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24 February 2025

Business Update – Half Year 31 December 2024

JCURVE SOLUTIONS LIMITED (ASX: JCS) (Jcurve), the company that develops partnerships to help businesses grow, provides the following market update and preliminary unaudited results for the half-year ending 31 December 2024 (1HFY25).

Statutory Half Year Result

Our 1HFY25 preliminary unaudited results with a comparison to key reporting measures and the comparative 1HFY24 period is outlined in the following table:

Measure	**1HFY25 $**	**1HFY24 $**	**Change**	
Revenue	$4,710,215	$6,260,734*	25%	Decrease
Remaining Performance Obligation**	$2,505,371	$2,767,213	9%	Decrease
Normalised EBITDA	($184,533)	$(612,052)	70%	Improvement
Loss Before Tax	$(858,289)	$(1,651,598)	48%	Improvement
Closing Cash Balance	$337,080	$1,554,866	78%	Decrease

* Excludes $319,266 revenue from 1HFY2024 from divested Dygiq business.
** Unearned service and deferred license revenues

The statutory results, and specifically the top line revenue, were below expectations. The primary reason for this was new business sales and new customer acquisition rates. Neither met target. This result steels our resolve to address this issue and we have put additional focus and resources on to this objective. Predictable new customer acquisition rates and associated new business revenue is critical in order for us to achieve our growth plans.

The cash position has fallen significantly over the period but was as expected due to new business underperformance. Given the cyclical nature of our existing customer sales and with the 2HFY historically stronger than our 1HFY, management and the Board believe the Company remains adequately funded.

More positively, 1HFY25 can be considered the conclusion of the first phase of our 'Let's Grow' transformation journey. In challenging conditions, we have now made the bulk of our structural changes and have set the foundations for our future.

Further, our restructured sales team, now fully focussed on ARR growth, has put us on a pathway to further margin improvements across the group during 2HFY25 and beyond. Additionally, whilst top line revenue has reduced by 25%, normalised EBITDA has improved by 70% demonstrating real productivity and profitability improvements.

We believe that our leading indicators show that we have built a platform that will power us into the next phase of our transformation and deliver profitable growth from our Product/Reseller Hybrid strategy.

Key Performance Indicators

In addition to our statutory results and as promised in our CEO's letter to shareholders in November 2024, we will be providing greater transparency with respect to our key performance indicators. This will provide a clearer understanding of what we are focussed on and how we will deliver real shareholder value.

The table below shows our performance against key indicators during the 1HFY25 period or as of 31 December 2024.

Measure	Period / Date	1HFY25	1HFY24	% Change
Annual Contract Value (ACV) *	31/12/24	$22.538M	$21.292M	6%
Number of Customers	31/12/24	628	638	(1%)
ACV / Customer	31/12/24	$37,437	$33,373	12%
Annual Recurring Revenue (ARR) **	1HFY25	$3.670M	n/a	New KPI
ARR from ACV ***	1HFY25	33%	n/a	New KPI
Services (Non-recurring) Revenue	1HFY25	$1.040M	$1.464M ****	(29%)
Number of New Customers Acquired	1HFY25	11	14	(21%)
Number of Customers Cancelled	1HFY25	21	29	(24%)

* Annual customer contract value from; i) Direct contracts (Jcurve Annual Contract Value [JACV]) plus ii) Reseller contracts (Reseller Annual Contract Value [RACV])

** Annual recurring revenue from i) Direct contracts (Jcurve Annual Recurring Revenue [JARR]), and ii) Reseller contracts (Reseller Annual Recurring Revenue [RARR])

*** ARR for period divided by total ACV divided by 2 for pro-rata 1H. ($3.670M / ($22.538M / 2) = 33%

**** Excludes $0.319M revenue from 1HFY24 from divested Dygiq business

Our leading key performance indicators provide insight into the fundamentals of our core annual recurring revenue business. Note that our move to an ARR based operating model and reporting metrics commenced 1 January 2024 and we will provide this comparative information in future updates. KPI's are now mostly trending in the right direction, and we expect improvements in all areas as we continue to deliver against our growth plan.

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Review of Priorities

Business Unit Profitability

We have completed our move to regional business units (BU's) and are optimising around the opportunity within each unit. With the acquisition of Rapid in Singapore we bring on board an experienced team and leader to accelerate our Singaporean business. Similarly, during 1HFY25 we hired a sales director in the Philippines and results have been immediate with 2 new customers coming on board in the first 90 days. We are measuring P&L at a BU level and regional leadership is accountable for profitability and sales growth.

Reseller margins on customer renewals for the group for the period 1HFY25 were down on the prior year by 15% and affected our year-on-year ARR despite top line Annual Contract Value (ACV) improvements.

Our top priority at the BU level is top line ACV growth and increasing reseller margins further during 2HFY25.

With our current momentum we can see a pathway to attaining growth and margin improvements across all products and services in all regions.

Customer and Team Experience

It is important to call out every member of our exceptional team. They have shown resilience and commitment in the face of some significant business challenges. We are consistently looking to improve our Team Experience (Tx) as we execute on our plan. We understand that great Customer Experience (Cx) starts with a motivated and engaged team.

Our move from a centralised shared services model to one which uses our shared service centre to support in region teams has been well received by customers and partners.

We have aligned our products, technical services (custom dev.) and support organisations into one organisation. From ideation, through to development, into production and finally to support our product and customer success teams are focussed on customer outcomes, value and experience.

Portfolio Management

Our owned products, Jcurve Field Service Management, Jcurve Expense management, Jcurve Apps and Jcurve ERP have significant scope for growth. We are aiming to drive ARR from Jcurve products (JARR) to contribute 50% of our ARR. JARR delivers higher and more predictable margins and improved value for Shareholders.

Our services margins have fallen below target due to our lack of new customer acquisitions which has in turn affected consultant billable time. As new business improves so will our services margins.

We have signed reseller agreements with NetGain (a NetSuite ecosystem App provider) and Sprout, the leading Human Capital Management (HCM) product, for our market segment in the Philippines. We continue to look for products to resell that fit with our portfolio strategy and more will be signed during 2HFY25.

Customer Acquisition

New customer acquisition was below our expectations. We believe that there is a market for our products and services in all regions and we are working hard to consistently achieve our goal of 20% ARR GAGR.

We continue to invest in sales and marketing resources. We have a laser focus on Customer experience, we are providing additional value within our solutions and proposals and finally we are providing discounts to support our new customers in taking the first step in partnering with us on their technology journey.

We have the objective of doubling our revenue from new customers over the near term.

Closing Remarks

Mark Jobling, Chair of Jcurve stated "The half year to 31 December 2024 has seen management undertake the final stages of transitioning Jcurve to a business delivering higher margins and profitability. With normalised EBITDA improving for the half, the Board believes the market and shareholders will see a strong recovery in financials moving forward and importantly, solid sales growth in the second half".

Chris King, CEO of Jcurve stated. "Jcurve has undergone significant change. From a new management and executive team, material cost cutting and productivity improvements, pivoting from a reliance on professional services to ARR, introducing a customer first culture and optimising around performance not process. These material improvements in the business are yet to flow through to our results. I am confident from 2HFY25 onwards you will see these improvements evidenced in our future performance. Through regular updates on our core KPI's, investors will be able to track our progress and understand how we are building shareholder value through ARR growth.

Let's Grow!"

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 – Jcurve is uniquely positioned to help organisations on their business transformation journey.

For more information, please visit: www.jcurvesolutions.com.