NEWS RELEASE

Procurri delivers +14% revenue growth and S$2.3 million net profit for 1H2021

- Procurri continues to grow its business while also reinvesting to expand long-term strategic opportunities.
- Group posts +14% YoY increase in revenue to S$126 million, led by the robust performance from its global hardware business solutions.
- Procurri sees continued, multi-year market growth, accelerated by the global shift to cloud/edge computing and growing global commitments to sustainable IT.
- Global 2000 companies are increasingly growing sustainable IT credentials via buying refurbished equipment, extending lifespan through TPM, and responsible IT disposition.
- Group is pleased with progress and early results from a large-scale enterprise transformation to deepen customer service, grow infrastructure, increase productivity, and expand global reach.

Singapore, 2 August 2021 — **Procurri Corporation Limited** ("Procurri" or "the Group"), a leading global provider of sustainable IT solutions, announced today its financial results for the half year ended 30 June 2021 ("1H2021").

FINANCIAL HIGHLIGHTS	1H2021 (S$'000)	1H2020 (S$'000)	Change
Total revenue	**125,906**	**110,504**	**13.9%**
Allowance for stock obsolescence	(4,636)	(2,673)	73.4%
Gross profit	**29,570**	**32,947**	**(10.2%)**
Gross profit margin (%)	*23.5%*	*29.8%*	*(6.3 ppt)*
Other income including COVID-19 relief	2,456	5,520	(55.5%)
Operating expenses	(30,789)	(34,319)	(10.3%)
Profit/(Loss) before tax ("PBT")	**1,367**	**4,032**	**(66.1%)**
Net profit	**2,252**	**2,654**	**(15.1%)**
Adjustments for non-recurring COVID-19 relief:			
COVID-19 relief received	(2,359)	(4,988)	n.m.
Profit/(Loss) before tax, excluding COVID-19 relief	**(992)**	**(956)**	**(3.7%)**
Net cash	**12,529**	**4,900**	**155.7%**

ppt: percentage points

Company sees continued market growth

Procurri delivered +13.9% year-on-year growth amidst positive ongoing growth in its core markets. The Company affirmed that it continues to see multi-year growth in its markets, driven by:

The multi-year shift towards cloud and edge computing that has generated increased demand for Procurri's solutions as enterprises seek to drive lower capital expenditures, lower operating costs, and higher IT productivity.

Growing global commitments to sustainable computing. Procurri's solutions provide global businesses with solutions to grow sustainable computing by using pre-owned hardware, extending IT lifespan, and recycling IT equipment.

As Procurri grows, it has continued to invest in its product offerings. Today, the Company is able to offer global enterprises and channel partners a compelling set of solutions to reduce total operating costs while increasing sustainability across the entire IT equipment lifecycle:

BUY IT

Procurri hardware resale & distribution. Customers save up to 50% by purchasing Procurri's range of sustainable resold hardware IT equipment, while avoiding the new-waste footprint associated with new IT equipment.

RUN IT

Third party maintenance (TPM). Customers save up to 20% compared to manufacturer's maintenance cost, while extending equipment lifespan by up to 10 to 15 years, increasing asset productivity and reducing IT waste.

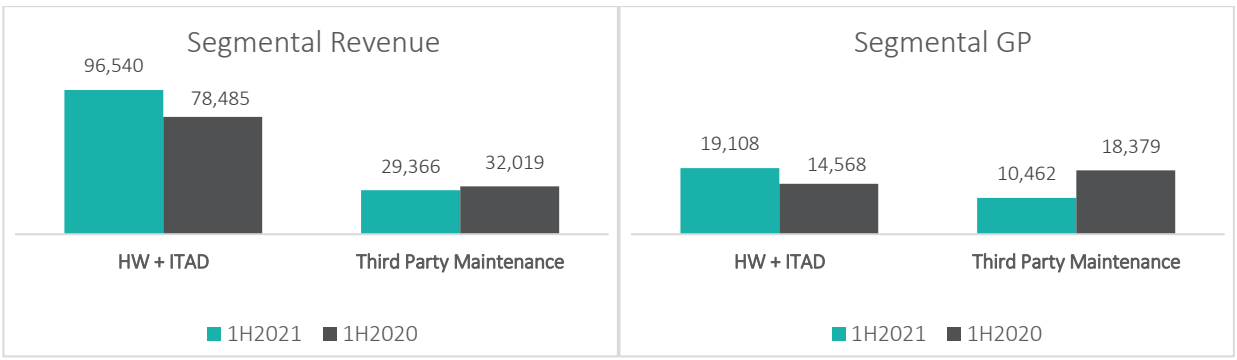
UPGRADE IT

Data centre services. Procurri assists customers with upgrading or consolidating data centres, creating opportunities for customers to increase productivity and improving sustainability by extending equipment lifespan.

RECYCLE IT

IT Asset Disposition (ITAD). Procurri's fast-growing ITAD solutions allow enterprises to dispose IT equipment sustainably, while Procurri recycles equipment back into market circulation to recover value profitably.

The Group's growth was driven primarily by its hardware lines of business in resale and ITAD:



Procurri's hardware and ITAD business reported growth of 23.0%, driven by ongoing global IT demand for work-from-home IT hardware. The Group is also seeing strong growth in its ITAD hardware offerings, helping to drive the overall growth in hardware.

Procurri's TPM business declined 8.3% year-on-year as the COVID-19 environment and workplace restrictions continue to impact the Group's ability to meet customers and conduct on-site business to grow accounts. In response to this, the Group is transforming the way it offers TPM services and is cautiously optimistic that the business will improve its access to market demand in the coming quarters.

Good progress on strategic transformation

In the last 9 months, Procurri has embarked on a large-scale strategic transformation to grow its long-term market opportunity. The program is expected to run through the rest of 2021 and has already created positive impact on growth, operations and customers:

Strategic focus	Built strategic focus on accelerating ITAD growth, deepening TPM capabilities, expanding global accounts, and growing operational productivity.
Deepen operations	Completed global restructuring to focus business on growth business units in TPM, IT Hardware and ITAD offerings. Expand team with strategic industry hires to deepen capability.
Expand capability	Invested in automation to improve productivity in TPM. Expanded investment in ITAD to support large-scale global ITAD partners, resulting in accelerating growth.
Build IT	Invested in global finance, business intelligence, sales force automation, and inventory management systems, with global rollout now past the 50% mark.
Improve reporting	Upgrades underway include shifting to global business intelligence reporting in addition to higher-resolution financial reporting.

The Group is pleased with progress in its transformation and is already seeing early results from its efforts: the ITAD business is accelerating, global operations are increasingly automated, global accounts are growing, and Procurri has attracted world-class talent to its ranks in the last 6 months.

Margins under transition as Procurri invests

Overall, the Group's gross profit declined 10.2% YoY to S$29.6 million for 1H2021, attributable to lower gross margins and a 73.4% increase in allowance for stock obsolescence to S$4.6 million due to the tepid market landscape amid the pandemic. The Group reclassified maintenance parts from plant and equipment to inventories and this resulted in a year-on-year increase in inventory obsolescence of S$2.0 million.

The Group's PBT, excluding non-recurring COVID-19 support, declined 3.7% year-on-year to (S$992k) in 1H2021. The reduction in profitability reflects increased re-investment as Procurri completes its

large-scale strategic transformation, offset in part by strategic cost reductions to help fund the investment in long-term growth.

As a result of the above, the Group recorded S$2.3 million in net profit attributable to shareholders for 1H2021, compared to S$2.7 million in 1H2020.

Growing confidence and outlook

Reflecting on the recent momentum and results, Procurri's Chairman and Global CEO said *"we are continuing to see multi-year global growth in our markets driven by clear shifts towards cloud computing and sustainable IT. Procurri brings to this market a powerful value proposition around lower IT costs, while delivering strong sustainable IT credentials for our customers.*

Even as our business continues to grow in the middle of a global pandemic, we've continued to expand and innovate: we began a large-scale transformation of our strategic focus, capabilities and operations at the end of 2020 and are proud of the progress we've made in the first half of 2021.

It's been difficult to maintain the balance of growth and long-term investment in a volatile global environment. We're grateful for the many customers worldwide who have seen the value we continue to deliver, and for our employees and leaders who continue to build our business entrepreneurially across a vast global market.

We look forward to continued to execute reliably as we complete building our strategic transformation, and we're optimistic that our efforts will unlock significant long-term business and equity growth at Procurri to grow shareholder value."

—END –

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 – Asia Pacific, Americas and the Europe (including the UK), Middle East and Africa ('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.

https://www.procurri.com

Issued for and on behalf of Procurri Ltd. by Financial PR

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