

25 January 2018

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

Trading Update and Directorate Change

EU Supply plc (LSE AIM: EUSP), the e-procurement software provider, announces a trading update ahead of the release of its audited final results for the year ended 31 December 2017, which are expected to be in line with market expectations. All of the figures included in this announcement are subject to audit.

Revenue grew by 38% for the year ended 31 December 2017 (32% on a constant currency basis) to approximately £4.7m (2016: £3.4m), of which approximately 66% (2016: 71%) is expected to be of recurring or repeated nature. The Company ended the 2017 financial year with revenues of recurring or repeated nature up 29% from the end of the 2016 financial year.

Profit before interest and tax is expected to be approximately £0.1m (2016: loss of £0.8m), despite the negative impact of foreign exchange movements.

The cash balance at 31 December 2017 was approximately £0.65m (31 December 2016: £0.97m). The Company is also due to receive significant payments early in 2018 in respect of several ongoing projects.

The Company expects to release its audited final results for the year ended 31 December 2017 in late April 2018 when the Board will provide an update on trading and prospects.

Commenting, Thomas Beergrehn, CEO of EU Supply, said:

“I am pleased to report the Group’s first profitable year. This has been achieved with no capitalisation of R&D. The application of IAS 38 *Intangible Assets* will be reviewed by the Board for the current financial year.

Compounded annual revenue growth of 27% has been achieved during the last four years, with an acceleration during the last two years. This growth has been all organic. We continue to build both our order book and pipeline of new customers for 2018 and beyond.

I look forward to continued revenue growth and reporting a first annual profit after interest and tax for 2018.”

Directorate change

The Company announces that Andreas Kemi has resigned as a non-executive director of the Company with immediate effect to pursue his other business interests.

David Cutler, Chairman of EU Supply, commented: “I wish to place on record the Board’s gratitude for Andreas’ contribution since he joined the Board in December 2015, which has seen a period of sustained strong revenue growth leading to profitability.”

FURTHER ENQUIRIES**EU Supply PLC**

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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 sourcing, 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 8,000 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.