



**PROCURRI CORPORATION LIMITED**  
**(REGISTRATION NO: 201306969W)**  
**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT**  
**FOR THE PERIOD ENDED 30 JUNE 2024 (“1H2024”)**

**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		1H2024	1H2023	Change
		\$'000	\$'000	%
<b>Revenue</b>	Note 4	96,108	99,961	(3.9)
Cost of sales		(73,680)	(74,846)	(1.6)
<b>Gross profit</b>		<b>22,428</b>	<b>25,115</b>	(10.7)
<b>Other items of income</b>				
Other income		677	79	757.0
Other credits		1,206	321	275.7
<b>Other items of expense</b>				
Selling expenses		(11,420)	(13,145)	(13.1)
Administrative expenses		(11,929)	(15,569)	(23.4)
Finance costs		(805)	(697)	15.5
Other charges		(10)	(422)	(97.6)
<b>Profit/(loss) before tax</b>	6	<b>147</b>	<b>(4,318)</b>	N.M.
Income tax credit /(expense)	7	935	719	30.0
<b>Profit/(loss), net of tax</b>		<b>1,082</b>	<b>(3,599)</b>	N.M.
<b>Profit/(loss) attributable to:</b>				
Owners of the Company		1,082	(3,599)	N.M.
<b>Profit/(loss) for the period</b>		<b>1,082</b>	<b>(3,599)</b>	N.M.
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation		10	1,113	N.M.
Other comprehensive income for the period		<b>10</b>	<b>1,113</b>	N.M.
<b>Total comprehensive income for the period</b>		<b>1,092</b>	<b>(2,486)</b>	N.M.
<b>Profit/(loss) for the period attributable to:</b>				
Owners of the Company		1,082	(3,599)	N.M.
<b>Comprehensive income attributable to:</b>				
Owners of the Company		<b>1,092</b>	<b>(2,486)</b>	N.M.
<b>Earnings per share for the profit for the period</b>				
<b>attributable to the owners of the Company</b>				
<b>during the period</b>				
Basic (SGD in cent)		0.33	(1.13)	
Diluted (SGD in cent)		0.32	(1.09)	

## B Condensed interim statements of financial position

	Group		Company	
	30-Jun-24 \$'000	31-Dec-23 \$'000	30-Jun-24 \$'000	31-Dec-23 \$'000
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Plant and equipment	1,760	1,688	1	1
Right-of-use assets	9,618	4,724	-	-
Investment in subsidiaries	-	-	46,303	45,847
Intangible assets	10,802	10,671	-	-
Other receivables	123	123	-	-
Finance lease receivables	-	5	-	-
Deferred tax assets	10,743	9,919	-	-
<b>Total non-current assets</b>	<b>33,046</b>	<b>27,130</b>	<b>46,304</b>	<b>45,848</b>
<b><u>Current assets</u></b>				
Inventories	18,350	18,068	-	-
Trade and other receivables	34,485	33,733	24,943	25,485
Prepayments	5,305	4,939	22	76
Finance lease receivables	38	66	-	-
Cash and bank balances	33,457	30,986	14,867	13,443
<b>Total current assets</b>	<b>91,635</b>	<b>87,792</b>	<b>39,832</b>	<b>39,004</b>
<b>Total assets</b>	<b>124,681</b>	<b>114,922</b>	<b>86,136</b>	<b>84,852</b>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Current liabilities</u></b>				
Trade and other payables	32,448	33,538	1,319	1,877
Deferred income	10,350	9,488	-	-
Loans and borrowings	16,958	13,291	-	-
Lease liabilities	2,634	2,193	-	-
Income tax payable	531	1,234	162	1,000
<b>Total current liabilities</b>	<b>62,921</b>	<b>59,744</b>	<b>1,481</b>	<b>2,877</b>
<b><u>Non-current liabilities</u></b>				
Deferred tax liabilities	82	51	68	51
Other payables	2,322	2,254	-	-
Lease liabilities	7,884	3,311	-	-
Provisions	306	272	-	-
Deferred income	1,040	782	-	-
<b>Total non-current liabilities</b>	<b>11,634</b>	<b>6,670</b>	<b>68</b>	<b>51</b>
<b>Total liabilities</b>	<b>74,555</b>	<b>66,414</b>	<b>1,549</b>	<b>2,928</b>
<b><u>Equity attributable to owners of the Company</u></b>				
Share capital	82,613	81,483	82,613	81,483
Retained earnings	16,036	14,954	1,440	(697)
Other reserves	(48,523)	(47,929)	534	1,138
<b>Equity attributable to owners of the Company</b>	<b>50,126</b>	<b>48,508</b>	<b>84,587</b>	<b>81,924</b>
<b>Total equity</b>	<b>50,126</b>	<b>48,508</b>	<b>84,587</b>	<b>81,924</b>
<b>Total equity and liabilities</b>	<b>124,681</b>	<b>114,922</b>	<b>86,136</b>	<b>84,852</b>

## 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
<b>Balance as at 1 January 2024</b>	<b>81,483</b>	<b>14,954</b>	<b>(47,929)</b>	<b>48,508</b>	<b>48,508</b>
Total comprehensive income for the financial period	-	1,082	10	1,092	<b>1,092</b>
Issuance of new shares pursuant to performance share plan	1,130	-	(1,130)	-	-
Share-based payment	-	-	526	526	<b>526</b>
<b>Balance as at 30 June 2024</b>	<b>82,613</b>	<b>16,036</b>	<b>(48,523)</b>	<b>50,126</b>	<b>50,126</b>
<b>Balance as at 1 January 2023</b>	<b>75,106</b>	<b>26,628</b>	<b>(49,652)</b>	<b>52,082</b>	<b>52,082</b>
Total comprehensive income for the financial period	-	(3,599)	1,113	(2,486)	<b>(2,486)</b>
Share issuance	5,356	-	-	5,356	<b>5,356</b>
Issuance of new shares pursuant to performance shares plan	1,021	-	(1,021)	-	-
Share-based payment	-	-	1,202	1,202	<b>1,202</b>
Dividends	-	(3,205)	-	(3,205)	<b>(3,205)</b>
<b>Balance as at 30 June 2023</b>	<b>81,483</b>	<b>19,824</b>	<b>(48,358)</b>	<b>52,949</b>	<b>52,949</b>

Company	Share Capital	Retained Earnings	Other Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 January 2024</b>	<b>81,483</b>	<b>(697)</b>	<b>1,138</b>	<b>81,924</b>
Total comprehensive income for the financial period	-	2,137	-	<b>2,137</b>
Issuance of new shares pursuant to performance share plan	1,130	-	(1,130)	-
Share-based payment	-	-	526	<b>526</b>
<b>Balance as at 30 June 2024</b>	<b>82,613</b>	<b>1,440</b>	<b>534</b>	<b>84,587</b>
<b>Balance as at 1 January 2023</b>	<b>75,106</b>	<b>3,586</b>	<b>387</b>	<b>79,079</b>
Total comprehensive income for the financial period	-	(294)	-	<b>(294)</b>
Share issuance	5,356	-	-	<b>5,356</b>
Issuance of new shares pursuant to performance share plan	1,021	-	(1,021)	-
Share-based payment	-	-	1,202	<b>1,202</b>
Dividends	-	(3,205)	-	<b>(3,205)</b>
<b>Balance as at 30 June 2023</b>	<b>81,483</b>	<b>87</b>	<b>568</b>	<b>82,138</b>

## D Condensed interim consolidated statement of cash flows

	Group	
	1H2024	1H2023
	\$'000	\$'000
<b><u>Cash flows from operating activities</u></b>		
Profit/(loss) before tax	147	(4,318)
Adjustments for:		
Depreciation of plant and equipment	489	533
Depreciation of right-of-use assets	1,167	1,035
Write-off of plant and equipment	10	-
Gain on disposal of plant and equipment	-	(8)
Amortisation of intangible assets	68	135
Share based payment	526	1,202
Interest income	(412)	(20)
Finance costs	805	697
Allowance for stock obsolescence	412	366
(Reversal)/allowance for impairment loss on trade and other receivables	(88)	430
Provisions	35	(126)
Exchange differences	(630)	290
<b>Operating cash flows before changes in working capital</b>	<b>2,529</b>	<b>216</b>
Increase in inventories	(694)	(5,355)
Increase in trade and other receivables	(717)	(501)
Decrease/(increase) in finance lease receivables	34	(56)
(Increase)/decrease in prepayment	(366)	1,792
Increase in deferred income	1,119	5,873
Decrease in trade and other payables	(1,091)	(6,134)
<b>Net cash generated from/(used in) operations</b>	<b>814</b>	<b>(4,165)</b>
Income taxes paid	(328)	(486)
<b>Net cash generated from/(used in) operating activities</b>	<b>486</b>	<b>(4,651)</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment	(530)	(367)
Proceeds from disposal of plant and equipment	-	9
Proceeds from fixed deposits pledged for bank facilities	114	-
Interest received	412	20
<b>Net cash used in from investing activities</b>	<b>(4)</b>	<b>(338)</b>
<b><u>Cash flows from financing activities</u></b>		
Issuance of shares	-	5,356
Proceeds from loans and borrowings	49,303	16,336
Repayments of loans and borrowings	(46,060)	(15,086)
Payment of principal portion of lease liabilities	(1,064)	(1,080)
Interest paid	(805)	(697)
Dividends paid	-	(3,205)
<b>Net cash generated from financing activities</b>	<b>1,374</b>	<b>1,624</b>
Net increase/(decrease) in cash and cash equivalents	<b>1,856</b>	<b>(3,365)</b>
Effect of exchange rate changes on cash and cash equivalents	730	515
Cash and cash equivalents at beginning of the financial period	30,871	32,625
<b>Cash and cash equivalents at end of the financial period</b>	<b>33,457</b>	<b>29,775</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	33,457	29,891
Less: Pledged deposits	-	(116)
<b>Cash and cash equivalents</b>	<b>33,457</b>	<b>29,775</b>

## 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 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 financial statements for the year ended 31 December 2023.

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 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 1H2024 and 1H2023, respectively:

	Hardware		Lifecycle Services		Third Party Maintenance		Total	
	1H2024 \$'000	1H2023 \$'000	1H2024 \$'000	1H2023 \$'000	1H2024 \$'000	1H2023 \$'000	1H2024 \$'000	1H2023 \$'000
<b>Major revenue stream</b>								
Sale of goods	64,396	64,262	-	-	288	1,376	64,684	65,638
Rendering of services	-	-	13,208	10,661	16,786	21,320	29,994	31,981
Equipment rental and leasing	1,430	2,342	-	-	-	-	1,430	2,342
	<b>65,826</b>	<b>66,604</b>	<b>13,208</b>	<b>10,661</b>	<b>17,074</b>	<b>22,696</b>	<b>96,108</b>	<b>99,961</b>
<b>Timing of transfer of goods or services</b>								
At a point in time	64,396	64,262	13,208	10,661	288	1,376	77,892	76,299
Over time	1,430	2,342	-	-	16,786	21,320	18,216	23,662
	<b>65,826</b>	<b>66,604</b>	<b>13,208</b>	<b>10,661</b>	<b>17,074</b>	<b>22,696</b>	<b>96,108</b>	<b>99,961</b>

#### Geographical information

The following table presents revenue and non-current assets information based on the geographical location as at 30 June 2024:

	1H2024 \$'000	1H2023 \$'000	Increase / (decrease) %
<b>Geographical information by revenue</b>			
Asia Pacific	8,025	8,948	(10.3)
EMEA	34,977	37,153	(5.9)
Americas	53,106	53,860	(1.4)
	<b>96,108</b>	<b>99,961</b>	<b>(3.9)</b>
	<b>30-Jun-24 \$'000</b>	<b>31-Dec-23 \$'000</b>	<b>Increase / (decrease) %</b>
<b>Geographical information by non-current assets</b>			
Asia Pacific	2,789	3,088	(9.7)
EMEA	14,859	10,762	38.1
Americas	4,532	3,233	40.2
	<b>22,180</b>	<b>17,083</b>	<b>29.8</b>

Non-current assets information presented above consists 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 2024 and 31 December 2023:

	The Group		The Company	
	30-Jun-24 \$'000	31-Dec-23 \$'000	30-Jun-24 \$'000	31-Dec-23 \$'000
<b>Financial assets</b>				
Finance lease receivables	38	71	-	-
Cash and bank balances and trade and other receivables (Amortised cost)	68,065	64,842	39,810	38,928
	<b>68,103</b>	<b>64,913</b>	<b>39,810</b>	<b>38,928</b>
<b>Financial liabilities</b>				
Trade and other payables and borrowings	51,728	49,083	1,319	1,877

## 6. Profit before taxation

### 6.1. Significant items

	The Group	
	1H2024	1H2023
	\$'000	\$'000
<b>Income</b>		
Interest income	412	20
Others	265	59
<b>Expenses</b>		
(Reversal)/allowance for trade receivables	88	(430)
Allowance for stock obsolescence	(412)	(366)
Interest expense	(805)	(697)
Depreciation of plant and equipment	(489)	(533)
Depreciation of right-of-use assets	(1,167)	(1,035)
Amortisation of intangible assets	(68)	(135)
Foreign exchange gain, net	1,118	321
Write-off of plant and equipment	(10)	-
Gain on disposal of plant and equipment	-	8

### 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	
	1H2024	1H2023
	\$'000	\$'000
Current income tax (credit)/expense	(366)	706
Deferred income tax credit relating to origination and reversal of temporary differences	(569)	(1,425)
	<u>(935)</u>	<u>(719)</u>

## 8. Dividends

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

## 9. Net Asset Value

	The Group		The Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
Net asset value per share (SGD in cent)	15.41	15.13	26.00	25.56
Number of shares in issue ('000)	325,281	320,541	325,281	320,541



## 10. Intangible assets

The Group	Goodwill	Customer relationship	Technical know-how	Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost:</b>					
At 1 January 2023	11,019	946	2,598	1,373	15,936
Exchange differences	371	-	-	1	372
At 31 December 2023 and 1 January 2024	11,390	946	2,598	1,374	16,308
Exchange differences	198	-	-	3	201
At 30 June 2024	11,588	946	2,598	1,377	16,509
<b>Accumulated amortisation and impairment:</b>					
At 1 January 2023	600	946	2,598	1,032	5,176
Amortisation charge for the year	-	-	-	272	272
Exchange differences	186	-	-	3	189
At 31 December 2023 and 1 January 2024	786	946	2,598	1,307	5,637
Amortisation charge for the period	-	-	-	68	68
Exchange differences	-	-	-	2	2
At 30 June 2024	786	946	2,598	1,377	5,707
<b>Net book value:</b>					
At 31 December 2023	10,604	-	-	67	10,671
At 30 June 2024	10,802	-	-	-	10,802

### The Company

				Technical know-how
				\$'000
<b>Cost:</b>				
At 31 December 2023, 1 January 2024 and 30 June 2024				2,598
<b>Accumulated amortisation and impairment:</b>				
At 31 December 2023, 1 January 2024 and 30 June 2024				2,598
<b>Net book value:</b>				
At 31 December 2023				-
At 30 June 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. Plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$530,000 (31 December 2023: \$600,000) and undertook disposal and write-off of assets amounting to \$10,000 net book value (31 December 2023: \$6,000).

## 12. Inventories

	The Group	
	30-Jun-24	31-Dec-23
	\$'000	\$'000
<b>Balance sheet:</b>		
Computer equipment and peripheral equipment held for sale	18,350	18,068
<b>Income statement:</b>		
Inventories recognized as an expense in cost of sales	49,135	106,361
Inclusive of the following charge:		
– Allowances for stock obsolescence	412	3,341

### 13. Trade and other receivables

The Group's trade receivables and allowance for expected credit loss of trade receivables as at 30 June 2024 was S\$35,845,000 (31 December 2023: S\$35,331,000) and S\$2,247,000 (31 December 2023: S\$2,610,000) respectively.

### 14. Borrowings

	The Group	
	30-Jun-24	31-Dec-23
	\$'000	\$'000
<b><u>Amount repayable within one year or on demand</u></b>		
Secured	16,908	13,277
Unsecured	50	14

### 15. Share capital

	The Group and the Company			
	30-Jun-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	<u>325,281</u>	<u>82,613</u>	<u>320,541</u>	<u>81,483</u>

The Company has no treasury shares.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

#### Share options – employee share option scheme

Between 1 January 2024 and 30 June 2024, the Company did not issue any shares under the employee share option scheme.

As at 30 June 2024, there were no outstanding options under the employee share option scheme (31 December 2023: NIL).

#### Performance share plan

Between 1 January 2024 and 30 June 2024, the Company granted 4,295,200 shares under the performance share plan.

As at 30 June 2024, the number of shares comprised in outstanding awards granted under the performance share plan was 12,754,200 (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 30 June 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 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

	1H2024 \$'000	1H2023 \$'000	Change \$'000	Change %	2H2023 \$'000	Change \$'000	Change %
Revenue	96,108	99,961	(3,853)	(3.9)	97,231	(1,123)	(1.2)
Gross Profit	22,428	25,115	(2,687)	(10.7)	16,783	5,645	33.6
Operating expenses (Selling and Administrative expenses)	(23,349)	(28,714)	5,365	(18.7)	(24,302)	953	(3.9)
EBITDA	2,264	(1,938)	4,202	N.M.	(4,093)	6,357	N.M.
Profit before tax	147	(4,318)	4,465	N.M.	(6,371)	6,518	N.M.
<b>Non-recurring items</b>							
Income received from settlements	-	-	-	N.M.	2,495	(2,495)	N.M.
Investment in additional resources	-	(2,060)	2,060	N.M.	(1,443)	1,443	N.M.
Exchange gain	1,118	321	797	248.3	(613)	1,731	N.M.
<b>Total non-recurring items</b>	<b>1,118</b>	<b>(1,739)</b>	2,857	(164.3)	<b>439</b>	679	154.7
<b>Normalised operating expenses</b>	<b>(23,349)</b>	<b>(26,654)</b>	3,305	(12.4)	<b>(22,859)</b>	(490)	2.1
<b>Normalised EBITDA</b>	<b>1,146</b>	<b>(199)</b>	1,345	N.M.	<b>(4,532)</b>	5,678	N.M.
<b>Normalised Profit before tax</b>	<b>(971)</b>	<b>(2,579)</b>	1,608	(62.3)	<b>(6,810)</b>	5,839	(85.7)

- The Group's revenue decreased from S\$100.0 million in 1H2023 to S\$96.1 million in 1H2024, with gross profit decreasing from S\$25.1 million in 1H2023 to S\$22.4 million in 1H2024. This decline occurred against the backdrop of a slowdown in investment in the Information Technology sector post-pandemic and the easing of supply chain bottlenecks towards the latter half of 2023.
- Despite this decrease in revenue and gross profit, the Group's EBITDA improved from a loss of S\$1.9 million in 1H2023 to a profit of S\$2.3 million in 1H2024, primarily due to the following factors:
  - Higher Exchange Gain: The exchange gain increased to S\$1.1 million in 1H2024 from S\$0.3 million in 1H2023;
  - Reduced Costs: Higher costs in 1H2023 were due to the deployment of additional resources for new business offerings, amounting to S\$2.1 million, including:
    - Labour and resources dedicated to processing and disposing of end-of-life hardware for a global contract manufacturer in the hyperscale space;
    - Expenses incurred in developing and expanding the e-Commerce business;
  - Reversal of Allowance for Trade Receivables: In 1H2024, the Group reversed an allowance for trade receivables of S\$0.1 million, compared to an allowance of S\$0.4 million in 1H2023, resulting from the recovery of a bad debt;
  - Reversal of Inventory Write-Down: Due to improved market conditions, the Group managed to sell inventory previously written down, resulting in a reversal of S\$0.5 million in 1H2024, compared to a write-down of S\$0.4 million in 1H2023.
- On a normalised basis, the Group's operating expenses decreased by S\$3.3 million, from S\$26.7 million in 1H2023 to S\$23.3 million in 1H2024. This decrease was primarily due to lower selling expenses resulting from a reduction in gross profit and cost control measures implemented in response to the challenging economic environment.
- The Group's normalised EBITDA increased by S\$1.3 million, from a loss of S\$0.2 million in 1H2023 to a profit of S\$1.1 million in 1H2024. This improvement was driven by the Group's efforts in managing costs and supporting recovery, which helped address business needs.

- Despite the challenges faced in the sluggish market and the backdrop of post-pandemic correction in 2023, the Group has made significant progress, with a gross profit increasing from S\$16.8 million in the financial period from 1 July 2023 to 31 December 2023 ("2H2023") to S\$22.4 million in 1H2024.

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

#### Review of performance – 1H2024 vs 1H2023

	1H2024	1H2023	Change %
<b>Revenue (\$'000)</b>			
Hardware	65,826	66,604	(1.2)
Lifecycle Services	13,208	10,661	23.9
Third Party Maintenance	17,074	22,696	(24.8)
<b>Total</b>	<b>96,108</b>	<b>99,961</b>	(3.9)
<b>Gross Profit (\$'000)</b>			
Hardware	13,579	12,196	11.3
Lifecycle Services	4,268	4,012	6.4
Third Party Maintenance	4,581	8,907	(48.6)
<b>Total</b>	<b>22,428</b>	<b>25,115</b>	(10.7)
<b>Gross Profit Margin (%)</b>			
Hardware	20.6	18.3	2.3
Lifecycle Services	32.3	37.6	(5.3)
Third Party Maintenance	26.8	39.2	(12.4)
<b>Total</b>	<b>23.3</b>	<b>25.1</b>	(1.8)

#### Revenue and Gross Profit

Procurri's revenue decreased by 3.9%, from S\$100.0 million in 1H2023 to S\$96.1 million in 1H2024. The Hardware business segment saw a 1.2% decrease in revenue, dropping from S\$66.6 million in 1H2023 to S\$65.8 million in 1H2024, primarily due to lower contributions across various regions. Conversely, the Lifecycle Services business segment experienced a significant revenue increase of 23.9%, rising from S\$10.7 million in 1H2023 to S\$13.2 million in 1H2024. This growth was mainly driven by higher contributions from the Americas, reflecting increased demand for its service offerings and the Group's strategic focus on enhancing services revenue. Revenue from the Third-Party Maintenance ("TPM") business segment decreased by 24.8% from S\$22.7 million in 1H2023 to S\$17.1 million in 1H2024, mainly due to the decline in renewals and new sales in all the regions.

Overall, the Group's gross profit decreased by 10.7%, from S\$25.1 million in 1H2023 to S\$22.4 million in 1H2024, attributed mainly to a lower gross profit margin from the TPM business segment. This decline was partially offset by higher gross profit margins from the Hardware and Lifecycle Services business segments. Consequently, the Group's overall gross profit margin fell by 1.8 percentage points, from 25.1% in 1H2023 to 23.3% in 1H2024, driven by reduced margins in the Lifecycle Services and TPM business segments. Despite this growth, the Lifecycle Services segment faced reduced margins due to higher operating costs in some regions as it is still in the pilot phase of new initiatives while the decrease in revenue in the TPM segment contributed to lower margins.

#### Other income

Other income increased by S\$0.6 million, rising from S\$0.1 million in 1H2023 to S\$0.7 million in 1H2024. This increase was primarily due to interest earned from fixed deposits and other receivables in 1H2024.

#### Other credits

Other credits of S\$1.2 million were mainly due to foreign exchange gain from the revaluation of USD and GBP denominated receivables.

#### Selling expenses

Selling expenses decreased by S\$1.7 million, from S\$13.1 million in 1H2023 to S\$11.4 million in 1H2024 mainly due to lower pay-out of sales commission from the decrease in gross profit.

### Administrative expenses

Administrative expenses decreased by S\$3.6 million from S\$15.6 million in 1H2023 to S\$11.9 million in 1H2024. The decrease was mainly due to some cost-saving initiatives.

### Finance costs

Finance costs increased by S\$0.1 million from S\$0.7 million in 1H2023 to S\$0.8 million in 1H2024, due to higher borrowings.

### Other charges

Other charges decreased by S\$0.4 million, primarily due to a reduction in impairment loss on trade and other receivables.

### Profit before and after tax

As a result of the above factors, the Group recorded a profit of S\$0.1 million in 1H2024, compared to a pre-tax loss of S\$4.3 million in 1H2023. Additionally, the Group reported an income tax credit of S\$0.9 million in 1H2024 compared to an income tax credit of S\$0.7 million in 1H2023. This credit in 1H2024 was due to a reversal in tax provision related to the settlement of tax matters concerning the Global Parts Centre ("GPC")

Consequently, the Group achieved a profit after tax of S\$1.1 million in 1H2024, compared to a loss after tax of S\$3.6 million in 1H2023.

### Review of financial position

#### Non-current assets

- Plant and equipment increased by S\$0.1 million from S\$1.7 million as at 31 December 2023 to S\$1.8 million as at 30 June 2024. The increase during the period was mainly due to the purchase of plant and equipment partially offset by depreciation charged.
- The right-of-use assets increased by S\$4.9 million from S\$4.7 million as at 31 December 2023 to S\$9.6 million as at 30 June 2024. The increase was mainly due to new leases entered in 1H2024 partially offset against the depreciation charged during the period.
- Intangible assets increased by S\$0.1 million from S\$10.7 million as at 31 December 2023 to S\$10.8 million as at 30 June 2024 as a result of the foreign exchange gain from GBP revaluation offset against the amortisation charges for the period.
- 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 30 June 2024 due to origination of temporary difference resulted from trade losses during the period.

#### Current assets

- Inventories increased by S\$0.3 million from S\$18.1 million as at 31 December 2023 to S\$18.4 million as at 30 June 2024. This increase was due to additional stocking to meet business needs.
- Trade and other receivables increased by S\$0.8 million from S\$33.7 million as at 31 December 2023 to S\$34.5 million as at 30 June 2024.
- Prepayments increased by S\$0.4 million mainly due to higher advance payments made to suppliers.
- The movement in cash and bank balances is shown in the statement of cash flows and review of cash flows.

#### Liabilities

- Trade and other payables decreased by S\$1.1 million from S\$33.5 million as at 31 December 2023 to S\$32.4 million as at 30 June 2024. The decrease was mainly due to payment made to suppliers.
- Deferred income (both current and non-current) principally comprised deferred maintenance revenue from signed maintenance contracts. Deferred income increased by S\$1.1 million from S\$10.3 million as at 31 December 2023 to S\$11.4 million as at 30 June 2024 as a result of renewal of signed maintenance contracts in 1H2024.
- The loans and borrowings increased by S\$3.7 million, from S\$13.3 million as at 31 December 2023 to S\$17.0 million as at 30 June 2024. The increase was mainly due to utilisation of short-term trade facilities.

- The increase in lease liabilities (both current and non-current) of S\$5.0 million was mainly due to new leases entered in 1H2024 partially offset against the repayment of leases during the period.
- Income tax payables decreased by S\$0.7 million to S\$0.5 million as at 30 June 2024 mainly due to the decrease in the income tax expense for the period.

### Net working capital position

The Group recorded a positive working capital of S\$28.7 million as at 30 June 2024 as compared to S\$28.0 million as at 31 December 2023.

### Review of cash flows

Net cash generated from operating activities in 1H2024 amounted to S\$0.5 million as compared to S\$4.7 million used in 1H2023. The increase was mainly due to the higher operation cash flow before changes in working capital and the increase in deferred income of S\$1.1 million. This was partially offset by the increase in inventories, trade and other receivables and prepayment of S\$0.7 million, S\$0.7 million and S\$0.4 million respectively and a decrease in trade and other payables of S\$1.1 million.

Net cash used in investing activities amounted to S\$4,000 in 1H2024 as compared to S\$0.3 million in 1H2023. The cash used in 1H2024 was mainly for the purchase of plant and equipment of S\$0.5 million, partially offset against proceeds received from the release of fixed deposits pledged for bank facilities and interest income of S\$0.1 million and S\$0.4 million respectively.

Net cash generated from financing activities in 1H2024 amounted to S\$1.4 million as compared to S\$1.6 million in 1H2023. The cash generated from financing activities in 1H2024 was mainly due to the proceeds from borrowings of S\$49.3 million partially offset by the repayment of borrowings of S\$46.1 million, the repayment of lease liabilities of S\$1.1 million and the interest paid of S\$0.8 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 IT Asset Disposition ("ITAD") market was valued at approximately US\$17.1 billion in 2023 and is projected to expand at a significant CAGR of 8.7% between 2024 and 2030<sup>1</sup>.

As public sentiment continues to grow towards more sustainable solutions, Procurri is working hard to position itself as a natural go-to for ITAD services and downstream disposal. Procurri's ITAD solutions can capitalise on this trend by helping clients manage their IT assets and data securely, coupled with resale, fueled largely by a rising need for data security and environmental compliance. Procurri's position as a leading ITAD solution provider will give it a competitive edge to leverage on growing opportunities globally.

Businesses are increasingly embracing hybrid and multi-cloud strategies to leverage the flexibility and cost-efficiency of the cloud. This rising adoption of cloud services requires strong IT infrastructure and support. Procurri can leverage on this tailwind by providing wrap-around services to support cloud migration, data-centre optimisation, and IT infrastructure management.

Stricter regulations around e-waste disposal and corporate sustainability initiatives are also driving businesses to adopt more environmentally responsible ITAD practices. Businesses aiming to comply with environmental regulations will need reliable ITAD services to ensure their IT asset disposal processes meet legal requirements. Procurri's circular IT solutions offer a sustainable approach to IT asset management through refurbishment, repair, and resale, reducing waste and the need for new equipment production. This helps to reduce the carbon footprint associated with the IT industry and boost the circular economy.

Sustainability remains at the forefront of Procurri's business strategy and value proposition. Its sustainability-focused business model is a key driver of the Group's recovery and it is working to optimise profitability as it transitions to a more services-oriented model.

<sup>1</sup> <https://www.precisionbusinessinsights.com/market-reports/global-itad-market>

## 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 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 for the period ended 30 June 2024.

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. <sup>(1)</sup>	Associate of DeClout Pte. Ltd., the controlling shareholder of the Company.	270 <sup>(2)</sup>	-

<sup>(1)</sup> EXEO Global Pte. Ltd. wholly owned DeClout Pte. Ltd., the controlling shareholder of the Company. EXEO Global Pte. Ltd. is a wholly owned subsidiary of EXEO Group, Inc.

<sup>(2)</sup> Rental of office and warehouse space from EXEO Global Pte. Ltd.

## 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 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 2024 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  
8 August 2024