

31 January 2023

Business Update – Continuing Record Sales Results

Summary

- ✓ Record \$8m of sales for 1HY23 (5% increase on the 1HY22 result)
- ✓ Statutory revenue recognised of \$7.8m (16% increase on the 1HY22 result)
- ✓ \$0.4m normalised EBITDA profit and a \$0.3m Net Loss Before Tax in 1HY23
- ✓ Unearned income of \$4.2m as at 31 December 2022
- ✓ Continuing strong cash balance of \$4.2m as at 31 December 2022

JCURVE SOLUTIONS LIMITED (ASX: JCS) (Jcurve), the business transformation technology company, today reported its preliminary unaudited financial result for the half-year (1HY23) ending 31 December 2022.

Our 1HY23 preliminary unaudited result with a comparison between key reporting measures and the comparative 1HY22 period is outlined in the following table:

Measure	1HY23 Preliminary Unaudited Result	1HY22 Actual Result	Percentage increase/(decrease)
Sales Income (*)	\$8.0m	\$7.6m	5%
Revenue (**)	\$7.8m	\$6.7m	16%
Unearned Income (**)	\$4.2m	\$4.1m	2%
Normalised EBITDA (**) (***)	\$0.4m	\$0.8m	(41%)
Net Profit/(Loss) Before Tax (**) (****)	(\$0.3m)	\$0.1m	Not applicable (****)
Cash Balance	\$4.2m	\$4.5m	(7%)

(*) Not revenue as per the accounting standards and not reported in the statutory financial results but a key measure reported by Jcurve.

(**) Reported in the statutory financial results.

(***) Normalised EBITDA excludes the impact of one-off due diligence costs incurred during the period (\$0.1m) while \$0.25m in one off government subsidies were excluded from the 1HY22 comparative result.

(****) Movement from comparative profit to loss, so a percentage change has not been shown.

Jcurve achieved a record 1HY23 sales result of \$8.0m, a 5% increase on the 1HY22 result. Although we generally saw slower customer decision making across 1HY23 impacting the level of new business won, we have continued to see very strong customer retention rates and overall growth and, importantly, in December, saw a very strong result of \$1.6m of sales for the month.

Breaking down our sales in more detail:

- ERP Australia/New Zealand achieved a record 1HY result of \$5.4m in 1HY23.
- ERP Asia recorded sales of \$1.5m in 1HY23.
- Quicta recorded sales of \$0.2m in 1HY23.
- TEMS recorded sales of \$0.6m in 1HY23.
- Dygiq recorded sales of \$0.3m in 1HY23.

The reduced levels of EBITDA and NPBT for the half year reflected costs incurred in assessing M&A opportunities as well as an increase in operating costs, following on from the cost freezes that we put in place through the COVID-19 pandemic in FY21 and FY22. Pleasingly, as we approach our traditionally strongest operating half of the year and with a large and growing pipeline of new opportunities across Australia / New Zealand and the Asian region and a higher proportion of existing customer contracts being due for renewal in the second half of the year, we are expecting the full year underlying result to be strong.

The company remains debt free with a strong cash balance of \$4.2m as of 31 December 2022 and growing levels of unearned income that sets Jcurve up for a strong FY23 result. The small cash outflow for the half year reflects the seasonality of our business.

Stephen Canning, CEO of Jcurve, stated that “the company is seeing growth in its top-line sales and predicts a positive financial outcome for FY23, including a robust EBITDA result in line with the guidance released in November 2022. Although costs have risen as the company exits cost freezes from FY21 and FY22, Jcurve remains in a strong position for a full-year result due to its traditionally stronger 2HY performance. The company's focus remains on growing profitably, both organically and through strategic acquisitions”.

The half-year audited results will be released in late February 2023.

This announcement has been authorised for release by the Board of JCurve Solutions Limited.

About Jcurve

Jcurve works collaboratively with ambitious organisations to drive growth through the effective use of technology. Serving as a trusted guide in an on-demand world, Jcurve helps build growing and resilient organisations to withstand market disruption.

From business management solutions and consulting services to field service management and digital marketing services – Jcurve is uniquely positioned to help organisations on their business transformation journey.

For more information, please visit [www.jcurvesolutions.com.](https://www.jcurvesolutions.com/)
