

JCurve Solutions Limited

Half Year Report 31 December 2023

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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 2023.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as "Jcurve") consisting of JCurve Solutions Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

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 Chairman
Bruce Hatchman	Non-Executive Director (resigned: 22 November 2023)
Robert Wright	Non-Executive Director (appointed: 22 November 2023)
Graham Baillie	Non-Executive Director
Martin Green	Non-Executive Director
David Franks	Company Secretary

Principal Activity

During the half year, the continuing principal activity of Jcurve consisted of:

- 1) the sale, implementation and support of Enterprise Resource Planning (ERP) solutions, which consisted of:
 - (i) the exclusively licensed small business edition of Oracle NetSuite, JCurveERP (in Australia and New Zealand);
 - (ii) the Oracle NetSuite mid-market and enterprise editions (in Australia, New Zealand and South East Asia);
- 2) the sale and support of proprietary Telecommunications Expense Management Solutions;
- 3) the continued development of Quicta, the Group's proprietary owned Service Management Platform including the sale and support of the platform to paying customers;
- 4) the sale of digital marketing services.

Review of Operations

The first half of FY24 has been a period of significant transformation and recalibration for Jcurve. As we navigate through a challenging business environment, our interim financial results reflect the impacts of strategic decisions to the Group's operations.

Revenue for the first half stands at \$6,581,291, marking a 16% decrease from 1HY23's \$7,777,312, primarily due to top line revenue pressures. A normalised EBITDA loss of \$612,060, substantially affected by one-off expense items, such as dual CEO salaries and redundancy costs, contrasting with a prior profit.

Performance obligations being contract liabilities (unearned income), decreased by 21% to \$2,783,617, due to changes in customer contracts and revenue recognition timing.

Cash reserves at \$1,554,866, influenced by one-off payments and dividend distributions, among other factors, yet maintaining adequate funding with an undrawn bank facility. An impairment of our Asian operations of \$264,987 was also recognised, reflecting a non-cash adjustment not indicative of our confidence in these markets.

Strategic Review and Operational Priorities

Post the leadership change, CEO Christopher King initiated a comprehensive strategic review, directing the 'Let's Grow' transformation program with a clear focus on profitability and cash flow.

- **Profitability:** Actions taken during 1HY24, including a reduction in headcount and operating expenses, have generated annualised savings of over \$1.0M. These measures, while affecting short-term results, aim to improve EBITDA moving forward.
- **Customer Centric Go-to-Market:** Investment in senior sales and country leadership roles and a shift towards a customer-centric operating model are expected to bolster Annual Recurring Revenue (ARR) growth and enhance customer partnerships.

DIRECTORS' REPORT (continued)

- **Optimise Revenue Mix:** The transition to an ARR-focused business model and changes in contract terms have temporarily reduced revenues. However, the Quicta division and Expense Management sales are aligning with expectations, with the latter poised for future opportunities following a platform upgrade.
- **Portfolio Optimisation:** Divestment of non-core operations like the Dygiq marketing services business and a focus on products and services that meet gross margin targets are key to our strategy for free cash flow.
- **Asia Acceleration:** Efforts to strengthen the sales pipeline in Thailand and rebuild the Singapore market under new leadership are underway, with anticipation of performance improvement in the latter half of the year.

Concluding Remarks

The 1HY24 results have been below expectations, but they mark a period of strategic repositioning aimed at establishing a stronger and more profitable Jcurve. The Board and management team are committed to this strategic realignment, with confidence in stronger sales and operational performance in the upcoming periods.

Looking Forward

As we progress into 2HY24, our priorities remain clear: driving profitability, enhancing customer engagement, optimising our revenue mix, and ensuring our operational model is lean and focused on delivering sustainable growth. We are poised to build upon the solid foundations laid in the first half, with a resolute commitment to our transformation program, 'Let's Grow'.

The underlying normalised EBITDA loss for the half year period ended 31 December 2023 was \$612,052 (2022: \$419,189), which has been determined as follows:

	Half-year	
	2023	2022
	\$	\$
Statutory loss after income tax for the half year period	(1,804,991)	(420,587)
Add back: non-cash expenses		
Depreciation and amortisation	507,665	628,596
Impairment charge	264,987	-
Share based payment expense	-	1,638
Total non-cash expenses	772,652	630,234
Income tax expense	153,393	121,178
Interest income	(7,924)	(9,670)
Finance costs	26,564	24,677
Due diligence costs	4,356	100,810
Dual CEO costs	176,572	-
Redundancy costs	67,326	-
Government Subsidy - Singapore	-	(27,453)
Normalised underlying EBITDA for the half year period	(612,052)	419,189

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

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

DIRECTORS' REPORT (continued)

Significant changes in the state of affairs

There were no significant changes in the state of affairs of Jcurve during the half year ended 31 December 2023.

Auditor's Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, LNP Audit and Assurance Pty Ltd, to provide the directors of Jcurve with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2023.

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 28 February 2024

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF JCURVE SOLUTIONS LIMITED

As lead auditor of Jcurve Solutions Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in 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.

LNP Audit and Assurance Pty Ltd



David Sinclair
Director

Sydney

28 February 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Notes	Consolidated half-year (\$)	
		31 Dec 2023	31 Dec 2022
Revenue	3	6,581,291	7,777,312
Cost of sales		(2,003,469)	(984,431)
Gross profit		4,577,822	6,792,881
Other income	3	8,831	38,930
Employee benefit expenses		(3,882,990)	(4,249,430)
Other employee related expenses		(289,655)	(281,948)
Depreciation and amortisation		(507,665)	(628,596)
IT and communications expenses		(365,661)	(352,151)
Professional fees		(314,701)	(849,511)
Advertising and marketing expenses		(286,677)	(154,414)
Impairment charge		(264,987)	-
Other expenses		(167,406)	(217,600)
Travel expenses		(129,058)	(177,237)
Finance costs		(26,564)	(24,677)
Bad debt recovered /expenses		1,649	(94,846)
Due diligence costs		(4,536)	(100,810)
Loss before income tax		(1,651,598)	(299,409)
Income tax expense		(153,393)	(121,178)
Loss after tax for the half year period		(1,804,991)	(420,587)
Other comprehensive income (exchange differences on translation of foreign operations)		37,226	(8,192)
Total comprehensive loss for the half year period		(1,767,765)	(428,779)
Basic loss per share (cents per share)	14	(0.55)	(0.13)
Diluted loss per share (cents per share)	14	(0.55)	(0.13)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Notes	Consolidated (\$)	
		31 Dec 2023	30 Jun 2023
Assets			
Current Assets			
Cash and cash equivalents		1,554,866	4,265,288
Trade and other receivables	4	1,570,315	1,310,647
Contract assets	5	784,434	2,369,614
Security deposits	6	204,624	208,183
Other current assets	7	736,058	535,964
Current tax assets		85,827	-
Total Current Assets		4,936,124	8,689,696
Non-Current Assets			
Property, plant and equipment	8	79,019	122,770
Intangible assets	9	2,134,850	2,586,545
Right-of-use assets	10	710,655	915,765
Deferred tax asset		1,279,694	1,585,522
Total Non-Current Assets		4,204,218	5,210,602
Total Assets		9,140,342	13,900,298
Liabilities			
Current Liabilities			
Trade and other payables	11	1,411,740	2,396,389
Contract Liabilities - Unearned income	12	2,516,920	3,210,303
Current tax liability		-	35,198
Lease liabilities		466,062	503,246
Provisions		375,773	560,551
Total Current Liabilities		4,770,495	6,705,687
Non-Current Liabilities			
Contract Liabilities - Unearned income	12	266,697	298,382
Lease liabilities		328,661	503,380
Deferred tax liabilities		1,246,266	1,511,446
Provisions		139,193	150,006
Total Non-Current Liabilities		1,980,817	2,463,214
Total Liabilities		6,751,312	9,168,901
Net Assets		2,389,030	4,731,397
Equity			
Issued capital	13	17,586,326	17,586,326
Reserves		1,750,041	1,712,815
Accumulated losses		(16,947,337)	(14,567,744)
Total Equity		2,389,030	4,731,397

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Consolidated (\$)			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
Balance as at 1 July 2023	17,586,326	(14,567,744)	1,712,815	4,731,397
Loss after tax for the half year period	-	(1,804,991)	-	(1,804,991)
Other comprehensive income (exchange differences on translation of foreign operations)	-	-	37,226	37,226
Total comprehensive profit for the half year	-	(1,804,991)	37,226	(1,767,765)
<i>Transactions with owners, recorded directly in equity</i>				
Share based payment expenses	-	-	-	-
Dividends provided for or paid	-	(574,601)	-	(574,601)
Total transactions with owners	-	(574,601)	-	(574,601)
Balance as at 31 December 2023	17,586,326	(16,947,337)	1,750,041	2,389,030

	Consolidated (\$)			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
Balance as at 1 July 2022	17,586,326	(14,226,869)	1,641,992	5,001,449
Profit after tax for the half year period	-	(420,587)	-	(420,587)
Other comprehensive income (exchange differences on translation of foreign operations)	-	-	(8,192)	(8,192)
Total comprehensive loss for the half year	-	(420,587)	(8,192)	(428,779)
<i>Transactions with owners, recorded directly in equity</i>				
Share based payment expenses	-	-	1,638	1,638
Total transactions with owners	-	-	1,638	1,638
Balance as at 31 December 2022	17,586,326	(14,647,456)	1,635,438	4,574,308

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 2023**

	Consolidated (\$)	
	31 Dec 2023	31 Dec 2022
Cash flows from operating activities		
Receipts from customers	7,661,652	7,706,527
Payments to suppliers and employees	(9,284,193)	(7,756,945)
Income tax paid	(265,217)	(527,151)
Net interest received	3,254	8,030
Net cash used in operating activities	(1,884,504)	(569,539)
Cash flows used in investing activities		
Purchase of equipment	(2,178)	(39,365)
Proceeds from the sale of equipment	6,351	400
Net cash used in investing activities	4,173	(38,965)
Cash flows used in financing activities		
Dividend paid	(574,601)	-
Lease repayments	(269,847)	(307,420)
Net cash used in financing activities	(844,448)	(307,420)
Net decrease in cash and cash equivalents	(2,724,779)	(915,924)
Cash and cash equivalents at the beginning of the half-year	4,265,288	5,108,316
Effects of exchange rate changes on cash and cash equivalents	14,357	10,640
Cash and cash equivalents at the end of the half-year	1,554,866	4,203,032

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 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of half-year report

The general purpose condensed financial report for the half-year ended 31 December 2023 has 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 Jcurve 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 2023 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.

(b) 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.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a loss after tax for the half year of \$1,804,991 (31 December 2022: loss after tax of \$420,587) and incurred operating cash outflows of \$1,884,504 (31 December 2022: cash outflows of \$569,539). The Group has positive cash balances of \$1,554,866 (30 June 2023: \$4,265,288). During the half year the Group secured a bank loan facility of \$500,000, which was undrawn at the half year end.

The directors have performed an assessment of the Group's ability to meet its obligations via the preparation of a detailed cash flow forecast for the period of twelve months from the date of these financial statements. The cash flow forecast reflects the benefit of certain business improvement strategies and cost reduction initiatives that were undertaken both prior to the half year end and subsequent to the half year end. The cash flow forecast also reflects the achievement of new business and revenue targets sufficient to achieve an increase in commissions over the second half of the forecast period.

Based on the cash flow forecast, the directors are satisfied that the Group will be able to realise its assets and settle its liabilities in the ordinary course of business.

Other significant judgements

Other significant judgments made by management in applying Jcurve'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 2023. They include:

- Revenue recognition – Identification and satisfaction of performance obligations;
- Impairment of non-financial assets other than goodwill and other indefinite life intangible assets;
- Impairment of goodwill;
- Expected credit loss; and
- Recoverability of deferred tax assets.

(c) New and amended standards adopted by Jcurve

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 2023. The Directors have concluded that there is no impact, material or otherwise for Jcurve from these new and revised accounting standards and interpretations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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 Jcurve that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance.

Jcurve sells a portfolio of solutions and derives its revenues and profits from a variety of sources. The Board and Executive Management Team for the half year ended 31 December 2023, considered the business from a product perspective and identified five reportable segments:

- ANZ ERP: ERP cloud-based Business Management solutions and associated consulting services sold to Australian and New Zealand customers; and
- Asia ERP: 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, Full Circle and Phoneware) sold to Australian customers; and
- Quicta – The development and sale of service management and scheduling software
- Dygiq – Providing digital marketing services

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.

Jcurve operates in two geographical segments being Australasia (Australia and New Zealand) along with South East Asia. Jcurve reports internally on the assets and liabilities of Jcurve on a consolidated basis.

The revenue in the ANZ ERP and Asia ERP segments are derived pursuant to Jcurve's partnership agreements with Oracle NetSuite.

(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 2023 (including the comparative period) is as follows:

Half Year ended 31 December 2023	ANZ ERP \$	TEMS \$	Quicta \$	Asia ERP \$	Dygiq \$	Corporate services \$	Total \$
Total revenue	4,518,621	476,349	105,559	1,162,367	318,395	-	6,581,291
Total cost of sales	(1,192,342)	(28,115)	(63,860)	(419,023)	(299,904)	(225)	(2,003,469)
Gross profit	3,326,279	448,234	41,699	743,344	18,491	(225)	4,577,822
Other income		7,658		322	401	-	8,381
Total expenses excluding cost of sales	(2,741,936)	(452,693)	(332,997)	(1,637,103)	(60,269)	(1,013,254)	(6,237,801)
Total profit/(loss) before tax	584,344	3,199	(291,298)	(893,437)	(41,377)	(1,013,029)	(1,651,598)

Half Year ended 31 December 2022	ANZ ERP \$	TEMS \$	Quicta \$	Asia ERP \$	Dygiq \$	Corporate services \$	Total \$
Total revenue	5,392,728	556,723	160,245	1,405,956	261,660	-	7,777,312
Total cost of sales	(724,658)	-	64,521	(135,169)	(189,125)	-	(984,431)
Gross profit	4,668,070	556,723	224,766	1,270,787	72,535	-	6,792,881
Other income	-	9,609	1,868	27,453	-	-	38,930
Total expenses excluding cost of sales	(2,935,708)	(544,947)	(561,033)	(1,402,994)	(228,621)	(1,457,917)	(7,131,220)
Total profit/(loss) before tax	1,732,362	21,385	(334,399)	(104,754)	(156,086)	(1,457,917)	(299,409)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated (\$)	
	31 Dec 2023	31 Dec 2022
Revenue		
Enterprise Resource Planning (ERP) solutions – JCurve ERP and NetSuite (Australasia)	4,518,620	5,392,728
Enterprise Resource Planning (ERP) solutions – NetSuite (Asia)	1,162,367	1,405,956
Telecommunications expense management solutions	476,349	556,723
Quicta solutions	105,560	160,245
Digital marketing services	318,395	261,660
	6,581,291	7,777,312
Other Income		
Interest income	7,924	9,670
Sundry income	135	1,807
Government Subsidy - Singapore	322	27,453
	8,381	38,930

NOTE 4: TRADE AND OTHER RECEIVABLES

	Consolidated (\$)	
	31 Dec 2023	30 Jun 2023
Current		
Trade receivables	1,642,066	1,388,544
Provision for expected credit loss	(71,751)	(77,897)
	1,570,315	1,310,647

NOTE 5: CONTRACT ASSETS

	Consolidated (\$)	
	31 Dec 2023	30 Jun 2023
Current		
Contract commissions receivable	122,101	1,243,479
Accrued revenue	568,840	1,010,463
Deferred expenditure	93,493	115,672
	784,434	2,369,614

NOTE 6: SECURITY DEPOSITS

	Consolidated (\$)	
	31 Dec 2023	30 Jun 2023
Current		
Rental Bond	37,550	37,854
Term deposit	167,074	170,329
	204,624	208,183

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 7: OTHER CURRENT ASSETS

	Consolidated (\$)	
	31 Dec 2023	30 Jun 2023
Current		
Prepayments	608,343	442,670
Sundry debtors	127,715	93,294
	736,058	535,964

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Consolidated (\$)		
	Plant and Equipment	Make Good Assets	Total
At 1 July 2023, net of accumulated depreciation	108,716	14,054	122,770
Additions	2,178	-	2,178
Depreciation	(37,823)	(3,066)	(40,889)
Foreign currency translation movements	(5,040)	-	(5,040)
At 31 December 2023, net of accumulated depreciation	68,031	10,988	79,019

NOTE 9: INTANGIBLE ASSETS

	Consolidated (\$)					
	Licences (i)	Goodwill	Customer relationships	NetSuite customer contracts	Pistachio connector	Total
At 1 July 2023, net of accumulated amortisation and impairment	2,034,190	261,535	264,011	6,809	20,000	2,586,545
Impairment	-	(264,987)	-	-	-	(264,987)
Amortisation	(115,142)	-	(56,012)	(6,809)	(10,000)	(187,963)
Foreign currency translation movements	-	3,452	(2,197)	-	-	1,255
At 31 December 2023, net of accumulated depreciation and impairment (i)	1,919,048	-	205,802	-	10,000	2,134,850

- (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 10: RIGHT-OF-USE-ASSET

	Consolidated (\$)		
	Buildings	Office equipment	Total
At 1 July 2023, net of accumulated depreciation	895,557	20,208	915,765
Additions	63,428	-	63,429
Depreciation	(257,336)	(11,022)	(268,358)
At 31 December 2023, net of accumulated depreciation (i)	701,469	9,186	710,655

- (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. Jcurve also leases office equipment under agreements of less than five years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated (\$)	
	31 Dec 2023	30 Jun 2023
Current		
Trade payables	421,941	1,033,511
Other payables	656,695	719,720
Accrued expenses	333,104	643,158
	1,411,740	2,396,389

NOTE 12: CONTRACT LIABILITIES - UNEARNED INCOME

	Consolidated (\$)	
	31 Dec 2023	30 Jun 2023
Current		
Enterprise Resource Planning (ERP) solutions – JCurve ERP and NetSuite (Australasia)	1,304,883	1,952,782
Enterprise Resource Planning (ERP) solutions – NetSuite (South East Asia)	855,154	1,016,432
Telecommunications expense management solutions	235,214	136,561
Quicta solutions	119,251	61,716
Digital marketing services	2,418	42,812
	2,516,920	3,210,303
Non Current		
Enterprise Resource Planning (ERP) solutions – JCurve ERP and NetSuite (Australasia)	255,459	278,361
Enterprise Resource Planning (ERP) solutions – NetSuite (South East Asia)	903	524
Telecommunications expense management solutions	-	557
Quicta solutions	10,335	18,940
	266,697	298,382
Total Contract Liabilities - Unearned Income	2,783,617	3,508,685

NOTE 13: ISSUED CAPITAL

	Consolidated (\$)	
	31 Dec 2023	30 Jun 2023
Ordinary shares issued and fully paid	17,586,326	17,586,326

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 14: (LOSS)/EARNINGS PER SHARE

	Consolidated (\$)	
	31 Dec 2023	31 Dec 2022
Loss used for calculation of basic and diluted earnings per share	(1,804,991)	(420,587)
	Number	Number
Weighted average number of shares used for calculation of basic and diluted EPS	328,343,446	328,343,446
Basic loss per share (cents per share)	(0.55)	(0.13)
Diluted loss per share (cents per share)	(0.55)	(0.13)

NOTE 15: DIVIDENDS PAID AND PROPOSED

Dividends Paid

On 27 July 2023, the Directors of Jcurve Solutions declared a special fully franked dividend of 0.175 cents per ordinary share for a total value of \$574,601. The dividend was paid in full on 5 September 2023.

Dividends Declared

Jcurve advises at this stage that it does not intend to declare an interim dividend for the financial year ending 30 June 2024 and it will consider reinstating the dividend policy in the future, subject to performance and capital levels of the company.

NOTE 16: SHARE-BASED PAYMENT PLANS

Shares Issued under Equity Incentive Plan

The Employee Incentive Plan was approved by shareholders at the Annual General Meeting held on 22 November 2023. The plan allows for the issuance of up to a maximum of 38,000,000 securities, comprising up to 18,000,000 securities for the CEO and up to 20,000,000 securities for future general allocation under the Incentive Plan.

CEO Securities

On 12 July 2023, the Company announced the appointment of Mr. Christopher King as Chief Executive Officer (CEO), effective 14 August 2023. As part of his remuneration package, it was agreed to issue Mr. King 18,000,000 share rights consisting of 12,000,000 performance rights and 6,000,000 service rights, subject to shareholder approval at the Annual General Meeting held on 22 November 2022 which was duly received.

The share-based payment expense related to the issuance of securities under the Employee Incentive Plan will be recognised in the Statement of Profit or Loss and Other Comprehensive Income. The expense is distributed evenly over the vesting period to reflect the service period over which the benefit is earned.

NOTE 17: COMMITMENTS AND CONTINGENT LIABILITIES

The Group and Company do not have any commitments or contingent liabilities as at 31 December 2023 (30 June 2023: None)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 18: RELATED PARTY TRANSACTIONS

Transactions with Subsidiary Company Directors

During the half-year ended 31 December 2023, legal fees were paid to Calimag Law Office, a firm run by one of the JCurve Solutions Philippines Inc. Directors, Erinne Ann B. Calimag. The legal fees include a monthly retainer of PHP20,000 per month and other legal work charged on normal commercial terms and conditions. Jcurve was invoiced PHP794,555 (A\$21,587) during the half year for the Philippines companies legal work for the period July 2023 to December 2023 (31 December 2022: PHP358,048 and A\$9,455).

NOTE 19: SUBSEQUENT EVENTS

On 15 January 2024, the Company signed an agreement to divest its Dygiq marketing services business to the original founder of the business, with the transfer to follow completion of certain conditions detailed in the agreement. The transaction was completed on 31 January 2024.

Although a nominal amount will be paid to the Company (PHP35), net liabilities of approximately \$40,000 will be released from the Company's balance sheet as part of the divestment and the purchaser will take over the management of any outstanding contracts and operational costs. A small impairment write down of \$27,000 will be made to the accounts of Jcurve at closing of the transfer.

After the close of the reporting period, the Company announced a strategic restructuring plan aimed at optimising our operational efficiency and aligning our workforce with current business needs. This plan includes the difficult decision to make some positions redundant. These actions are not taken lightly and reflect our commitment to long-term sustainability and shareholder value.

The restructuring is anticipated to result in annualised savings of approximately \$1 million, contributing to our financial resilience and ability to invest in key areas for growth. The full implementation of these changes will occur subsequent to the reporting period and has been carefully considered to ensure minimal disruption to our operations and customer service. The company has engaged in thorough planning and provision for the associated costs of this restructuring, including severance and related expenses, which will be reflected in the financial statements for the next reporting period.

DIRECTORS' DECLARATION

The directors of JCurve Solutions Limited declare that:

1. The financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001* and:
 - a. Comply with Accounting Standards and AASB 134 Interim Financial Reporting; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that JCurve Solutions Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mark Jobling
Chairman
Dated 28 February 2024

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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 controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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 significant 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 Group's does not comply with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (b) complying with Accounting Standard 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 under this standard are further described in the *Auditor's Responsibilities for the Review of the half-year Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the half-year 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 half-year 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 Company's financial position as at 31 December 2023 and its 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.

LNP Audit and Assurance Pty Ltd



David Sinclair
Director
Sydney

28 February 2024