9 February 2021

Half Year Update – Strong Business Performance

Operating cash flow positive for 1HY2021 of $0.4m → Closing cash balance as at 31 December 2020 of $4.5m → Strong customer retention results → Record ERP customer win with significant recurring revenue → Solid sales result of $5.1m with $4.9m in recognised revenue → Focused reduction in ERP operating costs increasing forward margins

JCurve Solutions Limited (ASX: JCS), the cloud solutions technology company, today reported a successful H1 trading result with the release of its preliminary unaudited results for the half year ending 31 December 2021 (1HY2021).

Financial highlights

In an environment challenged by the COVID-19 pandemic, JCurve Solutions achieved a strong financial result with the business moving positively through this period on all levels.

The Company achieved a cash flow positive result for 1HY2021 with operating cash inflows of $0.4m. The 31 December 2020 cash balance was $4.5m, an increase from the reported $4.2m as of 30 June 2020 and $0.8m higher than the comparative December 2019 cash balance.

Pleasingly the EBITDA, NPBT and NPAT all moved positively against the results achieved in the comparative 1HY2020 period, with a focus on reducing operating costs and the receipt of $0.3m from the Australian governments JobKeeper subsidy assisting to more than offset a reduction in sales income during the COVID-19 pandemic.

The reported sales and revenue result below excludes committed future income from a milestone ERP contract won in November 2020 which will deliver a further $1.2m of sales income/revenue over the customer's contract period ($0.5m invoiced and included in the 1HY2021 sales income result).

Measure	1HY2021 Preliminary Unaudited Result	1HY2020 Actual Result
Sales Income (*)	$5.1m	$6.0m
Revenue	$4.9m	$5.7m
EBITDA	$0.4m	$0.2m
NPBT	($0.1m)	($0.2m)
NPAT	($0.1m)	($0.3m)
Unearned Income	$2.5m	$2.5m

(*) Not revenue as per the accounting standards and not reported in the statutory financial results

Operational highlights

ERP

Key highlights of our ERP business during 1HY2021 were as follows:

- ✓ We won our largest ERP initial customer contract in 1HY2021, worth $1.7m of revenue over a signed five-year contract with income of $827,000 expected to be invoiced in FY2021. This is a reflection of our commitment to serve larger businesses.
- ✓ We were successful in retaining 93.3% of its existing Australian 1HY2021 renewing contract portfolio.
- ✓ We increased our ERP business related gross margin by lowering our cost base as we continued to grow the Philippines delivery centre.
- ✓ We expanded our sales territory to include the Philippines and have now established a sales team in country. Our pipeline in the region is growing encouragingly.

Riyo

Key highlights from our Riyo business during 1HY2021 included:

- ✓ We signed a second enterprise channel partnership in October 2020 to add to our existing partnership with Epicor.
- ✓ We saw further success with our Epicor partnership late in 1HY2021 after a period in which all opportunities were stalled due to the Covid-19 situation in Australia.
- ✓ We continued to work on the world leading tech architecture that powers the Riyo platform.

TEMS

Key highlights from our TEMS business during 1HY2021 included:

- ✓ We continued to generate strong gross margins from our existing customer base.
- ✓ We signed a multi year renewal contract for a major enterprise customer.

Delivering Shareholder Value in 2021

As we have previously indicated, your management and Board are focused on ensuring (1) the ongoing strength of the constituent businesses of your Company, and (2) that the share price reflects the position of your business better, its ongoing performance and strong growth prospects. Outlined below are key focus areas for the business:

Delivering Value - ERP

- ✓ Continuing to lead the Australian market in the sale of the Oracle NetSuite best in breed ERP offering. We have recently been advised of our continuing five star status by Oracle NetSuite which cements our status as one of Oracle NetSuite's leading partners in the Asia Pacific region.
- ✓ Delivering growth in our Asian results by ramping up our sales and marketing efforts in Asia with a focus particularly on Singapore and the Philippines.
  - ✓ We are positioned in Singapore to take advantage of the Singapore Government grant programs currently assisting Singapore customers in funding the acquisition of solutions such as ours.
  - ✓ Our footprint in the Philippines will increase as will our sales now that we have a sales team locally.
- ✓ Seeking NetSuite partner acquisition opportunities in Australia, New Zealand and Asia which deliver immediate material revenue and earnings growth.

- ✓ Given the lack of strong local Asian players delivering wide-ranging solutions to businesses in Asia, we are looking at various adjacencies in the enterprise IT eco-system At the right time, we will seek to broaden the offerings and ways we can help businesses grow.

Delivering Value - Riyo

- ✓ The Riyo platform is going through a substantial shift as we prepare to take the solution to the next level, and we are developing a go to market strategy which allows Riyo to go global.
- ✓ Changes which will be rolled out include a revised brand, a new go to market strategy and revenue model, increased functionality and an expanded team to meet the needs of medium and enterprise businesses across a number of markets. At the same time a brand new solution for small and sole business owners delivered on the Riyo platform is coming.

Delivering Value – TEMS

- ✓ The TEMS platform will continue to provide a strong gross margin while we focus on delivering an exceptional customer experience for our existing customers which should deliver strong customer retention results.

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

About JCurve Solutions

JCurve Solutions is a trusted cloud technology solutions partner, listed on the ASX (JCS). The team at JCS utilise the power of the cloud technology to help customers make lasting, substantial improvements to their performance and to grow into great businesses. Learn more at www.jcurvesolutions.com.