

JCurve Solutions Investor Presentation

October 2017

ASX: JCS

www.jcurvesolutions.com

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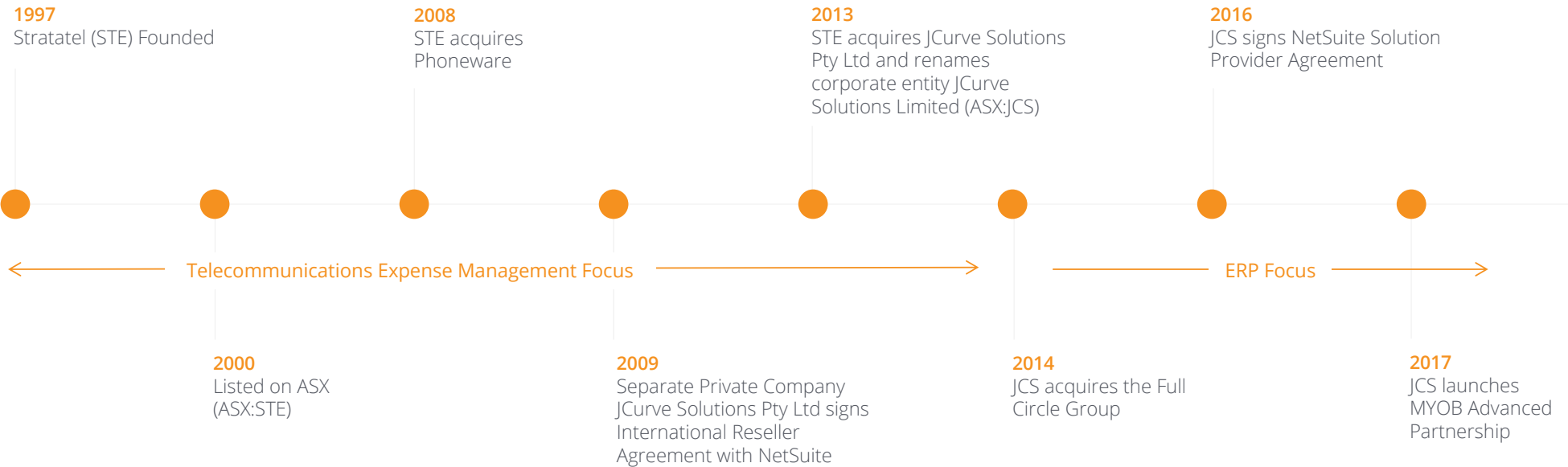
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Corporate Overview

Our Company History



Our Company

Purpose and Vision



Enables our customers to make lasting, substantial improvements to their performance and to grow into great businesses.

Aspires to be the most trusted solutions partner for growing businesses throughout the Asia Pacific region.

Is a specialist solution provider. Our whole business is based around providing an exceptional customer experience by delivering the best possible solution to our clients through market leading software applications and excellence in service delivery.

Our Focus

The Products We Currently Sell

Cloud Solutions



Enterprise Resource Planning (ERP) Solutions



ORACLE + **NETSUITE**

Telecommunications Expense Management Solutions



Enterprise Resource Planning (ERP)



- ERP Solutions is our growth driver with 36% revenue growth in FY2017
- Single unified cloud ERP software solutions
- Our software vendors are industry leading
- ERP Software helps businesses grow
- Negates the need for expensive servers, IT equipment and trained IT staff
- Access to real time financial results any time
- We are partnering with a growing list of third party integrations
- NetSuite is the #1 in cloud ERP and has over 40,000 customers globally which run on NetSuite

Our ERP Product Vendors

We Work with Industry Leading Software Vendors

ORACLE + NETSUITE

ORACLE + NETSUITE
5 STAR AWARD
2017 ★★★★★

JCurve Solutions (JCS) is one of the largest Australian and New Zealand solution providers of NetSuite.

A proven approach to success – JCS has completed over 600 successful implementations of NetSuite's cloud ERP software, and has built one of the largest teams of NetSuite experts in Australia and New Zealand.

JCurve Solutions works closely with clients to maximise their investment in NetSuite.

A rapid implementation methodology has been developed to minimise business disruption and help realise the benefits of NetSuite cloud ERP quickly.

myob | Advanced
Business
Partner

JCurve Solutions became a MYOB Advanced partner in FY2017 and the investments made to date are slowly translating into results for JCS.

MYOB Advanced is a cloud native ERP and Payroll solution built for the Australian and New Zealand mid-market. MYOB Advanced has the power, flexibility and scalability to grow with your business.

By Partnering with MYOB, JCS can provide customers with a choice of their preferred cloud ERP platform to best suit their specific business requirements.

Our ERP Business Model

We Provide ERP Solutions for Small to Medium Businesses

Seamless Transition from JCurveERP to NetSuite

JCurveERP Edition for Small Businesses

- Powered by Oracle + NetSuite, this edition is designed for smaller businesses with up to 20 users.
- JCurve Solutions holds the exclusive reseller rights for this edition in Australia and New Zealand.
- Ability for customers to seamlessly upgrade to NetSuite ERP without the need for costly re-implementations as they grow.

NetSuite is for Medium Sized Businesses

- As a 5 Star Oracle + NetSuite Solution Provider, JCurve Solutions provides NetSuite cloud solutions for businesses of any size with a focus on medium sized entities.
- We have upgraded 26 JCurveERP customers to the NetSuite Limited edition or mid market edition when they outgrew JCurveERP or required additional functionality while we have made a number of direct higher value mid market edition sales.

MYOB is for Small to Medium Sized Businesses

- JCurve Solutions became an MYOB Advanced Partner in February 2017 and has been training and expanding the team with a view to exponentially increasing the number sales generated to date.
- MYOB Advanced has been one of the fastest growing cloud ERP platform's for the ANZ mid market.

Our ERP Customers & Partners

Customers

>550 Customers

**EMMA
& TOM'S**
LOOK AFTER YOURSELF



**Life
interiors**
Modern Furniture since 2006

kleenmaid

AUDIOFLY™



connective



Partners

ORACLE® + NETSUITE



erp fast forward



TransferMate
GLOBAL PAYMENTS

Pistachio

CLOUD CODERS

myob | Advanced
Business
Partner



contivio.com

MessageMedia
BUSINESS MESSAGING

Movilizer™

PEPPERi

infinetcloud

Jitterbit

ERP Marketing

Award Winning and Growing Market Profile

Awards



- Business Excellence
- Finalist: Young Exec & Employer of Choice



Media

How to Increase Sales
Tuesday 09 September 2017
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Tuesday 22 August 2017
Why Choose NetSuite ERP to Improve Business Performance?
If you've been researching ERP software options and the different vendors out there, it's likely...
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Source: SkyNews - 5 August 2016 - Using performance based measurement



Source: AFR Article, 9 August 2017

Expense Management Solutions



- Our Expense management focus has been on simplifying telecom management through TEMS
- TEMS has been a successful suite of solutions for a number of years for JCS
- Expense management solutions delivered using our own portfolio of solutions
- Responding to bill shock caused by excess data and/or voice charges
- Automates the administration of telecoms expenditure and improves visibility of usage
- Optus TEM is a white labelled edition of JTel
- Market opportunity to deliver more general expense management solutions
- R&D investment in Expense Management Solutions forecast at \$1m in FY2018

Our TEMS Customers & Partners

Customers

>100 Customers



Government of **Western Australia**
Department of Health



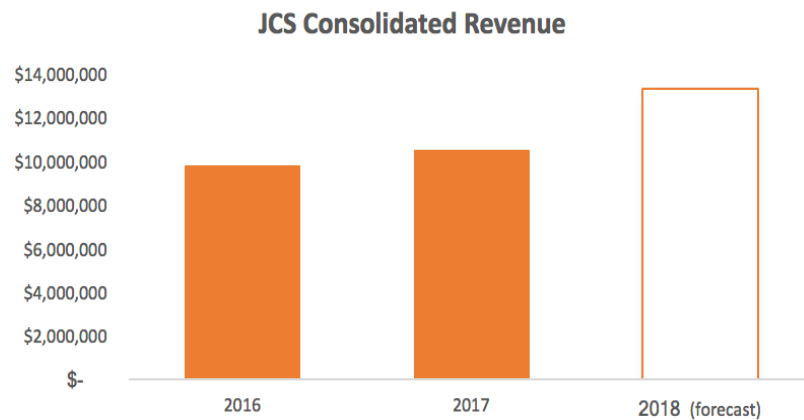
Partners



Strategic Direction

Purpose and Vision

Since FY2016, JCurve Solutions has embarked on a sustained period of ambitious business growth aiming to increase revenues, diversifying market offerings, expanding geographical territories and investing in our people to increase the value provided to customers and achieve an order of magnitude lift in long term shareholder value.



Source:

<http://www.asx.com.au/prices/charting/?code=JCS&compareCode=&chartType=&priceMovingAverage1=&priceMovingAverage2=&volumeIndicator=&volumeMovingAverage=&timeframe=>

Strategic Business Priorities

JCS Strategy

#1: Maximizing Value from the TEMS Business

\$3.1m in TEMS revenue generated in FY2017 (28% decline)

\$1.8m profit generated by the TEMS business before the inclusion of any R&D expenditure

Success in locking in a portion of our TEMS customers to multi year contracts



#2: Investing to Grow the ERP business including NetSuite, JCurve ERP and MYOB Advanced

\$7.3m in ERP revenue generated in FY2017 (36% increase)

Upgraded 26 JCurveERP customers to NetSuite editions

Signed Solution Provider Agreement and became an MYOB Advanced Partner

Significant investment in the sales, marketing and service delivery capability



#3: Diversification by Leveraging our Core Strengths and Capabilities

New partnership agreements signed to expand cloud ERP offering

Investigated multiple acquisition targets both locally and in Asia

Incorporated Singapore subsidiary

MYOB Advanced partnership

\$0.7m investment in R&D for TEMS and expense management



Our Competitive Advantage

The JCS Advantage

Leading Products

- NetSuite including the JCurveERP edition
- MYOB Advanced
- World class technology platforms
- A growing number of integrated third party partnerships
- A range of Telecommunication Expense Management solutions

Great Service and Culture

- High performance culture
- On-going knowledgeable engagement
- Value add services including system optimisation and consulting
- Improving customer satisfaction results

World Class Partners

- NetSuite Inc. is the provider of the world's #1 cloud ERP solution with more than 40k customers
- MYOB Advanced is one of the fastest growing cloud ERP platform's for the ANZ mid market
- Leading technology platforms

Our Team

Board of Directors



Bruce Hatchman

Non-Executive Chairman

Appointed November 2014

Experienced and successful
finance professional



David Franks

Non-Executive Director & Secretary

Appointed September 2014

Experienced and successful
finance professional



Mark Jobling

Non-Executive Director

Appointed April 2015

Substantial shareholder with a
legal and investment background

Our Team Continued

The Executive Management Team



Stephen Canning

Chief Executive Officer

Appointed EMT January 2015

Proven experience in strategic, business, and operational planning



James Aulsebrook

Chief Financial Officer

Appointed EMT April 2016

Chartered accountant, experienced Statutory Accounting and Tax Manager



Katrina Doring

Chief Operating Officer

Appointed EMT July 2016

IT professional with experience locally and internationally



Kate Massey

Chief Marketing Officer

Started at JCS September 2009 and appointed EMT July 2016

IT B2B marketer for over a decade



Bill Beedie

Sales Director

Appointed EMT October 2017

Sales leadership positions in the Australian IT Industry for over 30 years



Peter Choo

Product Strategy Director

Started at JCS October 2015 and appointed EMT October 2017

Responsible for the delivery of new products to assist with diversification

Our FY2017 Highlights

#1

Strong Financial Performance

- 7% growth in revenue
- \$0.6m EBITDA
- \$1.1m cash flow positive
- \$3.5m cash balance and debt free

#2

Early Adoption of AASB 15

JCS was one of the first ASX listed entities to adopt the new revenue accounting standard



#3

Enhanced Capabilities

Recruitment and training to expand the capabilities of the ERP Sales, Marketing and Professional Service Teams

#4

Signed New NetSuite Solution Provider Agreement

ORACLE® | NETSUITE

#5

Achieved NetSuite 5 Star Status for 2017



#6

Geographical Diversification

Establishment of a Singapore subsidiary



Progressing geographical diversification

#7

Product Expansion: Became a MYOB Advanced Partner



#8

We were Award Winning!



Financial Result 2017

Solid financial performance from organic recurring revenue growth from the ERP division and reduced TEMS customer churn

| P&L Extract | 2017 (\$m) | 2016 (\$m) |
|--|------------|--------------|
| Revenue | 10.4 | 9.7 |
| Operating Expenses | (9.7) | (9.6) |
| Impairment and Depreciation Expense | (0.1) | (3.0) |
| EBITDA | 0.6 | (2.9) |
| Add back Impairment Expense | - | 3.0 |
| Normalised EBITDA | 0.6 | 0.1 |
| Add back Research and Development Expense | 0.7 | 0.2 |
| Normalised EBITDA Excluding R&D | 1.3 | 0.3 |

Summary

- 7% increase in consolidated revenue achieved through organic growth
- 36% increase in the revenue recognised from the ERP division through larger and longer term new business sales and emphasis on customer retention
- 28% decline in revenue recognised from the TEMS product division
- 365% increase in normalised EBITDA in FY2017

June 2017 Financial Position

Improving financial stability achieved through process improvements and improving financial performance

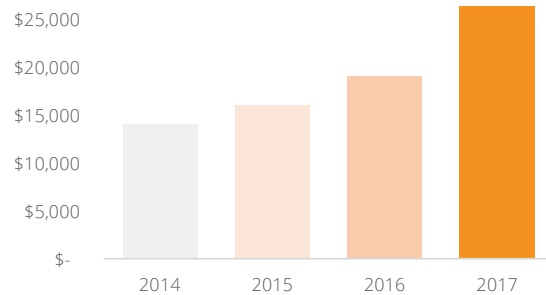
| Balance Sheet Extract | June 2017 (\$m) | June 2016 (\$m) |
|-----------------------|-----------------|-----------------|
| Cash at Bank | 3.5 | 2.4 |
| Deferred Expenditure | 0.3 | 0.4 |
| Total Assets | 8.9 | 7.0 |
| Unearned Income | 2.2 | 1.4 |
| Total Liabilities | 4.9 | 3.5 |
| Net Assets | 4.0 | 3.5 |
| Net Tangible Assets | 1.7 | 1.2 |

Summary

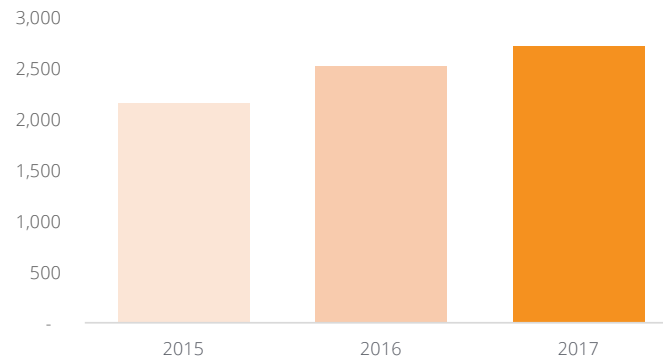
- \$3.5m of cash held as at 30 June 2017
- Debt free
- \$1.1m cash flow positive for FY2017
- Increasing net asset basis
- Increasing net tangible asset balances
- Strong growth in the ERP division deferred revenue balance (\$1.4m to \$2.2m) which will be recognised as projects "Go Live" over the next 3-6 months

Financials – Detailed Analysis

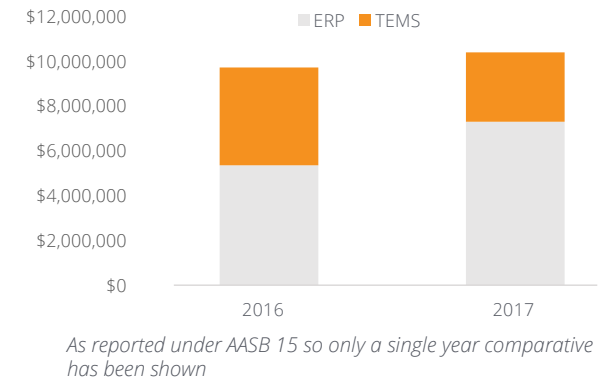
JCurveERP New Business Revenue
Per Customer



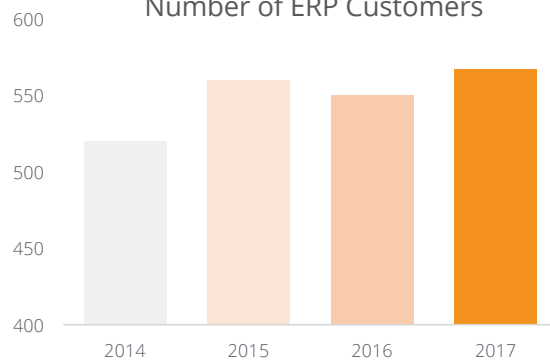
JCurveERP License Subscriptions



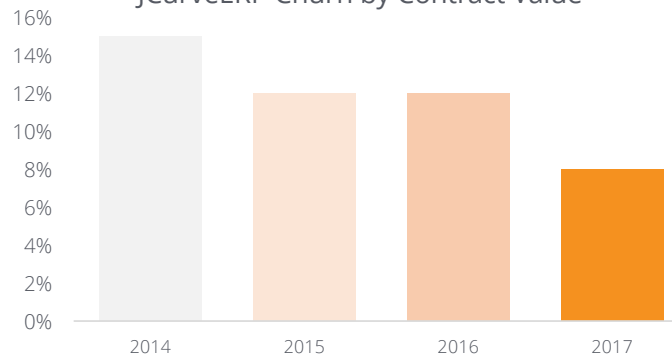
Revenue by Product Division



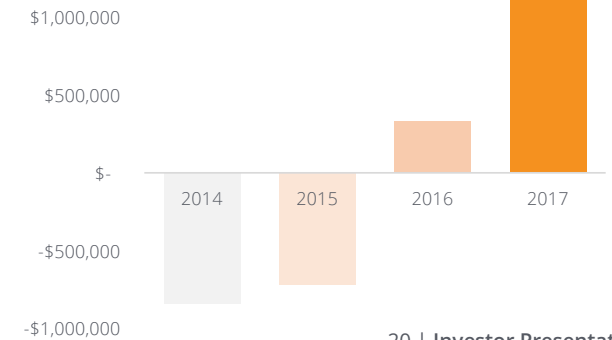
Number of ERP Customers



JCurveERP Churn by Contract Value

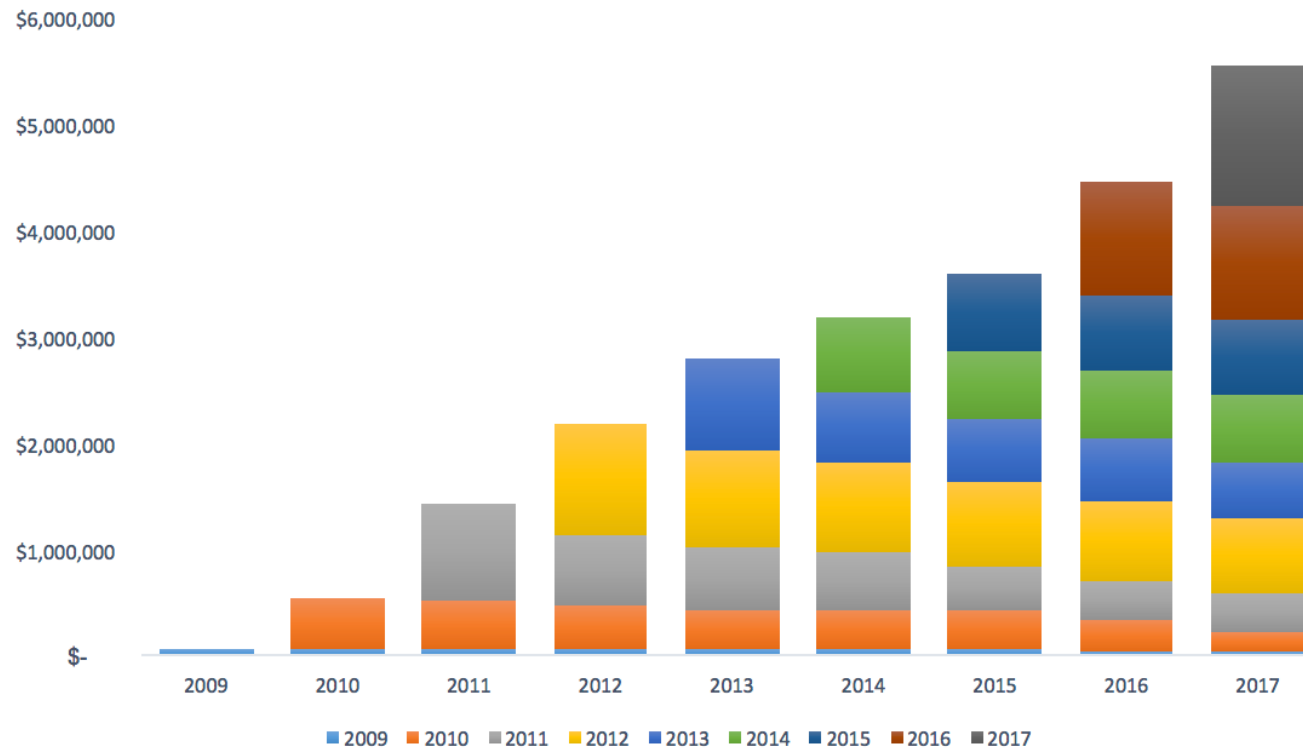


Net Cash Flow



Financials – Detailed Analysis Continued

Growth in recurring revenue FY2013 to FY2017 ERP recurring revenue CAGR of +14%



FY2018 Market Guidance

Forecasting a sustained increase in the annuity revenue streams from solutions sold by the ERP Division combined with reduced customer churn from the TEMS division following increased levels of research and development

| Measure | FY2017 Actual | FY2018 Guidance | % Increase from FY2017 Actual |
|--------------|---------------|---------------------------|-------------------------------|
| Sales Income | \$11.1 M | Range: \$13.5 M to \$15 M | 22 – 35 % |
| Revenue | \$10.4 M | Range: \$12.5 M to \$14 M | 20 – 35 % |
| EBITDA (*) | \$0.6 M | Range: \$1.0 M to \$1.2 M | 67 – 100 % |
| NPBT (*) | \$0.6 M | Range: \$0.9 M to \$1.1 M | 50 – 83 % |

(*) R&D is expensed as incurred under the Company's accounting policies. The above FY2018 guidance includes \$1m of expensed R&D (\$0.7m in FY2017).

The Growing ERP division's revenue profile is heavily weighted towards the second half of the year particularly Q4.

Capital Structure & Shareholders

| Key Statistics (ASX: JCS) | As at 26/10/2017 (ii) |
|--------------------------------|--------------------------|
| Share Price | \$0.037 |
| Shares on Issue (i) | 329,856,900 |
| Market Capitalisation | \$12.2m |
| Cash (30 June 2017) | \$3.5m |
| Debt (30 June 2017) | Nil |
| Enterprise Value | \$8.7m |
| 52 week high / low share price | \$0.046 / \$0.010 |

(i) Excludes 11.5m performance rights and 17.9m options
(ii) Unless otherwise stated

| Ordinary Fully Paid Shares as at 26/10/2017 | Units | % of Units |
|--|-------------|------------|
| Directors and Executive Interests | 68,834,427 | 20.87 % |
| Other Top 20 Holders | 148,457,187 | 45.01 % |
| Remaining Holders | 112,565,286 | 34.12 % |

| Substantial Shareholders as at 26/10/2017 | Units | % of Units |
|--|------------|------------|
| Gramell Investments Pty Limited | 83,124,215 | 25.35 % |
| Mr. Mark Jobling | 51,204,301 | 15.60 % |
| Mr. Philip Ewart | 17,519,930 | 5.28 % |

Our Investor Proposition – Why Invest in JCS

Value and growth opportunity on current multiples (FY2017 Actuals and \$12.2m market cap):
1.1x revenue, 1.5x on consolidated recurring revenue base, 20x Normalised EBITDA

Strong Financial Foundations

- \$3.5m cash at bank as at 30 June 2017
- Debt free
- Recurring revenue base of \$5.6m as at 30 June 2017 and growing
- Cash flow positive business

Growth

- Continued organic revenue and profit growth
- Market trend towards cloud adoption
- Primarily competing in the large SME sector
- Industry leading products
- Product diversification
- M&A opportunities continue to be evaluated

Strong Operational Fundamentals

- Growing customer base
- 'All in one' unique product capability
- Strategic relationship with #1 vendor of cloud ERP software
- Expanding list of additional solutions
- We have a proven track record
- Strong performance by management

Contact Information



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