



## MARC RATINGS BERHAD

# P R E S S   A N N O U N C E M E N T

FOR IMMEDIATE RELEASE

### MARC RATINGS AFFIRMS ZETRIX AI'S AA-*IS* RATING

MARC Ratings has affirmed its **AA-*IS*/Stable** rating on Zetrix AI Berhad's Islamic Medium-Term Notes (IMTN) Programme, which has been upsized to RM2.0 billion from RM1.0 billion.

The rating reflects Zetrix AI's strong non-concession revenue, high operating margins, and healthy cash flow generation. These strengths are tempered by growth challenges for its blockchain platform, rising debt from substantial development spending, and risks associated with its expansion into capital-intensive technology ventures.

Zetrix AI's blockchain platform, *Zetrix*, was a significant driver of revenue growth, contributing 35.6% (RM362.8 million) of total revenue in 2024, and rising to 46.8% in 1Q2025. This revenue growth stemmed primarily from sales of digital assets (*Zetrix* coins), while recurring income from transaction (gas) fees — designed to improve administrative efficiency in business operations between China and Malaysia — remained modest.

Due to the blockchain platform's key role in the group's revenue growth and strategy, the group adopted the name Zetrix AI Berhad on 25 June 2025. As it expands into artificial intelligence (AI) and robotics, significant capital funding is necessary, prompting an increase in the IMTN programme to RM2.0 billion for investments. By end-1H2025, total borrowings rose to RM1.3 billion (2023: RM846.7 million), with approximately RM662.4 million spent on blockchain development in 2024. Zetrix AI plans to draw down RM200 million by end-2025 and fully utilise the RM2.0 billion programme by end-2027.

Despite a sharp increase in borrowings, Zetrix AI's debt-to-equity ratio remains moderate at 0.50x, although it is projected to rise to 0.7x–0.8x by end-2027. The company faces execution risks in its new ventures, which, if unsuccessful, could materially weaken its credit metrics, potentially leading to a negative rating action. Meanwhile, the group's e-government services — notably the renewal of driving licences for *Jabatan Pengangkutan Jalan* and foreign worker permits for *Jabatan Imigresen Malaysia* (JIM) — accounted for a modest 3.5% of total revenue in 2024. On 30 July 2025, the group announced the immediate cessation of JIM-related services as these are being transitioned to the National Integrated Immigration System.

In 1H2025, revenue rose 27.9% y-o-y to RM607.9 million. Operating profit margin, which had been strong at around 50% before the introduction of *Zetrix*, widened to 71.7%. Operating cash flow remained strong at RM506.5 million, supporting healthy debt and interest coverage.

On 14 July 2025, Bursa Malaysia Berhad issued a public reprimand to Zetrix AI and imposed fines on seven of its directors due to misleading disclosures and breaches of regulatory directives. The group has been given permission by the High Court to seek a judicial review of the matter.

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