

**red24 Plc (the "Company", "Group" or "red24")**

**Trading update**

red24 provides the following post period end trading update in respect of the 6 months to 30 September 2016 and to date.

Since announcement of red24's final results for the year ended 31 March 2016 on 28 June 2016, red24 trading at the revenue level has continued broadly in line with management expectations, although there have been areas of both outperformance and underperformance. In particular, trading in red24 Pte Ltd. (formerly RISQ Worldwide Pte. Ltd) in Singapore has been disappointing, influenced mainly by local factors driving lower than expected levels of recruitment in the Asian market. This has impacted levels of employment background screening and reduced corporate activity which, in turn, has impacted the level of due diligence and investigative work undertaken by red24 Pte Ltd. On the positive side, trading within red24's special risks business has been robust, driven by two specific projects conducted in Turkey and Nigeria earlier in the 2016/17 financial year. red24's product safety business has also had a solid start to the 2016/17 financial year, despite slow business to business growth in the US market.

Management is beginning to see more success in red24's travel safety offering with opportunities now being generated as a result of the partnership arrangement with Allianz, agreed in June 2015, albeit significantly later than initially anticipated. red24 has also recently launched its new travel safety app which management believes offers some scope for optimism. However, red24 has also experienced one unexpected key client loss in this part of the business and one long running contract has now expired.

The changed sales mix, as referred to above has impacted overall margins during the current financial year as have adverse currency movements, in particular the strength of the South African Rand and the Singapore Dollar against Sterling. A substantial proportion of red24 Group's overheads are incurred in these currencies which, when taken together, has more than offset any gains from the increased value of red24 Group's US Dollar and Euro revenues. Whilst it is difficult to envisage how long these currency variances will persist, the increase in monthly sterling costs is materially affecting red24's cost base. If this currency situation persists for the rest of the financial year, there will be a significant impact on red24's earnings.

The overall revenue mix of red24's business which is becoming more episodic and less based on long term customer relationships, coupled with an uncertain currency outlook provide grounds for caution as to the outlook of red24's financial performance for the full financial year to 31 March 2017.

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The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.