



29 August 2014

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

*By E-Lodgement*

### **JCurve Solutions Forecast To Return To Profit in 2015 Financial Year**

#### **Highlights:**

- **Net Loss After Tax cut by 44 per cent to \$1.4 million**
- **Restructuring of the business completed**
- **Completion of two acquisitions and business restructure provides platform for significant growth.**

Australian business software and cloud-based computing company, JCurve Solutions Limited (ASX:JCS) forecasts a return to profit in the 2015 financial year after almost halving its Net Loss After Tax from \$2.53 million to \$1.42 million in the 12 months to June 30, 2014.

Revenue rose 15% percent to \$11.6 million compared with \$10.1 million a year earlier.

EBITDA was a loss of \$1,211,523 inclusive of non-recurring costs incurred during the period of \$765,755 and impairment of \$487,604. These non-recurring costs included acquisition costs of \$515,667 and redundancies of \$250,088 following a company restructure. Adding back the impact of Impairment and one-off costs delivers a normalised profit of \$41,836 for 2014.

#### **Acquisitions and Restructure**

Following the completion of two acquisitions during financial year 2014, JCurve Solutions now operates two primary business divisions, Business Software (JCurve) and Telecommunications (JTEL), from offices in Sydney, Melbourne and Perth.

1. **JCurve** - The JCurve business division (acquired in December 2013) holds an exclusive licence from Netsuite Inc (NYSE:N) to promote a range of cloud computing accounting and ERP software products in Australia and New Zealand and is quickly expanding its customer base of growing small to medium sized businesses (SME's).

The JCurve division revenues in 2015 are forecast to increase by 25% and will come through the execution of a channel partner strategy with the accounting profession, targeting strategic vertical opportunities and continuing to expand the digital marketing presence.



2. **JTel** - The JTel division provides cloud telecommunication expense management solutions to mid-market and enterprise organisations. The division now includes The Full Circle Group, which was acquired in June 2014. The JTEL division currently has more than 2,000 customers across Australia and New Zealand. Revenue from this division is expected to grow in 2015 by 31%.

These two main business divisions leverage off shared services to save costs on product development, customer care and sales/marketing support. As part of the restructure the business has been streamlined and duplicate roles removed, which is estimated to realise over \$600,000 in synergies in 2015.

Executive Chairman and major shareholder, Mr Graham Baillie said “After the successful completion of the two acquisitions during the 2014 financial year, a capital raising and restructuring, the JCS Group is now well positioned to pursue its growth aspirations during 2015.

“We have fully consolidated what was a major competitor in The Full Circle Group, while adding to our management, sales and development capability, supplementing our revenues and lifting our customer base to more than 2,500 across Australia and New Zealand.

“The added contribution from our recent acquisition will enable us to accelerate the roll-out of our products without additional funding being sourced, while also providing us with a leading cloud software platform”, he concluded.

Also driving the projected revenue growth of the JCS Group is the accelerating adoption of JCurve’s product offering in the SME cloud accounting and ERP space, with an increased investment attributed to sales and marketing in 2015 to broaden the group’s footprint, directly with small business owners, as well as through its continued pursuit of channel partners, including a strategy around the accounting profession.

## **Outlook**

The 2015 financial year will represent the first full year of operations post the 2014 acquisitions. Annual revenue is expected to lift from \$11.6 million in 2014 to over \$15 million in 2015.

### **For Further Information Call:**

Graham Baillie

Tim Allerton

JCurve Solutions Ltd  
(02) 9467 9204  
(0418) 469 018

City PR  
(02) 9267 4511  
(0412) 715 707