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NEWS RELEASE

PROCURRI REPORTS REVENUE GROWTH OF 32.2% TO S$81.9 MILLION IN 1H2017

- Revenue increased in both Lifecycle Services and IT Distribution business segments
- Orderbook strengthened to S$20.2 million as at 30 June 2017 from $5.9 million as at 31 December 2016
- Short-term financial impact during this transition to a recurring revenue model, which will smoothen out in FY2018 with improved earnings visibility

Key Financial Highlights

S$'000	1H2017	1H2016	Change
Revenue	81,899	61,965	32.2%
Gross Profit	26,339	20,739	27.0%
Gross Profit Margin	32.2%	33.5%	(1.3)ppt
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	2,604	6,938	(62.5)%
Profit / (Loss) Before Tax	(1,472)	4,458	n.m.
Net Profit / (Loss)	(1,506)	3,017	n.m.

Singapore, 13 Aug 2017 – Procurri Corporation Limited ("Procurri" and together with its subsidiaries, the "Group"), a leading global independent provider of Lifecycle Services[1] and Data Centre Equipment [2], today announced its financial results for the second quarter and first half ("1H2017") ended 30 June 2017.

Revenue rose 32.2% from S$62.0 million in the first half ended 30 June 2016 ("1H2016") to S$81.9 million in 1H2017, riding on broad-based growth across both business segments. Lifecycle Services was up 34.2% year-on-year ("yoy") to S$16.7 million in 1H2017, while IT Distribution improved 31.7% yoy to S$65.2 million. The better performance from Lifecycle Services was attributed to a combination of organic growth from the Group's operations in Europe, Middle East and Africa, as well as contributions from EAF Supply Chain Holdings Ltd ("EAF") and Rockland Congruity LLC ("Rockland"). Similarly, EAF and Rockland both contributed to the improved performance from IT Distribution.

[1] Lifecycle Services refers to various information technology hardware, equipment and software services rendered during the lifecycle of information technology hardware and equipment
[2] Data Centre Equipment refers to servers, storage and other networking equipment

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Correspondingly, the Group's gross profit increased 27.0% yoy to S$26.3 million in 1H2017, while gross profit margin was slightly lower but remained healthy at 32.2%.

The Group's administrative expenses, however, increased 88.1% yoy from S$11.8 million in 1H2016 to S$22.1 million in 1H2017, largely from the inclusion of new headcount and operating expenses from the EAF acquisition and Rockland incorporation, which amounted to S$7.0 million. The remaining S$3.4 million increase in expenses was mainly attributable to post-listing compliance expenditure, which was absent in 1H2016, and incremental staff cost.

As mentioned in the Group's first quarter ended 31 March 2017 results, with the intentional switch to deliver maintenance services through in-house capabilities instead of outsourcing, the Group now recognises its maintenance revenue over the contract periods in the Americas. The deferred revenue from these maintenance commitments has thus built up into an orderbook amounting to S$20.2 million as at 30 June 2017, compared to S$5.9 million as at 31 December 2016. Accordingly, the Group reported a loss of S$1.5 million in 1H2017.

Mr Sean Murphy, Procurri's Chairman and Global Chief Executive Officer, commented, "The underlying business fundamentals for our maintenance services have strengthened significantly, evidenced through our orderbook that has more than tripled since 31 December 2016 to S$20.2 million as at 30 June 2017. The long-term benefits will become more apparent once this transitional phase smoothens out next year.

We have made a conscious decision to invest in and grow our maintenance services business to achieve a higher recurring and more predictable income stream. Previously, we outsourced most of our maintenance services in the Americas. As we started building up our in-house capabilities, we now recognise our maintenance services revenue on a straight-line basis. As such, our financials will be negatively impacted this year, but the deferred revenue in our orderbook will strengthen our earnings visibility in the next year and beyond.

To support our future growth, we have made necessary investments into our business, which has increased our immediate cost during this gestation period. The integration of EAF and Rockland is progressing well and we are confident that the synergies will start to be reflected progressively in our earnings."

This press release should be read in conjunction with Procurri Corporation Limited's Unaudited Financial Statements Announcement for the Second Quarter and First Half ended 30 June 2017 available at www.sgx.com.

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About Procurri

Procurri is one of the leading global independent providers of Lifecycle Services and Data Centre Equipment. 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.

Incorporated in 2013, Procurri has grown rapidly through the years and now operates offices across three regional hubs – Asia Pacific, Americas and EMEA – with its global headquarters located in Singapore. Through its direct presence and global network of partners, Procurri's business covers over 100 countries worldwide, providing a single touchpoint for its customers' Lifecycle Services and Data Centre Equipment 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.*