3Q2016 Results Briefing
10 November 2016
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Who We Are

- **Vision**: To unlock opportunities in the IT industry by changing the way the world buys technology through a sharing platform

- **Mission**: To be the global aggregator of enterprise hardware and services to our channels, offering a converged network that combines the technology, finance and logistics domains

GLOBAL INDEPENDENT PROVIDER

Data Centre Equipment & Lifecycle Services
Procurri At A Glance

Growing Gross Profit Margin

9M2015: 30.9%
9M2016: 34.3%

Experienced Management Team

with an average of 20+ years of industry experience

Global Presence

Extensive reach spanning more than 80 countries

Diversified Product Portfolio

IT Distribution

Hardware Resale
• Vendor-agnostic platform to match buyers and sellers globally
• Consignment option for equipment owners

Supply Chain Management
• Provide logistics and distribution services for OEMs in their supply chains

Lifecycle Services

Independent Maintenance Services
• Independent of OEM SLAs
• Extended support for out-of-warranty and end-of-life IT equipment

Hardware-as-a-Service
• On-demand computing resources
• CAPEX to OPEX

IT Asset Disposition Services
• Holistic reverse logistic services for maximum value from retired technology

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Agenda

- Overview of Procurri
- Financial Highlights
- Investment Merits
- Growth Strategies & Prospects
Our Competitive Advantages

1. Global Aggregator in Fragmented Market
2. Scalable Business Model
3. Experienced Management Team
4. Strong Execution Track Record
First Listed Global Aggregator in Fragmented Market

Global Coverage of more than 80 Countries and 3 Regional Hubs in Singapore, US and UK
Prominence across All 3 Business Segments

Hardware Resale Market

- **Challengers**
  - Centrics IT
- **Explorers**
  - EPOKA
- **Defenders**
- **Champions**
  - Procurri
  - Curvature
  - IBRemarketing

Growth Potential:
- HIGH
- LOW

Current Ability to Execute:
- HIGH
- LOW

Independent Maintenance Services Market

- **Challengers**
  - Beijing Trust & Far Technology
  - SSCS Global
  - TERIX
- **Explorers**
- **Defenders**
- **Champions**
  - Procurri

Growth Potential:
- HIGH
- LOW

Current Ability to Execute:
- HIGH
- LOW

IT Asset Disposition Market

- **Challengers**
  - Procurri
- **Explorers**
  - Apto Solutions
  - Dataserv
- **Defenders**
  - Ingram Micro
  - Arrow Electronics
  - ITRenew

Growth Potential:
- HIGH
- LOW

Current Ability to Execute:
- HIGH
- LOW

Source: Frost & Sullivan

*Current Ability to Execute includes geographical presence and breadth of product/service

*Growth Potential includes presence in high growth countries and synergy across value chain

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Scalable Business Model

First Mover Advantage from Convergence of Technology, Finance & Logistics Domains

Technology

Finance

Logistics

Hardware Resale
Supply Chain Management
Independent Maintenance Services
Hardware-as-a-Service
IT Asset Disposition Services
Experienced Management Team

Average 20+ years of industry experience

AMERICAS

Ed Flachbarth
Global President

Zack Sexton
Head, Americas

EmEA

Sean Murphy
Global CEO

Mat Jordan
Head, EMEA

APAC

Poh Yee Tiong
Head, APAC

Vincent Choo
CFO
Strong Execution Track Record

2009
- Oct: Established in Singapore
- Apr: Acquisition in U.S.

2013
- Apr: Acquisition in U.S.

2014
- Apr: Integration of ASVIDA into Procurri Corporation
- May: Acquisition in U.K.
- Jun: Acquisition in Malaysia

2015
- Jan: Launched the “Procurri” global brand
- Feb: Acquisition of Procurri Asia Pacific
- Mar: Incorporation in Mexico

2016
- Mar: Incorporation in Beijing, PRC
- Jul: Listed on SGX-ST Main Board
- Nov: First post-listing acquisition in the UK
Agenda

- Overview of Procurri
- Investment Merits
- Financial Highlights
- Growth Strategies & Prospects
- Prospects
- Investment Merits
- Financial Highlights
9M2016 Key Highlights

• Excluding IPO expenses, net profit grew 26.7% to S$5.0 million for 9M2016

• Gross profit margin expands 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
9M2016 Financial Highlights

Revenue (S$m)

<table>
<thead>
<tr>
<th></th>
<th>9M2015</th>
<th>9M2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>90.0</td>
<td>93.8</td>
</tr>
</tbody>
</table>

+4.2%

Gross Profit (S$m) and Gross Profit Margin (%)

<table>
<thead>
<tr>
<th></th>
<th>9M2015</th>
<th>9M2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>27.8</td>
<td>32.2</td>
</tr>
</tbody>
</table>

30.9% → 34.3%

Net Profit before IPO expenses (S$m)

<table>
<thead>
<tr>
<th></th>
<th>9M2015</th>
<th>9M2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

+26.7%

EBITDA (S$m)

<table>
<thead>
<tr>
<th></th>
<th>9M2015</th>
<th>9M2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.0</td>
<td>10.3</td>
</tr>
</tbody>
</table>

+28.3% (excl. IPO expenses)

+1.0% (IPO expenses)

2.2

Net Profit before IPO expenses (S$m)

<table>
<thead>
<tr>
<th></th>
<th>9M2015</th>
<th>9M2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

+26.7%

2.2 (IPO expenses)
9M2016 Performance by Business Segment

Revenue (S$m)
- Lifecycle Services: 19.3%
- IT Distribution: 80.7%
- Total: S$93.8m

Gross Profit (S$m)
- Lifecycle Services: 28.4%
- IT Distribution: 71.6%
- Total: S$32.2m

Gross Profit Margin (%)
- Lifecycle Services: 49.4% (50.4% increase by 1.0pp)
- IT Distribution: 27.6% (30.5% increase by 2.9pp)

<table>
<thead>
<tr>
<th></th>
<th>9M2015</th>
<th>9M2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Distribution</td>
<td>27.6%</td>
<td>30.5%</td>
</tr>
<tr>
<td>Lifecycle Services</td>
<td>49.4%</td>
<td>50.4%</td>
</tr>
</tbody>
</table>
## 9M2016 Balance Sheet Highlights

<table>
<thead>
<tr>
<th>S$'000</th>
<th>As at 30 Sep 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>13,697</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>29,103</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>31,126</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>7,158</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>81,084</strong></td>
</tr>
<tr>
<td><strong>Non-current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>14,513</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>8,843</td>
</tr>
<tr>
<td>Other Non-current Assets</td>
<td>2,296</td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td><strong>25,652</strong></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Trade &amp; other payables</td>
<td>14,109</td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>17,358</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>4,849</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>36,316</strong></td>
</tr>
<tr>
<td><strong>Non-current Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Equity &amp; Liabilities</strong></td>
<td><strong>106,736</strong></td>
</tr>
</tbody>
</table>

### Key Ratios

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2016 / 9M2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gearing</strong></td>
<td></td>
</tr>
<tr>
<td>Current ratio</td>
<td>2.23</td>
</tr>
<tr>
<td>Debt-equity ratio</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>Interest Cover Ratio</strong></td>
<td>9.06</td>
</tr>
<tr>
<td><strong>Basic EPS (cents)</strong></td>
<td>1.24; 2.19 (before IPO expenses)</td>
</tr>
</tbody>
</table>
Financial Highlights

### Revenue (S$m)

- **2013**: 28.4
- **2014**: 76.9
- **2015**: 122.8
- **9M2016**: 93.8

**3-year CAGR:** 108%

### Gross Profit (S$m) and Gross Profit Margin (%)

- **2013**: 32.8%
- **2014**: 31.7%
- **2015**: 33.9%
- **9M2016**: 34.3%

### EBITDA (S$m)

- **2013**: 3.0
- **2014**: 6.8
- **2015**: 13.6
- **9M2016**: 10.3

**3-year CAGR:** 114%

### Net Profit after Tax (S$m)

- **2013**: 2.0
- **2014**: 3.3
- **2015**: 8.8
- **9M2016**: 5.0

**3-year CAGR:** 112%

**2.2 (IPO expenses)**
Agenda

Overview of Procurri

Investment Merits

Financial Highlights

Growth Strategies & Prospects
Strengthening Lifecycle Services with First Post-Listing Acquisition

• Acquires 100% of EAF Supply Chain Holdings Limited ("EAF") for £1.5 million

• Why EAF?
  – A strategic fit in the Group’s Independent Maintenance Services business offering
  – A rational move to consolidate one of Procurri UK’s long-standing supplier for its maintenance services needs
  – An efficient ramp-up of Procurri UK’s Lifecycle Services business segment with the addition of EAF’s 3 offices in the UK, 55 stock locations and more than 2,000 collect and drop-off points across Europe
  – Augmented cross-selling opportunities through EAF Group’s list of reputable customers, which includes global IT companies and resellers such as HP, IBM, Dell and Fujitsu

• Aligns with Procurri’s plan to grow its higher-margin Lifecycle Services business segment to provide a recurring income stream for better earnings visibility

• Sensible steps will be taken to streamline EAF’s current operations for cost efficiencies, which will translate to a positive impact on the Group’s operational performance

• Fully funded from the proceeds of Procurri’s initial public offering
Growth Strategies

**Working on...**

1. Realigning worldwide entities to a standardised and consistent operating platform

2. Smooth integration of recent acquisition to efficiently ramp up Lifecycle Services and derive better economies of scale

3. Pursuit of M&As opportunities to reinforce recurring income streams for better earnings visibility

**... to be on track for:**

- Mergers and acquisitions, joint ventures and partnerships
- Enhance our infrastructure to drive business growth
- Pursue new opportunities with key customers and acquire new customers
- Build income resilience and increase profitability
Growth Prospects – Riding on Promising Industry Trends

Global Data Centre Hardware Market
5-Year CAGR = 11.7% (US$293 billion in 2020)

Hardware Resale Market Revenue Forecast
(in US$ bil)

 Americas | Europe | Asia | Others
---|---|---|---
2015 | 15.9 | | |
2016F | 18.8 | | |
2017F | 22.1 | | |
2018F | 25.7 | | |
2019F | 29.9 | | |
2020F | 34.8 | | |

Global IT Maintenance Market
5-Year CAGR = 9.6% (US$42 billion in 2020)

Independent Maintenance Market Revenue Forecast
(in US$ bil)

 Americas | Europe | Asia | Others
---|---|---|---
2015 | 2.1 | | |
2016F | 2.5 | | |
2017F | 2.8 | | |
2018F | 3.3 | | |
2019F | 3.8 | | |
2020F | 4.4 | | |

IT Asset Disposition Market Revenue Forecast
(in US$ bil)

 Americas | Europe | Asia | Others
---|---|---|---
2015 | 6.4 | | |
2016F | 7.9 | | |
2017F | 9.6 | | |
2018F | 11.7 | | |
2019F | 14.2 | | |
2020F | 17.1 | | |

Key Drivers

GROWTH OF CLOUD, E-COMMERCE & BIG DATA
CAPEX TO OPEX
PAY AS YOU USE, BRAND AGNOSTIC

Source: Frost & Sullivan

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Thank You
Appendix
**IT Distribution**

**Hardware Resale**

- **Multi-vendor provider of data centre equipment** across all major IT brands
- **Vendor-agnostic aggregator** that matches buy and sell opportunities globally through our established network:
  - Original Equipment Manufacturers (OEMs)
  - Value-added Resellers (VARs)
  - Brokers
  - Cloud Companies
  - Maintenance Service Companies

### High Margin Hardware Resale Value Chain

<table>
<thead>
<tr>
<th>Purchase</th>
<th>Assess</th>
<th>Verify</th>
<th>Store</th>
<th>Stage</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Buy equipment from channels/markets</td>
<td>• Test and evaluate equipment to gauge its value</td>
<td>• Pre-resale verification, testing, refurbishment of resalable equipment</td>
<td>• Tag &amp; inventorise resalable equipment</td>
<td>• Assemble equipment as per requirements</td>
<td>• Resale equipment globally</td>
</tr>
<tr>
<td></td>
<td>• Advise next step – pre-resale verification, harvest parts or send for recycling</td>
<td>• Harvest, if any, useable parts from non-resalable equipment for Independent Maintenance Services unit or send for recycling</td>
<td></td>
<td>• Clean &amp; pack for delivery</td>
<td>• Wide range of New Resale and pre-owned equipment from both current and previous generations</td>
</tr>
</tbody>
</table>
Lifecycle Services
Independent Maintenance Services

✓ Offer maintenance solutions independent of OEM service level agreements
  — At least 30% cost savings

✓ Offer extended maintenance for products that are out-of-warranty or at the end-of-life
  — Extend the lifespan of IT assets

✓ Customised service level agreements
  — 24/7 coverage on critical assets
  — 8/6 and 8/5 coverage for less critical assets

PROTECT Maintenance Programme

- NEXT BUSINESS DAY
- 4HR ONSITE RESPONSE
- 2HR ONSITE RESPONSE

3 SERVICE COVERAGE TYPES

8x5 BASIC
Business hours coverage from 9am - 6pm, Monday to Friday, excluding Public Holidays

8x6 ENHANCED
Extended hours coverage from 9am - 6pm, Monday to Saturday, excluding Public Holidays

24x7 PREMIUM
Full coverage for 7 days a week, 24 hours a day, including Public Holidays

Key Proposition

- SINGLE POINT OF ACCOUNTABILITY
- EXTENDED COVERAGE
- EFFICIENT PARTS PLANNING, WORLD-CLASS LOGISTICS SUPPORT
- CUSTOMISED SERVICE LEVEL AGREEMENTS
- COMPREHENSIVE SUPPORT
- SIMPLE PRICING PLAN
How We Enable Our Customers:

- Pay-as-you-use model provides our customers with flexibility to scale their IT resources as required
- Reduce total cost of ownership and increasing profitability by changing the cost from CAPEX to OPEX
- Optimise the use of IT resources and systems, enhancing green IT initiatives

Key Propositions:

STREAMLINE YOUR BUSINESS, SPEED UP OPERATIONS
LOW UPFRONT PAYMENT
DEPLOY THE LATEST TECHNOLOGY
✓ Offer refurbishment, data destruction and asset disposal
✓ Extend life of equipment and extract greater value for retired technology to yield greater corporate and environment sustainability
✓ Endorsed by the Asset Disposal & Information Security Alliance (ADISA), one of the few organisations working & accrediting companies in the secure disposal and erasure of data

Key Proposition

ACCREDITED BY WELL-KNOWN ORGANISATION

INTERNATIONALLY CERTIFIED ERASURE STANDARDS

EXTENSIVE SERIES OF HARDWARE TESTS
Our Group Structure
The Procurri Group
Our Shareholding Structure
The Procurri Group

<table>
<thead>
<tr>
<th>Entity</th>
<th>No. of Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>DeClout Limited</td>
<td>132,319,978</td>
<td>47.26</td>
</tr>
<tr>
<td>Irrucorp Pte. Ltd.</td>
<td>33,995,000</td>
<td>12.14</td>
</tr>
<tr>
<td>Verity Solutions Pte. Ltd.</td>
<td>12,870,000</td>
<td>4.60</td>
</tr>
<tr>
<td>Mathew Jordan</td>
<td>3,900,000</td>
<td>1.39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>202,084,984</strong></td>
<td><strong>65.39</strong></td>
</tr>
</tbody>
</table>