

**CORETX Holdings Plc**  
**(“CORETX” or “the Company”)**

**Trading Update**

CORETX Holdings plc (AIM: COR), the mid-market network, cloud and IT managed services provider, is pleased to provide an update on trading for the year ended 31 December 2016.

The business has continued to perform broadly in line with expectations with revenues anticipated of approximately £43.5 million and trading EBITDA in the region of £5.9 million for the full year. The anticipated improvement in performance in the second half of the year was delivered, with revenues and gross margin expected to show increases of 9% and 6% respectively compared to the first half on a proforma basis.

The year has been one of substantial transformation, with the acquisitions and integration of two businesses alongside an effective rebranding of the Company and significant investment in the operating platform and management team in order to facilitate further organic and acquisitive growth.

Good progress has been made in order to create a true mid-market UK IT managed services business capable of delivering private and public cloud based services over infrastructure. This enhanced business provides control and protection to new and existing customers requiring ever more flexible solutions to their changing business requirements.

Highlights for the year include:

- Improvement in cash generation in the second half
  - Cash improved from net £1.5 million overdrawn at 30 June 2016 to £1.1 million credit balance as at 31 December 2016
  - Net debt, including finance lease obligations, decreased 14% from £6.4 million at 30 June 2016 to £5.5 million at 31 December 2016
- 30 new customers added in the year
- Recurring revenues and associated margin both increased versus 2015 on a proforma basis
- Material further investment in the senior management team and a platform to support growth of the business

Jonathan Watts, Non-Executive Chairman, said:

“The second half performance was encouraging, rounding off a period of substantial investment and hard work building a fit for purpose mid-market, network, cloud and IT managed services platform that is well positioned to take advantage of opportunities in an increasingly cloud centric market.”

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation.

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