PROCURRI

PROCURRI CORPORATION LIMITED
(REGISTRATION NO: 201306969W)
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD ENDED 30 JUNE 2025 ("1H2025")

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

A Condensed interim consolidated statement of profit or loss and other comprehensive income

Group	Note	1H2025	1H2024	Change
		$'000	$'000	%
Revenue	4	93,605	96,108	(2.6)
Cost of sales		(74,938)	(73,680)	1.7
Gross profit		**18,667**	**22,428**	(16.8)
Other items of income				
Other income		348	677	(48.6)
Other credits		-	1,206	(100.0)
Other items of expense				
Selling expenses		(10,695)	(11,420)	(6.3)
Administrative expenses		(10,553)	(11,929)	(11.5)
Finance costs		(1,037)	(805)	28.8
Other charges		(2,670)	(10)	>100
(Loss)/profit before tax	6	**(5,940)**	**147**	N.M.
Income tax credit /(expense)	7	690	935	(26.2)
(Loss)/profit, net of tax		**(5,250)**	**1,082**	N.M.
(Loss)/profit attributable to:				
Owners of the Company		(5,250)	1,082	N.M.
(Loss)/profit for the period		**(5,250)**	**1,082**	N.M.
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation		1,941	10	>100
Other comprehensive income for the period		**1,941**	**10**	>100
Total comprehensive income for the period		**(3,309)**	**1,092**	N.M.
(Loss)/profit for the period attributable to:				
Owners of the Company		(5,250)	1,082	N.M.
Comprehensive income attributable to:				
Owners of the Company		**(3,309)**	**1,092**	N.M.
Earnings per share for the profit for the period attributable to the owners of the Company during the period				
Basic (SGD in cent)		(1.60)	0.33	
Diluted (SGD in cent)		(1.58)	0.32	

B Condensed interim statements of financial position

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	$'000	$'000	$'000	$'000
ASSETS				
Non-current assets				
Plant and equipment	1,923	1,548	-	-
Right-of-use assets	10,880	12,028	-	-
Investment in subsidiaries	-	-	46,489	46,484
Intangible assets	11,077	10,836	-	-
Other receivables	123	123	-	-
Deferred tax assets	11,105	10,726	-	-
Total non-current assets	**35,108**	**35,261**	**46,489**	**46,484**
Current assets				
Inventories	18,165	22,030	-	-
Trade and other receivables	26,319	30,007	25,586	26,194
Prepayments	3,223	3,391	35	97
Finance lease receivables	-	5	-	-
Cash and bank balances	33,040	33,550	13,614	14,424
Total current assets	**80,747**	**88,983**	**39,235**	**40,715**
Total assets	**115,855**	**124,244**	**85,724**	**87,199**
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	30,419	31,192	1,621	1,386
Deferred income	7,349	8,761	-	-
Loans and borrowings	15,159	17,387	-	-
Lease liabilities	2,419	2,406	-	-
Income tax payable	815	773	194	209
Total current liabilities	**56,161**	**60,519**	**1,815**	**1,595**
Non-current liabilities				
Deferred tax liabilities	35	84	32	81
Other payables	2,180	2,325	-	-
Lease liabilities	9,128	10,567	-	-
Provisions	997	476	-	-
Deferred income	1,147	765	-	-
Total non-current liabilities	**13,487**	**14,217**	**32**	**81**
Total liabilities	**69,648**	**74,736**	**1,847**	**1,676**
Equity attributable to owners of the Company				
Share capital	83,394	82,613	83,394	82,613
Retained earnings	10,106	15,356	483	2,137
Other reserves	(47,293)	(48,461)	-	773
Equity attributable to owners of the Company	**46,207**	**49,508**	**83,877**	**85,523**
Total equity	**46,207**	**49,508**	**83,877**	**85,523**
Total equity and liabilities	**115,855**	**124,244**	**85,724**	**87,199**

C Condensed interim statements of changes in equity

Group	Share Capital	Retained Earnings	Other Reserves	Equity attributable to owners of the Company	Total Equity
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2025	**82,613**	**15,356**	**(48,461)**	**49,508**	**49,508**
Total comprehensive income for the financial period	-	(5,250)	1,941	(3,309)	**(3,309)**
Issuance of new shares pursuant to performance share plan	781	-	(781)	-	**-**
Share-based payment	-	-	8	8	**8**
Balance as at 30 June 2025	**83,394**	**10,106**	**(47,293)**	**46,207**	**46,207**
Balance as at 1 January 2024	**81,483**	**14,954**	**(47,929)**	**48,508**	**48,508**
Total comprehensive income for the financial period	-	1,082	10	1,092	**1,092**
Issuance of new shares pursuant to performance shares plan	1,130	-	(1,130)	-	**-**
Share-based payment	-	-	526	526	**526**
Balance as at 30 June 2024	**82,613**	**16,036**	**(48,523)**	**50,126**	**50,126**

Company	Share Capital	Retained Earnings	Other Reserves	Total Equity
	$'000	$'000	$'000	$'000
Balance as at 1 January 2025	**82,613**	**2,137**	**773**	**85,523**
Total comprehensive income for the financial period	-	(1,654)	-	**(1,654)**
Issuance of new shares pursuant to performance share plan	781	-	(781)	**-**
Share-based payment	-	-	8	**8**
Balance as at 30 June 2025	**83,394**	**483**	**-**	**83,877**
Balance as at 1 January 2024	**81,483**	**(697)**	**1,138**	**81,924**
Total comprehensive income for the financial period	-	2,137	-	**2,137**
Issuance of new shares pursuant to performance share plan	1,130	-	(1,130)	**-**
Share-based payment	-	-	526	**526**
Balance as at 30 June 2024	**82,613**	**1,440**	**534**	**84,587**

D Condensed interim consolidated statement of cash flows

	Group	
	1H2025	**1H2024**
	$'000	**$'000**
<u>Cash flows from operating activities</u>		
(Loss)/Profit before tax	**(5,940)**	**147**
Adjustments for:		
Depreciation of plant and equipment	430	489
Depreciation of right-of-use assets	1,470	1,167
Write-off of plant and equipment	-	10
Amortisation of intangible assets	-	68
Share based payment	8	526
Interest income	(235)	(412)
Finance costs	1,037	805
Allowance for stock obsolescence	2,291	412
Allowance/(Reversal) for impairment loss on trade and other receivables	139	(88)
Provisions	521	35
Exchange differences	1,814	(630)
Operating cash flows before changes in working capital	**1,535**	**2,529**
Decrease/(increase) in inventories	1,574	(694)
Decrease/(increase) in trade and other receivables	3,647	(717)
Decrease in finance lease receivables	5	34
Decrease/(increase) in prepayment	168	(366)
(Decrease)/increase in deferred income	(1,030)	1,119
Decrease in trade and other payables	(771)	(1,091)
Net cash generated from operations	**5,128**	**814**
Income taxes paid	(210)	(328)
Net cash generated from operating activities	**4,918**	**486**
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(855)	(530)
Proceeds from fixed deposits pledged for bank facilities	-	114
Interest received	235	412
Net cash used in from investing activities	**(620)**	**(4)**
<u>Cash flows from financing activities</u>		
Proceeds from loans and borrowings	36,608	49,303
Repayments of loans and borrowings	(37,970)	(46,060)
Payment of principal portion of lease liabilities	(1,743)	(1,064)
Interest paid	(1,037)	(805)
Net cash (used in)/generated from financing activities	**(4,142)**	**1,374**
Net increase in cash and cash equivalents	**156**	**1,856**
Effect of exchange rate changes on cash and cash equivalents	(666)	730
Cash and cash equivalents at beginning of the financial period	33,550	30,871
Cash and cash equivalents at end of the financial period	**33,040**	**33,457**

E Notes to the condensed interim consolidated financial statements

1. Corporate information

Procurri Corporation Limited ("Procurri" or the "Company", and together with its subsidiaries, the "Group") is a public listed company incorporated and domiciled in Singapore.

Procurri's principal business is providing sustainable IT solutions to enterprises globally. Procurri's solutions cover the full IT equipment lifecycle, from purchasing to operations to end-of-life/equipment disposition. These solutions are delivered through activities including the sales and rental of enterprise IT equipment, the provision of independent maintenance services, and the provision of additional services including IT asset disposal, repair, reverse logistics, and data center services.

Procurri is listed on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 July 2016.

The registered office and principal place of business of the Company is located at 8 Aljunied Avenue 3, The Pulse, Singapore 389933.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last financial statements for the year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (SGD or $) which is the Company's functional currency, and all values are rounded to the nearest thousand ($'000), unless otherwise indicated.

2.1 Changes in accounting policies

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are as follow:

• Provision for Expected Credit Losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

• Allowance for stock obsolescence

Inventory is stated at the lower of cost and net realisable value ("NRV"). The Group's inventories mainly consist of computer hardware and peripheral equipment, which are subject to risk of obsolescence due to technological advancements or changes in consumers' preferences. The determination of allowance for stock obsolescence to NRV requires management to exercise judgement in identifying slow-moving and obsolete inventories and make estimates of write-down required.

• Impairment assessment of goodwill and cost of investment in subsidiaries

The Group's goodwill and the Company's cost of investment in subsidiaries are subjected to impairment assessment. Management assesses goodwill impairment annually. For cost of investment in subsidiaries, management performs an assessment to ascertain whether indicators of impairment are present. For impairment assessment, management uses a discounted cash flow model which involves significant judgement in estimating the recoverable values of these assets. Any shortfall of the recoverable values against the carrying amounts of these assets will be recognized as impairment losses. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is now organised into the following main business segments:

- Segment 1: Hardware business includes revenue derived from hardware resale, which comprises income derived from the distribution of IT hardware, including but not limited to pre-owned servers, storage and networking equipment.

- Segment 2: Lifecycle Services business includes revenue derived from (i) Supply Chain Management, where income is derived from assisting OEMs in the distribution of their goods as part of their supply chain activities; (ii) the provision of services relating to installation, relocations, depot services, structured cabling and project planning as well as decommissioning services; (iii) the provision of service to extend the life of IT equipment while extracting the highest possible value for retired technology, by means of equipment refurbishment, data destruction services, and other lifecycle services to help our customers yield greater corporate and environment sustainability.

- Segment 3: Third Party Maintenance ("TPM") business includes revenue derived from renewable maintenance contracts (i) where we provide the rendering of IT maintenance services for a variety of IT systems and networks; (ii) sales of maintenance parts tied to systems on the renewable contract and (iii) professional services tied to systems on the renewable contracts.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is monitored based on revenue and gross profit. Selling expenses, administrative expenses, finance costs, assets and liabilities are managed on a legal entity basis.

The following table presents revenue and timing of transfer of goods or services for the Group's operating segments for 1H2025 and 1H2024, respectively:

	Hardware		Lifecycle Services		Third Party Maintenance		Total	
	1H2025	1H2024	1H2025	1H2024	1H2025	1H2024	1H2025	1H2024
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Major revenue stream								
Sale of goods	65,688	64,396	-	-	279	288	65,967	64,684
Rendering of services	-	-	12,703	13,208	14,146	16,786	26,849	29,994
Equipment rental and leasing	789	1,430	-	-	-	-	789	1,430
	66,477	65,826	12,703	13,208	14,425	17,074	93,605	96,108
Timing of transfer of goods or services								
At a point in time	65,688	64,396	12,703	13,208	279	288	78,670	77,892
Over time	789	1,430	-	-	14,146	16,786	14,935	18,216
	66,477	65,826	12,703	13,208	14,425	17,074	93,605	96,108

Geographical information

The following table presents revenue and non-current assets information based on the geographical location of customers and assets as at 1H2025 and 1H2024:

	1H2025	1H2024	Increase / (decrease)
	$'000	$'000	%
Geographical information by revenue			
Asia Pacific	5,681	8,025	(29.2)
EMEA	32,596	34,977	(6.8)
Americas	55,328	53,106	4.2
	93,605	96,108	(2.6)

	30-Jun-25	31-Dec-24	Increase / (decrease)
	$'000	$'000	%
Geographical information by non-current assets			
Asia Pacific	2,222	2,534	(12.3)
EMEA	14,985	14,374	4.3
Americas	6,673	7,504	(11.1)
	23,880	24,412	(2.2)

Non-current assets information presented above consist of plant and equipment, right-of-use assets and intangible assets as presented in the condensed interim consolidated balance sheets.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2025 and 31 December 2024:

	The Group		The Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	$'000	$'000	$'000	$'000
Financial assets				
Finance lease receivables	-	5	-	-
Cash and bank balances and trade and other receivables (Amortised cost)	59,482	63,680	39,200	40,618
	59,482	63,685	39,200	40,618
Financial liabilities				
Trade and other payables and borrowings (Amortised cost)	47,758	50,904	1,621	1,386

6. Profit before taxation

6.1. Significant items

	The Group	
	1H2025	1H2024
	$'000	$'000
Income		
Interest income	235	412
Others	113	265
Expenses		
(Allowance)/Reversal for trade receivables	(139)	88
Allowance for stock obsolescence	(2,291)	(412)
Interest expense	(1,037)	(805)
Depreciation of plant and equipment	(430)	(489)
Depreciation of right-of-use assets	(1,470)	(1,167)
Amortisation of intangible assets	-	(68)
Foreign exchange (loss)/gain, net	(2,531)	1,118
Write-off of plant and equipment	-	(10)

6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group	
	1H2025	1H2024
	$'000	$'000
Current income tax expense/(credit)	178	(366)
Deferred income tax credit relating to origination and reversal of temporary differences	(868)	(569)
	(690)	(935)

8. Dividends

No dividends have been declared or recommended for the current reporting period.

9. Net Asset Value

	The Group		The Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
Net asset value per share (SGD in cent)	14.06	15.22	25.52	26.29
Number of shares in issue ('000)	328,686	325,281	328,686	325,281

10. Intangible assets

The Group	Goodwill	Customer relationship	Technical know-how	Software	Total
	$'000	$'000	$'000	$'000	$'000
Cost:					
At 1 January 2024	11,203	946	2,598	1,375	16,122
Exchange differences	255	-	-	4	259
At 31 December 2024 and 1 January 2025	11,458	946	2,598	1,379	16,381
Exchange differences	237	-	-	(86)	151
At 30 June 2025	11,695	946	2,598	1,293	16,532
Accumulated amortisation and impairment:					
At 1 January 2024	600	946	2,598	1,307	5,451
Amortisation charge for the year	-	-	-	68	68
Impairment loss	50	-	-	-	50
Exchange differences	(28)	-	-	4	(24)
At 31 December 2024 and 1 January 2025	622	946	2,598	1,379	5,545
Amortisation charge for the period	-	-	-	-	-
Exchange differences	(4)	-	-	(86)	(90)
At 30 June 2025	618	946	2,598	1,293	5,455
Net book value:					
At 31 December 2024	10,836	-	-	-	10,836
At 30 June 2025	11,077	-	-	-	11,077

The Company	Technical know-how
	$'000
Cost:	
At 31 December 2024, 1 January 2025 and 30 June 2025	2,598
Accumulated amortisation and impairment:	
At 31 December 2024, 1 January 2025 and 30 June 2025	2,598
Net book value:	
At 31 December 2024	-
At 30 June 2025	-

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2024.

11. Property, plant and equipment

During the six months ended 30 June 2025, the Group acquired assets amounting to $855,000 (31 December 2024: $826,000) and undertook disposal and write-off of assets amounting to NIL net book value (31 December 2024: $12,000).

12. Inventories

	The Group	
	30-Jun-25	**31-Dec-24**
	$'000	$'000
Balance sheet:		
Computer equipment and peripheral equipment held for sale	18,165	22,030
Income statement:		
Inventories recognized as an expense in cost of sales	50,680	49,135
Inclusive of the following charge:		
– Allowances for stock obsolescence	2,291	412

13. Trade and other receivables

The Group's trade receivables and allowance for expected credit loss of trade receivables as at 30 June 2025 was S$27,134,000 (31 December 2024: S$30,766,000) and S$1,744,000 (31 December 2024: S$1,970,000) respectively.

14. Borrowings

	The Group	
	30-Jun-25	**31-Dec-24**
	$'000	$'000
Amount repayable within one year or on demand		
Secured	15,120	17,365
Unsecured	39	22

15. Share capital

	The Group and the Company			
	30-Jun-25		**31-Dec-24**	
	Number of shares '000	Amount $'000	Number of shares '000	Amount $'000
Beginning of the period	325,281	82,613	320,541	81,483
Issuance of new shares pursuant to performance shares	3,405	781	4,740	1,130
End of the period	328,686	83,394	325,281	82,613

The Company has no treasury shares.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2025 and 31 December 2024.

Share options – employee share option scheme

Between 1 January 2025 and 30 June 2025, the Company did not issue any shares under the employee share option scheme.

As at 30 June 2025, there were no outstanding options under the employee share option scheme (31 December 2024: NIL).

Performance share plan

Between 1 January 2025 and 30 June 2025, the Company did not grant any shares under the performance share plan.

As at 30 June 2025, the number of shares comprised in outstanding awards granted under the performance share plan was 4,000,000 (31 December 2024: 11,404,200).

The shares to be issued pursuant to the awards are subject to certain performance conditions to be satisfied by the respective participants. Once the performance conditions are satisfied, the shares to be issued pursuant to the awards shall be released to the respective participants after the respective performance periods.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

PART II - OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1 Review

The condensed consolidated statement of financial position of the Group as at 30 June 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2 Review of performance of the Group

Normalised Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") and Profit before tax

	1H2025 $'000	1H2024 $'000	Change $'000	Change %
Revenue	93,605	96,108	(2,503)	(2.6)
Gross Profit	18,667	22,428	(3,761)	(16.8)
Operating expenses (Selling and Administrative expenses)	(21,248)	(23,349)	2,101	(9.0)
EBITDA	(3,238)	2,264	(5,502)	N.M.
Profit before tax	(5,940)	147	(6,087)	N.M.
Non-recurrring items				
Exchange (loss)/gain	(2,531)	1,118	(3,649)	N.M.
Total non-recurring items	**(2,531)**	**1,118**	(3,649)	N.M.
Normalised operating expenses	**(21,248)**	**(23,349)**	2,101	(9.0)
Normalised EBITDA	**(707)**	**1,146**	(1,853)	N.M.
Normalised Profit before tax	**(3,409)**	**(971)**	(2,438)	251.1

- The Group recorded a 2.6% decline in revenue, from S$96.1 million in 1H2024 to S$93.6 million in 1H2025, primarily due to lower contributions from Lifecycle Services and Third-Party Maintenance ("TPM"), partly offset by the increase in hardware sales. The decline was in line with a more challenging operating environment, marked by cautious IT spending environment, as customers tightened budgets and delayed initiatives. Gross profit declined by S$3.8 million, from S$22.4 million to S$18.7 million, amid ongoing margin pressure.

- The Group's EBITDA fell by S$5.5 million, reversing from a profit of S$2.3 million in 1H2024 to a loss of S$3.2 million in 1H2025. The decline was largely attributable to a foreign exchange loss of S$2.5 million in 1H2025, compared to a gain of S$1.1 million in the previous corresponding period.

- Excluding non-recurring items, normalised EBITDA stood at a loss of S$0.7 million in 1H2025, compared to a profit of S$1.1 million in 1H2024, mainly due to the decline in gross profit. Operating expenses were reduced by S$2.1 million (or 9.0%), reflecting cost management efforts.

- Normalised profit before tax widened from a loss of S$1.0 million in 1H2024 to a loss of S$3.4 million in 1H2025, in line with the lower EBITDA and reduced gross margins.

The table below sets out the segmental performance of the Group.

Review of performance – 1H2025 vs 1H2024

	1H2025	1H2024	Change %
Revenue ($'000)			
Hardware	66,477	65,826	1.0
Lifecycle Services	12,703	13,208	(3.8)
Third Party Maintenance	14,425	17,074	(15.5)
Total	**93,605**	**96,108**	(2.6)
Gross Profit ($'000)			
Hardware	13,031	13,579	(4.0)
Lifecycle Services	2,435	4,268	(42.9)
Third Party Maintenance	3,201	4,581	(30.1)
Total	**18,667**	**22,428**	(16.8)
Gross Profit Margin (%)			
Hardware	19.6	20.6	(1.0)
Lifecycle Services	19.2	32.3	(13.1)
Third Party Maintenance	22.2	26.8	(4.6)
Total	**19.9**	**23.3**	(3.4)

Revenue and Gross Profit

The Group's revenue declined by 2.6%, from S$96.1 million in 1H2024 to S$93.6 million in 1H2025. While the Hardware segment posted a 1.0% increase, rising from S$65.8 million to S$66.5 million, revenue from Lifecycle Services and Third-Party Maintenance ("TPM") declined. Lifecycle Services fell by 3.8%, from S$13.2 million to S$12.7 million, while TPM recorded a 15.5% drop, from S$17.1 million to S$14.4 million. The decline was largely attributed to ongoing softness in global IT spending, with enterprises exercising greater caution in committing.

The Group's overall gross profit declined by 16.8%, from S$22.4 million in 1H2024 to S$18.7 million in 1H2025, with margin pressure seen across all business segments. Gross profit margin declined by 3.4 percentage points, from 23.3% to 19.9%. The Hardware segment's margin fell slightly to 19.6%, while Lifecycle Services saw a sharper margin contraction, from 32.3% to 19.2%, while TPM margins declined from 26.8% to 22.2%. The margin erosion in both Lifecycle Services and TPM was largely due to the impact of fixed cost structures amid lower revenue, which reduced operating leverage.

Other income

Other income declined by S$0.3 million, from S$0.7 million in 1H2024 to S$0.3 million in 1H2025, primarily due to lower interest income received in 1H2025.

Selling expenses

Selling expenses decreased by S$0.7 million from S$11.4 million in 1H2024 to S$10.7 million in 1H2025 mainly due to lower sales staff costs in 1H2025. This reduction was primarily driven by lower commission expenses, reflecting the decline in gross profit during the period.

Administrative expenses

Administrative expenses decreased by S$1.4 million, from S$11.9 million in 1H2024 to S$10.6 million in 1H2025, primarily due to the implementation of cost control measures and streamlined operational efficiencies.

Finance costs

Finance costs rose by S$0.2 million, from S$0.8 million in 1H2024 to S$1.0 million in 1H2025, mainly due to higher levels of borrowings during the period.

Other charges

Other charges increased by S$2.7 million in 1H2025, primarily due to foreign exchange losses recorded during the period. In comparison, 1H2024 included a foreign exchange gain, which contributed to the lower charge in the prior period.

(Loss)/Profit before and after tax

As a result of the above, the Group reported a pre-tax loss of S$5.9 million in 1H2025, compared to a pre-tax profit of S$0.1 million in 1H2024. Income tax expense was S$0.7 million in 1H2025, down from S$1.0 million in 1H2024.

Overall, the Group recorded a net loss of S$5.3 million in 1H2025, compared to a net profit of S$1.1 million in 1H2024.

Review of financial position

Non-current assets

(a) Plant and equipment increased by S$0.4 million from S$1.5 million as at 31 December 2024 to S$1.9 million as at 30 June 2025. This increase was mainly due to purchase of plant and equipment partially offset by depreciation charged during the year.

(b) The right-of-use assets decreased by S$1.1 million from S$12.0 million as at 31 December 2024 to S$10.9 million as at 30 June 2025. The decrease was mainly due to depreciation charged during the year partially offset by new leases entered in 1H2025.

(c) Intangible assets increased by S$0.2 million from S$10.8 million as at 31 December 2024 to S$11.1 million as at 30 June 2025 as a result of the foreign exchange fluctuation from GBP revaluation partially offset by amortisation charged during the year.

(d) Deferred tax assets increased by S$0.4 million from S$10.7 million as at 31 December 2024 to S$11.1 million as at 30 June 2025 due to origination of temporary difference resulted from unutilised tax losses.

Current assets

(e) Inventories decreased by S$3.8 million from S$22.0 million as at 31 December 2024 to S$18.2 million as at 30 June 2025, mainly due to active stock management and lower replenishment during the period.

(f) Trade and other receivables decreased by S$3.7 million from S$30.0 million as at 31 December 2024 to S$26.3 million as at 30 June 2025 mainly due to improved collection efficiency.

(g) Prepayments decreased by S$0.2 million mainly due to lower advance payments made to suppliers.

(h) The movement in cash and bank balances is shown in the statement of cash flows and review of cash flows.

Liabilities

(i) Trade and other payables decreased by S$0.8 million from S$31.2 million as at 31 December 2024 to S$30.4 million as at 30 June 2025. The decrease was mainly due to lower purchases and timing of payments.

(j) Deferred income (both current and non-current) principally comprised deferred maintenance revenue from signed maintenance contracts. Deferred income decreased by S$1.0 million from S$9.5 million as at 31 December 2024 to S$8.5 million as at 30 June 2025, due to fewer new contracts signed and the maturation or completion of existing contracts during the period.

(k) The loans and borrowings (both current and non-current) decreased by S$2.2 million, from S$17.4 million as at 31 December 2024 to S$15.2 million as at 30 June 2025. The decrease was mainly due to the repayment of short-term credit and trade facilities.

(l) The decrease in lease liabilities (both current and non-current) of S$1.4 million was mainly due to the repayment of leases during the year.

(m) Provisions increased by S$0.5 million to S$1.0 million as at 30 June 2025 mainly relates to provision for reinstatement costs.

Net working capital position

The Group recorded a positive working capital of S$24.6 million as at 30 June 2025 compared to S$28.5 million as at 31 December 2024.

Review of cash flows

Net cash generated from operating activities in 1H2025 amounted to S$4.9 million as compared to S$0.5 million in 1H2024. The increase was mainly due to the decrease in inventory, trade and other receivables and prepayment of

S$1.6 million, S$3.6 million, and S$0.2 million respectively. This was partially offset against the lower operating cash flow before changes in working capital of S$1.5 million, as well as the decrease in deferred income and trade and other payables of S$1.0 million and S$0.8 million respectively, and tax payment of S$0.2 million.

Net cash used in investing activities amounted to S$0.6 million in 1H2025 as compared to S$4,000 in 1H2024. The cash outflow in 1H2025 was primarily for the purchase of plant and equipment totaling S$0.9 million, partially offset by the interest received of S$0.2 million.

Net cash used in financing activities in 1H2025 amounted to S$4.1 million as compared to net cash generated amounted to S$1.4 million in 1H2024. The cash used in financing activities in 1H2025 was mainly due to the repayment of borrowings of S$38.0 million, the repayment of lease liabilities of S$1.7 million and the interest paid of S$1.0 million. This was partially offset by the proceeds from borrowings of S$36.6 million.

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders for the current reporting period.

4 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

As industry transitions towards cloud-based infrastructure, the demand for traditional hardware supply is decreasing. To adapt, Procurri is collaborating closely with key partners, including OEMs, as part of its evolving channel strategy growing its services propositions.

To diversify its offerings, Procurri has expanded its service offering to include Modern Workplace (hardware staging and global deployment of end user computing) and Professional Services (global field engineering resource). The business is also exploring end of life solutions to unlock value in green boards precious metals, complementing its IT Asset Disposition (ITAD), maintenance, hardware, and distribution resale business. A continued emphasis on sustainability and Net Zero ambitions are expected to continue to drive long-term demand for refurbished IT solutions along with GPU technology entering the secondary marketplace helping bolster Procurri's Hardware Resale segment.

Procurri sets itself apart through certified, carbon-neutral processing facilities and ITAD solutions that ensure compliance with data security and e-waste regulations. The increasing prevalence of digital and subscription-based IT services aligns with the Group’s emphasis on scalable lifecycle service offerings, providing enterprises with cost-effective, vendor-agnostic solutions that offer greater flexibility compared to OEM-centric options.

The Group will continue focusing on high-margin service models, customer upscaling, and cost optimisation. Further initiatives are underway to improve profitability and maintain financial stability.

Procurri remains confident in its ability to navigate the evolving IT landscape by driving service expansion, maintaining balanced hardware product strategies, prioritising sustainability, and striving for cost efficiency, with the aim of boosting profitability and increasing shareholder value.

5 If a decision regarding dividend has been made:

a Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial period reported on.

b Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

c The date the dividend is payable.

Not applicable.

d Book closure date

Not applicable.

6 If the Company has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general shareholders' mandate for interested person transactions.

The following table sets out information on the Group's interested person transactions.

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
EXEO Global Pte. Ltd.[1]	Associate of EXEO Global Asset Holdings Pte. Ltd., the controlling shareholder of the Company.	366[2]	-

[1] EXEO Global Pte. Ltd. ("EXEO Global") wholly owned EXEO Global Asset Holdings Pte. Ltd. (Formerly known as DeClout Pte. Ltd.), the controlling shareholder of the Company. EXEO Global is a wholly owned subsidiary of EXEO Group, Inc.

[2] Rental of office and warehouse space from EXEO Global.

7 Use of proceeds

Placement

The Company received net proceeds (after deducting placement expenses of approximately S$1.0 million) from the placement of approximately S$5.3 million (the "Placement Net Proceeds"). As at the date of this announcement, the Placement Net Proceeds have been utilised as follows:

Use of Proceeds	Placement Net Proceeds S$ million	Placement Net Proceeds utilised as at the date of this announcement S$ million	Balance of Placement Net Proceeds as at the date of this announcement S$ million
Merger and acquisitions, joint ventures and partnerships	1.6 to 3.7	-	5.3
Working capital purposes	1.6 to 3.7	-	
	5.3	-	5.3

The Company will make periodic announcements on the use of Placement Net Proceeds as and when such proceeds are materially disbursed.

8 Negative confirmation by the Board pursuant to Rule 705(5).

The directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the six-month period ended 30 June 2025 to be false or misleading in any material aspect.

9 Confirmation pursuant to Rule 720 (1) of the Listing Manual.

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
Mathew George Jordan
Executive Director and Chief Executive Officer
6 August 2025