

25 May 2016

Solid State plc
("Solid State" or the "Group")

Settlement of MoJ contract termination & Notice of Results

Solid State plc (AIM: SOLI), the AIM listed supplier of specialist industrial/ruggedised computers, electronic components, secure communications systems and battery power solutions to the electronics market, announces that it has finalised a settlement agreement with the Ministry of Justice ("MoJ") in relation to the contract termination announced on 25 February 2016.

As a result of the settlement, the details of which are subject to a confidentiality clause, the results for the year ended 31 March 2016 will benefit from a one-off profit such that reported profits before tax are now expected to be approximately £4.1 million. Assuming the receipt of the settlement and the payment of all sub-contractor liabilities in relation to the MoJ contract had taken place on 31 March 2016, the Group would have been in a net cash position of approximately £350,000.

In addition, under the terms of the settlement Steatite Limited, an operating subsidiary of the Group, has been granted a licence to use the Intellectual Property it developed in relation to the MoJ contract.

Commenting on the contract settlement, Gary Marsh, Chief Executive of Solid State said:

"We are delighted that a resolution to the MoJ contract has been reached so swiftly and that management can now focus fully on the continued development of the core Group and its businesses.

"Solid State has a strong balance sheet to pursue its growth ambitions. The Board is confident in the opportunities for the Group, both organic and via complementary acquisitions."

Notice of results:

The results for the year ended 31 March 2016 are expected to be announced on 5 July 2016.

Investor Lunch:

Solid State will be holding an Investor Lunch in London on Wednesday 6 July for Private Client Investment Managers and Private Investors. Those wishing to attend should contact Tom Cooper on tom.cooper@walbrookpr.com or 0797 122 1972 for further details.

For further information please contact:

| | |
|---------------------------------------|--|
| Solid State plc | 01527 830 630 |
| Gary Marsh – Chief Executive | investor.information@solidstateplc.com |
| WH Ireland (Nominated Adviser) | 0117 945 3470 |
| Mike Coe / Ed Allsopp | |
| Walbrook PR (Financial PR) | 020 7933 8780 |
| Tom Cooper / Paul Vann | 0797 122 1972 |
| | tom.cooper@walbrookpr.com |

Notes to Editors:

Solid State plc (SOLI) is a leading value added group of companies providing specialist design-in and manufacturing services to those acquiring industrial/rugged computing products, battery power solutions, secure communications systems and electronic components for use in harsh environments.

Serving niche markets in oil & gas production, medical, construction, security, military and field maintenance, Solid State acts as both a distributor to OEMs and bespoke manufacturer of specialist units to clients with complex requirements.

Headquartered in Redditch, Solid State employs over 150 staff across five sites. Solid State operates through two main divisions: Solid State Supplies and Steatite.

Solid State was established in 1971 and admitted to AIM in June 1996.