

NEWS RELEASE

AZEUS RECORDS 91% INCREASE IN PROFIT BEFORE INCOME TAX TO HK\$53.8 MILLION (EQUIVALENT TO US\$7.0 MILLION¹) FOR 1H FY2025

- *Attributed to the 27% increase in revenue to HK\$169.3 million (approximately US\$22.0 million¹), driven by the continued growth of the Azeus Product business line and gross profit margin increasing to 73% from 69% in the corresponding comparative period.*
- *Contributed by ongoing deployment of the HK\$1.02 billion Central Electronic Record keeping System (“CERKS”) contract.*
- *Proposes interim dividend of HK\$1.60 per share.*

HK\$ MILLION	1H FY2025	1H FY2024	+/(-) %
Revenue	169.3	132.8	27
Gross Profit	123.3	91.0	36
Gross Profit Margin	72.8%	68.5%	3.5 ppt
Profit Before Income Tax	53.8	28.1	91
Net Profit Attributable to Equity Holders	48.9	27.3	79
For the half year ended 30 September 2024: Earnings per share – Basic: 1.63 Hong Kong dollars (1H FY2024: 0.91 Hong Kong dollars)			

Singapore, 14 November 2024 – Azeus Systems Holdings Ltd. (“**Azeus**” or the “**Group**”), a leading provider of IT products and services, today announced a 79% increase in net profit to HK\$48.9 million for the half year ended 30 September 2024 (“**1H FY2025**”), compared to HK\$27.3 million in the previous corresponding year (“**1H FY2024**”).

¹ Based on the conversion rate of HK\$1 = US\$0.13, rounded up to one decimal place.

For 1H FY2025, Azeus recorded a 27% increase in revenue to HK\$169.3 million, up from HK\$132.8 million over the same corresponding year, driven by strong growth mainly from the Azeus Products.

Mr. Lee Wan Lik, Executive Chairman and Director of Azeus, said, “We are pleased to have delivered commendable results in the first half. We aim to continue our growth trajectory and seek opportunities to maximise our stakeholders’ value.”

Review of Business Segments

Azeus Products accounted for a majority or approximately 81% of total Group revenue in 1H FY2025, while IT Services accounted for 19% over the same corresponding period. The Azeus Product line outpaced the growth of the Group’s IT Services line, registering a growth in revenue of 39% over the corresponding period, with IT Services decreasing by 6%.

Revenue from Azeus Products increased by HK\$38.4 million, to HK\$137.7 million in 1H FY2025, up from HK\$99.3 million in 1H FY2024, attributable to license revenue of the Group’s proprietary products and their associated professional services. The “CERKS” project, which has reached the deployment phase since last fiscal year, has also contributed to the rise in revenue and will continue to deploy over the remaining project into FY2027 as planned.

Revenue contribution from IT Services fell 6% to HK\$31.7 million in 1H FY2025 from HK\$33.6 million in 1H FY2024.

The recurring revenue from maintenance and support from IT Service revenue, which accounted for 15% of total revenue in 1H FY2025 increased to HK\$25.3 million from HK\$24.6 million in 1H FY2024. This revenue line represents 80% of IT Services revenue.

Financial Overview

The Group's cost of revenue rose by HK\$4.2 million, or approximately 10%, to HK\$46.0 million in 1H FY2025. The Group's gross profit margin increased 4 percentage points to 73% in 1H FY2025 as compared to 69% in 1H FY2024.

Profit before income tax rose 91% to HK\$53.8 million in 1H FY2025 as compared to HK\$28.1 million in 1H FY2024. The growth was attributable to the higher margin from the Azeus Product business line. Overall, the Group reported a 79% increase in net profit to HK\$48.9 million in 1H FY2025, as compared to a net profit of HK\$27.3 million in 1H FY2024. This is due to a higher tax provision of HK\$4.5 million being made during the period under review, compared to the corresponding period, which had recorded an underprovision of HK\$0.5 million that was subsequently adjusted in the current period.

As at 30 September 2024, the Group's net cash position increased by 12% year-on-year to HK\$204.6 million. The increase was due to the higher revenue and resulting cash collection during the period.

The Group's shareholders' equity rose to HK\$209.7 million as at 30 September 2024, mainly due to the net profit of HK\$48.9 million and growth in revenue generated in 1H FY2025.

The Group has no bank borrowings or debt securities.

Outlook

Mr. Michael Yap, CEO of Azeus, said, "Looking ahead, we will continue to expand our geographical footprint and invest in developing our new product line – the ESG reporting platform. We expect the "CERKS" contract which has entered the deployment phase to be a key contributor to both our top and bottom line. We remain optimistic on the outlook of the second half and expect continued growth.

About Azeus Systems Holdings Ltd.

Azeus, a global leader in software products and services, has been publicly listed on the Singapore Stock Exchange mainboard for over two decades. With Asian and European head offices in Singapore, London, and Madrid, and sales offices spanning Asia, the US, Canada, Australia, Africa, the Middle East, and South America, Azeus delivers innovative IT solutions to prominent organizations and government agencies in more than 100 countries.

Since 2003, Azeus has been appraised at the highest level (Level 5) under the Capability Maturity Model Integration (CMMI) for Software Engineering (CMMI-SW). Convene, the Group's flagship product, is a leading paperless meeting solution with clients in more than 100 countries under Azeus' IT Services segment. The Group designs and implements a wide range of IT software and systems. The Group continues to invest in R&D and expand its product offerings. These include a new platform to facilitate and enable ESG reporting and Convene Records, which has been adopted for an "All-of-Government" deployment.

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