

SOLID STATE PLC

The following amendment has been made to the 'Trading Statement' announcement released on 12 April 2018 at 07:00 a.m. under RNS No 6481K.

The original announcement did not include the word “adjusted” in respect to the Group profit before tax, in the second paragraph.

All other details remain unchanged.

The full amended text is shown below.

13 April 2018

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

Trading Update & Notice of Results

Solid State plc (AIM: SOLI), the AIM listed manufacturer of computing, power and communications products, and value added distributor of electronic components, announces a trading update for the 12 months ended 31 March 2018.

The Board is pleased to announce that the adjusted Group profit before tax for the financial year 2017/18 will be in line with market consensus forecast at approximately £3 million. Year on year Group revenue is expected to be slightly ahead of expectations at in excess of £45.5 million, close to 15% growth (2017: £40.0m).

The Distribution & value added services division has maintained very strong organic growth of close to 18%, and the Manufacturing division has delivered in excess of 10% increase in reported revenues.

Product line margins have been maintained, however as reported at the half year, the customer and product mix in any period ultimately determines the overall Group gross margin, which, in this period, will show a reduction on the comparative period.

The revenue performance from the Distribution division and Power business unit has been stronger than expected which is very pleasing. We are continuing to make good progress with a significant development contract within our Power business unit and franchise discussions within the Distribution division; both of which are anticipated to contribute to 2018/19.

At our Interim Report in October 2017, we reported that the lead time to win new business within our Communications business unit had been longer than expected. This trend has continued in the second half.

A significant proportion of our sales in the Communication business unit are export. Securing overseas opportunities is proving harder than we anticipated; particularly in North America where it appears domestic suppliers are being preferred on contract awards. As a result of these factors we are reducing our expectations for the Communications business unit for the financial year 2018/19, which will have a negative impact on margin mix for the Group in the financial year.

Albeit the financial year 2018/19 will be impacted by the issues highlighted above in the Communications business unit, looking forward, management remains confident that the prospects for the Group's other business units remain positive. We have delivered significant organic growth for the year ended 31 March 2018, maintained margins across our markets and customers and have increased the open order book at 31 March 2018 to £19.6m (31 March 2017: £18.4m).

The Board is confident that its long-term strategy will continue to deliver organic growth which can be complemented by targeted acquisitions to meet its ambitions. The success of the organic growth

strategy is now in evidence and the Board also continues to actively engage with potential acquisition targets that offer a complementary fit to the Group product offering, client base and structure.

Notice of Results and Investor Lunch:

Final results for the 12 months ended 31 March 2018 are expected to be released on 3 July 2018.

An investor lunch for Private Client Investment Managers and Private Investors will be held in the week following the announcement of the Final results at St Pauls, London. Those interested in attending should contact Tom Cooper on 0797 122 1972 or tom.cooper@walbrookpr.com.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further information please contact:

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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 computing, power and communications products and electronic component services 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 component supplier to OEMs and bespoke manufacturer of specialist units to clients with complex requirements.

Headquartered in Redditch, Solid State employs over 200 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.

Solid State's Vision:

We are well placed to exploit the significant opportunities that exist in all of our target markets; we aspire to double the size of the business over the next five years. We will deliver this through a combination of organic growth and strategic acquisitions.

Solid State's Mission:

"To remain at the forefront of electronics technology, delivering reliable, high quality products and services. Adding value at every opportunity, from enquiry to order fulfilment; consistently meeting customer and partner expectations."

Solid State's Strategy:

Our strategy has three key elements:

- 1) Investment in our people, our technical knowledge and our capabilities, to ensure we remain at the forefront of electronics technology and be the 'go to' technical solutions provider of choice, enabling us to develop and maintain long term client relationships as a trusted adviser with the sector 'know how'.
- 2) Continue to develop our strategic partnerships with customers and suppliers within the electronics industry, building our portfolio of value added services.
- 3) Targeting strategic acquisitions which are aligned with our core capabilities which provide access to new markets or deepen our knowledge, ability and enhance the value we can add to our customers.