

# SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>

	3-MONTH ENDED		YEAR-TO-DATE	
	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000
Revenue	14,848	11,350	42,282	26,736
Cost of sales	(7,028)	(4,411)	(21,959)	(10,983)
<b>Gross profit</b>	<b>7,820</b>	<b>6,939</b>	<b>20,323</b>	<b>15,753</b>
Other income	703	309	912	1,659
Administrative expenses	(5,698)	(4,865)	(16,634)	(14,845)
Net gain/(loss) on impairment of financial instruments	6	(6)	(543)	21
Finance costs	(31)	(8)	(72)	(21)
Share of results of an associate	246	(238)	223	(666)
<b>Profit before tax</b>	<b>3,046</b>	<b>2,131</b>	<b>4,209</b>	<b>1,901</b>
Taxation	(426)	(353)	(1,164)	(646)
<b>Profit for the financial period</b>	<b>2,620</b>	<b>1,778</b>	<b>3,045</b>	<b>1,255</b>
<b>Other comprehensive (loss)/income for the financial period</b>				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange translation differences for foreign operations	(2,056)	(666)	(2,720)	1,036
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement on employee defined benefit plan, net of tax	(13)	-	(20)	-
Total other comprehensive (loss)/income for the financial period	(2,069)	(666)	(2,740)	1,036
<b>Total comprehensive income for the financial period</b>	<b>551</b>	<b>1,112</b>	<b>305</b>	<b>2,291</b>

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## INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup> (CONT'D)

	3-MONTH ENDED		YEAR-TO-DATE		
	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000	
<b>Profit for the financial period attributable to:</b>					
- Owners of the Company	2,595	1,789	3,038	1,299	
- Non-controlling interests	25	(11)	7	(44)	
	<u>2,620</u>	<u>1,778</u>	<u>3,045</u>	<u>1,255</u>	
<b>Total comprehensive income attributable to:</b>					
- Owners of the Company	545	1,133	326	2,312	
- Non-controlling interests	6	(21)	(21)	(21)	
	<u>551</u>	<u>1,112</u>	<u>305</u>	<u>2,291</u>	
Earnings per share attributable to owners of the Company (sen):					
Basic	Note B10	<u>0.45</u>	<u>0.31</u>	<u>0.53</u>	<u>0.23</u>
Diluted	Note B10	<u>0.45</u>	<u>0.31</u>	<u>0.53</u>	<u>0.23</u>

#### Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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## INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>

	AS AT 30 September 2024 Unaudited	AS AT 31 December 2023 Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,097	1,571
Right-of-use assets	3,082	1,683
Investment in an associate	7,033	6,810
Other investments	6,095	6,095
Deferred tax assets	213	237
Trade receivables	962	1,069
Other receivables	447	773
	<u>19,929</u>	<u>18,238</u>
<b>CURRENT ASSETS</b>		
Inventories	1,793	1,868
Contract assets	12	2,883
Trade receivables	9,013	6,940
Other receivables	12,058	5,613
Tax recoverable	277	324
Fixed deposits with licensed banks	8,917	5,549
Cash and bank balances	15,483	17,280
	<u>47,553</u>	<u>40,457</u>
<b>TOTAL ASSETS</b>	<b><u>67,482</u></b>	<b><u>58,695</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	41,400	41,400
Reserves	(13,412)	(10,717)
Retained earnings	13,306	10,285
<b>Total equity attributable to owners of the Company</b>	<b><u>41,294</u></b>	<b><u>40,968</u></b>
Non-controlling interests	182	203
<b>TOTAL EQUITY</b>	<b><u>41,476</u></b>	<b><u>41,171</u></b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Employee benefits	198	220
Contract liabilities	702	1,060
Lease liabilities	2,224	976
	<u>3,124</u>	<u>2,256</u>

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup> (CONT'D)

	AS AT 30 September 2024 Unaudited	AS AT 31 December 2023 Audited
	RM'000	RM'000
<b>CURRENT LIABILITIES</b>		
Trade payables	3,808	3,361
Other payables	2,682	4,431
Contract liabilities	14,797	6,182
Lease liabilities	909	667
Tax payable	686	627
	<b>22,882</b>	<b>15,268</b>
<b>TOTAL LIABILITIES</b>	<b>26,006</b>	<b>17,524</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67,482</b>	<b>58,695</b>
Number of ordinary shares in issue ('000)	577,066 <sup>(2)</sup>	577,066 <sup>(2)</sup>
<b>NET ASSETS PER SHARE (sen)</b>	<b>7.16<sup>(2)</sup></b>	<b>7.10<sup>(2)</sup></b>

Notes:

- (1) The basis of preparation of Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on number of ordinary shares in issue as at the end of the reporting period.

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## INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup>

	Attributable to owners of the parent						Total	Non-controlling interests	Total equity
	Non-Distributable			Distributable					
	Share capital	Foreign currency translation reserve	Other reserves	Warrant reserve	Merger reserve	Retained earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2023	41,310	(721)	(38,202)	38,205	(11,004)	11,087	40,675	243	40,918
Profit/(Loss) for the financial period	-	-	-	-	-	1,299	1,299	(44)	1,255
Other comprehensive income for the financial period	-	1,013	-	-	-	-	1,013	23	1,036
Total comprehensive income/(loss) for the financial period	-	1,013	-	-	-	1,299	2,312	(21)	2,291
<b>Transactions with owners</b>									
Issuance of ordinary shares pursuant to:									
- Exercise of warrants <sup>(2)</sup>	90	-	88	(88)	-	-	90	-	90
Expiration of warrants <sup>(3)</sup>	-	-	38,117	(38,117)	-	-	-	-	-
Total transactions with owners	90	-	38,205	(38,205)	-	-	90	-	90
<b>At 30 September 2023</b>	<b>41,400</b>	<b>292</b>	<b>3</b>	<b>-</b>	<b>(11,004)</b>	<b>12,386</b>	<b>43,077</b>	<b>222</b>	<b>43,299</b>

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup> (CONT'D)

	Attributable to owners of the parent							Total equity RM'000
	Non-Distributable				Distributable		Non-controlling interests RM'000	
	Share capital RM'000	Foreign currency translation reserve RM'000	Other reserves RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2024	41,400	285	3	(11,005)	10,285	40,968	203	41,171
Profit for the financial period	-	-	-	-	3,038	3,038	7	3,045
Other comprehensive loss for the financial period	-	(2,695)	-	-	(17)	(2,712)	(28)	(2,740)
Total comprehensive (loss)/income for the financial period	-	(2,695)	-	-	3,021	326	(21)	305
<b>At 30 September 2024</b>	<b>41,400</b>	<b>(2,410)</b>	<b>3</b>	<b>(11,005)</b>	<b>13,306</b>	<b>41,294</b>	<b>182</b>	<b>41,476</b>

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## INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup> (CONT'D)

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) On 16 January 2023, 560,000 warrants were converted into 560,000 Securemetric Shares at an exercise price of RM0.16 per ordinary share.
- (3) The warrants 2020/2023 had expired on 20 January 2023.

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## INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>

	YEAR-TO-DATE	
	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000
<b>Operating Activities</b>		
Profit before tax	4,209	1,901
Adjustments for:		
Impairment losses on trade receivables	77	53
Impairment losses on other receivables	511	-
Depreciation of property, plant and equipment ("PPE")	438	377
Depreciation of right-of-use ("ROU") assets	812	589
Finance costs	72	21
Gain on disposal of an associate	-	(963)
Gain on disposal of PPE	-	(40)
Gain on disposal of ROU asset	-	(76)
Gain on early termination of lease	(10)	-
Interest income	(229)	(176)
Inventories written off	12	12
PPE written off	131	1
Reversal of impairment losses on trade receivables	(45)	(74)
Reversal of allowance for slow moving inventories	(1)	(1)
Share of results of an associate	(223)	666
Unrealised (gain)/loss on foreign exchange	(41)	84
<b>Operating profit before working capital changes</b>	<b>5,713</b>	<b>2,374</b>
Changes in working capital:		
Inventories	8	125
Receivables	(8,817)	(3,230)
Payables	(1,054)	1,034
Contract assets/liabilities	11,128	577
	<b>1,265</b>	<b>(1,494)</b>
<b>Cash generated from operations</b>	<b>6,978</b>	<b>880</b>
Interest paid	(72)	(21)
Interest received	229	176
Tax refund	77	393
Tax paid	(1,064)	(410)
Exchange fluctuation adjustment	(2,694)	1,008
<b>Net cash from operating activities</b>	<b>3,454</b>	<b>2,026</b>



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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup> (CONT'D)

	YEAR-TO-DATE	
	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000
<b>Investing Activities</b>		
Proceeds from disposal of PPE	-	42
Proceeds from disposal of ROU asset	-	110
Dividend from an associate	-	200
Purchase of PPE	(1,125)	(986)
Purchase of ROU assets	-	(67)
<b>Net cash used in investing activities</b>	<b>(1,125)</b>	<b>(701)</b>
<b>Financing Activities</b>		
Payment of lease liabilities	(719)	(564)
Proceeds from issuance of ordinary shares	-	90
Increase in fixed deposits pledged	(9)	(9)
<b>Net cash used in financing activities</b>	<b>(728)</b>	<b>(483)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,601</b>	<b>842</b>
Effect of exchange translation differences on cash and cash equivalents	(40)	79
Cash and cash equivalents at the beginning of the financial period	22,390	22,565
<b>Cash and cash equivalents at the end of the financial period</b>	<b>23,951</b>	<b>23,486</b>
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	15,483	14,181
Fixed deposits with licensed banks	8,917	9,741
	24,400	23,922
Less: Fixed deposits pledged to licensed banks	(449)	(436)
	<b>23,951</b>	<b>23,486</b>

**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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## INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

##### A1. Basis of preparation

The interim financial report of Securemetric Berhad (“SMB” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

##### A2. Material accounting policies

The accounting policies adopted in the interim financial report are consistent with those as disclosed in the audited financial statements for the financial year ended 31 December 2023.

Unless otherwise described below, the Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

##### Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and for the Company:

		Effective dates for financial periods <u>beginning on or after</u>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

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## INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

### NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

#### A2. Material accounting policies (Cont'd)

##### Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and for the Company:

		<u>Effective dates for financial periods beginning on or after</u>
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

#### A3. Auditors' report

The auditors' report for the financial year ended 31 December 2023 was not subject to any qualifications.

#### A4. Seasonal or cyclical factors

The Group's revenue is subject to seasonality due to the annual budget cycles of certain of its customers.

The Group does not experience any cyclicity in its business because the digital security industry is not cyclical in nature. A cyclical industry is one which experiences predictable changes which recur over a period of several years.

#### A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024**

**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**A6. Material changes in estimates**

There were no material changes in the estimates in the current financial quarter under review.

**A7. Debt and equity securities**

There were no issuance or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter under review.

**A8. Dividends paid**

There was no dividend paid during the current financial quarter under review and financial year-to-date.

**A9. Contingent liabilities or contingent assets**

Contingent liabilities

	<b>AS AT</b>	<b>AS AT</b>
	<b>30 September</b>	<b>30 September</b>
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<u>RM'000</u>	<u>RM'000</u>
<b>Secured</b>		
Bank guarantees provided to customers to secure performance under contracts	<u>26</u>	<u>22</u>

There were no contingent assets as at the date of this interim financial report.

**A10. Changes in the composition of the Group**

Save as disclosed below, there were no changes in the composition of the Group for the current financial quarter under review.

On 6 November 2024, the Group has incorporated a wholly owned subsidiary, Securemetric Mobile Security Sdn. Bhd.

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### NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

#### A11. Segmental reporting

The Group is principally involved in the provision of digital security solutions as well as trading of electronic identification products, and other related services.

##### (a) Revenue by business activities

The table below sets out the breakdown of the Group's revenue by business activities for the financial quarter/year-to-date ended 30 September 2024 under review:

	3-MONTH ENDED		YEAR-TO-DATE	
	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000
(a) Digital security solutions				
- Software licensing protection dongles	370	385	1,489	1,266
- 2FA	96	684	421	1,021
- PKI	2,653	4,133	11,596	10,654
- CENTAGATE <sup>®</sup>	1,631	782	4,503	2,671
<b>Subtotal</b>	<b>4,750</b>	<b>5,984</b>	<b>18,009</b>	<b>15,612</b>
(b) Electronic identification products	384	2,396	739	2,859
(c) Others*	9,714	2,970	23,534	8,265
<b>Total Revenue</b>	<b>14,848</b>	<b>11,350</b>	<b>42,282</b>	<b>26,736</b>

#### Note:

\* Comprising mainly maintenance service charges.

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## INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

### NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

#### A11. Segmental reporting (Cont'd)

##### (a) Revenue by business activities (Cont'd)

The main factors affecting the Group's revenue are as follows:

- (i) Rapid changes in technological development;
- (ii) Fluctuation in foreign currency exchange rates; and
- (iii) Ability to secure new projects and customers.

##### (b) Revenue by geographical regions

The table below sets out the breakdown of the Group's revenue by geographical regions for the financial quarter/year-to-date ended 30 September 2024 under review:

	3-MONTH ENDED		YEAR-TO-DATE	
	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000
Indonesia	1,873	2,230	6,227	4,933
Vietnam	2,280	880	6,576	3,041
Singapore	844	751	3,689	3,413
Philippines	3,910	1,444	9,588	4,210
Malaysia	5,147	4,609	13,506	8,487
United States of America	2	12	7	64
Others	792	1,424	2,689	2,588
<b>Total Revenue</b>	<b>14,848</b>	<b>11,350</b>	<b>42,282</b>	<b>26,736</b>

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### NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

#### **A12. Valuation of property, plant and equipment**

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

#### **A13. Material events subsequent to the end of the current financial quarter**

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

#### **A14. Significant related party transactions**

There were no significant related party transactions in the current financial quarter under review.

#### **A15. Capital commitments**

There were no capital commitments in the current financial quarter under review.

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## INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 30 SEPTEMBER 2024

### PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of performance

##### (a) Results for current quarter

The Group recorded a revenue of RM14.85 million and profit before tax of RM3.05 million for the current financial quarter ended 30 September 2024. Digital security solutions segment recorded a revenue of RM4.75 million or approximately 31.99% of the Group's total revenue, electronic identification products segment recorded a revenue of RM0.38 million or approximately 2.59% of the Group's total revenue, while the others maintenance services segment recorded a revenue of RM9.72 million or approximately 65.42% of the Group's total revenue.

##### (b) Results for financial year-to-date

The Group recorded a revenue of RM42.28 million and profit before tax of RM4.21 million for the current financial year-to-date ended 30 September 2024. The Group's revenue has increased by RM15.55 million or 58.15% as compared to preceding financial year-to-date ended 30 September 2023. The increase in revenue was mainly due to the increase in revenue from digital security solutions segment by RM2.40 million or 15.35% to RM18.01 million and others maintenance services segment by RM15.27 million or 184.74% to RM23.53 million. However, the increase was offset by the decrease in revenue from electronic identification products segment by RM2.12 million or 74.15% to RM0.74 million.

The Group recorded a higher profit after tax of RM3.05 million in current financial year-to-date ended 30 September 2024, an improvement of 142.63% compared to a profit after tax of RM1.26 million in the preceding financial year-to-date ended 30 September 2023.

#### B2. Comparison with immediate preceding quarter's results

	3-MONTH ENDED			
	30 September	30 June	Variance	
	2024	2024	RM'000	%
Revenue	14,848	11,364	3,484	30.66
Profit before tax	3,046	692	2,354	340.17

The Group's revenue for the current financial quarter ended 30 September 2024 increased by RM3.48 million or 30.66% to RM14.85 million as compared to RM11.36 million in the preceding financial quarter ended 30 June 2024. The increase in revenue was mainly due to the increase in revenue from 2FA (amounting to RM0.02 million), electronic identification products (amounting to RM0.18 million) and others maintenance services (amounting to RM4.57 million). However, the increase was partially offset by the decrease in revenue from software licensing protection dongles (amounting to RM0.25 million), PKI (amounting to RM0.64 million) and CENTAGATE® (amounting to RM0.40 million).

The Group's profit before tax for the current financial quarter increased by RM2.35 million or 340.17% to RM3.05 million compared to a profit before tax of RM0.69 million in the preceding financial quarter.



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### B3. Prospects

During the financial quarter under review, the Group's operational performance has significantly improved as a result of the effectiveness of our strategic initiatives. These initiatives included exploring additional strategic partnerships to boost revenue, expanding the Group's business networks, evaluating new project opportunities across the Southeast Asia region, strengthening the efforts of sales and marketing teams for improved market penetration, and consistently optimising the Group's product offerings. Concurrently, the Group has proactively taken measures to reduce operating expenses by implementing cost-cutting measures and cross-training its staff for enhanced function versatility.

Looking ahead, the Information and Communications Technology (ICT) industry is expected to grow consistently as technology becomes more integrated into daily life and business operations. The Group is well-positioned to leverage digitalisation opportunities, especially in cybersecurity, and will continue focusing on cost optimization and sustainable growth within the rapidly evolving technology sector. The Board remains optimistic about the Group's future and will regularly review and adjust strategies to support financial performance and long-term sustainability.

### B4. Profit forecast or profit guarantee

The Company did not issue any profit forecast or profit guarantee during the current financial quarter under review.

### B5. Taxation

	3-MONTH ENDED		YEAR-TO-DATE	
	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000
Tax expenses recognised in profit or loss:				
- Income tax	426	353	1,164	646
Effective tax rate	13.99%	16.56%	27.66%	33.98%

(a) The effective tax rate for the current financial year-to-date was higher than the statutory tax rate mainly due to certain expenses being disallowed for tax purposes.

(b) Tax expense is recognised based on management's best estimate.

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### B6. Corporate proposal

#### (a) Status of corporate proposal

There were no corporate proposals announced as at the date of this interim financial report.

#### (b) Utilisation of proceeds

##### Utilisation of proceeds from private placement exercise

On 3 August 2021, 40,476,000 new Securemetric Shares, which were issued at RM0.139 each, were listed on the ACE Market of Bursa Malaysia Securities Berhad pursuant to Securemetric's private placement exercise ("Private Placement"). On 18 May 2023, the Company announced that the Company has extended the timeframe of the utilisation of proceeds raised from the Private Placement for certification costs and IT infrastructure till 2 August 2025.

The details of the utilisation of the proceeds from the Private Placement were as follows:

Details of utilisation	Proposed utilisation	Amount utilised	Deviation: Surplus/ (Deficit)	Balance	Original timeframe for	Revised
					utilisation of proceeds	timeframe for utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000		
Working capital	2,951	(2,978)	27	-	Utilised	Utilised
Certification costs	1,280	(77)	-	1,203	By August 2023	By August 2025
IT infrastructure	1,280	(1,280)	-	-	Utilised	Utilised
Expenses for Private Placement	115	(88)	(27) <sup>(1)</sup>	-	Utilised	Utilised
<b>Total</b>	<b>5,626</b>	<b>(4,423)</b>	<b>-</b>	<b>1,203</b>		

#### Note:

(1) The excess of RM0.027 million had been utilised for general working capital requirements of the Group.

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### B7. Borrowings

The Group's borrowings were as follows:

	AS AT 30 September 2024 Unaudited RM'000	AS AT 30 September 2023 Unaudited RM'000
<u>Current:</u>		
Lease liabilities	909	221
<u>Non-current:</u>		
Lease liabilities	2,224	544
<b>Total borrowings</b>	<b>3,133</b>	<b>765</b>

All the Group's borrowings are denominated in Ringgit Malaysia.

### B8. Material litigation

There was no material litigation involving the Group as at 30 September 2024.

### B9. Dividend declared

No dividend has been declared for the current financial quarter.

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### B10. Earnings per share

The basic earnings per share (“EPS”) is calculated by dividing the consolidated profit for the financial quarter/year-to-date attributable to owners of the Company by the weighted average number of ordinary shares of the Company during the financial quarter/year-to-date as follows:

		3-MONTH ENDED		YEAR-TO-DATE	
		30 September 2024 Unaudited	30 September 2023 Unaudited	30 September 2024 Unaudited	30 September 2023 Unaudited
Profit attributable to owners of the Company	(RM'000)	2,595	1,789	3,038	1,299
Weighted average number of ordinary shares (in units)					
Issued ordinary shares at 1 January	('000)	577,066	576,506	577,066	576,506
Effect of exercise of warrants	('000)	-	529	-	529
		<u>577,066</u>	<u>577,035</u>	<u>577,066</u>	<u>577,035</u>
Basic EPS	(sen)	<u>0.45</u>	<u>0.31</u>	<u>0.53</u>	<u>0.23</u>
Diluted EPS	(sen)	<u>0.45</u>	<u>0.31<sup>(1)</sup></u>	<u>0.53</u>	<u>0.23<sup>(1)</sup></u>

#### Notes:

- (1) Diluted earnings per share is equivalent to the basic earnings per share as the Company has no dilution in its earnings per ordinary share as the conversion price of the warrants has exceeded the average market price of ordinary shares during the financial quarter/year-to-date, the warrants do not have any dilutive effect on the weighted average number of ordinary shares.

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### B11. Disclosure on selected expense/(income) items as required by the Listing Requirements

	3-MONTH ENDED		YEAR-TO-DATE	
	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation of:				
- PPE	143	132	438	377
- ROU assets	287	198	812	589
Finance costs	31	8	72	21
PPE written off	8	-	131	1
Inventories written off	-	-	12	12
Impairment losses on trade receivables	39	6	77	53
Impairment losses on other receivables	-	-	511	-
Unrealised (gain)/loss on foreign exchange	(14)	(67)	(41)	84
Realised loss on foreign exchange	259	77	364	62
Reversal of impairment losses on trade receivables	(45)	-	(45)	(74)
Reversal of allowance for slow moving inventories	(1)	(1)	(1)	(1)
Interest income	(86)	(64)	(229)	(176)
Gain on disposal of an associate	-	-	-	(963)
Gain on disposal of PPE	-	(40)	-	(40)
Gain on disposal of ROU asset	-	(76)	-	(76)
Gain on early termination of lease	(8)	-	(10)	-

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirement of Bursa Securities are not applicable.

### BY ORDER OF THE BOARD

Company Secretary

Date: 29th November 2024