PROCURRI

NEWS RELEASE

PROCURRI REPORTS 26.7% NET PROFIT GROWTH BEFORE IPO EXPENSES; LIFECYCLE SERVICES TO STRENGTHEN WITH RECENT UK ACQUISITION

- Excluding IPO expenses, net profit grew 26.7% to S$5.0 million for 9M2016
- Gross profit margin expanded to 34.3% for 9M2016, underpinned by higher sales to value added resellers for IT Distribution and economies of scale achieved for Lifecycle Services
- EAF acquisition aligns to growth plans for the higher-margin Lifecycle Services segment, to reinforce recurring revenue streams and income resilience

Key Financial Highlights

S$'000	9M2016	9M2015	Change
Revenue	93,814	90,027	+4.2%
Gross Profit	32,191	27,849	+15.6%
Gross Profit Margin	34.3%	30.9%	+3.4 ppt
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	8,074	7,991	+1.0%
EBITDA (before IPO expenses)	*10,255*	*7,991*	*+28.3%*
Profit Before Tax	4,281	5,205	-17.8%
Profit Before Tax (before IPO expenses)	*6,462*	*5,205*	*+24.1%*
Net Profit	2,839	3,962	-28.3%
Net Profit (before IPO expenses)	*5,020*	*3,962*	*+26.7%*

Singapore, 10 November 2016 – Procurri Corporation Limited ("**Procurri**", and together with its subsidiaries, the "**Group**"), a leading global independent provider of Data Centre Equipment[1] and Lifecycle Services[2], today announced its financial results for the three months ("**3Q2016**") and nine months ended 30 September 2016 ("**9M2016**").

Excluding IPO-related expenses, the Group achieved an impressive 26.7% year-on-year ("**yoy**") growth in net profit to S$5.0 million for 9M2016. This was achieved on the back of a 4.2% yoy increase in revenue to S$93.8 million for 9M2016, which would have been an even stronger 7.3% increase to S$96.6 million had the British Pound not depreciate so steeply due to the Brexit. The higher revenue was led by the Group's Lifecycle Services segment which grew 31.8% to S$18.1 million on strong performance across all 3 regions. The robust growth from Lifecycle Services more than offset the marginal 0.8% dip in revenue from IT Distribution to S$75.7 million for 9M2016.

[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

The Group's gross profit was 15.6% higher yoy at S$32.2 million, while gross profit margin improved 3.4 percentage points yoy to 34.3% for 9M2016. By business segment, gross profit margin from Lifecycle Services increased 1.0 percentage point to 50.4%, reflecting economies of scale achieved with the higher business volume. With increased sales to value-added resellers in the IT Distribution segment, gross profit margin for this segment rose 2.9 percentage points to 30.5% for 9M2016.

Commenting on the Group's performance, **Mr. Sean Murphy, Procurri's Global Chief Executive Officer**, said, "Our endeavours in strengthening our Lifecycle Services segment organically has started to pay off, and we foresee greater synergies and economies of scale ahead, especially with our recent acquisition of EAF Supply Chain Holdings Limited ("**EAF**") in the UK.

With our proven track record in a series of successful acquisitions and integrations, I'm optimistic that the integration of EAF will allow us to ramp up our Lifecycle Services as intended, in a cost efficient way."

Impacted by the British Pound's depreciation triggered by the vote in favour of Brexit, the Group's revenue declined 5.1% yoy to S$31.8m for 3Q2016. Excluding the impact of the British Pound depreciation, revenue for 3Q2016 would have increased 1.0% to S$33.8 million. By business segment, revenue from IT Distribution declined 7.2% to S$26.2 million, as the Group commenced its strategic shift to focus more on Lifecycle Services, evident in the 6.6% revenue growth to S$5.6 million from this segment which partly offset the decline from IT Distribution.

Gross profit increased 4.1% to S$11.5 million for 3Q2016, while gross profit margin improved 3.2 percentage points to 36.0%. Excluding IPO-related expenses, net profit for 3Q2016 was 2% higher at S$2.0 million.

Mr. Sean Murphy concluded, "Moving into the fourth quarter, which typically experiences stronger sales demand, we will continue to push for organic growth while concurrently exploring more M&A opportunities. What is pertinent in our pursuit of M&As is to ensure that the targets will be a right fit within our ecosystem, thereby allowing us to efficiently harness optimal synergies during integrations to strengthen our earnings visibility.

Our most immediate focus right now is to work on the smooth integration of EAF into our existing UK operations. With their extensive network of 55 stock locations and over 2,000 collect and drop-off points across Europe, we will be able to tap on EAF's well-established coverage and new cross-selling opportunities to an enlarged customer base, thereby unlocking the true value of EAF that will positively contribute to our Lifecycle Services segment."

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

- End -

PROCURRI

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 regional hubs – Asia Pacific, Americas and EMEA – with its global headquarter located in Singapore. 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.

For media and investor enquiries, please contact:

Karin XIAO
Investor Relations
Procurri Corporation Limited
Tel: +65 6486 1318
karin.xiao@procurri.com

Chong Yap TOK / James BYWATER / Cassandra CHAN
Investor Relations
Financial PR Private Limited
Tel: +65 6438 2990
procurri@financialpr.com.sg

*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.*