

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

Trading Update

EU Supply PLC (LSE AIM: EUSP), the e-procurement SaaS provider, provides the following update.

The Group sees good progress in major revenue sharing implementations, namely:

- Publicure Advokatfirma P/S (“Almenindkøb”) is now rolling out its initial framework agreements in the Danish public housing sector. Almenindkøb has also signed up additional housing associations’ interest to use these frameworks, now with associations representing more than 225 000 apartments in total, representing more than 50 per cent of all public housing apartments in Denmark. The roll-out has taken longer than expected, but the Board is pleased that significant milestones have been passed toward potentially significant revenue generation under this agreement with Almenindkøb.
- Global eSourcing’s piloting of CTM™ with the Norwegian Refugee Council (“NRC”) is progressing well and management expects a roll-out programme to commence during 2015 in line with earlier expectations. The piloting country has also requested to continue using CTM™ until the expected roll-out decision.
- Discussions are ongoing with other organisations in the EU (outside of Denmark) with a similar business model and plans as those of Almenindkøb in Denmark.

The delay noted above in the roll out of the Danish housing project together with other smaller deals and enhancements being closed late in the year, but to be delivered next year, moves about £200,000 of revenue from this year into 2015, without the loss of any contracts. Renewals of existing contracts continue to be substantial.

The sales team is continuing to win new mid-sized contracts in the public sector and in selected industries in the private sector. Since the Company’s interim results were released on 26 September 2014:

- Coor Service Management, the leading service management provider in the Nordics, offering a wide range of services, including workplace services, property services, industrial services and strategic consulting, has licensed CTM™. Implementation is planned to start in November 2014.
- Sundhedsstyrelsen, the national health board of Denmark, has provided an intention to award to the Group for the licensing of CTM™.
- Two Danish management consultancies, one specialising in public housing, construction and energy, have given their intentions to award limited start level licenses to use CTM™ from 2015.
- Viasa, the Dutch university and Gilde Opleidingen, the training institution have both given intentions to award to CTM Solutions for the use of CTM™ tender management.
- Bestuur Regio Utrecht, the collaboration in respect of public transportation between 9 local authorities in the Province of Utrecht, has given its intention to award to CTM Solutions for the use of CTM™.
- Zorginstituut, the Dutch National Health Care Institute, has awarded CTM Solutions for use of tender management, contract management and performance management.
- Achmea, the Dutch insurance company, has awarded CTM Solutions to license CTM™ tender management and vendor rating modules.
- Additional police departments and fire and rescue services in the UK have signed up to use the ‘Blue Lights’ platform which went live in June 2014. Several of these have also expressed an interest in adopting EU Supply’s contract management module linked to the ‘Blue Light’ tender management platform.

Additional orders for development are also being negotiated for delivery during early 2015.

Business alerts services appear to be well received with very low un-subscription rates to date.

A light-tendering service is being configured to attract users of more basic notices management platforms, and users seeking an easy entry level solution without the need for training or initial configuration. It is expected that such services would then make it possible for authorities to adopt higher value added tender management platform service.

With the continued success in closing mid and small sized contracts giving a wide spread of recurring business, the Board is confident of delivering a substantial increase in revenue for the current year and to continue the strong upward momentum in revenue generation into 2015 and beyond.

Thomas Beergrehn, CEO of EU Supply, commented:

“While it is frustrating to report that certain contracts and implementations that we have been working on have been delayed into early next year, it is important to note that none of the contracts has been lost. It is pleasing that we continue to close mid and small sized contracts thereby widening our source of recurring revenue.”

FURTHER ENQUIRIES

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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 7,000 European public sector bodies in 10 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 on 13 November 2013 ("Admission") when the Company raised £5.0 million before expenses. More recently, in July 2014, the Company raised a further £1.35 million by way of a placing of new ordinary shares at 33p per share (the "Placing"), the proceeds of which were mainly 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.