



JCurve Solutions Half Year Results Presentation

31 December 2018

www.jcurvesolutions.com



ASX: JCS

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Our Focus

To be a diversified international technology solutions Company

Mission Statement

Providing solutions that will enable our customers to make lasting, substantial improvements to their performance and to grow into great businesses

Vision

Striving to become the most trusted solutions partner for growing businesses throughout the Asia Pacific region

Competitive Advantage

NetSuite's #1 Solution Partner globally with over 600 customers on the NS platform

A team with unrivalled expertise which delivers great service and has a great culture

Our Solution Portfolio

A diversified portfolio of cloud solutions that helps to **improve a businesses performance**

ERP

 Jcurve ERP

ORACLE® + NETSUITE

RIYO

 RIYO

TEMS

 Jtel
SIMPLIFYING
TELECOM MANAGEMENT

 Full Circle®

Our 1HY2019 Update

Positioning our business for long term sustainable growth

<p>3% increase in consolidated revenue (1HY2019 v 1HY2018) and 4% increase in consolidated sales (1HY2019 v 1HY2018) (*)</p>	<p>\$0.1m EBITDA loss for 1HY2019 v \$0.1m EBITDA loss for 1HY2018 (*) (**)</p>	<p>Strengthening financial position with \$3.3m cash balance as at 31/12/2018 (up from \$2.7m 31/12/2017) (*)</p>	<p>Consolidated unearned income increased from \$2.2m as at 31/12/2017 to \$2.8m as at 31/12/2018 (*)</p>
<p>34 new Australian ERP customers</p>	<p>Oracle NetSuite New Business Partner of the Year award</p>	<p>\$0.2m investment in research and development expensed in 1HY2019 to further enhance the Riyo Platform</p>	<p>Spectrum Partner Group acquisition to kick-start our growth in Asia</p>

(*) Comparative financial figures provided are from 31 December 2017 given the seasonality of our ERP business

(**) The research and development incentive was classified as a credit to the tax expense and a receivable was not booked for the half-year ended 31 December 2017. The Company assessed as at 31 December 2017 that a likely R&D tax refund did not reach the threshold of virtual certainty.

Our Strategic Priorities

The strategies which will deliver **increasing overall profitability and strengthening financial stability**

Investing to Grow the ERP business

\$3.9m

in ERP revenue
(11% increase on 1HY2018 performance)

\$0.5m

in ERP Profit Before Tax
(89% increase on 1HY2018 performance)

34 new

NetSuite/JCurve
ERP customers in 1HY2019

Maximising Value from the TEMS Business

\$1.2m

in TEMS revenue
(21% decline on 1HY2018 performance)

\$0.6m

in TEMS Profit Before Tax
(30% decline on 1HY2018 performance)

106 customers

using our TEMS solutions as
at 14 February 2019

Diversification By Leveraging Our Core Strengths and Capabilities

\$0.3m

paid on completion to acquire the Spectrum Partner Group to kick-start our growth in Asia (a further deferred payment due August 2019)

\$0.2m

spent in 1HY2019 to further develop the Riyo Platform
(all of which has been expensed)

\$0.1m

spent in 1HY2019 to further develop our System Integration Services offering (all of which has been expensed) as well as entering into an outsourcing partnership to assist with scaling growth

Our Financial Results

Reflect the seasonality of our business and an acceleration in the planned shift of our sales mix for the ERP Division towards the larger more complex NetSuite solutions

P&L Extract	1HY2019 (\$m)	1HY2018 (\$m)	% Change
Revenue	5.2	5.0	+3% (*)
Other income (**)	0.1	0.0	+977% (*)
Operating expenses	(5.4)	(5.2)	+7%
Depreciation and Amortisation expense	(0.1)	0.0	+127%
Loss before tax	(0.2)	(0.2)	+36%
Income tax benefit	0.0	0.6	-98%
(Loss)/Profit after tax	(0.2)	0.4	-153%
EBITDA Loss	(0.1)	(0.1)	-6% (*)

Balance Sheet Extract	Dec 2018 (\$m)	June 2018 (\$m)	% Change
Cash at Bank	3.3	4.5	-27%
Deferred Expenditure	0.1	0.2	-50%
Intangible Assets	3.4	2.9	+17%
Total Assets	10.6	11.3	-6%
Unearned Income	2.8	2.7	+4%
Total Liabilities	5.9	6.4	-8%
Net Assets	4.7	4.9	-4%
Net Tangible Assets	1.3	2.0	-35%

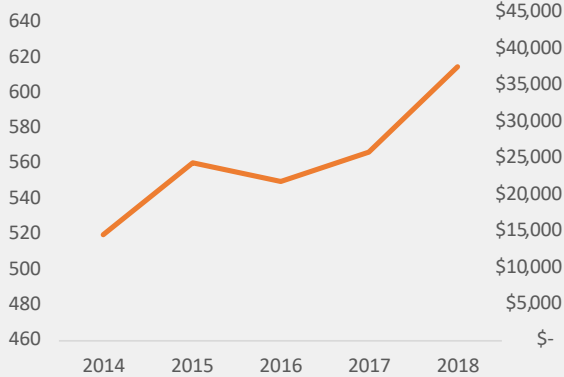
(*) improvement on comparative period

(**) The research and development incentive was classified as a credit to the tax expense and a receivable was not booked for the half-year ended 31 December 2017. The Company assessed as at 31 December 2017 that a likely R&D tax refund did not reach the threshold of virtual certainty.

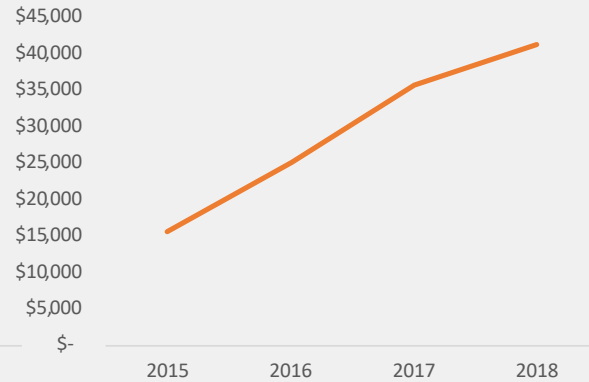
Update on our Key Metrics

Customer counts (new logos and churn), deal sizes, revenue, **profitability**, **net cash flow** and **diversification**

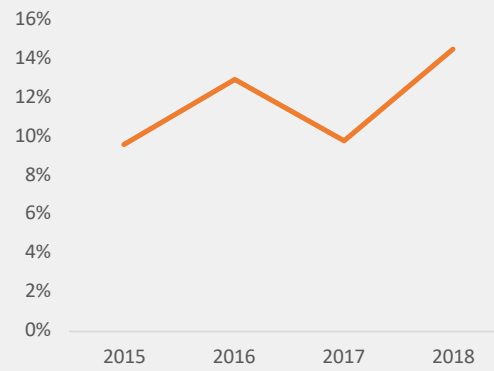
Number of ERP Customers - July to December (1HY)



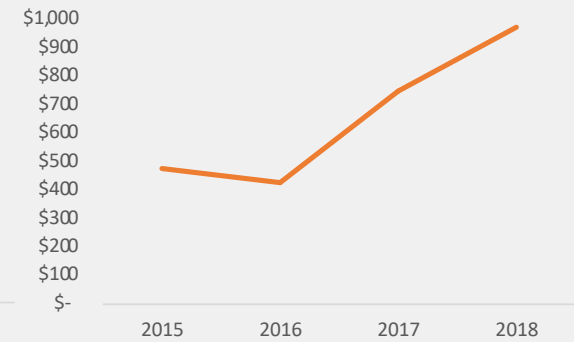
Initial Income per new ERP customer - July to December (1HY)



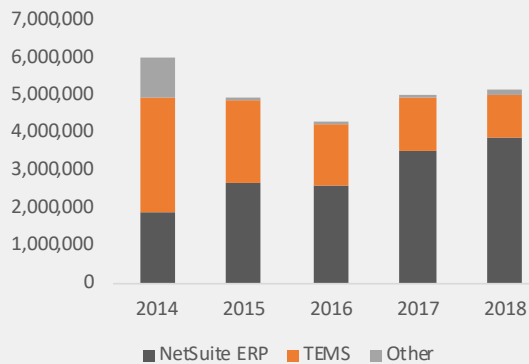
ERP Churn by Contract Value - July to December (1HY) (**)



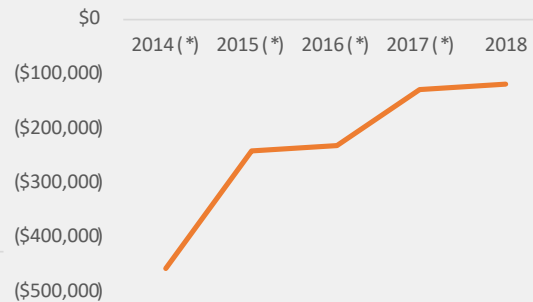
Average upsell revenue per existing ERP customer July to December (1HY)



Revenue by Product Division - July to December (1HY)

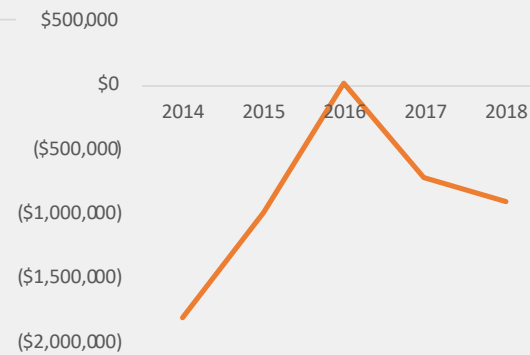


Normalised EBITDA excluding impairment charge July to December (1HY)



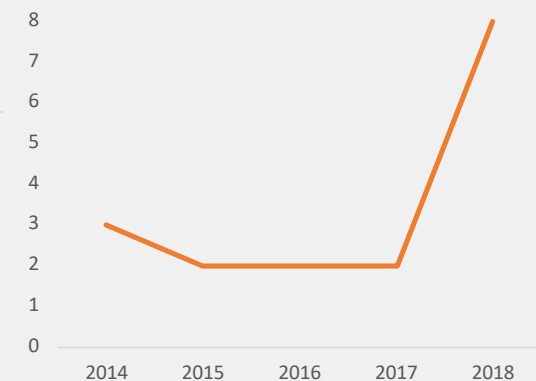
(*) R&D incentive not recognised. 2015 normalised EBITDA included cumulative favourable AASB 15 adjustments from FY2015 and earlier years.

Net operating cash flow - July to December (1HY)

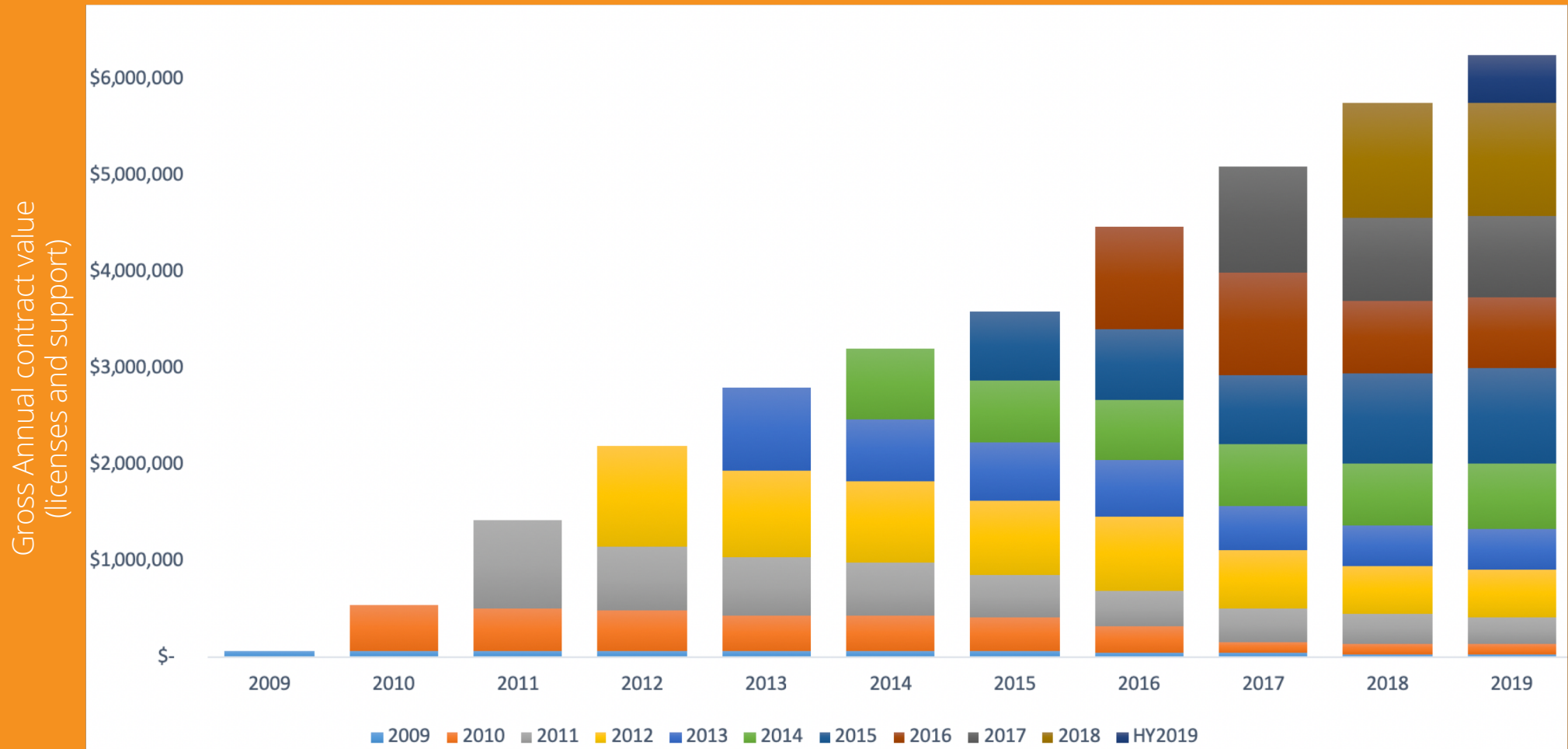


(**) Outlined as a percentage of expiring customer contracts for the period

Countries with JCurve Solutions customers – 31 December



ERP Division Recurring Contract Business Model



Reflects the annualised contract basis of recurring income products (licenses and support) for all ERP customers. NetSuite customers are shown at the amount of annualised commissions received from each customer (between 30% and 50%), JCurve ERP customers are shown as the annualised recurring contract value.

FY2019 Market Guidance and Progress

Following a review of our regional sales strategy, the company concluded that we will continue with our focus towards larger deal sizes in Australia. This continues the ongoing shift in the mix of deals we have seen over the previous 2 years towards larger, more complex NetSuite solutions where there is increasing levels of ongoing revenue. This does mean longer sales and delivery cycles and delays in recognition of revenue and profit. The slippage of a number of larger deals forecast in 1HY2019 saw us achieve lower than forecast sales results in 1HY2019. The Company sees this as a normal part of sales operations when moving towards larger more complex deals and we still expect a strong 2HY2019 ERP sales result in line with the seasonality of our ERP business as has been seen in previous financial years.

Our focus on ERP Sales in Asia is in addition to our continued focus on our Australia operations, where we continue to forecast overall growth from the ERP and Riyo divisions and reduced levels of TEMS churn. To further accelerate growth we see expansion into the relatively untapped Asian market as a significant immediate and long term growth opportunity. JCS acquired a Singapore based NetSuite Solution Partner, Spectrum Partner Group, in order to kick-start our growth in Asia. Since acquiring Spectrum in December 2018, JCS Asia has set up an office in Singapore, is building a team of qualified NetSuite resources, closed its first NetSuite deal and has a healthy sales pipeline of new business opportunities. We are actively growing our presence in Asia and will continue to actively look for acquisition opportunities to further accelerate our growth in Asia.

With this in mind the following is an extract of the Company Update released on the 30th of January 2019:

Measure	FY2018 Actual	FY2019 Original Guidance	FY2019 Updated Guidance
Sales Income (*)	\$12.6 M	Range: \$14.0 M to \$15.5 M	Range: \$13.0 M to \$14.0 M
Revenue	\$11.9 M	Range: \$13.0 M to \$14.5 M	Range: \$12.0 M to \$13.0 M
EBITDA	\$1.0 M	Range: \$1.2 M to \$1.4 M	Range: \$0.7 M to \$0.9 M
NPBT	\$0.9 M	Range: \$1.0 M to \$1.2 M	Range: \$0.5 M to \$0.7 M

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

Our assessment of the market and opportunities

We intend to
capitalise on a
number of
**market trends
and opportunities**



The Growth in Cloud ERP

- Real time access to data
- Improved security and disaster recovery
- Remote access and flexibility
- Cost reduction
- Faster implementations
- Collaboration and document control



ERP Expansion

- International expansion to the rapidly growing Asian market to increase revenues and improve overall gross margins
- Product partnerships and integrations
- Product diversification



Account Management

- Upsell licenses, support and services to our existing 600+ ERP customers
- Increased upsell opportunities as our customers grow/are larger
- Reduce ERP and TEMS churn
- Multi year customer renewals



New Business

- Shift towards larger more complex NetSuite solutions
- Selling the Riyo solution to new and existing JCS customers

Overall Summary

Capital Structure & Shareholders

Key Statistics (ASX: JCS)	As at 14/2/2019 (ii)
Share Price	\$0.030
Shares on Issue (i)	327,856,900
Market Capitalisation	\$9.8m
Cash (31 December 2018)	\$3.3m
Debt (31 December 2018)	Nil
Enterprise Value (iii)	\$6.5m
52 week high / low share price	\$0.024 / \$0.054

- (i) Excludes 10m performance rights and 8.9m options
(ii) Unless otherwise stated
(iii) Based off reported December 2018 cash balance

Ordinary Fully Paid Shares as at 14/2/2019	Units	% of Units
Directors and Executive Interests	65,239,427	19.90%
Other Top 20 Holders	170,668,340	52.05%
Remaining Holders	91,949,133	28.05%

Substantial Shareholders as at 14/2/2019	Units	% of Units
Gramell Investments Pty Limited	83,124,215	25.35 %
Mr. Mark Jobling	51,204,301	15.62 %
Mr. Philip Ewart	18,635,775	5.68%



Stephen Canning
Chief Executive Officer
stephen.canning@jcurve.com.au



James Aulsebrook
Chief Financial Officer
james.aulsebrook@jcurve.com.au

www.jcurvesolutions.com