



22 August 2017

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgment

JCurve Solutions' delivers revenue growth, profitability and positive cash flow in FY2017

- Revenue +7% from organic growth in FY2017
- \$1.1m cash flow positive with a closing June 2017 cash position of \$3.5m

Results for Announcement to the Market

The operating results for the year to 30 June 2017 are shown with comparisons to the previous corresponding period, being the year ended 30 June 2016. The results from both periods have been calculated under the Company's new revenue recognition accounting policy which is in accordance with AASB 15. Further details on the impact of the change in accounting policy is outlined in notes 24 and 25 of the 30 June 2017 Annual Report.

	Year ended 30 June 2017	Year ended 30 June 2016 (*)	% increase
	\$	\$	
Revenue	10,378,808	9,685,395	+7%
Earnings before interest, taxation, depreciation and amortization (EBITDA)	612,587	(2,848,976)	N/A (**)
Net profit/(loss) before tax	551,583	(2,881,651)	N/A (**)
Net profit/(loss) after tax	454,286	(2,597,423)	N/A (**)
Profit/(loss) from ordinary activities after tax attributable to members	454,286	(2,597,423)	N/A (**)
Net profit/(loss) for the period attributable to members	454,286	(2,597,423)	N/A (**)

(*) restated to include the impacts of the new revenue recognition accounting policy

(**) movement from loss to profit during the year

Net Tangible Assets / Earnings Per Share

	30 June 2017	30 June 2016 (*)
Net tangible assets per ordinary share for continuing operations	0.51 cents	0.37 cents
Basic earnings/(loss) per ordinary share for continuing operations	0.14 cents	(0.78) cents

(*) restated to include the impacts of the new revenue recognition accounting policy



Independent Audit Report

The information outlined above is presented in accordance with ASX Listing Rule 4.3A and the *Corporations Act 2001 (Corporations Act)*. The Appendix 4E is based on the audited Annual Financial Report for the year ended 30 June 2017. The Independent Audit Report is included in the Annual Financial Report.

Accounting Policies, Estimation Methods and Measurements

JCurve Solutions has retrospectively adopted AASB 15 from 1 July 2016, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Refer to notes 24 and 25 of the 30 June 2017 Annual Report for further details on JCurve Solutions new revenue recognition accounting policy along with the quantitative impact arising from the change to the revenue recognition accounting policy. The results outlined above and explained below, for both the year ended 30 June 2017 and the comparative period (the year ended 30 June 2016) are outlined after applying the new revenue recognition accounting policy.

All other accounting policies, estimation methods and measurement bases used in the Appendix 4E are the same as those used in the previous annual report and half-year report.

Explanation of Result

Prior to the noted change to the revenue recognition accounting policy outlined above, JCurve Solutions, is pleased to announce that the notional results for the year ended 30 June 2017 under the previous revenue recognition accounting policy were within the updated guidance as announced to the market on 20 April 2017.

Revenue increased 7% to \$10.4 million compared to \$9.7 million in the previous corresponding period. The early adoption of AASB 15 allows revenue on ERP solution contracts to be recognised at the point in time when performance obligations are satisfied. Primarily the performance obligations are satisfied earlier under the new revenue recognition accounting policy compared to the previous accounting policy which recognized license and service revenue over the life of the ERP solution contract.

The overall growth in revenue achieved by JCurve Solutions was through organic growth. A stabilisation of TEMS customer churn (28% overall decrease in TEMS revenue) was more than offset by the 36% growth which was achieved by the ERP division through larger and longer-term sales. JCurve Solutions continues to have success increasing the average deal size of its new business deals through third party integrations and selling the JCurveERP edition to larger customers who in FY2017 purchased more licenses per new business transaction.

The following are comments on the Group's main revenue streams:

1. The Enterprise Resource Planning (ERP) solutions revenue includes revenue from the sale of the JCurveERP edition and NetSuite mid-market and one-world editions. The ERP solutions revenue has increased by \$2.0m million over the past year. The revenue result was achieved after recruitment in the sales team and professional services team, additional training, selling larger and longer-term deals and selling a larger number of products. JCurve Solutions continues to maintain a strong pipeline of annuity revenue which continues to increase year on year.
2. JCurve Solutions has seen TEMS churn somewhat stabilise over the past 12 months to 28% which allowed the Company to generate \$3.1m of revenue.

	Year ended 30 June 2017 \$ millions	Year ended 30 June 2016 \$ millions
Revenue	10.4	9.7
EBITDA profit/(loss)	0.6	(2.9)
Add back: Impairment	-	3.0
EBITDA (before impairment)	0.6	0.1

The EBITDA profit for the year was \$0.6m compared to a loss of \$2.9m in the previous corresponding period. In the previous corresponding period a \$3.0m impairment charge was recognised.

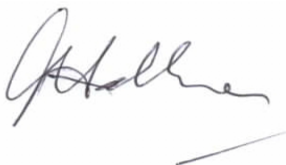
Furthermore, the Group was \$1.1m cash flow positive for the year ended 30 June 2017. The 30 June 2017 closing cash position was \$3.5m. JCurve Solutions remains debt free. Combined this places JCurve Solutions in a very strong financial position to evaluate diversification opportunities.

Dividends

No dividends were paid during the financial year. The Board advises that it does not intend to declare a final dividend for the financial year ended 30 June 2017, and it will consider reinstating the dividend policy in the future once diversification and expansion opportunities have been formally evaluated.

The Company expects to be able to release its FY2018 Guidance in the 1st week of September 2017.

Yours faithfully



Bruce Hatchman
Chairman