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NEWS RELEASE

PROCURRI REPORTS IMPRESSIVE MAIDEN RESULTS FOR FIRST HALF OF 2016

- EBITDA, profit before tax and net profit all increased by more than 50% year-on-year, reflecting strong organic business growth
- Gross profit grew 23.1% year-on-year to S\$20.7 million, while margin increased 3.7 percentage points to 33.5%
- Sets up beachhead for a seasonally stronger second half
- Strategic mergers & acquisitions will be additional source of potential growth

Key Financial Highlights

S\$'000	1H2016	1H2015	Change
Revenue	61,965	56,485	9.7%
Gross Profit	20,739	16,854	23.1%
Gross Profit Margin	33.5%	29.8%	3.7 percentage points
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	6,938	4,582	55.3%
Profit Before Tax	4,459	2,803	59.0%
Net Profit	3,017	1,998	51.0%
Net Profit Margin	4.8%	3.5%	1.3 percentage points

Singapore, 11 August 2016 – Procurri Corporation Limited (“**Procurri**”, and together with its subsidiaries, the “**Group**”), a leading global independent provider of Data Centre Equipment¹ and Lifecycle Services², today announced its financial results for the half year ended 30 June 2016 (“**1H2016**”).

The Group achieved a laudable 51.0% increase in net profit to S\$3.0 million in 1H2016, on the back of a 9.7% revenue growth to S\$62.0 million. Net profit margin improved 1.3 percentage points to 4.8%, which showcased the Group’s ability to further rationalise prior mergers & acquisitions (“**M&As**”) for continuous organic growth, especially in a seasonally slower first half.

¹ Data Centre Equipment refers to servers, storage and other networking equipment

² Lifecycle Services refers to various information technology hardware, equipment and software services rendered during the lifecycle of information technology hardware and equipment



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Commenting on the Group's performance, Mr Sean Murphy, Procurri's Global Chief Executive Officer, said, "We are delighted to report such encouraging growth figures shortly after our successful listing on 20 July 2016. We managed to achieve impressive year-on-year growth organically for all our key performance metrics. This affirms the underlying potential of our businesses and execution capabilities of our management to harness synergies, and will also provide the driving force as we enter a seasonally stronger second half of the year."

Revenue from IT Distribution was 3.1% higher year-on-year at S\$49.5 million and remained as the key revenue contributor, while revenue from Lifecycle Services rose 47.4% to S\$12.5 million in 1H2016. Gross profit rose 23.1% to S\$20.7 million in 1H2016, reflecting disciplined cost management. Accordingly, gross profit margin improved 3.7 percentage points from 29.8% in 1H2015 to 33.5% in 1H2016.

By business segments, gross profit margin from IT Distribution grew 2.1 percentage points to 29.3%, as the Group strategically shifted its focus to capture opportunities higher on the value chain. Gross profit margin from Lifecycle Services rose 5.1 percentage points to 50.1% in 1H2016, arising from better economies of scale that were achieved with incremental business volume and cost efficiencies.

The Group's EBITDA surged 55.3% to S\$6.9 million, while profit before tax leaped 59.0% to S\$4.5 million in 1H2016.

On a quarter basis, the Group's revenue increased 10.0% year-on-year to S\$35.9 million for the three months ended 30 June 2016 ("**2Q2016**"), while gross profit was 30.1% higher at S\$12.7 million. EBITDA rose 48.8% to S\$5.2 million and profit before tax surged 57.3% to S\$4.0 million in 2Q2016. Net profit jumped 55.4% to S\$2.9 million in 2Q2016.

On the Group's prospects ahead, Mr Sean Murphy concluded, "We have shared that one of our strategic focuses post-listing was to grow our scalable Lifecycle Services, which has ample headroom for growth, to attain a stable and profitable recurring income source. We plan to gradually increase the current revenue contribution from Lifecycle Services, while we concurrently expand the Group's revenue base across our key markets. It is heartening that this business segment has performed well organically in 1H2016, and with our strengthened financial flexibility, we will work on capturing opportune M&As to derive optimal economies of scale.

Riding on the industry's burgeoning prospects and our proven track record in executing our strategies successfully, we will aim to be the top-of-mind global independent gateway providing multiple touchpoints for enterprise hardware solutions and services needs."



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Procurri was Singapore's first non-REIT and first technology Initial Public Offering ("**IPO**") on the Main Board of the Singapore Exchange Securities Trading Limited this year. With its enlarged war chest, the Group is ready for its next phase of growth through enhanced cross-collaborations across its global network, while concurrently seeking synergistic investment opportunities. The Group's office in Beijing, the People's Republic of China, is also on track to commence business operations. As previously disclosed in its IPO Prospectus, Procurri intends to reward its shareholders by recommending and distributing 25.0% of its net profit after tax (excluding exceptional items) for FY2016 and FY2017.

This press release should be read in conjunction with Procurri Corporation Limited's Unaudited Second Quarter and Half Year 2016 Financial Statements Announcement for the Period Ended 30 June 2016 available at www.sgx.com.

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About Procurri

Procurri is one of the leading global independent providers of Data Centre Equipment and Lifecycle Services. By offering a converged network that combines the technology, finance and logistics domains, Procurri aims to be a global aggregator of enterprise hardware and services to its channels.

Since its incorporation in 2013, Procurri has grown rapidly through the years and now operates offices across three continents in five jurisdictions, namely the US, the UK, Mexico, Malaysia and Singapore, where its global headquarter is located. Through its direct presence and global network of partners, Procurri's business covers over 80 countries worldwide, providing a single touchpoint for its customers' Data Centre Equipment and Lifecycle Services needs.

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*DBS Bank Ltd. was the issue manager and underwriter (the "**Issue Manager and Underwriter**") for the initial public offering of shares in, and listing of, Procurri Corporation Limited on the Main Board of the Singapore Exchange Securities Trading Limited. The Issue Manager and Underwriter assumes no responsibility for the contents of this news release.*