

29 June 2016

EU Supply plc
(“EU Supply”, the “Company” or the “Group”)

Brexit Impact on EU Supply

EU Supply PLC (LSE AIM: EUSP), the e-procurement SaaS provider, issues the following announcement with regards to the UK referendum on EU membership.

The Board has assessed the impact to date of the result of the UK referendum on EU membership, and continues to monitor the effects of the decision. Since much of the Company's current operating costs are in EUR, SEK and other non-GBP currencies, they are offset only partially by non-GBP revenues and the Company therefore expects that any reduction in the value of sterling will have a negative impact on its sterling reported costs. The exposure is partly hedged as most of the Group's cash has been maintained and/or exchanged into the foreign currencies set out above broadly in accordance with the Group's forecasted needs in advance of the UK referendum.

The Board expects that the long-term effect of a “Brexit” on the Group's underlying business will be limited, as the need for effective competition of contracts in the UK should remain irrespective of EU membership. Public sector cost reduction is also expected to be required irrespective of any “Brexit” effect on growth in Europe.

The Group confirms that it is still on track to reach profitability on a monthly run-rate basis by the end of 2016, assuming no further significant movements in exchange rates.

FURTHER ENQUIRIES

EU Supply PLC

Thomas Beergrehn, CEO
Mattias Ström, CFO

Tel: 020 7127 4545

Stockdale Securities

Tom Griffiths, David Coaten

Tel: 020 7601 6100

A copy of this announcement is available at www.eu-supply.com.

Notes to Editors

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 esourcing, e-tendering and contract management, tailored for the highly regulated European public sector market.

Since 2006, the Group has invested heavily in employing specialist programmers to add functionality, legal compliance as required and security features to its Complete Tender Management™ (“CTM™”) platform to ensure that the Group is ideally placed to secure new contracts with EU Member States and their Contracting Authorities. The platform is available in 16 different languages.

The Directors believe that the Group's CTM™ platform is one of the easiest to use and most functionally advanced solutions available in the market. The CTM™ platform is used by over 7,000 European public sector bodies in 9 EU/EEC Member States and has National Procurement System status in four Member States (the UK, Ireland, Norway and Lithuania).

The Company's shares were admitted to trading on AIM in November 2013. In August and September 2015, the Company raised a total of £2.061m (before expenses) through a placing of new shares and the issue of first and second tranches of Convertible Loan Notes to institutional and other investors.