



NEWS RELEASE

Procurri delivered +15% growth in gross profit, +274% increase in normalised EBITDA and recorded S\$2.2 million increase in normalised profit before tax for 1H2022

- Procurri continues to build its credentials in sustainable IT solutions, accredited by the Carbon Footprint Standard as a certified Carbon Neutral Organisation.
- Procurri continues to see multi-year growth prospects as both enterprises and investors increase spend on sustainable IT.
- Despite the decline in revenue, gross profit grew +14.6% YoY to S\$33.9 million in 1H2022.
- Procurri's transformation is delivering results: normalised profit before tax of S\$0.5 million in 1H2022 as compared to a loss of S\$1.7 million in 1H2021.

Singapore, 13 August 2022 — **Procurri Corporation Limited** ("Procurri" or "the Group"), a leading global provider of sustainable IT solutions, announced today its financial results for the six months ended 30 June 2022 ("1H2022").

FINANCIAL HIGHLIGHTS	1H2022 (S\$'000)	1H2021 (S\$'000)	CHANGE
Total revenue	121,091	125,906	-3.8%
Gross profit	33,885	29,570	+14.6%
<i>Gross profit margin (%)</i>	28.0%	23.5%	+4.5 ppt
Other income including COVID-19 relief	111	2,456	-95.5%
Exchange gain	1,015	670	+51.5%
Operating expenses	33,044	30,789	+7.3%
Profit/(Loss) before tax ("NPBT")	1,533	1,367	+12.1%
Net profit	1,275	2,252	-43.4%
EBITDA	4,028	3,835	+5.0%
Normalised EBITDA	3,013	806	+ 273.8%
Normalised Profit/(Loss) before tax	518	(1,662)	N.M.

ppt: percentage points N.M.: Not meaningful

Normalised EBITDA and Normalised Profit / (Loss) before tax are calculated after excluding Covid-19 relief and the exchange gain in the respective period.

Result announcements

On a normalised basis, the Group's Net Profit Before Tax ("NPBT") for 1H2022 has improved by S\$2.2 million as compared to the six months ended 30 June 2021 ("1H2021").

- Included in 1H2022's EBITDA and NPBT was an exchange gain of S\$1.0 million arising mainly from the strengthening of USD against SGD.
- Included in 1H2021's EBITDA and NPBT were an exchange gain of S\$0.7 mil and Other Income of S\$2.5 million. The Group recorded S\$2.3 million in Other Income for the loan extended pursuant to the United States of America Paycheck Protection Program in support of the Covid-19 pandemic. Such loan was expected to be forgiven at that point in time and therefore recognized as income in 1H2021.

Excluding these above gains and Other Income, Normalised EBITDA and Normalised NPBT improved by S\$2.2 million each in 1H2022 as compared to 1H2021.

For 1H2022, led by the Hardware, Lifecycle Services and IT Assets Disposition segment, the Group delivered a 14.6% YoY growth in gross profit. This segment registered a gross profit of S\$24.6 million in 1H2022 as compared to S\$19.1 million in 1H2021. The Third-Party Maintenance segment's gross profit decreased by 11.0% YoY on the back of decrease in revenue.

The Group continued to generate positive cash flow from operations and generated S\$6.0 million of net cash from operating activities in 1H2022 (1H2021: S\$2.3 million).

Renewal of Leadership team

Procurri CEO, Sean Murphy, will be retiring in September, and the Board extends its appreciation to Sean for his diligence and efforts during his tenure.

In the interim, the Non-Executive Chairman, Vesmond Wong, and the Non-Executive Directors, Steven Lwi Tong Boon and Lim Swee Yong, are expected to take on more active management oversight, supported by the existing management team as follows:

1. Mathew Jordan as Head of Global Business;
2. Matthew Trial as Head of Third Party Maintenance;
3. Zachary Sexton as Head of Hardware Distribution; and
4. Evrim Eravci as Head of IT Asset Disposition.

Compliance Placement

The Board and Procurri management are working with its controlling shareholder, DeClout Pte. Ltd., to take the necessary steps to restore the public float of Procurri and to apply for resumption of trading after the public float is restored.

Outlook

Procurri's mission to help organisations sustain and extend the life of their IT assets is relevant both during stable economic times and uncertain conditions, such as those exacerbated by the current global supply chain disruptions. In this regard, Procurri's business model is cycle resilient and its growth is expected to be primarily driven by three factors - (i) its continued ability to grow organically, (ii) synergistic bolt-on M&A opportunities, and (iii) cost savings achieved by economies of scale and efficiency.

- First, Procurri will continue to invest in strengthening its client service delivery platform through its three pillars of integrated lifecycle solutions. This will allow Procurri to grow vertically and horizontally, achieving synergies that fragmented industry players are unable to achieve.
- Second, Procurri is positioned to be able to "plug-and-play" M&A targets seamlessly into the three pillars and scale up, as size matters in this industry. We intend to actively seek out such opportunities.
- Third, in line with Procurri's succession planning, the management team will work with the Board to continue to commit to a culture of excellence and innovation. This mindset underpins our ability to run clients' IT infrastructure greener, cheaper and more flexibly.

The urgency to address climate change has been underscored by the proposed mandatory adoption of the Task Force on Climate-related Financial Disclosures (TCFD) framework in major capital markets, such as Singapore and the UK. These developments represent an opportunity for Procurri to help clients in reducing GHG emissions and ultimately achieve net zero carbon emissions.

The Group remains optimistic in our strategy and market engagement. We are confident that these factors will continue to help drive growth in the second half of 2022.

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About Procurri Corporation

Procurri is one of the leading global independent providers of Third Party Maintenance Services, IT Asset Disposition (“ITAD”) & Data Centre Services and Hardware Distribution & Resale. By offering a channel that combines the technology, finance and logistics domains, Procurri aims to be a global aggregator of enterprise services and hardware to its customers.

Incorporated in 2013, Procurri has grown rapidly through the years and now has offices across three regional hubs – (i) Asia Pacific, (ii) the Americas and (iii) Europe (including the UK), Middle East and Africa – 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.

<https://www.procurri.com>

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