JCurve Solutions Limited

Half Year Report 31 December 2020

JCurve Solutions Limited
ABN 63 088 257 729

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The information contained in the half year financial report should be read in conjunction with the Company's Annual Financial Report for the year ended 30 June 2020.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as "JCurve Solutions" or the "Group") consisting of JCurve Solutions Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mark Jobling	Non-Executive Director until 17 January 2021 before transitioning to the Non-Executive Chairman from 18 January 2021
Bruce Hatchman	Non-Executive Chairman until 17 January 2021 before transitioning to a Non-Executive Director from 18 January 2021
David Franks	Non-Executive Director until 17 January 2021 Company Secretary
Graham Baillie	Non-Executive Director
Martin Green	Non-Executive Director appointed 18 January 2021

Principal Activities

During the half year, the principal continuing activities of the Group consisted of:

1) the sale of Enterprise Resource Planning (ERP) solutions, which included the exclusively licensed JCurveERP and associated implementation and consulting services as well as NetSuite mid market and enterprise editions in addition to accompanying associated implementation and consulting services;
2) the sale of Enterprise Resource Planning (ERP) solutions in South East Asia;
3) the sale of proprietary Telecommunications Expense Management Solutions; and
4) the development and sale of the Riyo platform solution.

Review of Operations

<u>**Summarised financial result and position**</u>

The first half of the financial year has been dominated by our ongoing response to the Covid-19 pandemic. It has been a challenging environment and your company has demonstrated its strength and resilience as we deal with the ongoing uncertainty associated with the pandemic. In response to the Covid-19 pandemic, JCurve Solutions focused on customer retention, limiting discretionary business expenditure and reducing the overall cost base of our operations. A restructuring of the business was undertaken in response to changing business priorities which has seen an increased focus on expanding the Philippines delivery centre of excellence.

Revenue for the half year period ended 31 December 2020 decreased by 15%, from $5.7m in the corresponding comparative period to $4.9m.

Business expenditure excluding cost of sales, depreciation and amortisation for the half year period ended 31 December 2020 decreased by 10%, from $4.8m in the corresponding comparative period to $4.3m.

The Group recognised a net loss after tax of $129,310 for the half year period ended 31 December 2020 (2019: $274,018 loss).

Net cash inflows from operating activities for the 6-month period ended 31 December 2020 totalled $0.4m (2019 comparative half year period: $0.7m operating cash outflows).

At 31 December 2020, the Group held cash reserves of $4.5m. In addition to holding strong cash reserves, the Group continues to remain debt free, providing the opportunity for both further organic growth and growth by acquisition in future periods.

DIRECTORS' REPORT (continued)

The 'Normalised EBITDA' for the half year period ended 31 December 2020 was $354,929 (2019: $242,635), which has been determined as follows:

	Half-year	
	2020	2019
	$	$
Statutory loss after income tax for the half year period	**(129,310)**	(274,018)
Add back: non-cash expenses:		
Depreciation / amortisation	**426,442**	408,993
Total non-cash expenses	**426,442**	408,993
Income tax expense	**40,672**	91,033
Interest income	**(2,968)**	(4,610)
Finance expenses	**20,093**	21,237
Normalised EBITDA profit for the half year period	**354,929**	242,635

Normalised EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for specific significant items. The table above summarises key items between the statutory loss after tax and normalised EBITDA. The directors use normalised EBITDA to assess the performance of the Group.

Normalised EBITDA has not been subject to any specific review procedures by our auditor but has been extracted from the accompanying auditor reviewed financial report.

Strategic Priorities

1) Profitably Grow ERP in Australia

In November 2020, JCS won its largest ERP initial customer contract worth $1.7m of revenue over a signed five-year contract with income $827,000 expected to be invoiced in FY2021. This is a reflection of our commitment to serve larger businesses.

JCS continues to improve the gross margin of our business operations as we further lower our cost base and achieve higher margins from our ERP division through the continued growth of our Philippines delivery centre of excellence.

2) Rapidly Grow JCS ERP in Asia

We expanded our sales territory to include the Phillipines and we now have established a sales team which has seen encouraging recent growth in our sales pipeline in the Philippines.

In Singapore, new business sales were hampered by a number of lockdowns in response to the Covid-19 pandemic. The Singapore Government has launched various grant packages to provide stimulus to the economy and to improve automation and increase digitilisation. In particular there has been strong interest in the Productivity Solutions Grant (PSG) and SMEs Go Digital program. The outcome of the grant packages is now taking hold with increased business interest in our solutions.

We are ramping up our sales initiatives in various countries within South East Asia as we see an improving business climate.

DIRECTORS' REPORT (continued)

3) Accelerate Global Riyo go to market

The Riyo platform is going through a substantial shift as we prepare to take the solution globally. The changes include a revised brand, a new go to market strategy and revenue model, increased solution functionality to meet the needs of medium and enterprise businesses. At the same time a brand new solution for small and sole business owners is being developed.

In October 2020, we signed a second enterprise channel partnership to add to our existing partnership with Epicor. The Epicor partnership is once again delivering sales after a period in which all opportunities were stalled due to the Covid-19 situation in Australia.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the half year ended 31 December 2020.

Auditor's Independence Declaration

Section 307C of the *Corporations Act* 2001 requires our auditors, BDO Audit Pty Ltd, to provide the directors of the Group with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

Mark Jobling
Chairman
Dated 18 February 2021

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DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF JCURVE SOLUTIONS LIMITED

As lead auditor of JCurve Solutions Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of JCurve Solutions Limited and the entities it controlled during the period.

Gareth Few

Gareth Few
Director

BDO Audit Pty Ltd

Sydney, 18 February 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Notes	Consolidated half-year ($) 2020	2019
Revenue	3	**4,896,065**	5,733,397
Cost of goods sold		**(627,303)**	(837,391)
Gross profit		**4,268,762**	4,896,006
Other income	3	**335,071**	91,765
Employee benefit expenses		**(2,959,810)**	(3,216,077)
Other employee related expenses		**(244,058)**	(305,837)
IT and communications expenses		**(252,391)**	(257,089)
Advertising and marketing expenses		**(21,730)**	(54,877)
Professional fees		**(484,156)**	(491,927)
Occupancy expenses		**(89,232)**	(59,190)
Travel (expenses)/refunds		**1,300**	(145,392)
Depreciation and amortisation expenses		**(426,442)**	(408,993)
Finance expense		**(20,093)**	(21,237)
Bad debt (expense)/write back		**699**	(13,459)
Due diligence costs		**(22,873)**	(8,814)
Other expenses		**(173,685)**	(187,864)
Loss before income tax		**(88,638)**	(182,985)
Income tax (expense)/benefit		**(40,672)**	(91,033)
Loss after tax for the half year period		**(129,310)**	(274,018)
Other comprehensive income (exchange differences on translation of foreign operations)		(55,865)	(15,850)
Total comprehensive loss for the half year period		**(185,175)**	(289,868)
Basic loss per share (cents per share)	11	**(0.04)**	(0.08)
Diluted loss per share (cents per share)	11	**(0.04)**	(0.08)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	Consolidated ($) 31 Dec 2020	Consolidated ($) 30 June 2020
Assets			
Current Assets			
Cash and cash equivalents		**4,484,821**	4,152,349
Trade and other receivables	4	**1,907,101**	2,265,193
Other financial assets		**13,850**	10,460
Other current assets	5	**926,122**	866,441
Total Current Assets		**7,331,894**	7,294,443
Non-Current Assets			
Property, plant and equipment	6	**108,373**	38,988
Right-of-use assets	7	**1,731,042**	1,977,341
Intangible assets	8	**2,970,800**	3,129,266
Deferred tax assets		**1,299,528**	1,510,368
Total Non-Current Assets		**6,109,743**	6,655,963
Total Assets		**13,441,637**	13,950,406
Liabilities			
Current Liabilities			
Trade and other payables	9	**2,383,979**	2,245,754
Current tax liability		**227,240**	270,382
Unearned income		**2,349,650**	2,076,493
Lease liabilities		**516,032**	468,914
Provisions		**350,910**	437,219
Total Current Liabilities		**5,827,811**	5,498,762
Non-Current Liabilities			
Unearned income		**157,109**	220,443
Lease liabilities		**1,255,498**	1,533,509
Deferred tax liabilities		**1,304,054**	1,646,765
Provisions		**117,548**	91,443
Total Non-Current Liabilities		**2,834,209**	3,492,160
Total Liabilities		**8,662,020**	8,990,922
Net Assets		**4,779,617**	4,959,484
Equity			
Share capital	10	**17,588,248**	17,588,248
Reserves		**1,674,100**	1,825,051
Accumulated losses		**(14,482,731)**	(14,453,815)
Total Equity		**4,779,617**	4,959,484

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Consolidated ($)			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
Balance as at 1 July 2019	**17,588,248**	**(14,155,011)**	**1,818,117**	**5,251,354**
Loss after tax for the half year period	-	(274,018)	-	(274,018)
Other comprehensive income (exchange differences on translation of foreign operations)	-	-	(15,850)	(15,850)
Total comprehensive loss for the half year	**-**	**(274,018)**	**(15,850)**	**(289,868)**
Transactions with owners, recorded directly in equity				
Share based payment expenses	-	-	4,220	4,220
Total transactions with owners	**-**	**-**	**4,220**	**4,220**
Balance as at 31 December 2019	**17,588,248**	**(14,429,029)**	**1,806,487**	**4,965,706**

	Consolidated ($)			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
Balance as at 1 July 2020	**17,588,248**	**(14,453,815)**	**1,825,051**	**4,959,484**
Loss after tax for the half year period	-	(129,310)	-	(129,310)
Other comprehensive income (exchange differences on translation of foreign operations)	-	-	(55,865)	(55,865)
Total comprehensive loss for the half year	**-**	**(129,310)**	**(55,865)**	**(185,175)**
Transactions with owners, recorded directly in equity				
Share based payment expenses	-	-	5,308	5,308
Reclassification of expired options and performance rights	-	100,394	(100,394)	-
Total transactions with owners	**-**	**100,394**	**(95,086)**	**5,308**
Balance as at 31 December 2020	**17,588,248**	**(14,482,731)**	**1,674,100**	**4,779,617**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Notes	Consolidated half-year ($) 31 Dec 2020	31 Dec 2019
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**5,912,743**	6,309,360
Payments to suppliers and employees (inclusive of GST)		**(5,298,824)**	(7,011,106)
Income tax paid		**(215,684)**	-
Interest received		**2,192**	3,205
Interest (paid)/refunded		**(1,632)**	(1,138)
Net cash provided by operating activities		**398,795**	(699,679)
Cash flows used in investing activities			
Purchase of property, plant and equipment		**(60,661)**	(24,315)
Proceeds from the sale of property, plant and equipment		**2,200**	-
Cash paid for the purchase of the Spectrum business and assets		**-**	(352,383)
Net cash used in investing		**(58,461)**	(376,698)
Net increase/(decrease) in cash and cash equivalents		**340,334**	(1,076,377)
Cash and cash equivalents at the beginning of the half-year		**4,152,349**	4,765,339
Effects of exchange rate changes on cash and cash equivalents		**(7,863)**	-
Cash and cash equivalents at the end of the half-year		**4,484,820**	3,688,962

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of half-year report

The consolidated half year financial statements have been prepared in accordance with the requirements of the *Corporations Act* 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by JCurve Solutions Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Significant judgments 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 report for the year ended 30 June 2020. They include:

(1) Revenue recognition - Identification of performance obligations;
(2) Revenue recognition - Satisfaction of performance obligations;
(3) Impairment of intangibles with indefinite useful lives;
(4) Useful life of the Riyo Platform;
(5) Share-based payment transactions;
(6) Recovery of deferred tax assets.

New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period from 1 July 2020.

(1) AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions

The new amendment introduced a practical expedient that permits lessees not to assess whether a rent concession that occurs as a direct consequence of the COVID-19 pandemic is a lease modification, provided all of the following criteria are met:

(i) Change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately prior to the change
(ii) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a concession would meet this condition if it resulted in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021)
(iii) There is no substantive change to other terms and conditions of the lease

Where the criteria are met, the concessions are accounted for as if they were not a lease modification. The Group received rent concessions during the period and has accounted for the amendment from 1 July 2020.

(2) AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

The Group has adopted AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business from 1 July 2020. AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business clarifies the definition of a 'business' in AASB 3 Business Combinations (AASB 3) to assist in determining whether a transaction should be accounted for as a business combination or as an asset acquisition. There is no impact on the financial statements during the period because the amendment applies prospectively to acquisitions occurring on or after the effective date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

New accounting standards and interpretations not yet adopted

The Directors have reviewed all of the new and revised accounting standards and interpretations issued by the Australian Accounting Standards Board for annual reporting periods beginning or after 1 July 2020.

It has been determined that there is no impact, material or otherwise, of any other new or revised accounting standards and interpretations other than those outlined in the New and amended standards adopted by the group outlined above.

NOTE 2: SEGMENT REPORTING

(a) Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors and Executive Management Team of JCurve Solutions.

(b) Description of segments

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about the components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance.

JCurve Solutions sells a portfolio of solutions and derives its revenues and profits from a variety of sources.

The Board and Executive Management Team for the six month period ended 31 December 2020, considered the business from a product perspective and identified four reportable segments:

- NetSuite ERP – AU: ERP cloud-based Business Management solutions and associated consulting services sold to Australian and New Zealand customers; and
- NetSuite ERP – Asia: ERP cloud-based Business Management solutions and associated consulting services sold to South East Asian customers;
- TEMS - The development and marketing of Telecommunications Expense Management Solutions (JTEL and Full Circle Group) sold to Australian customers; and
- Riyo – The development and sale of service management and scheduling software

All other segments – the development business unit and group/head office are cost centres and are not reportable operating segments. The results of these operations are included in the unallocated column in the segment information below.

The Group operates in two geographical segments being Australasia (Australia and New Zealand) along with South East Asia.

The Group reports internally on the assets and liabilities of the Group on a consolidated basis.

No individual end user customers comprise more than 10% of the Group’s total revenue.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

(c) Segment information provided to the chief operating decision maker

The segment information provided to the Board and the Executive Management Team for the reportable segments for the six month period ended 31 December 2020 (including the comparative period) is as follows:

Half Year ended 31 December 2020	NetSuite ERP	TEMS	Riyo	JCS Asia	All other segments	Total
Total revenue	3,435,058	822,891	47,004	591,112	-	4,896,065
Total cost of sales	(491,472)	-	-	(135,831)	-	(627,303)
Gross profit	**2,943,586**	**822,891**	**47,004**	**455,281**	**-**	**4,268,762**
Other income	-	306,759	659	67	27,586	335,071
Total expenditure excluding cost of sales	(2,318,513)	(415,649)	(529,685)	(626,944)	(801,680)	(4,692,471)
Total profit/(loss) before tax	**625,073**	**714,001**	**(482,022)**	**(171,596)**	**(774,094)**	**(88,638)**

Half Year ended 31 December 2019	NetSuite ERP	TEMS	Riyo	JCS Asia	All other segments	Total
Total revenue	4,132,108	1,119,685	14,018	412,831	54,755	5,733,397
Total cost of sales	(676,242)	-	(5,307)	(155,842)	-	(837,391)
Gross profit	**3,455,866**	**1,119,685**	**8,711**	**256,989**	**54,755**	**4,896,006**
Other income	3,591	9,516	78,402	256	-	91,765
Total expenditure excluding cost of sales	(2,728,942)	(538,838)	(470,431)	(594,397)	(838,148)	(5,170,756)
Total profit/(loss) before tax	**730,515**	**590,363**	**(383,318)**	**(337,152)**	**(783,393)**	**(182,985)**

NOTE 3: REVENUE (*)

	Consolidated ($)	
	31 Dec 2020	31 Dec 2019
Enterprise Resource Planning (ERP) solutions – JCurve ERP and NetSuite (Australasia)	**3,435,058**	4,132,108
Enterprise Resource Planning (ERP) solutions – NetSuite (South East Asia)	**591,112**	412,831
Enterprise Resource Planning (ERP) solutions – MYOB Advanced	**-**	54,755
Riyo solutions	**47,004**	14,018
Telecommunications expense management solutions	**822,891**	1,119,685
	4,896,065	5,733,397
Other Income		
Research and Development incentive	**-**	78,402
Interest income	**2,968**	4,610
Sundry income	**27,603**	8,753
JobKeeper Subsidy (**)	**304,500**	-
	335,071	91,765

(*) Reflects revenue in accordance with AASB 15.

(**) $304,500 of government subsidies from the JobKeeper Payment were received and recognised during the half year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 4: TRADE AND OTHER RECEIVABLES

	Consolidated ($)	
	31 Dec 2020	30 June 2020
Current		
Trade receivables	**1,121,396**	1,347,273
Allowance for doubtful debts	**(97,290)**	(94,679)
Accrued revenue/commissions receivable	**882,995**	1,012,599
	1,907,101	2,265,193

NOTE 5: OTHER CURRENT ASSETS

	Consolidated ($)	
	31 Dec 2020	30 June 2020
Current		
Prepayments	**604,780**	437,640
Term deposit	**217,041**	217,276
Deferred expenditure	**69,979**	81,284
Sundry debtors	**34,322**	130,241
	926,122	866,441

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Leasehold Improvements	Total
At 1 July 2020, net of accumulated depreciation	35,952	12	38,988
Additions	60,661	39,163	99,824
Reclassification of make good assets	-	3,024	3,024
Foreign currency revaluation	(4,731)	-	(4,731)
Depreciation	(16,241)	(9,467)	(25,708)
At 31 December 2020, net of accumulated depreciation	**75,641**	**32,732**	**108,373**

NOTE 7: RIGHT-OF-USE-ASSET

	Buildings	Equipment	Total
At 1 July 2020, net of accumulated depreciation	1,960,752	16,589	1,977,341
Additions	15,911	-	15,911
Depreciation	(258,128)	(4,082)	(262,210)
At 31 December 2020, net of accumulated depreciation (i)	**1,718,535**	**12,507**	**1,731,042**

(i) The consolidated entity leases buildings for its offices, under agreements of between one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases office equipment under agreements of less than five years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 8: INTANGIBLE ASSETS

	Licences (i)	Riyo Platform	Goodwill	Customer relationships	NetSuite customer contracts	E-Commerce connector	Total
At 1 July 2020, net of accumulated amortisation and impairment	2,302,857	350,000	245,563	77,973	72,873	80,000	3,129,266
Additions	-	-	-	-	-	-	-
Amortisation	-	(60,000)	-	(33,317)	(33,947)	(10,000)	(137,264)
FX revaluation	-	-	(14,633)	(3,447)	(3,122)	-	(21,202)
At 31 December 2020, net of accumulated depreciation and impairment	**2,302,857**	**290,000**	**230,930**	**41,209**	**35,804**	**70,000**	**2,970,800**

(i) The licenses intangible asset reflects the carrying value of the ERP relationship with Oracle NetSuite. The licenses intangible asset reflects the carrying value of the ERP relationship with Oracle NetSuite.

NOTE 9: TRADE AND OTHER PAYABLES

	Consolidated ($)	
	31 Dec 2020	30 June 2020
Current		
Trade payables	**1,526,817**	962,809
Other payables	**263,982**	279,033
Accrued expenses	**593,180**	1,003,912
	2,383,979	2,245,754

NOTE 10: SHARE CAPITAL

	Consolidated ($)	
	31 Dec 2020	30 June 2020
Ordinary shares issued and fully paid	**17,382,891**	17,382,891
Unissued shares	**205,357**	205,357
	17,588,248	17,588,248

NOTE 11: LOSS PER SHARE

	Consolidated ($)	
	31 Dec 2020	31 Dec 2019
Loss used for calculation of basic and diluted earnings per share	**(129,310)**	(274,018)
Basic loss from operations	**(129,310)**	(274,018)
	Number	Number
Weighted average number of shares used for calculation of basic and diluted EPS	**327,856,900**	327,856,900
Basic loss per share (cents per share)	**(0.04)**	(0.08)
Diluted loss per share (cents per share)	**(0.04)**	(0.08)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 12: DIVIDENDS PAID AND PROPOSED

Dividends Paid

A final dividend was not declared or paid for the half year ended 31 December 2020.

Dividends Declared

The Group advises at this stage that it does not intend to declare an interim dividend for the financial year ending 30 June 2021 and it will consider reinstating the dividend policy in the future, subject to performance.

NOTE 13: SHARE-BASED PAYMENT PLANS

Shares issued under Equity Incentive Plan

The equity incentive plan was approved by shareholders at the Annual General Meeting held on 22 November 2016. The performance rights originally approved by shareholders under the equity incentive plan at the Annual General Meeting held on 22 November 2016 lapsed on 31 August 2020. The share based payment expense is recognised in the Statement of Profit or Loss and Other Comprehensive Income evenly over the vesting period.

A new equity incentive plan was approved by shareholders at the Annual General Meeting held on 19 November 2019. On 7 February 2020, 10,800,000 performance rights were issued to employees. The Performance Rights vest in three tranches in January 2021, January 2022 and January 2023 and have both a performance and service condition. On 9 October 2020, 1,500,000 of the performance rights which were issued lapsed and were cancelled. On 1 February 2021, 4,100,000 of the performance rights which were issued lapsed and were cancelled.

NOTE 14: CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 31 December 2020 which have not been recognised in the Half Year Report.

NOTE 15: RELATED PARTY TRANSACTIONS

Transactions with Directors

During the half-year ended 31 December 2020, Automic Group, a firm which David Franks is an employee, continued to perform Group secretarial services on normal commercial terms and conditions. JCurve Solutions was invoiced $22,450 during the half year (2019: $22,625) for the group secretarial work during the period July 2020 to December 2020. In addition to the group secretarial work, Automic Group also invoiced the Group for Mr Franks' Director fees (inclusive of superannuation), administration fees, legal advice and for the share registry services.

NOTE 16: GOING CONCERN

The Group generated an after tax loss for the period of $129,310 (31 December 2019: $274,018). At the balance date, the Group had cash assets of $4,484,821 (30 June 2020: $4,152,349) and a positive working capital position of $1,504,083 (30 June 2020: $1,795,681). The working capital of $1,504,083 includes current unearned income of $2,349,650 and current deferred expenditure of $69,979 (30 June 2020: $2,076,493 and $81,284).

Whilst the recognition of unearned income and deferred expenditure acknowledges there are future obligations in terms of services to be provided this does not represent a future cash outlay with the payments made upfront from both the customer and to NetSuite being non-refundable and recognised in accordance with the accounting standards. The Group has prepared cashflow forecasts based on expected future cash inflows and expected future cash outlays and, on the basis of these cash forecasts, and with reference to the cashflow statement incorporated into these financial Statements, in the opinion of the Directors, the Group will be able to pay its debts as and when they fall due.

NOTE 18: SUBSEQUENT EVENTS

On 4 January 2021, 486,539 new fully paid ordinary shares in the Company were issued at a price of A$0.028 per New share. On 1 February 2021, 4,100,000 of the performance rights which were issued lapsed and were cancelled.

No other matters or circumstances have arisen since 31 December 2020 that significantly affect, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes thereto, as set out on pages 7 to 16:
    a. comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
    b. give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year then ended.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the *Corporations Act 2001.*

Mark Jobling
Chairman
Dated 18 February 2021

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Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of JCurve Solutions Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of JCurve Solutions Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group’s financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

Gareth Few

Gareth Few
Director

Sydney, 18 February 2021