

RNS
8 February 2019

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

Trading Update

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 2018, which are expected to be released in April 2019. All of the figures included in this announcement are subject to audit.

The Board expects that revenue will grow by approximately 10% for the year ended 31 December 2018 (10% at constant currency) to approximately £5.1m, being slightly below market expectations (2017: £4.7m adjusted for IFRS15). Approximately 70% of this is expected to be of a recurring or repeated nature (2017: 66%).

A maiden profit before tax of £0.4m is expected, being materially above market expectations (2017: loss of £0.2m). Development costs of £0.3m net of amortisation have been capitalised in 2018 as required by IAS 38 (2017: nil).

Cash at 31 December 2018 was £0.83m (2017: £0.65m). This amount excludes approximately £0.13m, which was in transit or due at the end of 2018, but which was received in early January 2019.

Significant development resources were allocated in H2 2018 to build new services for buyers and suppliers, which will underpin the Company’s recurring revenue growth in the medium-term. The development of the Company’s micro procurement solution to existing and new customers is proceeding to plan and is expected to further increase recurring revenue growth.

Thomas Beergrehn, CEO of EU Supply, commented:

“I am pleased to report the Group’s first profitable year before tax. This was achieved in a period of increased development activity during which revenue, all of which was organic, continued to grow, and for the first time exceeded £5 million. We now have a profitable base and solution platform that will enable us to deliver our growth plan.”

FURTHER ENQUIRIES

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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 e-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. On 25 May 2018, the Company announced that it had raised a further £600k (before expenses) through a placing and subscription of new shares.