

29 January 2015

**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 for the year ended 31 December 2014.

The Board expects to report revenue growth of approximately 41% for the year to approximately £2.5m and growth of approximately 60% for H2 2014 compared to the same period in 2013.

Loss before interest, tax and exceptional costs is anticipated to be approximately £2.1m (2013: £2.6m), and the exceptional costs are anticipated to be approximately £0.1m (2013: £0.6m). The cash position as at 31 December 2014 was approximately £1.1m (2013: £1.2m) and the Company remains debt free.

The sales team continued to generate a pipeline of leads from a diversified portfolio of primarily small- and mid-sized contracts and opportunities in both the public and private sectors. All of EU Supply's long-term contracts that were due to expire during the year have been renewed or extended. This provides a strong basis for future revenue growth, underpinned by the new EU directives coming into force over the next two to three years.

The Publicure Advokatfirma P/S ("Almenindkøb") roll-out of framework agreements in the Danish housing sector has taken further steps toward potentially significant revenue generation, including the initial use by several housing associations. This provides EU Supply with initial revenue opportunities under its agreement with Almenindkøb, and the Board looks forward to the initial royalty reports during H1 2015. The other smaller delayed deliveries referred to in the Company's trading update released on 11 November 2014, have either been closed or are expected to be closed in the near term, and are therefore expected to generate revenue in H1 2015.

EU Supply's Dutch business operator CTMS BV has been awarded a number of new mid-sized contracts during Q4 2014, and reported approximately 60% higher royalties for Q4 2014, at £56k (Q4 2013:£35k). During December 2014, EU Supply also participated in several positive discussions with end-customers of Global eSourcing, the business operator focused on humanitarian organisations.

A number of new longer term contracts have been signed during December 2014 and January 2015, generating revenue in December 2014, 2015 and beyond, including the likes of:

- a 3-year contract with Genesis Housing Association Ltd in the UK;
- several additional call-offs under the "Bluelight" framework agreement;
- two 3 year contracts – one with a certain Scandinavian ministry, and the other with a department within another ministry;
- a 4-year contract with another large local authority in Denmark;
- additional smaller contracts awarded by certain European utility companies; and
- a minimum 2 year contract with a European public rail/road infrastructure administration.

These and other new orders awarded during the past two months have an expected value in aggregate at £0.3-0.4m over the minimum contract periods expressed, including options for enhancements and integrations expected to be called-off for delivery during 2015.

New services, including both business alerts to suppliers and a Tender Lite service, were launched towards the end of 2014 and the Board looks forward to initial revenues being generated from such services during H1 2015, followed by growth from launches country by country thereafter.

The Board is maintaining its focus on long-term contracts with recurring annual revenues under the SaaS delivery model. The Board expects that a continued focus on meeting customer needs will generate further additional opportunities for the Company, which together with investments made in staff, has laid the foundation for another strong period of growth in 2015.

The Company expects to release its audited results for the year ended 31 December 2014 in late April when the Board will provide a further update on trading.

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

“It is encouraging that all long term contracts expiring in 2014 were renewed or extended which underpinned the 41% revenue growth achieved in 2014. The number of small and mid-sized opportunities in the pipeline for 2015, together with the new service offerings, give the Board confidence that, without winning a single large contract, the revenue growth in 2015 will match that just achieved for 2014.”

**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 in November 2013 when the Company raised £5.0 million before expenses. In July 2014, the Company raised a further £1.35 million by way of a placing of new ordinary shares, 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.