifying trade for VCT relief, this could prejudice the qualifying status of the Group (as referred to above) under the VCT Scheme. This situation will be monitored by the Board with a view to preserving the Group's qualifying status but this cannot be guaranteed.

Any company receiving aid through any of the venture capital schemes, that would include VCTs, individually or combined, that amounts to a value above the investment limit currently shown at section 292A(1) of the Income Tax Act 2007 is at risk of the European Commission deeming the aid to be illegal, and bears the risk of sanctions imposed by the European Commission to recover that aid.

Additional information on the VCT Scheme and EIS qualifying status is included in Part I of this document.

Tax shield from earlier losses

The Group has had, and expects to continue to have in the future, the benefit of tax losses carried forward from prior years. Tax legislation governing the usability of losses carried forward in the jurisdictions in which the Group operates is complex and includes, amongst other things, the possibility that the use of losses may be restricted whenever changes in ownership occur or changes in the nature of the business occur. There is a possibility that some or all of the tax losses utilised or to be utilised by companies in the Group may be subject to challenge and may be found to be restricted. If such a challenge were to materialise, there is a potential risk of a material tax exposure to the Group. However, the Directors believe the likelihood of such risk materialising to be small and that, in any event, they believe the Group has sufficient financial resources to fund such a tax on future earnings if it were to become payable.

Changes in tax laws or their interpretation could affect the Group's financial condition or prospects

The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Group. Any limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group.

General risks

Economic conditions and current economic weakness

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on demand for the Group's products. A more prolonged economic downturn may lead to an

overall decline in the volume of the Group's sales, restricting the Group's ability to realise a profit. In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured. If economic conditions remain uncertain, the Group might see lower levels of growth than in the past, which might have an adverse impact on the Group's operations and business results.

Force Majeure

The Group's operations now or in the future may be adversely affected by risks outside the control of the Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Taxation

Statements in this document in relation to tax and concerning the taxation of investors in Ordinary Shares are based on current tax law and practice which is subject to change.

The taxation of an investment in the Group depends on the specific circumstances of the relevant investor.

AIM

AIM securities are not admitted to the Official List. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Group's securities cannot be guaranteed.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than for larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

Investment risk

An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Group and he/she may lose all of his/her investment.

Investors should be aware that, following Admission, the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment and could even lose their entire investment. This volatility could be attributable to various facts and events, including the availability of information for determining the market value of an investment in the Group, any regulatory or economic changes affecting the Group's operations, variations in the Group's operating results, developments in the Group's business or its competitors, or changes in market sentiment towards the Ordinary Shares. In addition, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors.

Market conditions may affect the Ordinary Shares regardless of the Group's operating performance or the overall performance of the sector in which the Group operates. Share market conditions are affected by many factors, including general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply for capital. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Group while others of which may be outside the Group's control.

If the Group's revenues do not grow, or grow more slowly than anticipated, or if its operating or capital expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Ordinary Shares may decline. In addition, if the market for securities of companies in the same sector or the stock market in general experiences a loss in investor confidence or otherwise falls, the market price of the Ordinary Shares

may fall for reasons unrelated to the Group's business, results of operations or financial condition. Therefore, investors might be unable to resell their Ordinary Shares at or above the Placing Price.

Illiquidity

There will have been no public trading market for the Ordinary Shares prior to Admission. The Ordinary Shares may therefore be illiquid in the short to medium term and, accordingly, an investor may find it difficult to sell Ordinary Shares, either at all or at an acceptable price. Further, the Group can give no assurance that an active trading market for the Ordinary Shares will develop, or if such a market develops, that it will be sustained. If an active trading market does not develop or is not maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected and investors may have difficulty selling their Ordinary Shares. The market price of the Ordinary Shares may drop below the Placing Price. Any investment in the Ordinary Shares should be viewed as a long term investment.

PART IIIA

ACCOUNTANTS' REPORT ON EU SUPPLY PLC

The Directors
EU Supply Plc
26 Red Lion Square
London
WC1R 4AG

The Directors
Westhouse Securities Limited
Heron Tower
110 Bishopsgate
London
EC2N 4AY

7 November 2013

Dear Sirs

EU Supply PLC

We report on the financial information set out below. This financial information has been prepared for inclusion in the Admission Document dated 7 November 2013 on the basis of the accounting policies set out below. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors are responsible for preparing the financial information on the basis of preparation set out in Note 2 to the financial information on EU Supply Plc.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information.

It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion the financial information gives for the purpose of the Admission Document dated 7 November 2013 a true and fair view of the state of affairs of EU Supply Plc as at 30 June 2013 and of the trading activity for the period then ended in accordance with the basis of preparation set out in note 2 of the financial information.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully

haysmacintyre

Chartered Accountants and Registered Auditors
26 Red Lion Square
London WC1R 4AG

PART IIIB

HISTORICAL FINANCIAL INFORMATION ON EU SUPPLY PLC FOR THE PERIOD ENDED 30 JUNE 2013

REVIEW FOR THE PERIOD ENDED 30 JUNE 2013

As at 30 June 2013, the Company had carried out no trading and the only transactions during the period and to date are as follows:

- EU Supply Plc was incorporated on 2 May 2013 and has an accounting reference date of 31 December.
- Thomas Beergrehn and David Cutler were appointed as directors on 2 May 2013.
- Steffen Karlsson was appointed as a Non-Executive Director of the Company on 7 November 2013.
- Mark Westcombe Elliott was appointed as Chief Financial Officer of the Company on 7 November 2013.
- On 2 May 2013, EU Supply Plc issued 1 ordinary share of £1, allotted to Thomas Beergrehn being the founder shareholder.
- On 31 October 2013, the Company acquired EUS Holdings Limited by way of a share exchange agreement of the same date. As a result of the acquisition, EUS Holdings Limited became a wholly owned subsidiary of the Company.

BALANCE SHEET AS AT 30 JUNE 2013

	<i>Notes</i>	£
Current assets		
Cash		1
		<u>-</u>
Net assets		<u>1</u>
		<u><u>1</u></u>
Capital and reserves		
Ordinary share capital	3	<u>1</u>
Total shareholders' funds		<u><u>1</u></u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. Introduction

The Company was incorporated as EU Supply Plc in England and Wales on 2 May 2013 with registration number 08513444.

No audited financial statements have been prepared and no dividends have been declared or paid since the date of incorporation.

The financial information presented is the responsibility of the Company's directors who approved its issue.

2. Accounting policies and basis of preparation

The financial information has been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, which have been applied consistently.

3. Share capital

	<i>As at</i>
	<i>30 June 2013</i>
	£
Allotted, issued and paid	
1 Ordinary share of £1 each	<u><u>1</u></u>

During the period, the Company issued 1 ordinary share at par

4. Post balance sheet events

On 31 October 2013, the Company performed a share for share exchange with EUS Holdings Limited. This resulted in 35,540,602 ordinary shares of 0.1p each being issued in consideration.

PART IVA

ACCOUNTANTS' REPORT ON EUS HOLDINGS LIMITED

The Directors
EUS Holdings Limited
26 Red Lion Square
London
WC1R 4AG

The Directors
Westhouse Securities Limited
Heron Tower
110 Bishopsgate
London
EC2N 4AY

7 November 2013

Dear Sirs

EUS Holdings Limited

We report on the financial information set out below. This financial information has been prepared for inclusion in the Admission Document dated 7 November 2013 on the basis of the accounting policies set out below. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the consolidated financial information on EUS Holdings Limited.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information.

It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion the consolidated financial information gives for the purpose of the Admission Document dated 7 November 2013 a true and fair view of the state of affairs of EUS Holdings Limited as at 31 December 2010, 31 December 2011 and 31 December 2012 and of the losses, cash flows and statement of changes in Shareholders equity for the periods then ended in accordance with the basis of preparation set out in note 1 of the consolidated financial information.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully

haysmacintyre

Chartered Accountants and Registered Auditors
26 Red Lion Square
London WC1R 4AG

PART IVB

**HISTORICAL FINANCIAL INFORMATION ON EUS HOLDINGS LIMITED
FOR THE THREE YEARS ENDED 31 DECEMBER 2012**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		<i>Year ended</i> <i>31 December</i> <i>2012</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2011</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2010</i> <i>£'000</i>
	<i>Notes</i>			
Revenues	2	1,607	1,487	1,344
General and administrative	3	<u>(2,858)</u>	<u>(1,978)</u>	<u>(1,472)</u>
Operating loss		(1,251)	(491)	(128)
Financing income	5	11	–	–
Financing expenses	5	<u>247</u>	<u>(108)</u>	<u>(47)</u>
Loss before taxation		(993)	(599)	(175)
Taxation	6	<u>(39)</u>	<u>(23)</u>	<u>(8)</u>
Loss for the year		(1,032)	(622)	(183)
Other Comprehensive income				
Translation difference on overseas operations		<u>(14)</u>	<u>(1)</u>	<u>(129)</u>
Total comprehensive loss for the period		<u><u>(1,046)</u></u>	<u><u>(623)</u></u>	<u><u>(312)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<i>As at</i> <i>31 December</i> <i>2012</i> <i>£'000</i>	<i>As at</i> <i>31 December</i> <i>2011</i> <i>£'000</i>	<i>As at</i> <i>31 December</i> <i>2010</i> <i>£'000</i>
	<i>Notes</i>			
Assets				
Non-current assets				
Intangible assets	9	198	349	500
Property, plant and equipment	8	55	41	77
Other long term receivable		38	32	32
		<u>291</u>	<u>422</u>	<u>609</u>
Current assets				
Trade and other receivables	11	380	209	306
Cash and cash equivalents		27	51	42
		<u>407</u>	<u>260</u>	<u>348</u>
Total assets		<u><u>698</u></u>	<u><u>682</u></u>	<u><u>957</u></u>
Equity				
Capital and reserves attributable to the company's equity shareholders				
Called up share capital	14	11	11	11
Share premium account		392	310	310
Other reserves		142	11	11
Retained earnings		<u>(3,238)</u>	<u>(2,192)</u>	<u>(1,569)</u>
Total equity		<u><u>(2,693)</u></u>	<u><u>(1,860)</u></u>	<u><u>(1,237)</u></u>
Liabilities				
Non-current liabilities				
Redeemable preference share capital		9	9	9
Redeemable preference share premium		585	585	585
Other payables	12	9	430	386
Deferred taxation	15	44	13	–
Current liabilities				
Trade and other payables	12	1,403	922	1,069
Short term borrowings	13	1,333	574	138
Current tax payable		8	9	7
Total liabilities		<u><u>3,391</u></u>	<u><u>2,542</u></u>	<u><u>2,194</u></u>
Total equity and liabilities		<u><u>698</u></u>	<u><u>682</u></u>	<u><u>957</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Year Ended</i> 31 December 2012 £'000	<i>Year Ended</i> 31 December 2011 £'000	<i>Year Ended</i> 31 December 2010 £'000
Cash flow from operating activities			
Loss for the period	(1,032)	(622)	(183)
<i>Adjustments for:</i>			
Net financing expenses	(247)	108	47
Depreciation and amortisation	161	188	187
Decrease/(increase) in trade and other receivables	(177)	97	6
Increase/(decrease) in trade and other payables	307	(211)	243
Deferred taxation	31	13	–
Taxation	(8)	(9)	(7)
Net cash (outflow)/inflow from operating activities	<u>(965)</u>	<u>(436)</u>	<u>293</u>
Cash flows from investing activities			
Purchase of property plant and equipment	(24)	(1)	(12)
Purchase of intangible assets	–	–	(235)
Net cash outflow from investing activities	<u>(24)</u>	<u>(1)</u>	<u>(247)</u>
Cash flows from financing activities			
Proceeds of short term borrowings	901	436	26
Proceeds of share issue	82	–	–
Proceeds from share option premium	–	–	11
Net cash generated from financing activities	<u>983</u>	<u>436</u>	<u>37</u>
(Decrease)/increase in cash and cash equivalents	(6)	(1)	83
Exchange rate differences	(18)	10	(73)
Cash and cash equivalents at beginning of the period	51	42	32
Cash and cash equivalents at end of the period	<u><u>27</u></u>	<u><u>51</u></u>	<u><u>42</u></u>

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	<i>Ordinary shares £'000</i>	<i>Share premium £'000</i>	<i>Accumu- lated earnings £'000</i>	<i>Translation reserve £'000</i>	<i>Other reserves £'000</i>	<i>Total £'000</i>
1 January 2010	11	310	(1,252)	(5)	–	(936)
Total comprehensive income	–	–	(183)	(129)	–	(312)
Shares option premium	–	–	–	–	11	11
Balance at 31 December 2010	11	310	(1,435)	(134)	11	(1,237)
Total comprehensive income	–	–	(622)	(1)	–	(623)
Balance at 31 December 2011	11	310	(2,057)	(135)	11	(1,860)
Total comprehensive income	–	–	(1,032)	(14)	–	(1,046)
Shares issued in period	–	82	–	–	(11)	71
Convertible loan equity recognition	–	–	–	–	142	142
Balance at 31 December 2012	11	392	(3,089)	(149)	142	(2,693)

NOTES TO THE FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

The accounting policies, applied on a consistent basis in the preparation of the financial information, are as follows:

Basis of preparation

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board as adopted by the European Union (IFRS) and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS. The consolidated financial information has been prepared under the historical cost convention. The principal accounting policies adopted by the Group and Company are set out below.

Basis of consolidation

This financial information consolidates the information of the Company and its subsidiary. All intercompany balances and transactions have been eliminated in full. As provided by section 408 of the Companies Act 2006, a separate income statement for the company has not been prepared.

Inter-company transactions and balances are eliminated on consolidation. Investments in subsidiaries are accounted for at fair value at the date of acquisition, and reviewed annually for impairment. Inter-company transactions and balances are eliminated on consolidation.

Segment reporting

The Group treats each of its trading subsidiaries as an individual segment for reporting and decision-making purposes.

Revenue recognition

Revenue from the services provided is measured at the fair value of the consideration received or to be received, net of returns, trade discounts and volume rebates.

Revenue from annual maintenance contracts is recognised in equal instalments over the period to which the service is provided.

Revenue from product sales is recognised at the date of delivery.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Parent Company is pounds sterling; that of its subsidiary is Swedish Krona (SEK).

The consolidated financial statements are presented to 31 December 2012, 31 December 2011 and 31 December 2010 in pounds sterling. The average exchange rates used for 2012, 2011 and 2010 are 10.7268, 10.3981 and 11.1168 SEK to pound sterling respectively. The year-end rates used are 10.5019 (2012), 10.6487 (2011) and 10.4772 (2010).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated as follows:

- (a) assets and liabilities at the balance sheet date are translated at the closing rate at 31 December 2012, 31 December 2011 and 31 December 2010;
- (b) income and expenses for each income statement are translated at average exchange rates; and
- (c) all resulting exchange differences are recognised in other comprehensive income.

Financial Instruments

Cash and cash equivalents

Cash and cash equivalents are measured at fair value and comprise cash deposits.

Trade and other receivables (excluding prepayments)

Trade and other receivables do not carry any interest and are stated at their nominal value.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed, but excluding services provided under executory contracts, where the performance of their respective obligations by both parties to the contract remain partially complete at the balance sheet date. Liabilities recognised are unsecured, non-interest bearing and are stated at cost.

Share capital

Ordinary shares are classified as equity.

Redeemable preference shares

In accordance with IAS 39, financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Where the contractual obligation of financial instruments (including share capital) are equivalent to a similar debt instrument, these financial instruments are classed as financial liabilities.

In the case of the redeemable preference shares, the company has included these within debt.

Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Convertible debt option reserve" within shareholders' equity, net of income tax effects.

Current and deferred tax

The tax expense represents the sum of the current tax and deferred tax. The current tax is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax

liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Property, plant & equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is calculated to write down the cost of all tangible fixed assets by equal monthly instalments over their estimated useful lives at the following rates:

Office equipment – 20 per cent. straight line

Intangible assets

Intangible fixed assets are initially recognised at cost less amortisation and impairment losses. Amortisation is calculated to write down the cost of intangible fixed assets by equal monthly instalments over their estimated useful economic lives at the following rates:

Development costs – 20 per cent. straight line

Trade and other receivables

Trade receivables are stated at fair value. A provision for impairment is made where there is objective evidence of impairment (including customers in financial difficulty or seriously in default against agreed payment terms).

Trade and other payables

Trade and other payables are recognised at fair value. There are no material differences between book and fair values.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income statement as incurred.

2. SEGMENTAL INFORMATION

Geographical information can be analysed as follows for the reporting period under review:

	<i>UK</i> £'000	<i>EU</i> £'000	<i>Rest of the world</i> £'000	<i>Total</i> £'000
31 December 2012				
Revenue	587	767	253	1,607
31 December 2011				
Revenue	715	572	200	1,487
31 December 2010				
Revenue	532	580	232	1,344

3. EXPENSES BY NATURE

	<i>2012</i> £'000	<i>2011</i> £'000	<i>2010</i> £'000
Loss from operations has been arrived at after charging:			
Depreciation and amortisation	161	188	187
Auditor's remuneration for auditing services	9	9	3
Operating lease rentals – land and buildings	95	80	66
	<u> </u>	<u> </u>	<u> </u>

4. STAFF COSTS

The average monthly number of employees (including executive directors) for the year for each of the Group's principal divisions was as follows:

	<i>2012</i>	<i>2011</i>	<i>2010</i>
Staff numbers	24	18	14
	<u> </u>	<u> </u>	<u> </u>

The aggregate remuneration comprised:

	<i>2012</i> £'000	<i>2011</i> £'000	<i>2010</i> £'000
Wages and salaries	1,164	927	771
Social security and taxes	306	248	181
Pension costs	124	108	86
	<u> </u>	<u> </u>	<u> </u>
	<u>1,594</u>	<u>1,283</u>	<u>1,038</u>

DIRECTORS' EMOLUMENTS

The value of all elements of remuneration received by each director during the periods are as follows:

	<i>2012</i> £'000	<i>2011</i> £'000	<i>2010</i> £'000
Thomas Beergrehn	90	49	40
	<u> </u>	<u> </u>	<u> </u>
Total	<u>90</u>	<u>49</u>	<u>40</u>

Internet Startups Holding BV, a company owned and controlled by director T Beergrehn, invoiced the company £25,000 (2011: £60,000) for consultancy services in the period. During the year to 31 December 2012, corporate director Ice Partners GmbH, invoiced the company £42,700 for consultancy services.

5. FINANCING INCOME

	<i>2012</i> £'000	<i>2011</i> £'000	<i>2010</i> £'000
Interest receivable	11	–	–

FINANCING EXPENSE

	<i>2012</i> £'000	<i>2011</i> £'000	<i>2010</i> £'000
Interest payable	149	108	47
Preference share interest waived	(421)	–	–
Interest on convertible notes and other loans with conversion rights	25	–	–
	<u>(247)</u>	<u>108</u>	<u>47</u>

On 30 December 2012, preference shareholders holding 8,809 shares agreed to formally waive their rights to interest accrued on their shareholding and the liability has been adjusted accordingly.

Interest on the other loans with conversion rights (see note 13) has been charged at 32 per cent. within these financial statements, the estimated rate of interest that would have applied on a pure loan in the absence of the convertibility feature. The coupon rate of these loans is 20 per cent.

Interest on the convertible notes has been charged at 20 per cent. within these financial statements, the estimated rate of interest that would have applied on a pure loan in the absence of the convertibility feature. The coupon rate of these convertible notes is 8 per cent.

6. TAXATION

	<i>2012</i> £'000	<i>2011</i> £'000	<i>2010</i> £'000
Current tax	(8)	(10)	(8)
Deferred tax	(31)	(13)	–
	<u>(39)</u>	<u>(23)</u>	<u>(8)</u>
Loss before taxation	(993)	(622)	(183)
Expected tax credit on loss before tax	(243)	(165)	(51)
Current and deferred tax profit and loss charge	39	23	8
Difference to be explained (see below)	<u>(204)</u>	<u>(142)</u>	<u>(43)</u>
Expenses not deductible for tax purposes			
Tax payable by foreign subsidiaries	(8)	(10)	(8)
Temporary differences not recognised for tax purposes	212	152	51
	<u>204</u>	<u>142</u>	<u>43</u>

7. LOSS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2012 £'000	2011 £'000	2010 £'000
Earnings			
Basic and diluted	1,046	623	312
<i>Number of shares</i>			
Basic	11	11	11
Diluted	<u>13</u>	<u>11</u>	<u>11</u>

The earnings per share has been calculated on a weighted average number of shares in issue

8. PROPERTY, PLANT AND EQUIPMENT

	Office equipment £'000	Total £'000
Cost		
At 1 January 2010	183	183
Additions	<u>12</u>	<u>12</u>
At 31 December 2010	195	195
Additions	<u>1</u>	<u>1</u>
At 31 December 2011	196	196
Additions	<u>24</u>	<u>24</u>
At 31 December 2012	<u>220</u>	<u>220</u>
Accumulated depreciation		
At 1 January 2010	82	82
Charge for the year	<u>36</u>	<u>36</u>
At 31 December 2010	118	118
Charge for the year	<u>37</u>	<u>37</u>
At 31 December 2011	155	155
Charge for the year	<u>10</u>	<u>10</u>
At 31 December 2012	<u>165</u>	<u>165</u>
As at 31 December 2012	<u>55</u>	<u>55</u>
As at 31 December 2011	<u>41</u>	<u>41</u>
As at 31 December 2010	<u>77</u>	<u>77</u>

9. INTANGIBLE FIXED ASSETS

	<i>Development costs £'000</i>	<i>Total £'000</i>
Cost		
At 1 January 2010	520	520
Additions	235	235
At 31 December 2010	755	755
Additions	–	–
At 31 December 2011	755	755
Additions	–	–
At 31 December 2012	755	755
Accumulated depreciation		
At 1 January 2010	104	104
Charge for the year	151	151
At 31 December 2010	255	255
Charge for the year	151	151
At 31 December 2011	406	406
Charge for the year	151	151
At 31 December 2012	557	557
As at 31 December 2012	198	198
As at 31 December 2011	349	349
As at 31 December 2010	500	500

10. INVESTMENTS IN SUBSIDIARIES

The following are the Company's subsidiaries:

<i>Name of subsidiary</i>	<i>Place of incorporation (or registration) and operations</i>	<i>Proportion of ownership interest (per cent.)</i>	<i>Proportion of voting power held (per cent.)</i>	<i>Principal activity</i>
eu-supply Holding AB	Sweden	100	100	Development of software

eu-supply Holding AB formed part of the group since 2002.

11. TRADE AND OTHER RECEIVABLES

	<i>31 December 2012 £'000</i>	<i>31 December 2011 £'000</i>	<i>31 December 2010 £'000</i>
Trade receivables	235	173	270
Other receivables	37	2	2
Prepayments and accrued income	108	34	34
	380	209	306

12. TRADE AND OTHER PAYABLES

	31 December 2012 £'000	31 December 2011 £'000	31 December 2010 £'000
Current liabilities			
Trade payables	318	80	65
Social security and other taxes	22	21	16
Accrued expenses	667	441	307
Deferred income	215	211	194
Other creditors	181	169	487
	<u>1,403</u>	<u>922</u>	<u>1,069</u>
Non-current liabilities			
Accrued preference share dividend	9	430	386
	<u>9</u>	<u>430</u>	<u>386</u>

13. SHORT TERM BORROWINGS

	31 December 2012 £'000	31 December 2011 £'000	31 December 2010 £'000
Other loans	693	511	114
Convertible notes	468	–	–
Unpaid interest	172	63	24
	<u>1,333</u>	<u>574</u>	<u>138</u>

The above loans are repayable within 12 months of the balance sheet date.

A total of £693,000 representing initial capital of the loans attract an interest rate of between 10-20 per cent. Of these loans a total of £83,640 (at the balance sheet date), hold the right to subscribe for 4.2 per cent. of ordinary shares based on their original loan capital at a company valuation of £4 million at any time until 25 September 2014.

A total of £610,000 representing initial capital, is convertible to ordinary shares on the event of an initial public offering and attracts an interest rate of 8 per cent.

A total of £142,000 of this balance has been reclassified under the requirements of IAS 32.

14. CALLED UP SHARE CAPITAL

	As at 31 December 2012, 2011, 2010 £'000
Authorised:	
11,052 ordinary shares of £1 each (2011/2010: 10,764 ordinary shares of £1 each)	<u>11</u>
Allotted, called up and fully paid	
11,052 ordinary shares of £1 each (2011/2010: 10,764 ordinary shares of £1 each)	<u>11</u>

15. DEFERRED TAX LIABILITIES

	£'000
At 1 January 2011	–
Released to the income statement	13
At 1 January 2012	13
Released to the income statement (note 6)	31
At 31 December 2012	44

16. RELATED PARTY TRANSACTIONS

Below is a list of loan balances, including unpaid interest, due by the company which remain outstanding at 31 December 2012. Internet Startups Holding BV is a company owned and controlled by T Beergrehn, a director of the Company. B Beergrehn and M Beergrehn are immediate family members of T Beergrehn, a director of the Company. Seglatsen Consulting AB is a company registered in Sweden of which Jonas Jan Ljungstrom, a director of the company, is a director. Colombo Trust Company Limited is a related company of Ice Partners GmbH (corporate director).

<i>Name of related party</i>	<i>2012</i> £'000	<i>2011</i> £'000	<i>2010</i> £'000
Ice Partners GmbH	33	51	46
T Beergrehn	68	61	–
Internet Startups Holding BV	236	157	–
B Beergrehn	208	115	–
M Beergrehn	37	30	–
Seglatsen Consulting AB	30	26	23
J Ljungstrom	7	–	–
Columbo Trust Company Limited	101	–	–

Internet Startups Holding BV, a company owned and controlled by T Beergrehn, a director of the Company, invoiced the company £25,000 (2011:£60,000) for consultancy services in the period. At 31 December 2012 an amount totalling £85,000 was outstanding.

During the year to 31 December 2012, corporate director Ice Partners GmbH, invoiced the company £42,700 for consultancy services. At 31 December 2012 an amount totalling £21,350 was outstanding.

17. LEASING COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<i>2012</i> £'000
Within 1 year	95

The lease is for building premises and is automatically renewed annually at the balance sheet date unless notice has been given.

18. POST BALANCE SHEET EVENTS

On 31 October 2013, preference shares totalling £593,973 were converted into 11,569,000 Ordinary Shares.

On 31 October 2013, convertible loan notes totalling £1,814,400 were converted into 12,919,602 Ordinary Shares.

On 31 October 2013, the Company's entire issued share capital was acquired via a share for share exchange, the consideration for the issue was 35,540,602 Ordinary Shares of 0.1p each.

As a result of this transaction, EUS Holdings Limited became a wholly owned subsidiary of EU Supply Plc on 31 October 2013, which the Directors consider to be the Company's ultimate controlling party.

PART VA

ACCOUNTANTS' INDEPENDENT REVIEW REPORT ON EUS HOLDINGS LIMITED

We have been engaged by the Company to review the interim financial information for the six months ended 30 June 2013 which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related explanatory notes. We have read the other information contained in the interim financial information and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial information.

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim financial information is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial information in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The interim financial information included in this interim financial information has been prepared using accounting policies consistent with those to be applied in the next annual financial statements.

Our responsibility

Our responsibility is to express to the company a conclusion on the interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2400, "Engagements to review historic financial statements" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with the AIM Rules of the London Stock Exchange.

haysmacintyre

Chartered Accountants and Registered Auditors
26 Red Lion Square
London WC1R 4AG

7 November 2013

PART VB

UNAUDITED HISTORICAL FINANCIAL INFORMATION ON EUS HOLDINGS LIMITED FOR THE PERIODS ENDED 30 JUNE 2012 and 30 JUNE 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Period ended 30 June 2013 £'000 (Unaudited)	Period ended 30 June 2012 £'000 (Unaudited)	Year ended 31 December 2012 £'000 (Audited)
	Notes			
Revenues	2	868	1,024	1,607
General and administrative	3	(2,063)	(1,047)	(2,858)
Operating loss before exceptional item		(1,195)	(23)	(1,251)
Exceptional item	4	(110)	–	–
		(1,305)	(23)	(1,251)
Financing income	5	–	–	11
Financing expenses	6	(268)	(158)	247
Loss before taxation		(1,573)	(181)	(993)
Taxation		–	(5)	(39)
Loss for the year		(1,573)	(186)	(1,032)
Other Comprehensive income				
Translation difference on overseas operations		–	–	(14)
Total comprehensive loss for the period		(1,573)	(186)	(1,046)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<i>As at 30 June 2013 £'000 Unaudited</i>	<i>As at 30 June 2012 £'000 Unaudited</i>	<i>As at 31 December 2012 £'000 Audited</i>
	<i>Notes</i>			
Assets				
Non – current assets				
Intangible assets	8	124	274	198
Property, plant and equipment	7	55	49	55
Other long term receivables		9	31	38
		<u>188</u>	<u>354</u>	<u>291</u>
Current assets				
Trade and other receivables	10	385	503	380
Cash and cash equivalents		161	22	27
		<u>546</u>	<u>525</u>	<u>407</u>
Total assets		<u><u>734</u></u>	<u><u>879</u></u>	<u><u>698</u></u>
Equity				
Capital and reserves attributable to the company's equity shareholders				
Called up share capital	13	11	11	11
Share premium account		392	392	392
Other reserves		203	28	142
Retained earnings		(4,771)	(1,994)	(3,238)
Total equity		<u>(4,165)</u>	<u>(1,563)</u>	<u>(2,693)</u>
Liabilities				
Non-current liabilities				
Redeemable preference share capital		9	9	9
Redeemable preference share premium		585	585	585
Other payables	11	9	430	9
Deferred taxation		19	20	44
Current liabilities				
Trade and other payables	11	2,321	773	1,403
Short term borrowings	12	1,956	625	1,333
Current tax payable		–	–	8
Total liabilities		<u>4,899</u>	<u>2,442</u>	<u>3,391</u>
Total equity and liabilities		<u><u>734</u></u>	<u><u>879</u></u>	<u><u>698</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Period ended 30 June 2013 £'000 (Unaudited)</i>	<i>Period ended 30 June 2012 £'000 (Unaudited)</i>	<i>Year ended 31 December 2012 £'000 (Audited)</i>
Cash flow from operating activities			
Loss for the period	(1,573)	(181)	(1,032)
Adjustments for:			
Net financing expenses	186	158	(247)
Depreciation and amortisation	94	90	161
Decrease/(increase) in trade and other receivables	24	(294)	(177)
Increase/(decrease) in trade and other payables	814	157	307
Deferred taxation	–	–	31
Taxation	(17)	(5)	(8)
Net cash outflow from operating activities	(472)	(75)	(965)
Cash flows from investing activities			
Purchase of property plant and equipment	(20)	(10)	(24)
Purchase of intangible assets	–	–	–
Net cash outflow from investing activities	(20)	(10)	(24)
Cash flows from financing activities			
Proceeds of short term borrowings	609	73	901
Proceeds of share issue	–	–	82
Proceeds from share option premium	–	–	–
Net cash generated from financing activities	609	73	983
(Decrease)/increase in cash and cash equivalents	117	(12)	(6)
Exchange rate differences	15	(17)	(18)
Cash and cash equivalents at beginning of the Period – 1 January	27	51	51
Cash and cash equivalents at end of the period	159	22	27

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	<i>Ordinary shares £'000</i>	<i>Share premium £'000</i>	<i>Accumu- lated earnings £'000</i>	<i>Other reserves £'000</i>	<i>Total £'000</i>
Balance at 31 December 2011	11	310	(2,192)	11	(1,860)
Total comprehensive income	–	–	(1,032)	–	(1,032)
Shares issued in period	–	82	–	(11)	71
Foreign exchange movement	–	–	(14)	–	(14)
Convertible loan equity recognition	–	–	–	142	142
Balance at 31 December 2012	<u>11</u>	<u>392</u>	<u>(3,238)</u>	<u>142</u>	<u>(2,693)</u>
Total comprehensive income	–	–	(1,573)	–	(1,573)
Shares issued in period	–	–	–	–	–
Foreign exchange movement	–	–	40	(21)	19
Convertible loan equity recognition	–	–	–	82	82
Balance at 30 June 2013	<u><u>11</u></u>	<u><u>392</u></u>	<u><u>(4,771)</u></u>	<u><u>203</u></u>	<u><u>(4,165)</u></u>

NOTES TO THE FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

The accounting policies, applied on a consistent basis in the preparation of the financial information, are as follows:

Basis of preparation

The interim financial information has been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by European Union (EU) and implemented in the UK and in accordance with AIM Rules. The accounting policies, methods of computation and presentation used in the preparation of the interim financial information are consistent with those used in the IFRS financial information included in the admission document for the period ended 31 December 2012, which this interim consolidated financial information should be read in conjunction with.

The financial information in this statement does not constitute full statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial information for the six months ended 30 June 2013 and 30 June 2012 is unaudited.

The interim financial information has been prepared on the going concern basis. The Directors consider that there will be sufficient funds to meet the company's working capital requirements based on the forthcoming fund raise.

Basis of consolidation

This financial information consolidates the information of the Company and its subsidiary. All intercompany balances and transactions have been eliminated in full. As provided by section 408 of the Companies Act 2006, a separate income statement for the company has not been prepared.

Inter-company transactions and balances are eliminated on consolidation. Investments in subsidiaries are accounted for at fair value at the date of acquisition, and reviewed annually for impairment. Inter-company transactions and balances are eliminated on consolidation.

2. GEOGRAPHICAL INFORMATION

Geographical information can be analysed as follows for the reporting periods under review:

	<i>UK</i> £'000	<i>EU</i> £'000	<i>Rest of the world</i> £'000	<i>Total</i> £'000
30 June 2013 – Unaudited				
Revenue	<u>314</u>	<u>402</u>	<u>152</u>	<u>868</u>
30 June 2012 – Unaudited				
Revenue	<u>492</u>	<u>358</u>	<u>174</u>	<u>1,024</u>
31 December 2012 – Audited				
Revenue	<u>587</u>	<u>767</u>	<u>253</u>	<u>1,607</u>

3. EXPENSES BY NATURE

	<i>Period ended 30 June 2013 £'000 Unaudited</i>	<i>Period ended 30 June 2012 £'000 Unaudited</i>	<i>Year ended 31 December 2012 £'000 Audited</i>
Loss from operations has been arrived at after charging:			
Depreciation and amortisation	94	90	161
Operating lease rentals – land and buildings	58	58	95
	<u> </u>	<u> </u>	<u> </u>

4. EXCEPTIONAL ITEM

	<i>Period ended 30 June 2013 £'000 Unaudited</i>	<i>Period ended 30 June 2012 £'000 Unaudited</i>	<i>Year ended 31 December 2012 £'000 Audited</i>
IPO related costs	110	–	–
	<u> </u>	<u> </u>	<u> </u>

5. FINANCING INCOME

	<i>Period ended 30 June 2013 £'000 Unaudited</i>	<i>Period ended 30 June 2012 £'000 Unaudited</i>	<i>Year ended 31 December 2012 £'000 Audited</i>
Interest receivable	–	–	11
	<u> </u>	<u> </u>	<u> </u>

6. FINANCING EXPENSE

	<i>Period ended 30 June 2013 £'000 Unaudited</i>	<i>Period ended 30 June 2012 £'000 Unaudited</i>	<i>Year ended 31 December 2012 £'000 Audited</i>
Interest payable	230	158	149
Preference share interest waived	–	–	(421)
Interest on convertible notes and other loans with conversion rights	38	–	25
	<u> </u>	<u> </u>	<u> </u>
	<u>268</u>	<u>158</u>	<u>(247)</u>

7. PROPERTY, PLANT AND EQUIPMENT

	<i>Office equipment £'000</i>	<i>Total £'000</i>
Cost		
At 1 January 2012	196	196
Exchange difference	12	12
Additions	10	10
	<hr/>	<hr/>
At 30 June 2012	218	218
Exchange difference	5	5
Additions	20	20
	<hr/>	<hr/>
At 30 June 2013	<u>243</u>	<u>243</u>
Accumulated depreciation		
At 1 January 2012	155	155
Charge for the period	14	14
	<hr/>	<hr/>
At 30 June 2012	169	169
Charge for the period	19	19
	<hr/>	<hr/>
At 30 June 2013	<u>188</u>	<u>188</u>
As at 30 June 2013	<u>55</u>	<u>55</u>
As at 30 June 2012	<u>49</u>	<u>49</u>

8. INTANGIBLE FIXED ASSETS

	<i>Development costs £'000</i>	<i>Total £'000</i>
Cost		
At 1 January 2012	755	755
Additions	–	–
	<hr/>	<hr/>
At 30 June 2012	755	755
Additions	–	–
	<hr/>	<hr/>
At 30 June 2013	<u>755</u>	<u>755</u>
Accumulated depreciation		
At 1 January 2012	406	406
Charge for the period	75	75
	<hr/>	<hr/>
At 30 June 2012	481	481
Charge for the period	150	150
	<hr/>	<hr/>
At 30 June 2013	<u>631</u>	<u>631</u>
As at 30 June 2013	<u>124</u>	<u>124</u>
As at 30 June 2012	<u>274</u>	<u>274</u>

9. INVESTMENTS IN SUBSIDIARIES

The following are the Company's subsidiaries:

<i>Name of subsidiary</i>	<i>Place of incorporation (or registration) and operations</i>	<i>Proportion of ownership interest (per cent.)</i>	<i>Proportion of voting power held (per cent.)</i>	<i>Principal activity</i>
eu-supply Holding AB	Sweden	100	100	Development of software

eu-supply Holding AB formed part of the group from incorporation in 2002.

10. TRADE AND OTHER RECEIVABLES

	<i>Period ended 30 June 2013 £'000 Unaudited</i>	<i>Period ended 30 June 2012 £'000 Unaudited</i>	<i>Year ended 31 December 2012 £'000 Audited</i>
Trade receivables	251	439	235
Other receivables	24	36	37
Prepayments and accrued income	110	28	108
	<u>385</u>	<u>503</u>	<u>380</u>

11. TRADE AND OTHER PAYABLES

	<i>Period ended 30 June 2013 £'000 Unaudited</i>	<i>Period ended 30 June 2012 £'000 Unaudited</i>	<i>Year ended 31 December 2012 £'000 Audited</i>
Current liabilities			
Trade payables	525	103	318
Social security and other taxes	98	36	22
Accrued expenses	1,219	556	667
Deferred income	98	–	215
Other creditors	381	78	181
	<u>2,321</u>	<u>773</u>	<u>1,403</u>
Non-current liabilities			
Accrued preference share dividend	9	430	9
	<u>9</u>	<u>430</u>	<u>9</u>

12. SHORT TERM BORROWINGS

	<i>Period ended 30 June 2013 £'000 Unaudited</i>	<i>Period ended 30 June 2012 £'000 Unaudited</i>	<i>Year ended 31 December 2012 £'000 Audited</i>
Other loans	710	570	693
Bank overdraft	3	–	–
Convertible notes	979	–	468
Unpaid interest	264	55	172
	<u>1,956</u>	<u>625</u>	<u>1,333</u>

13. CALLED UP SHARE CAPITAL

	<i>As at 30 June 2013, 30 June 2012 and 31 December 2012 £'000</i>
Authorised:	
11,052 ordinary shares of £1 each (2011/2010: 10,764 ordinary shares of £1 each)	<u>11</u>
Allotted, called up and fully paid	
11,052 ordinary shares of £1 each (2011/2010: 10,764 ordinary shares of £1 each)	<u>11</u>

14. RELATED PARTY TRANSACTIONS

Below is a list of loan balances, including unpaid interest, due by the Company which remain outstanding at 30 June 2013. Internet Startups Holding BV is a company owned and controlled by T Beergrehn, a director of the Company. B Beergrehn and M Beergrehn are immediate family members of director T Beergrehn. Seglasten Consulting AB is a company registered in Sweden of which Jonas Jan Ljungstrom, a director of the company, is a director. Colombo Trust Company Limited is a related company to Ice Partners GmbH, a director of the Company.

<i>Name of related party</i>	<i>Period ended 30 June 2013 £'000</i>	<i>Period ended 30 June 2012 £'000</i>	<i>Year ended 31 December 2012 £'000</i>
Ice Partners GmbH	33	33	33
T Beergrehn	115	63	68
Internet Startups Holding BV	334	211	236
B Beergrehn	258	125	208
M Beergrehn	38	32	37
Seglasten Consulting AB	30	25	30
J Ljungstrom	7	–	7
Colombo Trust Company Limited	105	–	101
	<u>105</u>	<u>–</u>	<u>101</u>

PART VI

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The following unaudited pro forma statement of net assets of the Group at 30 June 2013 is prepared for illustrative purposes only. Because of its nature, the pro forma statement of net assets addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position.

The statement is prepared to illustrate the effect on the assets and liabilities of EU Supply Plc of the proposed Placing and Admission as if they had taken place on 30 June 2013.

The unaudited pro forma statement of net assets is compiled on the basis set out below and is extracted from the unaudited financial statements of EU Supply (incorporated on 2 May 2013) as at 30 June 2013 and the unaudited financial information of EUS as at 30 June 2013 as set out in Part IIIB and Part VB of this document respectively.

	<i>EU Supply Plc</i> £'000	<i>EUS Holdings Limited</i> <i>(Consolidated)</i> £'000	<i>Adjustments</i> <i>(Note)</i> £'000	<i>Unaudited Pro forma</i> <i>of the Group</i> £'000
Assets				
Non-current assets				
Property, plant and equipment	–	55	–	55
Intangible assets	–	124	–	124
Other long term receivable	–	9	–	9
	<hr/>	<hr/>	<hr/>	<hr/>
Total non-current assets	–	188	–	188
	<hr/>	<hr/>	<hr/>	<hr/>
Current assets				
Trade and other receivables	–	385	–	385
Cash and cash equivalents	–	161	3,246	3,407
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	–	546	–	3,792
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<hr/>	<hr/>	<hr/>	<hr/>
	–	734	–	3,980
	<hr/>	<hr/>	<hr/>	<hr/>
Liabilities				
Current liabilities				
Trade and other payables	–	(2,321)	–	(2,321)
Tax liabilities	–	(19)	–	(19)
Loans and other borrowings	–	(1,956)	1,956	–
	<hr/>	<hr/>	<hr/>	<hr/>
Non-current liabilities				
Preference share interest	–	(9)	9	–
Preference shares	–	(9)	9	–
Preference share premium	–	(585)	585	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<hr/>	<hr/>	<hr/>	<hr/>
	–	(4,899)	–	(2,340)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets/(liabilities)	<hr/>	<hr/>	<hr/>	<hr/>
	–	(4,165)	–	1,640
	<hr/>	<hr/>	<hr/>	<hr/>

Notes

1. EU Supply Plc was incorporated in England and Wales on 2 May 2013. No statutory financial statements have been prepared, audited or filed with the Registrar of Companies since incorporation. The Company has not yet commenced operations and has no material assets or liabilities. As at the date of this document, the only transaction of the Company has been the acquisition of EUS Holdings Limited by way of a share exchange agreement dated 31 October 2013. By way of the share exchange agreement, the Company acquired the entire issued share capital of EUS Holdings Limited from its then shareholders in return for the issue and allotment of 35,540,602 Ordinary Shares in the Company to those shareholders being the current shareholders of the Company prior to Admission. As a result of this acquisition EUS Holdings Limited became a wholly owned subsidiary of the Company.
2. The net assets for the Group as at 30 June 2013 has been extracted from the financial information set out in Parts III and V of this document.
3. The Placing adjustment reflects the net proceeds receivable by the Company through the Placing of the New Ordinary Shares at the Placing Price totalling £5.0 million less estimated expenses of approximately £0.545 million.
4. On 31 October 2013, preference shares totalling £593,973 were converted into 11,569,000 Ordinary Shares.
5. On 31 October 2013, convertible loan notes totalling £1,814,400 were converted into 12,919,602 Ordinary Shares.
6. No adjustment has been made to reflect trading results of the Group since 30 June 2013.
7. Since 30 June 2013, £904,400 has been raised by way of loan notes to fund the Group's working capital requirements.

PART VII

ADDITIONAL INFORMATION

1. Responsibility Statement

The Directors, whose names appear on page 5 of this document, and the Company, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge of the Directors and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

- 2.1 The Company was incorporated and registered in England and Wales on 2 May 2013 under the 2006 Act as EU Supply PLC, a public company limited by shares and with registered number 08513444. The Company was granted a trading certificate on 1 November 2013.
- 2.2 The principal legislation under which the Company operates is the 2006 Act and the regulations made thereunder. The liability of the members of the Company is limited.
- 2.3 The Company's registered office is at 26 Red Lion Square, London WC1R 4AG.
- 2.4 The principal activity of the Company is that of a holding company for its trading subsidiaries.

3. The Subsidiaries

- 3.1 The Company has the following subsidiaries:
 - EUS Holdings Limited, incorporated in England and Wales (100 per cent. owned by the Company).
 - EU-Supply Holding AB, incorporated in Sweden (100 per cent. owned by EUS Holdings Limited).

4. Share Capital

- 4.1 On incorporation the issued share capital of the Company was £1 divided into 1 ordinary share of £1. On 31 October 2013 the issued share capital of £1 was subdivided into 1,000 ordinary shares of 0.1 pence each.
- 4.2 Immediately prior to the share for share exchange agreement described in paragraph 4.3 below, each preference share in EUS was converted into one ordinary share plus such number of new ordinary shares as was equal to the total sum originally subscribed for such preference shares, based on the Placing Price. This resulted in the 8,297 preference shares in EUS being converted into 11,569 ordinary shares of £1 each in EUS.
- 4.3 On 31 October 2013 the Company entered into a share for share exchange agreement under which it issued 35,540,602 Ordinary Shares to the shareholders of EUS in consideration for the entire issued share capital of EUS. The shareholders of EUS received 1,000 Ordinary Shares for each ordinary share that they held in EUS.
- 4.4 EUS has granted £1,814,400 of Loan Notes which have a right to convert into ordinary shares on an IPO of that company. Because of the establishment of the Company as the holding company, the Loan Note Holders have agreed to receive, in aggregate, 12,919,602 Ordinary Shares in consideration for the conversion of the Loan Notes or in consideration for a right that they have to subscribe for shares in EUS.
- 4.5 Under the terms of loans taken during August 2012 and September 2012 EUS granted the rights to subscribe set out below. These rights could be exercised at a discount to the Placing Price at any point up until 30 August 2014 or 25 September 2014. The Board decided that rather than have these rights to subscribe remain outstanding in EUS post-Admission, it would issue equivalent

warrants to subscribe for Ordinary Shares to the lenders in consideration of them waiving their subscription rights as follows.

<i>Lender</i>	<i>Right to subscribe for</i>	<i>Warrants issued</i>
Fastighets AB Granen	SEK 285,600	140,000
Bo Beergrehn	SEK 721,200	313,000
Adrian Friend	£60,000	295,000
Jonas Ljungström	SEK 127,650	62,000

- 4.6 The Placing will result in the issue of 22,123,894 New Ordinary Shares on Admission. The Company's share capital at the date of this document and immediately following Admission is expected to be as follows:

<i>Issued and fully paid</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Amount £</i>	<i>Number of Ordinary Shares</i>	<i>Amount £</i>	<i>Number of Ordinary Shares</i>
	35,541.602	35,541,602	57,665.496	57,665,496

- 4.7 Save as disclosed in paragraph 4.5 above, and the Westhouse Warrant, the Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities, exchangeable securities or securities with warrants issued or proposed to be issued by the Company. The Westhouse Warrant grants Westhouse the right to subscribe for such number of Ordinary Shares as is equal to 1 per cent. of the issued share capital of the Company at Admission (being 576,654 Ordinary Shares), with 0.25 per cent. being exercisable at 13.56 pence per Ordinary Share (being the equity value of the Company at the pre-IPO fund raising) and the remaining 0.75 per cent. exercisable at the Placing Price.
- 4.8 Save as set out in this paragraph, there have been no movements in the Company's ordinary share capital since incorporation to the date of this document.
- 4.9 On Admission, Shareholders will suffer an immediate dilution of 38.4 per cent. of their interests in the Company.
- 4.10 The provisions of section 561 of the 2006 Act (which confers shareholders rights of pre-emption in respect of the allotment of equity securities which are or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 1166 of the 2006 Act) will apply to unissued Ordinary Shares in the capital of the Company to the extent not disapplied as described in paragraph 4.11.2 below.
- 4.11 On 24 October 2013, pursuant to a resolution of the Company passed by Shareholders on that date it was resolved that:
- 4.11.1 in accordance with section 551 of the 2006 Act, the directors of the Company be generally and unconditionally authorised to allot shares up to an aggregate nominal amount of £100,000,000 in the Company provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of the date the shares of the Company are admitted to trading on AIM or 31 December 2013.
- This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act.
- 4.11.2 in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by this resolution, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:
- 4.11.2.1 be limited as to an aggregate nominal value of £100,000,000 of the shares to be allotted; and

4.11.2.2 expire on the earlier of the date the shares of the Company are admitted to trading on AIM or 31 December 2013 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by the resolution has expired;

4.11.3 in accordance with section 551 of the 2006 Act, the Directors, from the date that the shares of the Company are admitted to trading on AIM, be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £7,000.00 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of the next annual general meeting of the Company or 30 June 2014.

Save for the previous authority granted under this resolution, this authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act.

4.11.4 in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by this resolution as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:

4.11.4.1 be limited to an aggregate nominal value of £7,000.00; and

4.11.4.2 expire on the earlier of the next annual general meeting of the Company or 30 June 2014 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

Save for any authority granted under this resolution, this authority is in substitution for all previous authorities conferred on the Directors in accordance with section 570 of the 2006 Act.

5. Significant Shareholders

5.1 The following persons either (i) hold, as at the date of this document, and are expected (based on the information available as at the date of this document), immediately following Admission, to hold directly or indirectly three per cent. or more of the voting rights of the Company as at the date of this document and on Admission (as appropriate) or (ii) will following the issue of the New Ordinary Shares under the Placing hold directly or indirectly three per cent. or more of the voting rights of the Company on Admission and save as set out below the Directors are not aware of any person who, directly or indirectly, jointly or severally exercises or could exercise control over the Company:

	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Issued Share Capital</i>
Thomas Beergrehn*	7,204,178	20.3	7,204,178	12.5
J. M. Finn Nominees Limited	3,982,300	11.2	6,672,565	11.6
Thrice Capital Management Limited**	5,402,463	15.2	5,402,463	9.4
Adrian Friend	4,886,238	13.7	4,886,238	8.5
River & Mercantile Asset Management LLP	–	–	3,585,000	6.2
Amati Global Investors Limited	–	–	3,485,000	6.0
Fastighets AB Granen	2,876,462	8.1	2,876,462	5.0
Hargreave Hale Limited	–	–	2,655,000	4.6
Miton Capital Partners Limited	–	–	1,990,000	3.5

*Shares held in own name and by Internet Startups Holdings BV, an investment company controlled by Thomas Beergrehn

**Includes shares held in the name of Columbo Trust

- 5.2 None of the significant shareholders (as defined in the AIM Rules) of the Company has voting rights different from the other holders of Ordinary Shares.
- 5.3 Save as disclosed in this paragraph 5, neither the Company nor the Directors are aware of any person or persons who is or will be immediately following Admission, directly or indirectly, interested in three per cent. or more of the issued share capital of the Company, or of any other person who can, will or could, either alone or, if connected, jointly following Admission will (directly or indirectly) exercise control over the Company.
- 5.4 Insofar as is known to the Company, no arrangements are in place, the operation of which may at a later date result in a change of control of the Company.
- 5.5 Christopher Woodgate has, through being an officer of ICE Partners GmbH and ICE Partners Ltd, attended the majority of the board meetings of EUS, and through his interest in Thrice Capital Management, is also a substantial shareholder in EUS. Christopher Woodgate was censured by the FCA (then the FSA) in 2001 which resulted in his removal from the FCA's authorised persons list.

6. Memorandum and Articles of Association

6.1 Memorandum of Association

In accordance with the 2006 Act, the Company's Memorandum of Association does not set out any objects or purposes. The Company's objects are unrestricted and its purposes are therefore whatever the directors determine.

6.2 Articles of Association

The Articles which were adopted pursuant to a special resolution of the Company passed on 24 October 2013 contain provisions, *inter alia*, as follows:

6.2.1 Voting Rights

Subject to any rights or restrictions attached to the shares (including as a result of unpaid calls) and/or as mentioned below, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative and is entitled to have a vote shall upon a show of hands have one vote and on a poll every member who is present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder. Where, in respect of any shares, any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under section 793 of the 2006 Act, in the

reasonable time period specified in the notice, the shares in question may be disenfranchised. No shareholder shall be able to vote in respect of a share if any sums are due and payable on that share.

6.2.2 *Significant Shareholders*

Nothing in the Articles confers on significant shareholders in the Company any voting rights which are different to those conferred on the holders of Ordinary Shares as described in paragraph 6.2.1 above.

Pursuant to Rule 5.1 of the Disclosure and Transparency Rules, holders of three per cent. or more of the voting rights attaching to the Company's share capital are required to notify their holdings in writing to the Company. To the extent that persons who already hold at least three per cent. or more of the nominal value of the Company's share capital increase or decrease their holding, Rule 5.1 of the Disclosure and Transparency Rules requires that this is also notified to the Company by the shareholder.

Pursuant to section 793 of the 2006 Act, the Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's issued share capital, to confirm that fact or (as the case may be) to indicate whether or not it is the case, and where that person holds, or has during that time held an interest in shares, to give such further information as may be required in accordance with section 793 of the 2006 Act.

6.2.3 *General Meetings*

An annual general meeting shall be held once a year, within a period of not more than six months of the Company's accounting reference date.

Subject to a member's right to requisition a general meeting pursuant to section 303 of the 2006 Act, general meetings of the Company are convened at the discretion of the board, and with the exception of the annual general meeting, all such general meetings of the Company shall be called general meetings.

An annual general meeting shall be called by at least 21 clear days' notice in writing. All general meetings shall be called by at least 14 clear days' notice to the Company regardless of the type of resolution being passed (under section 307(2) of the 2006 Act). A notice must be served on a member in accordance with the provisions of the 2006 Act, that is, in hard copy form, or where the member has consented or is deemed to have consented under the 2006 Act, in electronic form or via a website. If the notice contains an electronic address for the Company, a member may send any document or information relating to the relevant general meeting to that electronic address. Notice shall be given to all members and the directors and the auditors.

The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, day and hour of the meeting. A notice calling an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as such. Every notice must include a reasonably prominent statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

A general meeting may be called by shorter notice being less than 14 days with the consent of members who (i) are a majority in number and (ii) hold 95 per cent. in nominal value of the voting shares of the Company.

6.2.4 *Changes in capital*

The Company may by ordinary resolution consolidate and divide its shares, or any of them, into shares of a larger amount. The Company may by ordinary resolution divide all or any of

its share capital into shares of a larger amount or sub-divide all or any of its shares into shares of a smaller amount.

The Company may, from time to time, by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner authorised, and with and subject to any incident prescribed or allowed by the 2006 Act and the rights attached to existing shares. Subject to and in accordance with the provisions of the 2006 Act, the Company may purchase its own shares (including redeemable shares).

6.2.5 *Variation of Rights*

Subject to the 2006 Act and every other statute for the time being in force concerning companies and affecting the Company (the "Statutes"), if at any time the capital of the Company is divided into different classes of shares, all or any of the rights and privileges attached to any class of share may be varied or abrogated either:

- (a) in such a manner (if any) as may be provided by the rights attaching to such class; or
- (b) in the absence of any such provision, with the consent in writing of the holders of at least 75 per cent. of the nominal amount of the issued shares of the relevant class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the relevant class. At any such separate meeting the holders present in person or by proxy of one third of the issued shares of the class in question shall be a quorum.

The creation or issue of shares ranking *pari passu* with or subsequent to the shares of any class shall not (unless otherwise expressly provided by the Articles or the rights attached to such last-mentioned shares as a class) be deemed to be a variation of the rights of such shares. A reduction of the capital paid up on any shares of any class will not be deemed to constitute a variation or abrogation of the rights attached to those shares. A purchase or redemption by the Company of any of its own shares in accordance with the provisions of the 2006 Act and of the Articles shall not be deemed to be a variation of the rights attaching to any shares.

6.2.6 *Redemption*

The Company may, subject to the 2006 Act, create shares which are liable to be redeemed. As at the date of this document, there are no shares in issue which are capable of being redeemed by the Company.

6.2.7 *Conversion*

The Company may from time to time, by ordinary resolution and subject to the Statutes, convert all or any of its fully-paid shares into stock of the same class and denomination and may from time to time in like manner reconvert such stock into fully paid up shares of the same class and denomination.

6.2.8 *Distribution of assets on a winding up*

In the event of liquidation of the Company the holders of shares are entitled *pari passu* to any surplus dividends. A liquidator may, with the sanction of an extraordinary resolution, divide the assets among the members *in specie*.

6.2.9 *Transfer of Shares*

The Ordinary Shares are in registered form and may be in certificated or uncertificated form. Shares in uncertificated form may be transferred otherwise than by written instrument in accordance with the Statutes and relevant subordinate legislation.

Transfers of shares in certificated form may be effected by instrument in writing in any usual or common form or in any other form acceptable to the directors. Any instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Company's register of members.

The directors may, in their absolute discretion (but subject to any rules of regulations of the London Stock Exchange or any rules published by the FCA applicable to the Company from time to time) and without assigning any reason therefore, refuse to register the transfer of a share which is in respect of a share which is not fully paid, or which the Company has a lien over, or which is in favour of more than four transferees or which is in respect of more than one class of shares or which has not been presented for registration duly stamped accompanied by the share certificates for the shares to which the transfer relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

6.2.10 *Dividends and other distributions*

Subject to the provisions of the Statutes, the Company may by ordinary resolution declare dividends to be paid to the members in accordance with their respective rights and interests in the profits, but not exceeding the amount recommended by the directors.

No dividends or moneys payable by the Company in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share.

The directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. No ordinary resolution is required to pay interim dividends.

The directors may, with the sanction of an ordinary resolution, or in the case of an interim dividend without the authority of an ordinary resolution, direct that dividends may be satisfied wholly or partly by the distribution of assets.

Except as otherwise provided by the Articles or the rights attached to any shares issued by the Company, the holders of shares are entitled *pari passu* amongst themselves to share in the whole of the profits of the Company paid out as dividends and the whole of any surplus in the event of liquidation of the Company.

A liquidator may, with the sanction of an ordinary resolution, divide the assets among the members in specie. The directors shall give effect to any such resolution provided that no such distribution shall be made unless recommended by the directors.

The directors may, with the sanction of an ordinary resolution, offer the shareholders or any class of them (other than those not entitled to the relevant dividend or dividends) the right to elect to receive new Ordinary Shares, credited as fully paid, instead of cash in respect of the whole or part of any dividend or dividends which are the subject of the ordinary resolution.

Where, in respect of any shares, any registered holder or any other person appearing to be interested in shares of the Company fails to comply with any notice given by the Company under section 793 of the 2006 Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal amount of the issued shares of the relevant class, the Company may withhold dividends on such shares.

All unclaimed dividends or other sums payable on or in respect of a share may, after one year of being declared, be invested or otherwise made use of by the directors for the benefit of "the Company" until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend which is unclaimed for a period of 12 years from the date on which the dividend became due for payment shall be forfeited and cease to remain owing by the Company and shall revert to the Company absolutely. The payment of any unclaimed dividend or other sum payable by the Company or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

6.2.11 *Borrowing Powers*

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets both present and future (including uncalled capital) and, subject to the 2006 Act, to issue debentures, loan stock or any other securities, whether outright or as collateral security for any debt, liability

or obligation of the Company or any third party subject to a limit equal to three times the Company's adjusted share capital and reserves.

6.2.12 *Constitution of board of directors*

The minimum number of directors shall not be less than two and unless and until otherwise determined by the Company in general meeting shall not be more than seven. No shareholder qualification is required of any director.

6.2.13 *Retirement of directors by rotation*

At every annual general meeting of the Company, each of the directors who is required to do so in accordance with any corporate governance policy adopted by the directors shall retire from office and may offer themselves for reappointment by shareholders. A director retiring at a meeting shall retain office until the meeting appoints someone in his place or until the dissolution of such meeting.

6.2.14 *Remuneration of directors*

The fees to be paid to the directors shall be determined by the remuneration committee of the Company from time to time. Such fees shall be divided among such director in such proportion or manner as may be determined by the directors and, in default of determination, equally. A fee payable to a director is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the Articles and accrues from day to day.

Each director may also be paid all reasonable travelling, hotel and other expenses properly incurred by him in respect of or about the performance of his duties as director including any expenses incurred in connection with his attendance at meetings of the directors of the Company or otherwise in the discharge of his duties as a director.

Any director who holds any executive office or who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, lump sum, participation in profits or otherwise as the directors determine.

6.2.15 *Permitted interests of directors*

Subject to the provisions of the Statutes, a director is not disqualified by his office by entering into any contract, arrangements, transaction or proposal with the Company in any manner, nor is any contract, arrangement, transaction or proposal in which he is interested or in which he has entered into by or on behalf of the Company in which any director or person connected with him is in any way interested, whether directly or indirectly, liable to be avoided, and any director who enters into any such contract, arrangement, transaction or proposal or is so interested is not liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of the director holding that office or of the fiduciary relationship thereby established but the nature and extent of his interest shall be disclosed by him in accordance with the provisions of the Statutes.

A director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director and may act by himself or through his firm in a professional capacity for the Company (other than as auditor) on such terms as to tenure of office, remuneration or otherwise as the directors may determine. A director may also hold office as a director or other officer or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and shall not be liable to account to the Company for any remuneration or other benefits received by him from that company.

6.2.16 *Restrictions on voting by directors*

Save as provided below, a director shall not vote on or in respect of any contract, arrangement, transaction or any other proposal in which he (together with any person connected with him) has an interest which is to his knowledge a material interest otherwise

than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested (including, without limitation, fixing or varying the terms of his appointment or the termination or extension thereof).

A director shall (in the absence of some other material interest than is indicated below) be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

- (a) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (c) any proposal, contract, relating to an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which the placing he is or is to be interested as a holder of securities or as a participant in the undertaking or sub-underwriting thereof;
- (d) any arrangement concerning any other company in which he is interested and where as an officer or member or otherwise howsoever provided that he (together with any person connected (within the meaning of section 252 of the 2006 Act) with him) is not the holder of or interested in shares representing one per cent. or more of any class of the equity share capital or voting rights;
- (e) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a pension, superannuation or similar fund or scheme, a retirement, death of disability benefits fund or scheme or an employees' share scheme which has been approved by or is subject to and conditional upon approval by HM Revenue & Customs for taxation purposes or does not accord to any director as such any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
- (f) any contract for the grant, purchase and/or maintenance of insurance against any liability of any directors.

6.3 **Sell-out Rules, Squeeze-out Rules and Takeover Bids**

6.3.1 *Squeeze-out*

Under the 2006 Act, if an offeror makes an offer to acquire all the Ordinary Shares and successfully acquired 90 per cent. of the voting rights within three months of the last day on which the offer can be accepted, it could then compulsorily acquire the remaining 10 per cent.. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the 2006 Act must, in general, be the same as the consideration that was available under the takeover offer.

6.3.2 *Sell-out*

The 2006 Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the voting rights in the company, any holder of shares to which the offer related who

had not accepted the offer could by a written communication to the offeror require it to acquire those shares.

The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

6.3.3 There have been no public takeover bids by third parties in respect of the Company's equity in the current financial year or the previous financial year.

7. Directors' Interests

7.1 The following persons are directors of the Company:

David Cutler	(Non-Executive Chairman)
Thomas Beergrehn	(Chief Executive Officer)
Mark Elliott	(Chief Financial Officer)
Steffen Karlsson	(Non-Executive Director)

7.2 The interests of the Directors including the interests of their spouses and infant children and the interests of any persons connected with them within the meaning of sections 252 to 255 and 820 to 825 of the 2006 Act, all of which are beneficial, in the issued ordinary share capital of the Company as at the date of this document and as they are expected to be immediately following Admission will be as follows:

	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Issued Share Capital</i>
David Cutler	442,478	1.2	442,478	0.8
Thomas Beergrehn*	7,204,178	20.3	7,204,178	12.5
Mark Elliott	–	–	–	–
Steffen Karlsson	737,463	2.1	737,463	1.3

*Shares held in own name and by Internet Startups Holding BV, an investment company controlled by Thomas Beergrehn

7.3 In respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.

7.4 In accordance with the terms of a remuneration agreement entered into between Thomas Beergrehn and EUS on 18 March 2013, Thomas Beergrehn is entitled to receive a one-off payment of £100,000 in the event that the Company completes an initial public offering and the shares are admitted to trading on AIM.

7.5 There are no outstanding loans granted by any member of the Company to the Directors or any guarantees provided by any member of the Company for the benefit of the Directors.

7.6 The Board has resolved to grant Internet Startups Holdings BV warrants to subscribe for up to five per cent. of the Enlarged Issued Share Capital at the Placing Price at any time during the period starting on the date of Admission and ending on the fifth anniversary of Admission.

7.7 No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant in respect of the business of the Company and which was effected by any member of the Company during the current or immediately preceding financial year,

or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

- 7.8 There are no arrangements or understandings between the Directors and any major shareholder, customer or supplier of the Group pursuant to which any Director was selected or will be selected as a member of the administrative, management or supervisory bodies or member of senior management of the company.
- 7.9 None of the Directors nor any member of their respective families (as defined in the AIM Rules) has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

8. Directors' terms of appointment

- 8.1 The Group has entered into the following agreements with the Directors (all of which are conditional upon Admission):
- 8.1.1 a letter of appointment dated 11 October 2013 between (1) the Company and (2) David Cutler whereby David was appointed as Chairman of the Company. The appointment may be terminated by either party on three months' notice. The letter of appointment contains provisions for early termination, *inter alia*, in the event of serious or repeated breach by the director of his obligations to the Company. An annual fee of £35,000 is payable. No benefits are provided to David under his appointment;
- 8.1.2 a service agreement dated 7 November 2013 between (1) EU-Supply Holdings AB and (2) Thomas Beergrehn whereby Thomas was appointed as Chief Executive Officer of the Company. The appointment may be terminated by either party by serving 12 months' notice on the other. The service agreement contains provisions for early termination *inter alia* in the event of serious or repeated breach by the director of his obligations to the Company. An annual salary of £140,000 is payable to Thomas. Thomas may be entitled to a bonus at the discretion of the Company. The service agreement provides that he is entitled to life assurance, private medical insurance, a financial contribution towards his permanent health insurance and vehicle allowance. The Company has also entered into a letter of appointment with Thomas Beergrehn dated 7 November 2013 confirming Thomas' appointment as Chief Executive Officer of the Company and Thomas' key duties and responsibilities as Chief Executive Officer;
- 8.1.3 a service agreement dated 7 November 2013 between (1) the Company and (2) Mark Elliott whereby Mark was appointed as Chief Financial Officer of the Company. The appointment may be terminated by either party by serving at least three months' notice on the other. The letter of appointment contains provisions for early termination *inter alia* in the event of serious or repeated breach by the director of his obligations to the Company. An annual salary of £20,000 is payable to Mark. In addition, a consultancy agreement dated 7 November 2013 was entered into between (1) the Company and (2) Ice Strategies LLP, a limited liability partnership owned by Mark Elliott whereby Mark is engaged to undertake additional services relating to his role as Chief Financial Officer. The consultancy may be terminated by either party serving at least three months' notice on the other. The consultancy fee is £2,500 per calendar month; and
- 8.1.4 a letter of appointment dated 7 November 2013 between (1) the Company and (2) Steffen Karlsson whereby Steffen was appointed as Non-Executive Director of the Company. The appointment may be terminated by either party, by serving three months' notice on the other. The letter of appointment contains provisions for early termination, *inter alia*, in the event of serious or repeated breach by the director of his obligations to the Company. An annual fee of £25,000 is payable. No benefits are provided to Steffen under his appointment.
- 8.2 Save as set out in paragraph 8.1 above, there are no existing or proposed service contracts or consultancy agreements between any of the Directors and the Company or any member of the Company. None of the arrangements referred to in paragraph 8.1 above contains a right to benefits upon termination (other than those during the notice period under the relevant contract).
- 8.3 The Directors have not received and are not entitled to receive any Ordinary Shares or options over Ordinary Shares in lieu of remuneration or as any form of compensation.

- 8.4 Other than as disclosed in paragraph 8.1 above no member of the Company is party to any service contract with any of the Company's directors which provides for benefits on the termination of any such contract.
- 8.5 No sums have been set aside or accrued by the Company or any member of the Company to provide pension, retirement, or similar benefits for the Directors.
- 8.6 There is no arrangement under which any Director has waived or agreed to waive future emoluments.

9. Additional information on the Directors

- 9.1 In addition to their directorships of the Company, the Directors have been directors or partners in the following companies or partnerships within the five years prior to the date of this document:

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
David Cutler	Pooles Wharf (Bristol) Management Limited In Showjumpers One Limited In Showjumpers 2013 Plc Qwasi Inc	Alterian Plc Alterian Technology Limited Alterian Holdings Limited Alterian (Newbury) Limited Alterian (Poole) Limited Alterian Minorities Limited Mediasurface Limited Markit Information Services Limited Nvigorate Limited
Thomas Beergrehn	EUS Holdings Limited EU-Supply Holding AB Internet Startups Holding BV EUS IPR AB	None
Mark Elliott	Ice Partners Limited Ice Strategies LLP 21st Century Technology Plc Pension Trustees (Independent) Limited Enables IT Group Plc	Gilbert Elliott Holdings PLC Gilbert Elliott Securities Limited Mymovies Limited Mymovies.net Limited Cube 9 Design Limited Cube 9 Solutions Limited
Steffen Karlsson	Trilibo AB Swedish Renewable Energy Investment AB	None

- 9.2 Save as disclosed below, none of the Directors have:

- (a) any unspent convictions in relation to indictable offences;
- (b) been subject to any bankruptcies or individual voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he had ceased to be a director of that company;
- (d) been a partner in or member of any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

- (e) been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months preceding such events;
- (f) been publicly criticised by any statutory or regulatory authorities (including recognised professional bodies); or
- (g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

9.3 Thomas Beergrehn was a director of eu-supply.com Svenska AB which went into insolvent liquidation on 14 January 2002.

9.4 On 30 September 2011, Mark Elliott resigned as a non-executive director of Gilbert Elliott Securities Limited, a wholly owned subsidiary of Gilbert Elliott Holdings Plc, which went into creditor's voluntary liquidation on 16 December 2011 (by that time known as GE Securities Limited). The statement of affairs showed a third party deficiency of £406,558.

9.5 There are no further disclosures to be made in accordance with paragraph (g) of Schedule Two of the AIM Rules for Companies.

10. Material Contracts

The following contracts have been entered into by a member of the Group (a) in the two years preceding the date of this document and are not contracts entered into in the ordinary course of business; or (b) are, or may be, contracts (not being contracts entered into in the ordinary course of business) which contains, or may contain, provisions under which the relevant company has an obligation or entitlement which is material to the Group as at the date of this document:

10.1 the Placing Agreement dated 7 November 2013 between (1) Westhouse Securities; (2) the Company; (3) the Directors and (4) the Warrantors pursuant to which Westhouse Securities agreed as agent for the Company to use its reasonable endeavours to procure subscribers for the New Ordinary Shares at the Placing Price. The Company has agreed to pay Westhouse Securities a corporate finance fee and commissions of funds raised in the Placing. The Company, the Directors and certain shareholders of the Company acting as Warrantors have, subject to certain limitations in relation to time and quantum, given certain limited warranties and indemnities to Westhouse Securities including, but not limited to, as to the accuracy of information contained in this document.

10.2 an agreement dated 7 November 2013 between (1) the Company, (2) the Directors and (3) Westhouse Securities pursuant to which Westhouse Securities was appointed to act as nominated adviser and broker to the Company for the purposes of the Company's Admission. The Company has agreed to pay Westhouse Securities a fee of £50,000 per annum, payable semi-annually in advance, for its services as nominated adviser and broker. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement runs for a period of one year and thereafter may be terminated by either the Company or Westhouse Securities on not less than 3 months' notice.

10.3 a warrant instrument dated 7 November 2013 pursuant to which conditional upon Admission Westhouse Securities has been granted the right to subscribe at a price representing a 40 per cent. discount to the Placing Price for 0.25 per cent. of the Enlarged Issued Share Capital. Such right may be exercised at any time during the period starting on the date of Admission and ending on the fifth anniversary of Admission.

10.4 a warrant instrument dated 7 November 2013 pursuant to which conditional upon Admission Westhouse Securities has been granted the right to subscribe at the Placing Price for 0.75 per cent. of the Enlarged Issued Share Capital. Such right may be exercised at any time during the period starting on the date of Admission and ending on the fifth anniversary of Admission.

10.5 a warrant instrument dated 7 November 2013 pursuant to which conditional upon Admission the parties set out under paragraph 4.5 of this Part VII have been granted the right to subscribe at

20.31p for 810,000 Ordinary Shares. Such right may be exercised at any time during the period starting on the date of Admission and ending on 30 September 2014.

- 10.6 the lock-in agreements dated 7 November 2013 between the Directors, Westhouse Securities and certain Shareholders in which each of the Directors and certain Shareholders agree they will not, save in limited exceptions, dispose of any of their interests in Ordinary Shares for a period of 12 months following the date of Admission. They have also agreed to certain orderly market provisions for a further 12 months up to the second anniversary of the date of Admission.

The circumstances in which the lock-in arrangements will not apply are, *inter alia*, as follows:

- (i) in acceptance of a general offer made to the Company's shareholders (made in accordance with the City Code on Takeovers and Mergers) to acquire the entire issued share capital of the Company;
- (ii) for a disposal by the personal representative of those shareholders if any of them shall die during the period of such restrictions;
- (iii) in the event of an intervening court order; and
- (iv) in the case of a disposal pursuant to any compromise or arrangement or any takeover effected under Part 26 of the 2006 Act.

Certain Directors and Shareholders, who have received their shares through the conversion of loan notes and/or the preference shares, have entered into orderly market arrangements with Westhouse Securities, in which they agree, for a period of 12 months following the date of Admission, to only deal in those Ordinary Shares arising on conversion of loan notes and/or preference shares through Westhouse or, in the event that Westhouse cannot place the relevant number of shares at the requested price, through a third party broker at a higher price and on terms no less favourable than those offered by Westhouse.

- 10.7 On 31 October 2013 the Company entered into a share exchange agreement with the shareholders of EUS to acquire the entire issued share capital of EUS in return for the issue of 35,540,602 Ordinary Shares. The shareholders of EUS received 1,000 Ordinary Shares for each ordinary share of £1 in the capital of EUS, further details of which are set out in paragraph 4.3 above.
- 10.8 EUS created a convertible loan note instrument dated 6 November 2012 which created 510,000 unsecured convertible loan notes of £1 each. Interest is payable at 8 per cent. per annum on 1 December in each year. The Loan Notes convert automatically upon a fundraising and will convert immediately prior to Admission. The Loan Noteholders passed a resolution dated 10 October 2013 in which they agreed that the Loan Notes would convert into in aggregate 3,761,060 Ordinary Shares in the Company rather than EUS. The Loan Notes convert at a price per Ordinary Share which shall be 60 per cent. of the Placing Price.
- 10.9 EUS created a convertible loan note instrument dated 6 November 2012 which created 100,000 unsecured convertible loan notes of £1 each. Interest is payable at 8 per cent. per annum on 1 June and 1 December in each year. The Loan Notes convert automatically upon a fundraising and will convert immediately prior to Admission. The Loan Noteholders passed a resolution dated 26 September 2013 in which they agreed that the Loan Notes would convert into in aggregate 737,463 Ordinary Shares in the Company rather than EUS. The Loan Notes convert at a price per Ordinary Share which shall be 60 per cent. of the Placing Price.
- 10.10 EUS created a convertible loan note instrument dated 1 May 2013 which created 300,000 unsecured convertible loan notes of £1 each. Interest is payable at 8 per cent. per annum on 1 December in each year. The Loan Notes convert automatically upon a fundraising and will convert immediately prior to Admission. The Loan Noteholders passed a resolution dated 10 October 2013 in which they agreed that the Loan Notes would convert into 2,212,387 Ordinary Shares in the Company rather than EUS. The Loan Notes convert at a price per Ordinary Share which shall be 60 per cent. of the Placing Price.
- 10.11 EUS created a convertible loan note instrument dated 12 July 2013 which created 310,000 unsecured convertible loan notes of £1 each. Interest is payable at 8 per cent. per annum on

- 1 December in each year. The Loan Notes will convert automatically upon a fundraising and will convert immediately prior to Admission. The terms of the instrument provide that the Loan Notes will convert into in aggregate 2,286,132 Ordinary Shares in the Company rather than EUS. The Loan Notes convert at a price per Ordinary Share which shall be 60 per cent. of the Placing Price.
- 10.12 EUS created a convertible loan note instrument dated 22 July 2013 which created 209,400 unsecured convertible loan notes of £1 each. Interest is payable at 8 per cent. per annum on 1 December in each year. The Notes will convert automatically upon a fundraising and will convert immediately prior to Admission. The terms of the instrument provide that the Loan Notes will convert into in aggregate 1,544,246 Ordinary Shares in the Company rather than EUS. The Loan Notes convert at a price per Ordinary Share which shall be 60 per cent. of the Placing Price.
- 10.13 EUS created a convertible loan note instrument dated 12 August 2013 which created 135,000 unsecured convertible loan notes of £1 each. Interest is payable at 8 per cent. per annum on 1 December in each year. The Loan Notes will convert automatically upon a fundraising and will convert automatically prior to Admission. The terms of the instrument provide that the Loan Notes will convert into in aggregate 995,574 Ordinary Shares in the Company rather than EUS. The Loan Notes will convert at a price per share which shall be 60 per cent. of the Placing Price.
- 10.14 EUS created a secured loan note instrument dated 15 May 2013 which created 100,000 loan notes of £1 each secured pursuant to a debenture created by EUS on 2 September 2013. Interest is payable at 20 per cent. per annum on the redemption date of 31 December 2013.
- 10.15 Commissions of 8 and 10 per cent. are payable by the Group to ICE Partners GmbH, Jonas Ljungstrom, Internet Startups Holding BV and AF Partners AG for the respective tranches of the convertible loan notes and secured loan notes described in paragraphs 10.8 to 10.14 above that they procured investors for.
- 10.16 EUS entered into a series of loan agreements, each dated between 11 October 2013 and 15 October 2013 under which £250,000 in aggregate was lent unsecured to EUS. Interest is payable at 10 per cent. per annum on 1 December in each year. The loans will convert automatically upon a fundraising and will convert automatically immediately prior to Admission. The terms of the instrument provide that the loans will convert into in aggregate 1,382,740 Ordinary Shares in the Company rather than EUS. The loans will convert at a price per Ordinary Share which shall be 80 per cent. of the Placing Price. In consideration for arranging this loan, ICE Partners GmbH will be paid a fee of £15,000 payable upon Admission.
- 10.17 EUS has a contract dated 21 November 2007 with Amfa Finans AB ("AMFA") in connection with invoices factored with them. EUS may not sell invoices to another company other than AMFA. If the contract is not cancelled three or more months before the contract ends, it is automatically renewed for a further 12 months. AMFA charges a commission ranging from 2.75 to 3.25 per cent. of the level of any invoice. A small administration fee is also charged. The level of commission will be negotiated between the parties on an invoice-by-invoice basis dependent on the level of risk. AMFA may withhold sums due to EUS in respect of an invoice until the customer pays that invoice, whereupon EUS will receive the amount withheld. Upon acceptance of a factored invoice, AMFA will pay agreed funds to EUS immediately via bank transfer.
- 10.18 EU-Supply Holdings AB has a contract dated 28 March 2013 with AMFA in connection with invoices factored with them. EU-Supply Holdings AB may not sell invoices to another company other than AMFA. If the contract is not cancelled three or more months before the contract ends it is automatically renewed for a further 12 months. AMFA charges a commission ranging from 2.75 to 3.25 per cent. of the level of any invoice. A small administration fee is also charged. The level of commission will be negotiated between the parties on an invoice-by-invoice basis dependent on the level of risk. AMFA may withhold sums due to EU-Supply Holdings AB in respect of an invoice until the customer pays that invoice. whereupon EU-Supply Holdings AB will receive the withheld. Upon acceptance of a factored invoice, AMFA will pay agreed funds to EU-Supply Holdings AB immediately via a bank transfer.

10.19 EUS has entered into two shareholders agreements with its shareholders, the first in January 2002 and the second in March 2006. These documents ceased to have any effect upon 31 October 2013 when the share exchange agreement was entered into.

11. Related Party Transactions

Other than as set out in note 16 of the financial statements in Part IVB and in note 14 of the financial statements in Part VB of this document, as far as the Directors are aware, the Company is not party to any related party transactions.

12. Working Capital

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the net proceeds of the Placing, the Company has sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

13. Litigation

13.1 Save as described below in paragraph 13.2, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the Company's financial position or profitability.

13.2 Whilst the Company is not directly involved, it has a direct interest in the outcome of one piece of litigation currently taking place in Portugal. The Agency of Shared Services and Public Management ("ESPAP") in Portugal, had intended to award a tender to Central-e (using CTM™) as a single provider. It received challenges from competing bidders, but it has defended its decision. It is, however, now considering cancelling the tender and re-running it. Central-e brought a claim against ESPAP to challenge the decision. The filing at first instance occurred on 5 March 2013 and a decision was subsequently given against Central-e on 28 June 2013. Central-e went on to apply at second instance, a copy of which was sent to the EU Commission, and the court upheld one of Central-e's claims that the case should have been heard by three judges rather than one at first instance. The claim has been heard again at second instance, but the first instance decision was upheld. Central-e has now decided to appeal to the Supreme Court in Portugal. Central-e has also obtained an interim injunction, which puts pressure on ESPAP to reach a conclusion. The EUS Group itself is not a party to the proceedings, but it has an interest in the outcome of the proceedings in light of the payment provisions at clause 9.1 of the license. If Central-e wins the court case and ESPAP then enters into a contract with Central-e, the EUS revenues are expected to be 25 per cent. of Central-e revenues, which on full adoption within central government is expected to be a minimum of €5.5 million per annum.

14. Significant Change

There has been no significant change in the financial or trading position of the Group since 30 June 2013, being the date of the financial information set out in Parts III and V of this document.

15. United Kingdom Taxation

The following summary, which is intended as a general guide only, outlines certain aspects of current UK tax legislation, and what is understood to be the current practice of HMRC in the United Kingdom regarding the ownership and disposal of ordinary shares. This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It addresses certain limited aspects of the UK taxation position of UK resident, ordinarily resident and domiciled Shareholders who are beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares. This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

15.1 **Taxation of dividends**

Under current legislation, no tax will be withheld from any dividends paid by the Company.

A UK resident individual shareholder who receives a dividend from the Company will be entitled to a tax credit, currently at the rate of 1/9th of the cash dividend paid (or 10 per cent. of the aggregate of the net dividend and related tax credit). The individual is treated as receiving for tax purposes gross income equal to the cash dividend plus the tax credit. The tax credit is set against the individual's tax liability on that gross income. The lower rate of income tax on dividend income is currently 10 per cent.

An individual shareholder who is not liable to income tax at a rate greater than the basic rate (currently 20 per cent.) will have no income tax to pay in respect of the dividend.

The higher rate of income tax on dividends is currently 32.5 per cent. within the 40 per cent. income tax bracket and 37.5 per cent. within the 45 per cent. bracket. This means that an individual shareholder who is taxed on the dividend in the 40 per cent. bracket will have further income tax to pay at a rate of 22.5 per cent. of the gross dividend (or 25 per cent. of the net dividend). An individual shareholder in the 45 per cent. bracket will have further income tax to pay at a rate of 27.5 per cent. of the gross dividend paid (or approximately 30.6 per cent. of the net dividend).

UK resident shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HM Revenue & Customs.

A UK resident corporate shareholder will not generally be liable to corporation tax on any dividend received from the Company and the dividend received and related tax credit will constitute franked investment income.

Whether a shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company and to claim payment of any part of the tax credit will depend, in general, on the provisions of any double taxation convention which exists between the shareholder's country of residence and the UK. A non-UK resident shareholder may also be subject to foreign taxation on dividend income.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

15.2 **EIS/VCT**

As stated in Part I of this document, HM Revenue & Customs has confirmed that, on the basis of the information provided to them, the Company is a Qualifying Company and the Ordinary Shares offered for subscription are Eligible Shares for the purposes of the Enterprise Investment Scheme (EIS). Individual subscribers for Ordinary Shares in the Company should therefore, depending on their individual circumstances, be able to obtain income tax relief under the EIS, subject to the limitations referred to in this document, on the basis that the Company is and will continue to be a qualifying company.

The EIS legislation is complex, and the Company cannot undertake that its Ordinary Shares will continue to qualify (on the basis clearance is obtained) for relief in future although there is no present intention to take any action which would result in relief being withdrawn.

Income tax relief, capital gains exemption and capital gains tax deferral together comprise tax reliefs available under the EIS legislation. Reliefs can only be claimed by a qualifying individual who subscribes for eligible shares in a qualifying company, save that capital gains tax deferral may also be claimed by certain trustees. An investor cannot claim relief in respect of any amount subscribed in excess of £1,000,000 in any tax year (this limit applying to the aggregate of all potentially eligible shares and not to each share issue), save that capital gains tax deferral may be claimed without limit.

15.3 **Income tax relief**

Qualifying individuals can credit an amount equal to tax at the EIS rate on the amount subscribed for eligible shares against their total liability to income tax for the tax year in which the shares are issued. For the 2013/2014 tax year the relief is obtained at the EIS rate of 30 per cent. The relief is available against a UK income tax liability irrespective of whether or not the investor is resident in the UK.

<i>Example</i>	£
<i>Gross investment in Ordinary Shares</i>	10,000
<i>Less: income tax relief at 30 per cent.</i>	<u>(3,000)</u>
<i>Net cost of investment</i>	7,000

A qualifying individual who invests in the relevant Ordinary Shares in a qualifying company can elect to treat any number of shares up to the full number issued to them as if the shares had been issued in the previous year, and claim relief accordingly, subject to a maximum carry-back amount of £1,000,000.

15.4 **Capital gains tax relief**

To the extent EIS income tax relief is available and is not liable to be withdrawn, any capital gain accruing to the original investor on the disposal of his Ordinary Shares is exempt from capital gains tax, provided that the shares have been held for at least three years.

<i>Example</i>	£
<i>Realised value of shares after 3 years</i>	25,000
<i>Less: original gross investment</i>	<u>(10,000)</u>
<i>Tax Free Gain</i>	15,000

15.5 **Capital gains tax deferral**

The liability to capital gains tax arising on the disposal of any asset may be deferred by investing the gain in eligible shares. The investment must be made within the period beginning one year before and ending three years after the event which gives rise to the gain being deferred.

Although there is a limit of £1,000,000 for income tax relief and capital gains tax relief (see above) there is no limit on the amount of gains that can be deferred.

<i>Example</i>	£
<i>Gross investment</i>	500,000
<i>Less income tax relief (30 per cent. of £500,000)</i>	<u>(150,000)</u>
<i>Cost of investment</i>	350,000
<i>Capital gains tax liability deferred *</i>	<u>(140,000)</u>
<i>Net initial cost of investment</i>	210,000

* Assumed at 28 per cent.: the gain is deferred until there is a chargeable event, such as a disposal of shares or, if earlier, breach of the EIS rules.

15.6 **Taxation of chargeable gain**

If a UK resident or ordinarily resident shareholder (not qualifying for EIS relief or where such relief has been "clawed back") disposes of all or any of the Ordinary Shares acquired under the Offer, he or she may incur a liability to taxation on chargeable gains, depending upon the shareholder's particular circumstances. Companies and other corporate bodies may be entitled to indexation allowance which may also serve to reduce the gain chargeable. A shareholder not resident or ordinarily resident in the UK will not normally be liable to UK taxation on gains unless the shareholder is trading in the UK through a branch or agency and the Ordinary Shares are used or held for the purposes of the branch or agency.

15.7 **Stamp duty and stamp duty reserve tax**

No UK stamp duty will be payable on the issue by the Company of Ordinary Shares. Transfers of Ordinary Shares for value will generally give rise to a liability to pay UK *ad valorem* stamp duty, or stamp duty reserve tax, at the rate in each case of 50 pence per £100 of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5). It is proposed to abolish stamp duty for shares traded on AIM from April 2014.

16. **Consent**

- 16.1 Westhouse Securities has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.
- 16.2 haysmacintyre has given and not withdrawn its written consent to the inclusion in this document of its name and reports and the references thereto in the form and context in which they appear.

17. **General**

- 17.1 There are no patents or licences, industrial, commercial or financial contracts or manufacturing processes which are material to the Company's business or profitability.
- 17.2 There have been no interruptions in the business of the Company, which may have or have had since incorporation a significant effect on the financial position of the Company or which are likely to have a material effect on the prospects of the Company for the next 12 months.
- 17.3 The Directors are not aware of (i) any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects in the period commencing on the date of this document until 31 December 2013 or (ii) any trends in sales and costs and selling prices between incorporation and the date of this document.
- 17.4 The Ordinary Shares are in registered form and may be held in certificated or uncertificated form. No temporary documents of title will be issued. The Ordinary shares will be issued pursuant to the 2006 Act. The ISIN number of the Ordinary Shares is GB00BFG35570. The Company's registrars, Neville Registrars, are responsible for maintaining the Company's register of members.
- 17.5 Save as disclosed in paragraph 10 above, there have been no payments by the Company to any promoters since incorporation and no fees have been paid since incorporation (other than to trade suppliers) in the sum of £10,000 or more in cash or in kind.
- 17.6 Ice Strategies LLP, a limited liability partnership owned by Mark Elliott, has provided services to the Group and in consideration for the provision of those services has received over £45,000 in the last 12 months.
- 17.7 No person (excluding professional advisers or as otherwise disclosed in this document and trade suppliers) has:
- 17.7.1 received, directly or indirectly from the Group since incorporation; or
 - 17.7.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Group, on or after Admission:
- any of the following:
- 17.7.3 fees totalling £10,000 or more;
 - 17.7.4 securities in the Group where these have a value of £10,000 or more calculated by reference to the opening price of Ordinary Shares upon Admission; or
 - 17.7.5 any other benefit with the value of £10,000 or more at the date of Admission.
- 17.8 There are no investments in progress which are significant to the Group and there are no principal future investments on which the Group have at the date hereof made firm commitments. There are no existing or planned material tangible fixed assets.

- 17.9 It is estimated that the total expenses payable by the Group in connection with Admission will amount to approximately £0.545 million (excluding VAT) and the net proceeds of the Placing will be approximately £4.455 million.
- 17.10 The Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 17.11 The financial information on EUS for the three financial years ended 31 December 2012 set out in Part IV of this document has been audited by haysmacintyre of 26 Red Lion Square, London WC1R 4AG which is registered as an auditor by the Institute of Chartered Accountants in England and Wales. The Company's financial year end is 31 December.
- 17.12 The Company has arranged keyman insurance for Thomas Beergrehn, the Chief Executive of the Company, to a value of £1.0 million.

Dated: 7 November 2013

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“2006 Act”	the Companies Act 2006
“Admission”	admission of the Existing Ordinary Shares and the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the rules for companies whose securities are admitted to trading on AIM as published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the rules setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company
“Board” or “Directors”	the board of directors of the Company currently comprising the persons whose names are set out on page 5 of this document
“Company” or “EU Supply”	EU Supply Plc
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended
“CTMS”	CTM Solution BV a company registered in The Netherlands
“Disclosure and Transparency Rules”	the disclosure and transparency rules issued by the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“Enlarged Issued Share Capital”	the total issued ordinary share capital of the Company immediately following Admission
“EU Member States” or “Member States”	the 27 countries that are members of the European Union. For a full list see: http://Europa.eu/about-eu/countries
“EU Council”	the heads of state or government of every EU country, the European Commission President and the European Council President
“EUS”	EUS Holdings Limited registered in England and Wales with registered number 04157773
“Existing Ordinary Shares”	the 35,541,602 Ordinary Shares in issue as at the date of this document
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended

“Group” or “EU Supply Group”	the Company and its subsidiaries
“HMRC”	HM Revenue & Customs
“Loan Notes”	the loan notes created by the Group as described in paragraph 10 of Part VII of this document
“Loan Note Holders”	holders of the Loan Notes
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the 22,123,894 new Ordinary Shares to be issued by the Company and placed with Placees
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company
“Placees”	subscribers for New Ordinary Shares procured by Westhouse Securities on behalf of the Company pursuant to the Placing Agreement
“Placing”	the arrangements for the procurement of subscribers for the New Ordinary Shares procured by Westhouse (as agent for the Company pursuant to and on the terms of the Placing Agreement)
“Placing Agreement”	the conditional agreement dated 7 November 2013 between the Directors, the Warrantors and the Company, further details of which are set out at paragraph 10.1 of Part VII of this document
“Placing Price”	22.6p for each New Ordinary Share
“Prospectus Rules”	the Prospectus Rules of the FCA brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004 and the Prospectus Regulations 2005 (SI 2005/1433)
“QCA”	Quoted Companies Alliance
“QCA Code”	the principles of good governance and code of best practice applicable to small and mid-sized quoted companies, including AIM Companies, as amended from time to time
“Share Option Scheme”	the share option scheme of the Company as described in Part I of this document
“Shareholder(s)”	(a) person(s) who is/are registered as holder(s) of Ordinary Shares from time to time
“Statutes”	the statutes for the time being in force concerning companies and affecting the Company
“subsidiaries”	any subsidiary as defined in the 2006 Act
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“USA”	the United States of America
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which by virtue of the CREST Regulations, may be transferred by means of CREST

“Warrantors”	Christopher Woodgate and Jonas Ljungstrom
“Westhouse” or “Westhouse Securities”	Westhouse Securities Limited, nominated adviser and broker to the Company
“Westhouse Warrant”	the warrant granted to Westhouse Securities to subscribe for Ordinary Shares, further details of which are set out at paragraph 10.3 of Part VII of this document
“£” or “sterling”	UK pounds sterling

GLOSSARY

The following glossary terms apply throughout this document unless the context requires otherwise:

“CEGER”	the Portuguese organisation for Information and Communication Technology of the Presidency of the Council of Ministers, with responsibility for supporting the governance of Government electronic domains, with a strategic focus on electronic security, communication and advanced systems in support of Government decision-making
“Central Purchasing Bodies” or “CPA”	a contracting authority which acquires goods or services intended for one or more contracting authorities, awards public contracts intended for one or more contracting authorities or concludes framework agreements for work, works, goods or services intended for one or more contracting authorities
“Committee on the Internal Market and Consumer Protection”	the committee of the EU parliament responsible for amongst other things, the coordination of legislation in the internal market and the customs union, the identification and removal of obstacles to the function of the internal market and the promotion of consumers’ economic interests in the context of the internal market
“Contracting Authority”	public authorities or bodies governed by public law. For a full description see EU directive 2004/18/EC and 2004/17/EC
“CTM™”	the Company’s Complete Tender Management platform
“Difi”	the Norwegian Agency for Public Management and eGovernment
“Doffin”	the Norwegian national database for public procurement, administered by Difi
“DSRL”	Dounreay Site Restoration Limited
“e-CERTIS”	an information system that provides information on the different certificates and attestations frequently requested in procurement procedures across the EU
“e-procurement”	electronic procurement, normally via an online platform, including the purchase and sale of supplies, work and services
“e-sourcing”	electronic sourcing, normally via an online platform, including the purchase and sale of supplies, work and services
“e-tendering”	electronic tendering, normally via an online platform, through which tenders can be set up and contractors respond
“ESPO”	Eastern Shires Purchasing Organisation
“ERP”	Enterprise Resource Planning
“European Commission’s Golden Book of e-Procurement Good Practices”	a report, on a study carried out by a consultant for the European Commission, that presents good practices in the area of e-procurement
“G-Cloud”	a comprehensive framework agreement open to UK authorities that allows them to procure Information as a Service, Software as a Service, Platform as a Service and Specialist Cloud Services

“HMG”	Her Majesty’s Government
“HMG IA”	Her Majesty’s Government Information Assurances
“ICT”	Information Communication Technology
“ISMS”	Information Security Management System, a set of policies and procedures to ensure information security (including confidentiality, integrity and availability)
“ISO 27001”	ISO/IEC 27001:2005 – Information Technology – Security Techniques – Information Security Management Systems – Requirements. Part of the family of standards relating to information security intended to bring information security under explicit management control
“ITT”	Invitation To Tender
“KPI”	Key Performance Indicator
“KGV”	Norwegian national framework agreement, konkurransegjennomføringsverktøy issued by the Agency for Public Management and eGovernment
“LLWR”	Low Level Waste Repository
“National Procurement System”	e-tendering system centrally built or licensed for entire EU Member States or EU Member States sectors, or an eTendering system awarded under a single or multiple framework agreements for any number of authorities acquisition through simple call-offs or further competitions between the operators under the same framework
“NHS”	the National Health Service of the United Kingdom
“NHS Shared Business Services” “(SBS)”	a joint venture between the Department of Health (UK) and Groupe Steria SCA that provides back office services to more than 40 per cent. of the NHS
“NHS South West” “(NHS SW)”	hub organisation of NHS trusts in the South West of the UK
“NHS North East Patches” “NHS NEP Shared System Group” “(NHS NEP)”	an NHS consortium that provides NHS organisations with a ready-made suite of strategic business software
“OJEU”	The Official Journal of the European Union, a daily publication of all tenders from the public sector which are valued above a certain threshold
“PEPPOL”	Pan-European Public Procurement OnLine, a project to develop EU-wide specifications for electronic procurement
“Product Owner”	Term used in SCRUM software development assigned to the person with overall responsibility for the software development process
“RSRL”	Research Sites Restoration Limited
“SaaS”	Software as a Service, a common software delivery model whereby the software and all associated data is stored centrally by the software provider

“SAP SRM”	Supplier Relationship Management software provided by SAP
“SQL ”	Structured Query Language
“SSRS”	SQL Server Reporting Services
“UAB HP”	UAB Hewlett-Packard, based in Lithuania

