

16 July 2014

**EU Supply Plc  
("EU Supply" or the "Company")**

**Placing to raise £1.35 million**

EU Supply Plc (LSE AIM:EUSP), the e-procurement SaaS provider, is pleased to announce that it has raised £1.35 million by way of a placing by Westhouse Securities of 4,090,910 new ordinary shares of 0.1p each ("New Ordinary Shares") at a price of 33p per New Ordinary Share (the "Placing Price") with institutional and other investors (the "Placing").

The Placing Price represents a premium of approximately 4.8 per cent. to the closing mid-market price of the Company's ordinary shares ("Ordinary Shares") on 15 July 2014, being the last business day before the date of this announcement. The New Ordinary Shares will represent approximately 6.6 per cent. of the Company's share capital, as enlarged by the Placing.

The net proceeds of the Placing will be used to strengthen the Company's balance sheet, provide working capital to support the growth of the business as it expands and aims to gain market share and to provide additional funds for sales and marketing.

Since the Company's admission to trading on AIM in November 2013, raising £5.0 million, historic indebtedness has been repaid and a sales team has been recruited in the UK, Denmark and Sweden. The team is making rapid progress through the Company's prospect list and as a result, the pipeline of sales opportunities has grown and is anticipated to generate revenue growth from H2 2014.

The Directors believe demand for e-procurement solutions in the EU public sector will grow as authorities seek to comply with the recent ratification by the European Parliament in January 2014 of the proposed EU directives to ensure all public body or authority documents are made available online and that tender responses are managed electronically, reduce costs and pursue better control and transparency of their procurement processes.

Application has been made for the 4,090,910 New Ordinary Shares, which will rank pari passu with the existing Ordinary Shares, to be admitted to trading on AIM which is expected to commence on 21 July 2014.

Steffen Karlsson, a non-Executive Director of the Company, has subscribed for a total of 606,060 New Ordinary Shares pursuant to the Placing at the Placing Price. Following Admission, Mr Karlsson's resultant shareholding in the Company will be 1,343,523 Ordinary Shares, representing approximately 2.2 per cent. of the Company's share capital as enlarged by the Placing. The subscription by Mr Karlsson is considered to be a related party transaction pursuant to the AIM Rules for Companies as Mr Karlsson is a director of the Company. The Board of EU Supply (other than Mr Karlsson), having consulted with the Company's nominated adviser, Westhouse Securities, considers that the terms of the subscription by Mr Karlsson are fair and reasonable insofar as the Company's shareholders are concerned.

Commenting on the Placing, David Cutler, Chairman of EU Supply said:

"We are pleased to announce the completion of our successful fundraising which has been strongly supported by existing investors. These funds will further strengthen our balance sheet and enable us to maximise our extensive sales opportunities."

**Total Voting Rights**

Following completion of the Placing, EU Supply will have an issued share capital of 61,756,406 Ordinary Shares. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

A copy of this announcement is available on the Company's website: [www.eu-supply.com](http://www.eu-supply.com).

**For further information please contact:**

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**Notes to Editors**

EU Supply is the UK holding company of the EU Supply Company, 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.

Since 2006, the Company 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 Company 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 Company'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 6,500 European public sector bodies in 10 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 on 13 November 2013 ("Admission"). At the same time, the Company raised £5.0 million before expenses mainly to fund expansion of its sales team, provide working capital for the Company and to repay borrowings, leaving the Company debt free shortly after Admission.