



PROCURRI CORPORATION LIMITED
(REGISTRATION NO: 201306969W)
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE SIX MONTHS ("2H2024") AND FULL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

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		2H2024	2H2023	Change	FY2024	FY2023	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	Note 4	95,247	97,231	(2.0)	191,355	197,192	(3.0)
Cost of sales		(74,550)	(80,448)	(7.3)	(148,230)	(155,294)	(4.5)
Gross profit		20,697	16,783	23.3	43,125	41,898	2.9
Other items of income							
Other income		1,479	3,213	(54.0)	2,156	3,292	(34.5)
Other credits		390	-	N.M.	1,596	5	>100
Other items of expense							
Selling expenses		(10,018)	(11,307)	(11.4)	(21,438)	(24,452)	(12.3)
Administrative expenses		(11,575)	(12,995)	(10.9)	(23,504)	(28,564)	(17.7)
Finance costs		(961)	(743)	29.3	(1,766)	(1,440)	22.6
Other charges		(52)	(1,321)	(96.1)	(62)	(1,428)	(95.7)
(Loss)/profit before tax	6	(40)	(6,370)	N.M.	107	(10,689)	N.M.
Income tax (expense)/credit	7	(640)	1,501	N.M.	295	2,220	(86.7)
(Loss)/profit, net of tax		(680)	(4,869)	(86.0)	402	(8,469)	N.M.
(Loss)/profit attributable to:							
Owners of the Company		(680)	(4,869)	(86.0)	402	(8,469)	N.M.
(Loss)/profit for the period		(680)	(4,869)	(86.0)	402	(8,469)	N.M.
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Foreign currency translation		(177)	(141)	25.5	(167)	972	N.M.
Other comprehensive income for the period		(177)	(141)	25.5	(167)	972	N.M.
Total comprehensive income for the period		(857)	(5,010)	(82.9)	235	(7,497)	N.M.
(Loss)/profit for the period attributable to:							
Owners of the Company		(680)	(4,869)	(86.0)	402	(8,469)	N.M.
Comprehensive income attributable to:							
Owners of the Company		(857)	(5,010)	(82.9)	235	(7,497)	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)		(0.21)	(1.52)		0.12	(2.66)	
Diluted (SGD in cent)		(0.20)	(1.43)		0.12	(2.61)	

B Condensed interim statements of financial position

	Group		Company	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	\$'000	\$'000	\$'000	\$'000
ASSETS				
<u>Non-current assets</u>				
Plant and equipment	1,548	1,688	-	1
Right-of-use assets	12,028	4,724	-	-
Investment in subsidiaries	-	-	46,484	45,847
Intangible assets	10,836	10,671	-	-
Other receivables	123	123	-	-
Finance lease receivables	-	5	-	-
Deferred tax assets	10,726	9,919	-	-
Total non-current assets	35,261	27,130	46,484	45,848
<u>Current assets</u>				
Inventories	22,030	18,068	-	-
Trade and other receivables	30,007	33,733	26,194	25,485
Prepayments	3,391	4,939	97	76
Finance lease receivables	5	66	-	-
Cash and bank balances	33,550	30,986	14,424	13,443
Total current assets	88,983	87,792	40,715	39,004
Total assets	124,244	114,922	87,199	84,852
EQUITY AND LIABILITIES				
<u>Current liabilities</u>				
Trade and other payables	31,192	33,538	1,386	1,877
Deferred income	8,761	9,488	-	-
Loans and borrowings	17,387	13,291	-	-
Lease liabilities	2,406	2,193	-	-
Income tax payable	773	1,234	209	1,000
Total current liabilities	60,519	59,744	1,595	2,877
<u>Non-current liabilities</u>				
Deferred tax liabilities	84	51	81	51
Other payables	2,325	2,254	-	-
Lease liabilities	10,567	3,311	-	-
Provisions	476	272	-	-
Deferred income	765	782	-	-
Total non-current liabilities	14,217	6,670	81	51
Total liabilities	74,736	66,414	1,676	2,928
<u>Equity attributable to owners of the Company</u>				
Share capital	82,613	81,483	82,613	81,483
Retained earnings	15,356	14,954	2,137	(697)
Other reserves	(48,461)	(47,929)	773	1,138
Equity attributable to owners of the Company	49,508	48,508	85,523	81,924
Total equity	49,508	48,508	85,523	81,924
Total equity and liabilities	124,244	114,922	87,199	84,852

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 2024	81,483	14,954	(47,929)	48,508	48,508
Total comprehensive income for the financial year	-	402	(167)	235	235
Issuance of new shares pursuant to performance share plan	1,130	-	(1,130)	-	-
Share-based payment	-	-	765	765	765
Balance as at 31 December 2024	82,613	15,356	(48,461)	49,508	49,508
Balance as at 1 January 2023	75,106	26,628	(49,652)	52,082	52,082
Total comprehensive income for the financial year	-	(8,469)	972	(7,497)	(7,497)
Share issuance	5,356	-	-	5,356	5,356
Issuance of new shares pursuant to performance shares plan	1,021	-	(1,021)	-	-
Share-based payment	-	-	1,772	1,772	1,772
Dividends	-	(3,205)	-	(3,205)	(3,205)
Balance as at 31 December 2023	81,483	14,954	(47,929)	48,508	48,508

Company	Share Capital	Retained Earnings	Other Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2024	81,483	(697)	1,138	81,924
Total comprehensive income for the financial year	-	2,834	-	2,834
Issuance of new shares pursuant to performance share plan	1,130	-	(1,130)	-
Share-based payment	-	-	765	765
Balance as at 31 December 2024	82,613	2,137	773	85,523
Balance as at 1 January 2023	75,106	3,586	387	79,079
Total comprehensive income for the financial year	-	(1,078)	-	(1,078)
Share issuance	5,356	-	-	5,356
Issuance of new shares pursuant to performance share plan	1,021	-	(1,021)	-
Share-based payment	-	-	1,772	1,772
Dividends	-	(3,205)	-	(3,205)
Balance as at 31 December 2023	81,483	(697)	1,138	81,924

D Condensed interim consolidated statement of cash flows

	Group	
	FY2024	FY2023
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit/(Loss) before tax	107	(10,689)
Adjustments for:		
Depreciation of plant and equipment	990	1,067
Depreciation of right-of-use assets	2,543	1,879
Write-off of plant and equipment	10	1
Loss/(gain) on disposal of plant and equipment	2	(6)
Amortisation of intangible assets	68	272
Share based payment	765	1,772
Impairment loss on goodwill	50	-
Interest income	(701)	(364)
Finance costs	1,766	1,440
Allowance for stock obsolescence	3,302	3,341
(Reversal)/allowance for impairment loss on trade and other receivables	(88)	1,136
Provisions	205	(342)
Exchange differences	(760)	306
Operating cash flows before changes in working capital	8,259	(187)
(Increase)/decrease in inventories	(7,264)	3,467
Decrease in trade and other receivables	3,963	2,678
Decrease/(increase) in finance lease receivables	72	(23)
Decrease in prepayment	1,548	5,133
Decrease in provision	-	(216)
(Decrease)/increase in deferred income	(744)	336
Decrease in trade and other payables	(2,347)	(10,486)
Net cash generated from operations	3,487	702
Income taxes paid	(877)	(2,133)
Net cash generated from/(used in) operating activities	2,610	(1,431)
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(826)	(600)
Proceeds from disposal of plant and equipment	-	11
Proceeds from fixed deposits pledged for bank facility	117	-
Interest received	696	364
Net cash used in from investing activities	(13)	(225)
<u>Cash flows from financing activities</u>		
Issuance of shares	-	5,356
Proceeds from loans and borrowings	83,026	65,982
Repayments of loans and borrowings	(79,341)	(65,146)
Payment of principal portion of lease liabilities	(2,396)	(1,934)
Lease liability interest paid	(689)	(329)
Interest paid	(1,077)	(1,111)
Dividends paid	-	(3,205)
Net cash generated used in financing activities	(477)	(387)
Net increase/(decrease) in cash and cash equivalents	2,120	(2,043)
Effect of exchange rate changes on cash and cash equivalents	559	289
Cash and cash equivalents at beginning of the financial period	30,871	32,625
Cash and cash equivalents at end of the financial period	33,550	30,871
Cash and cash equivalents comprise the following:		
Cash and bank balances	33,550	30,986
Less: Pledged deposits	-	(115)
Cash and cash equivalents	33,550	30,871

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 and full year ended 31 December 2024 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 interim financial statements for the period ended 30 June 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 2023.

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 2H2024 and the six months ended 31 December 2023 ("2H2023") together with FY2024 and the twelve months ended 31 December 2023 ("FY2023"), respectively:

	Hardware		Lifecycle Services		Third Party Maintenance		Total	
	2H2024	2H2023	2H2024	2H2023	2H2024	2H2023	2H2024	2H2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major revenue stream								
Sale of goods	62,902	59,462	-	-	391	383	63,293	59,845
Rendering of services	-	-	15,471	15,553	15,386	20,432	30,857	35,985
Equipment rental and leasing	1,097	1,401	-	-	-	-	1,097	1,401
	63,999	60,863	15,471	15,553	15,777	20,815	95,247	97,231
Timing of transfer of goods or services								
At a point in time	62,902	59,462	15,471	15,553	391	383	78,764	75,398
Over time	1,097	1,401	-	-	15,386	20,432	16,483	21,833
	63,999	60,863	15,471	15,553	15,777	20,815	95,247	97,231

	Hardware		Lifecycle Services		Third Party Maintenance		Total	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Major revenue stream								
Sale of goods	127,298	123,725	-	-	679	1,758	127,977	125,483
Rendering of services	-	-	28,679	26,214	32,172	41,753	60,851	67,967
Equipment rental and leasing	2,527	3,742	-	-	-	-	2,527	3,742
	129,825	127,467	28,679	26,214	32,851	43,511	191,355	197,192
Timing of transfer of goods or services								
At a point in time	127,298	123,725	28,679	26,214	679	1,758	156,656	151,697
Over time	2,527	3,742	-	-	32,172	41,753	34,699	45,495
	129,825	127,467	28,679	26,214	32,851	43,511	191,355	197,192

Geographical information

The following table presents revenue and non-current assets information based on the geographical location of customers and assets as at 31 December 2024 and 31 December 2023:

	FY2024	FY2023	Increase / (decrease)
	\$'000	\$'000	%
Geographical information by revenue			
Asia Pacific	15,395	17,450	(11.8)
EMEA	71,393	72,087	(1.0)
Americas	104,567	107,655	(2.9)
	191,355	197,192	(3.0)
Geographical information by non-current assets			
	31-Dec-24	31-Dec-23	Increase / (decrease)
	\$'000	\$'000	%
Asia Pacific	2,534	3,088	(17.9)
EMEA	14,374	10,762	33.6
Americas	7,504	3,233	132.1
	24,412	17,083	42.9

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.

A breakdown of sales

	FY2024	FY2023	Increase / (decrease)
	\$'000	\$'000	%
(a) Sales reported for the first half year	96,108	99,961	(3.9)
(b) Profit after tax for the first half year	1,082	(3,600)	(130.1)
(c) Sales reported for the second half year	95,247	97,231	(2.0)
(d) Profit after tax for the second half year	(680)	(4,869)	(86.0)

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 31 December 2024 and 31 December 2023:

	The Group		The Company	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Finance lease receivables	5	71	-	-
Cash and bank balances and trade and other receivables (Amortised cost)	63,680	64,842	40,618	38,928
	63,685	64,913	40,618	38,928
Financial liabilities				
Trade and other payables and borrowings (Amortised cost)	50,904	49,083	1,386	1,877

6. Profit before taxation

6.1. Significant items

	The Group			
	2H2024	2H2023	FY2024	FY2023
	\$'000	\$'000	\$'000	\$'000
Income				
Interest income	289	344	701	364
Others	1,190	2,869	1,455	2,928
Expenses				
(Reversal)/allowance for impairment loss on trade and other receivables	-	(706)	88	(1,136)
Allowance for stock obsolescence	(2,890)	(2,975)	(3,302)	(3,341)
Impairment of goodwill	(50)	-	(50)	-
Interest expense	(961)	(743)	(1,766)	(1,440)
Depreciation of plant and equipment	(501)	(534)	(990)	(1,067)
Depreciation of right-of-use assets	(1,376)	(844)	(2,543)	(1,879)
Amortisation of intangible assets	-	(137)	(68)	(272)
Foreign exchange gain/(loss), net	390	(612)	1,508	(292)
(Loss)/gain on disposal of plant and equipment	(2)	(3)	(2)	5
Write-off of plant and equipment	-	-	(10)	(1)

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			
	2H2024	2H2023	FY2024	FY2023
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	585	546	219	1,252
Deferred income tax expense/(credit) relating to origination and reversal of temporary differences	55	(2,047)	(514)	(3,472)
	640	(1,501)	(295)	(2,220)

8. Dividends

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

9. Net Asset Value

	The Group		The Company	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Net asset value per share (\$GD in cent)	15.22	15.13	26.29	25.56
Number of shares in issue ('000)	325,281	320,541	325,281	320,541

10. Intangible assets

The Group	Goodwill \$'000	Customer relationship \$'000	Technical know-how \$'000	Software \$'000	Total \$'000
<u>Cost:</u>					
At 1 January 2023	11,018	946	2,598	1,374	15,936
Exchange differences	185	-	-	1	186
At 31 December 2023 and 1 January 2024	11,203	946	2,598	1,375	16,122
Exchange differences	283	-	-	4	287
At 31 December 2024	11,486	946	2,598	1,379	16,409
<u>Accumulated amortisation and impairment:</u>					
At 1 January 2023	600	946	2,598	1,032	5,176
Amortisation charge for the year	-	-	-	272	272
Exchange differences	-	-	-	3	3
At 31 December 2023 and 1 January 2024	600	946	2,598	1,307	5,451
Amortisation charge for the period	-	-	-	68	68
Impairment loss	50	-	-	-	50
Exchange differences	-	-	-	4	4
At 31 December 2024	650	946	2,598	1,379	5,573
<u>Net book value:</u>					
At 31 December 2023	10,603	-	-	68	10,671
At 31 December 2024	10,836	-	-	-	10,836

The Company	Technical know-how \$'000
<u>Cost:</u>	
At 31 December 2023, 1 January 2024 and 31 December 2024	2,598
<u>Accumulated amortisation and impairment:</u>	
At 1 January 2023	2,598
At 31 December 2023, 1 January 2024 and 31 December 2024	2,598
<u>Net book value:</u>	
At 31 December 2023	-
At 31 December 2024	-

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 2023.

11. Property, plant and equipment

During FY2024, the Group acquired assets amounting to \$826,000 (31 December 2023: \$600,000) and undertook disposal and write-off of assets amounting to \$12,000 net book value (31 December 2023: \$6,000).

12. Inventories

	The Group	
	31-Dec-24	31-Dec-23
	\$'000	\$'000
Balance sheet:		
Computer equipment and peripheral equipment held for sale	22,030	18,068
Income statement:		
Inventories recognized as an expense in cost of sales	99,312	106,361
Inclusive of the following charge:		
– Allowances for stock obsolescence	3,302	3,341

13. Trade and other receivables

The Group's trade receivables and allowance for expected credit loss of trade receivables as at 31 December 2024 was \$30,766,000 (31 December 2023: \$35,331,000) and \$1,970,000 (31 December 2023: \$2,610,000) respectively.

14. Borrowings

	The Group	
	31-Dec-24	31-Dec-23
	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	17,365	13,277
Unsecured	22	14

15. Share capital

	The Group and the Company			
	31-Dec-24		31-Dec-23	
	Number of shares '000	Amount \$'000	Number of shares '000	Amount \$'000
Beginning of the period	320,541	81,483	295,590	75,106
Issue of ordinary shares pursuant to compliance placement	-	-	21,000	5,356
Issuance of new shares pursuant to performance shares	4,740	1,130	3,951	1,021
End of the period	325,281	82,613	320,541	81,483

The Company has no treasury shares.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

Share options – employee share option scheme

Between 1 January 2024 and 31 December 2024, the Company did not issue any shares under the employee share option scheme.

As at 31 December 2024, there were no outstanding options under the employee share option scheme (31 December 2023: NIL).

Performance share plan

Between 1 January 2024 and 31 December 2024, the Company granted 4,295,200 shares under the performance share plan.

As at 31 December 2024, the number of shares comprised in outstanding awards granted under the performance share plan was 11,404,200 (31 December 2023: 13,549,100).

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 31 December 2024 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 twelve-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

	2H2024	2H2023	Change	Change	FY2024	FY2023	Change	Change
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Revenue	95,247	97,231	(1,984)	(2.0)	191,355	197,192	(5,837)	(3.0)
Gross Profit	20,697	16,783	3,914	23.3	43,125	41,898	1,227	2.9
Operating expenses (Selling and Administrative expenses)	(21,593)	(24,302)	2,709	(11.1)	(44,942)	(53,016)	8,074	(15.2)
EBITDA	2,509	(4,093)	6,602	(161.3)	4,773	(6,031)	10,804	(179.1)
Profit/(loss) before tax	(40)	(6,370)	6,330	(99.4)	107	(10,689)	10,796	(101.0)
Non-recurring items								
Income received from settlements	-	2,495	(2,495)	N.M.	-	2,495	(2,495)	N.M.
Income received from one-off transaction	1,088	-	1,088	N.M.	1,088	-	1,088	N.M.
Investment in additional resources	-	(1,443)	1,443	N.M.	-	(3,503)	3,503	N.M.
Impairment loss on goodwill	(50)	-	(50)	N.M.	(50)	-	(50)	N.M.
Exchange gain/(loss)	390	(612)	1,002	N.M.	1,508	(292)	1,800	N.M.
Total non-recurring items	1,428	440	988	224.5	2,546	(1,300)	3,846	N.M.
Normalised operating expenses	(21,593)	(22,859)	1,266	(5.5)	(44,942)	(49,513)	4,571	(9.2)
Normalised EBITDA	1,081	(4,533)	5,614	(123.8)	2,227	(4,731)	6,958	(147.1)
Normalised Profit before tax	(1,468)	(6,810)	5,342	(78.4)	(2,439)	(9,389)	6,950	(74.0)

- The Group's revenue declined by \$5.8 million, from \$197.2 million in FY2023 to \$191.4 million in FY2024, reflecting the broader slowdown in IT sector investments post-pandemic and the normalisation of supply chain conditions in the latter half of 2023. Despite the revenue decline, gross profit increased by \$1.2 million, from \$41.9 million in FY2023 to \$43.1 million in FY2024. This improvement was driven by pricing adjustments that helped recover from previous price corrections, contributing to stronger margins.
- The Group's EBITDA improved by \$10.8 million, shifting from a loss of \$6.0 million in FY2023 to a profit of \$4.8 million in FY2024. This turnaround was driven by the following key factors:
 - Higher Gross Profit: Improved market conditions, along with demand recovery and pricing adjustments, helped offset prior price corrections, leading to stronger margins.
 - Foreign Exchange Gains: The Group recorded an exchange gain of \$1.5 million in FY2024, compared to an exchange loss of \$0.3 million in FY2023.
 - Lower Costs: Continued cost control measures and disciplined expense management contributed to overall cost reductions.

4. Reversal of Impairment Loss on Trade Receivables: The Group reversed an impairment loss of S\$0.1 million in FY2024, compared to an allowance of S\$1.1 million in FY2023, reflecting improved collections.
- On a normalized basis, the Group's operating expenses decreased by S\$4.6 million, from S\$49.5 million in FY2023 to S\$44.9 million in FY2024, primarily due to cost control measures implemented in response to the challenging economic environment.
 - The Group's normalized EBITDA improved by S\$7.0 million, shifting from a loss of S\$4.7 million in FY2023 to a profit of S\$2.2 million in FY2024. This improvement was driven by the Group's cost management initiatives, recovery efforts, and an increase in gross profit, contributing to overall financial resilience and operational efficiency.

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

Review of performance – 2H2024 vs 2H2023

	2H2024	2H2023	Change %
Revenue (\$'000)			
Hardware	63,999	60,863	5.2
Lifecycle Services	15,471	15,553	(0.5)
Third Party Maintenance	15,777	20,815	(24.2)
Total	95,247	97,231	(2.0)
Gross Profit (\$'000)			
Hardware	12,312	3,230	281.2
Lifecycle Services	4,812	6,442	(25.3)
Third Party Maintenance	3,573	7,111	(49.8)
Total	20,697	16,783	23.3
Gross Profit Margin (%)			
Hardware	19.2	5.3	13.9
Lifecycle Services	31.1	41.4	(10.3)
Third Party Maintenance	22.6	34.2	(11.5)
Total	21.7	17.3	4.5

Revenue and Gross Profit

Procurri's revenue declined by 2.0%, from S\$97.2 million in 2H2023 to S\$95.2 million in 2H2024. The Hardware business segment experienced a 5.2% increase in revenue, rising from S\$60.9 million in 2H2023 to S\$64.0 million in 2H2024, primarily driven by higher contributions from Europe (including the United Kingdom), the Middle East, and Africa ("EMEA"), supported by improved market conditions. In contrast, revenue from Lifecycle Services declined slightly by 0.5%, from S\$15.6 million in 2H2023 to S\$15.5 million in 2H2024, mainly due to lower contributions from the Americas and Asia Pacific regions. Revenue from the Third-Party Maintenance ("TPM") business segment decreased by 24.2%, from S\$20.8 million in 2H2023 to S\$15.8 million in 2H2024, primarily due to reduction in new contract signings.

The Group's overall gross profit rose by 23.3%, from S\$16.8 million in 2H2023 to S\$20.7 million in 2H2024, mainly driven by higher contributions from the Hardware segment. However, this increase was partially offset by lower gross profits from the Lifecycle Services and TPM segments. Consequently, the Group's gross profit margin improved by 4.5 percentage points, from 17.3% in 2H2023 to 21.7% in 2H2024. The Hardware segment benefited from recovering demand and pricing adjustments, which helped counter the effects of prior price corrections, leading to stronger margins. However, this improvement was tempered by weaker margins in Lifecycle Services and TPM. The Lifecycle Services segment faced margin pressure due to higher operating costs linked to new initiatives still in their pilot phase, while the TPM segment's lower margin was primarily a result of declining revenue.

Other income

Other income declined by S\$1.7 million, from S\$3.2 million in 2H2023 to S\$1.5 million in 2H2024, primarily due to the absence of litigation settlement income received in 2H2023.

Selling expenses

Selling expenses decreased by S\$1.3 million from S\$11.3 million in 2H2023 to S\$10.0 million in 2H2024 mainly due to lower sales staff costs in FY2024.

Administrative expenses

Administrative expenses decreased by S\$1.4 million, from S\$13.0 million in 2H2023 to S\$11.6 million in 2H2024, primarily due to the implementation of cost control measures and effective financial management.

Finance costs

Finance costs rose by S\$0.2 million, from S\$0.7 million in 2H2023 to S\$1.0 million in 2H2024, mainly due to higher interest expenses and increased borrowing.

Other charges

Other charges decreased by S\$1.3 million, mainly due to the absence of allowance for impairment loss on trade and other receivables and foreign exchange losses in 2H2023.

Profit/(loss) before and after tax

As a result of the factors mentioned above, the Group reported a pre-tax loss of S\$40,000 in 2H2024, compared to a pre-tax loss of S\$6.4 million in 2H2023. The Group incurred an income tax expense of S\$0.6 million in 2H2024, compared to an income tax credit of S\$1.5 million in 2H2023, mainly due to deferred tax expenses.

Overall, the Group recorded a loss after tax of S\$0.7 million in 2H2024, an improvement from the S\$4.9 million loss in 2H2023.

Review of performance – FY2024 vs FY2023

	FY2024	FY2023	Change %
Revenue (\$'000)			
Hardware	129,825	127,467	1.8
Lifecycle Services	28,679	26,214	9.4
Third Party Maintenance	32,851	43,511	(24.5)
Total	191,355	197,192	(3.0)
Gross Profit (\$'000)			
Hardware	25,890	15,427	67.8
Lifecycle Services	9,081	10,453	(13.1)
Third Party Maintenance	8,154	16,018	(49.1)
Total	43,125	41,898	2.9
Gross Profit Margin (%)			
Hardware	19.9	12.1	7.8
Lifecycle Services	31.7	39.9	(8.2)
Third Party Maintenance	24.8	36.8	(12.0)
Total	22.5	21.2	1.3

Revenue and Gross Profit

The Group's revenue decreased by 3.0%, from S\$197.2 million in FY2023 to S\$191.4 million in FY2024. The Hardware and Lifecycle Services business segments saw revenue growth of 1.8% and 9.4%, respectively. The Hardware segment's revenue increased from S\$127.5 million in FY2023 to S\$129.8 million in FY2024, driven by stronger contributions from EMEA and Asia Pacific. Similarly, revenue from the Lifecycle Services segment rose from S\$26.2 million in FY2023 to S\$28.7 million in FY2024, primarily due to higher demand for its service offerings in EMEA and the Americas. Revenue from the TPM business segment fell by 24.5%, from S\$43.5 million to S\$32.9 million, mainly due to a drop in sales across all regions as a result of reduction in new contract signings and the decommissioning of certain strategic asset estates.

The Group's overall gross profit increased by 2.9%, rising from S\$41.9 million in FY2023 to S\$43.1 million in FY2024, largely driven by improved performance in the Hardware segment. This growth was offset by the reduced gross profits in the Lifecycle Services and TPM segments. As a result, the Group's gross profit margin improved by 1.3 percentage points, from 21.2% in FY2023 to 22.5% in FY2024. The Hardware segment benefited from a rebound in demand and pricing

adjustments, which helped mitigate the effects of previous price reductions, leading to stronger margins. On the other hand, this positive trend was partially dampened by weaker margins in the Lifecycle Services and TPM segments. The Lifecycle Services segment faced margin pressures due to higher operating costs associated with ongoing pilot initiatives, while the TPM segment's reduced margin was mainly driven by lower revenue.

Other Income

Other income decreased by S\$1.1 million, from S\$3.3 million in FY2023 to S\$2.2 million in FY2024, mainly due to the absence of income from litigation settlements in FY2023. This was partially offset by higher interest earned from fixed deposits in FY2024.

Other Credits

Other credits increased to S\$1.6 million mainly due to foreign exchange gain from the revaluation of USD and GBP denominated receivables, and reversal of impairment loss on trade and other receivables.

Selling expenses

Selling expenses decreased by S\$3.0 million from S\$24.5 million in FY2023 to S\$21.4 million in FY2024 mainly due to lower sales staff costs in FY2024.

Administrative expenses

Administrative expenses decreased by S\$5.1 million, from S\$28.6 million in FY2023 to S\$23.5 million in FY2024, mainly due to cost control measures and cost-saving initiatives.

Finance costs

Finance costs increased by S\$0.3 million to S\$1.8 million, due to mainly due to higher interest expenses and increased borrowing.

Other charges

Other charges decreased to S\$0.1 million from S\$1.4 million, mainly due to the absence of impairment loss allowances on trade and other receivables, as well as foreign exchange losses in FY2023.

Profit before and after tax

As a result of the above, the Group recorded a pre-tax profit of S\$0.1 million in FY2024. The Group reported an income tax credit of S\$0.3 million in FY2024 mainly due to the reversal of tax provisions related to the settlement of tax matters concerning the Global Parts Centre ("GPC"), partially offset by income tax expenses for the year.

Consequently, the Group achieved a profit after tax of S\$0.4 million in FY2024, compared to a loss after tax of S\$8.5 million in FY2023.

Review of financial position

Non-current assets

- (a) Plant and equipment decreased by S\$0.1 million from S\$1.7 million as at 31 December 2023 to S\$1.5 million as at 31 December 2024. This decrease was mainly due to depreciation charged during the year, partially offset by the purchase of plant and equipment.
- (b) The right-of-use assets increased by S\$7.3 million from S\$4.7 million as at 31 December 2023 to S\$12.0 million as at 31 December 2024. The increase was mainly due to new leases entered in FY2024, partially offset by depreciation charged during the year.
- (c) Intangible assets increased by S\$0.2 million from S\$10.7 million as at 31 December 2023 to S\$10.9 million as at 31 December 2024 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\$0.8 million from S\$9.9 million as at 31 December 2023 to S\$10.7 million as at 31 December 2024 due to origination of temporary difference resulted from unutilised tax losses.

Current assets

- (e) Inventories increased by S\$4.0 million from S\$18.1 million as at 31 December 2023 to S\$22.0 million as at 31 December 2024. This increase was due to additional stocks being purchased to meet business needs.
- (f) Trade and other receivables decreased by S\$3.7 million from S\$33.7 million as at 31 December 2023 to S\$30.0 million as at 31 December 2024 mainly due to improved collection days.
- (g) Prepayments decreased by S\$1.5 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\$2.3 million from S\$33.5 million as at 31 December 2023 to S\$31.2 million as at 31 December 2024. The decrease was mainly due to payment made to suppliers.
- (j) Deferred income (both current and non-current) principally comprised deferred maintenance revenue from signed maintenance contracts. Deferred income decreased by S\$0.7 million from S\$10.3 million as at 31 December 2023 to S\$9.5 million as at 31 December 2024 as a result of decrease in signed maintenance contracts.
- (k) The loans and borrowings (both current and non-current) increased by S\$4.1 million, from S\$13.3 million as at 31 December 2023 to S\$17.4 million as at 31 December 2024. The increase was mainly due to utilisation of short-term credit and trade facilities.
- (l) The increase in lease liabilities (both current and non-current) of S\$7.5 million was mainly due to new leases entered in FY2024 partially offset against the repayment of leases during the year.
- (m) Income tax payables decreased by S\$0.5 million to S\$0.8 million as at 31 December 2024 mainly due to the lower tax expense for the year.

Net working capital position

The Group recorded a positive working capital of S\$28.5 million as at 31 December 2024 compared to S\$28.0 million as at 31 December 2023.

Review of cash flows

Net cash generated from operating activities in FY2024 amounted to S\$2.6 million as compared to net cash used in operation of S\$1.4 million in FY2023. The increase was mainly due to the higher operating cash flow before changes in working capital, as well as the decrease in trade and other receivables, finance lease receivables, and prepayment of S\$4.0 million, S\$0.1 million and S\$1.5 million, respectively. This was partially offset against the increase in inventories and deferred income of S\$7.3 million and S\$0.7 million respectively, the decrease in trade and other payables of S\$2.3 million and tax payment of S\$0.9 million.

Net cash used in investing activities amounted to S\$13,000 in FY2024 as compared to S\$0.2 million in FY2023. The cash outflow in FY2024 was primarily for the purchase of plant and equipment totaling S\$0.8 million, partially offset by the release of S\$0.1 million in fixed deposits previously pledged for a bank facility and interest received of S\$0.7 million.

Net cash used in financing activities in FY2024 amounted to S\$0.5 million as compared to S\$0.4 million in FY2023. The cash used in financing activities in FY2024 was mainly due to the repayment of borrowings of S\$79.3 million, the repayment of lease liabilities of S\$2.4 million and the interest paid of S\$1.8 million. This was partially offset by the proceeds from borrowings of S\$83.0 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.

The industry's shift towards cloud-based infrastructure could reduce demand for traditional services. In response, Procurri is aligning key partners including OEM's as part of its ongoing channel strategy. Procurri continues to diversify its service portfolio expanding into Modern Workplace and Professional Services to complement its existing IT Asset Disposition (ITAD), hardware and distribution resale business. Supply chain stabilisation has led to more consistent IT hardware pricing, while the rising costs of new and increased sustainability awareness is fuelling demand for refurbished and repurposed IT solutions, boosting opportunities in Procurri's Hardware Resale segment.

Procurri differentiates itself with certified, carbon-neutral processing facilities coupled with ITAD solutions, ensuring regulatory compliance in data security and e-waste management. The growth of digital and subscription-based IT services reinforces the group's focus on scalable lifecycle service offerings, providing enterprises with vendor-agnostic, cost-effective solutions that offer greater flexibility than OEM-dependent alternatives.

The Group is prioritising higher-margin service models, customer upscaling and cost rationalisation, which has already resulted in a 15.2% reduction in operating expenses. Additional measures are being implemented to enhance profitability and sustain financial resilience.

By focusing on services growth, a normalizing with the hardware product portfolio, leveraging sustainability credentials and cost optimisation, the group is well-positioned to navigate industry shifts, drive profitability and enhance 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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		\$'000	\$'000
EXEO Global Pte. Ltd. ⁽¹⁾	Associate of EXEO Global Asset Holdings Pte. Ltd., the controlling shareholder of the Company.	587 ⁽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	Placement Net Proceeds utilised as at the date of this announcement	Balance of Placement Net Proceeds as at the date of this announcement
	S\$ million	S\$ million	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 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.

9 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Mathew George Jordan
Executive Director and Chief Executive Officer
25 February 2025