2015 Annual General Meeting

17th November 2015
ASX:JCS

Chairman's Address
BRUCE HATCHMAN

WHAT WE DO TODAY

1 JCurve

Big software for small business

- JCurve ERP is the economical all-in-one solution for SMEs

- Includes cloud accounting, CRM, inventory management and eCommerce capabilities

2 TEMS

Telecom Expense Management

- Automates the administration of telecoms expenditure and improves visibility of usage

- Responding to bill shock caused by excess data and or voice charges

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2015 RECAP

Financials – Year ended 30 June ($ millions)

	2015	2014
Revenue	11.3	11.6
EBITDA loss	(6.1)	(1.2)
Impairment	5.2	0.5
Income tax*	0.6	(0.1)
Net loss (excl. impairment)	(0.3)	(0.8)
Cash at bank	2.0	2.8

Highlights

- Strong growth in JCurve revenue, up +89% to $4.1m driven by improved marketing, sales processes and customer retention

- TEMS revenue of $5.6m was impacted by a full year's consolidation of Full Circle and significant pricing pressure

- Impairment included a $4m write off for goodwill recognised in the JCurve Business Software acquisition

- The company at year end held $2 million cash and was debt free

4   * Includes rebate for research and development

TRENDS IMPACTING THE BUSINESS

JCURVE TAILWINDS
Cloud technology adoption
Growing trade liberalisation driving an increase in the large market size of wholesale distributors
Supportive policy framework and political sentiment
Adoption and growth of NetSuite in the fast growing Asia Pac region

TEMS HEADWINDS
'All you can eat' and large buckets of included data and roaming from telecom carriers
Internet enabled communication tools such as Skype, Line, WhatsApp, Viber and Facetime bypassing telecom carriers
Fewer complaints to the Telecommunications Industry Ombudsmen

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JCURVE'S COMPETITIVE ADVANTAGES

LEADING PRODUCT

- Scalable, all-in-one, designed for small business, at the right price point

- World class technology platform

GREAT SERVICE

- Training and culture
- Value add services incl. small business consulting
- Improving customer satisfaction results

WORLD CLASS PARTNER

- NetSuite Inc.
- Provider of the world's #1 cloud ERP solution with more than 24k customers

- Strong balance sheet, NYSE listed

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OUR STRATEGY IS FOCUSED ON THREE OPPORTUNITIES

Strategic opportunities	Objectives	Time frame
1 Maximising value from the TEMs business	• Drive productivity • Harvest cash to fund growth in JCurve	Short term
2 Investing to grow the JCurve business	• Customer growth • Build a large and sustainable base of monthly recurring revenue • Consolidate the product offering under JCurve Pro, renaming to 'JCurve'	Short to medium term
3 Leveraging our core strengths and capabilities	• Diversify our product range • Reinvest for further growth	Longer term

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2016 OUTLOOK

Measure ($'s in millions)	FY15	FY16 original outlook	FY16 updated outlook*
JCurve Group			
• Revenue	• $11.3m	• Range: $11m to $11.2m	• Range: $10m to $10.5m*
• EBITDA#	• ($0.9m) loss	• Range: ($1m to $0.8m) loss	• Range: ($0.5m to $0.2m) loss*
• NPAT#	• ($0.3m) loss	• Range: ($0.4m to $0.2m) loss	• Range: ($0.2m) loss to $0.1m profit
# excl. Impairments			
JCurve product			
• Customers	• 560	• Not provided	• Strong growth
• Churn	• 10%	• Not provided	• Below 10%

Product revenue trends impacting FY16

- JCurve - strong double digit growth
- TEMS - continued weakness driven by structural headwinds
- South African telco - discontinued having contributed $0.7 million in FY15

* Updated since August 2015 to include findings from the strategic review.

IN SUMMARY

JCurve Solutions has strong fundamentals

The changing business mix positions the company well for sustainable long term growth

We want to be regarded as a company that delivers on its commitments

- Debt free with $2 million cash at bank at June 30 2015

- Large and growing base of monthly recurring revenues from the JCurve product

- Unique JCurve product capability

- Well positioned to drive growth from exposure to a growing SME business market

- There is a positive and strong outlook for the JCurve business

- The structural headwinds facing the TEMS business have strengthened

- The Board and management refresh has provided the company and it's shareholders with:

  - An independent Chairman

  - An experienced CEO and CFO

  - FY15 results delivered in range or slightly ahead of guidance

  - A considered strategic approach as demonstrated by this strategic review

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Investing to grow the JCurve business

STEPHEN CANNING
CEO JCurve Solutions

"To be the leading enabler of small business growth in Australia and New Zealand through the delivery of Business Management Systems and Services".

"We help small businesses grow into big businesses, by delivering whole-of-business cloud-based Business Management solutions"

JCURVE'S UNIQUE CAPABILITIES

There are no other cloud-based "all-in-one" business systems available at a similar price-point with the same depth of functionality and ability to scale

COMPETITIVE ADVANTAGE

Scalable

The last software a growing business will ever need

Made for small business

Exclusive license with NetSuite for small business in A & NZ

Fully Integrated

One system, one login. No "bolt on" non-proprietary, unsupported software required

Easy to Get Started

Templated standard implementation

All-in-One

Start with accounting and turn on CRM, Inventory, eCommerce and more

World Class Technology

Built on the world #1 in Cloud ERP but priced for small business

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JCURVE'S SIGNIFICANT OPPORTUNITY

JCurve ERP is the only small business cloud-based "all-in-one" system that can support a multi-channel sales for the Wholesale trade in Australia and New Zealand.

WHO ARE WE SELLING TO?

Our target market is growing Wholesale & Distribution businesses in Australia and New Zealand, typically employing less that 20 employees. There are 79,000 such businesses.
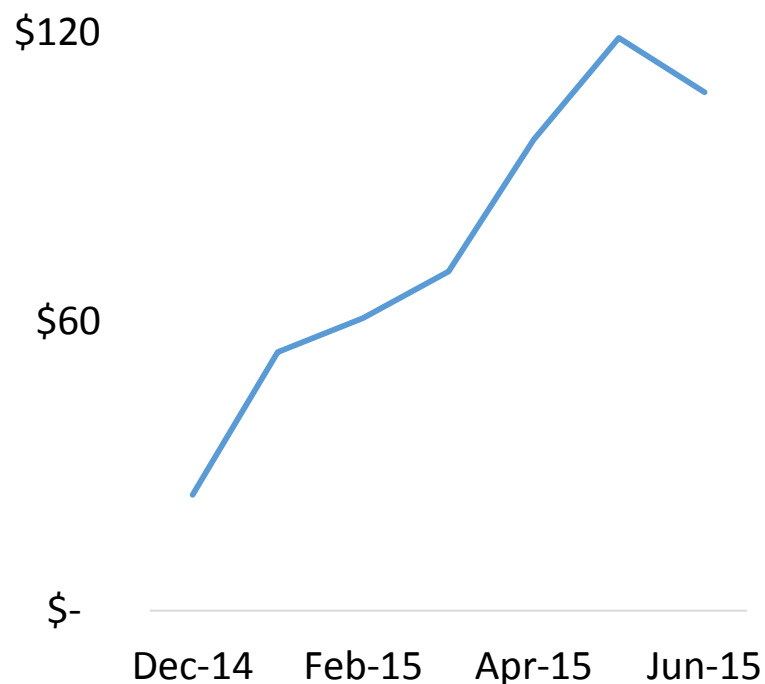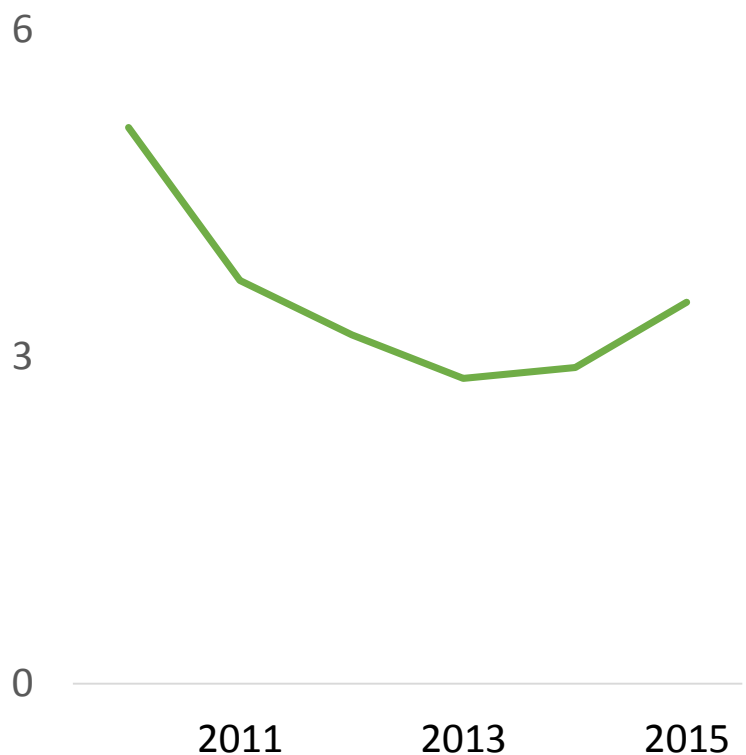
5 to 20 employees

1 to 4 employees
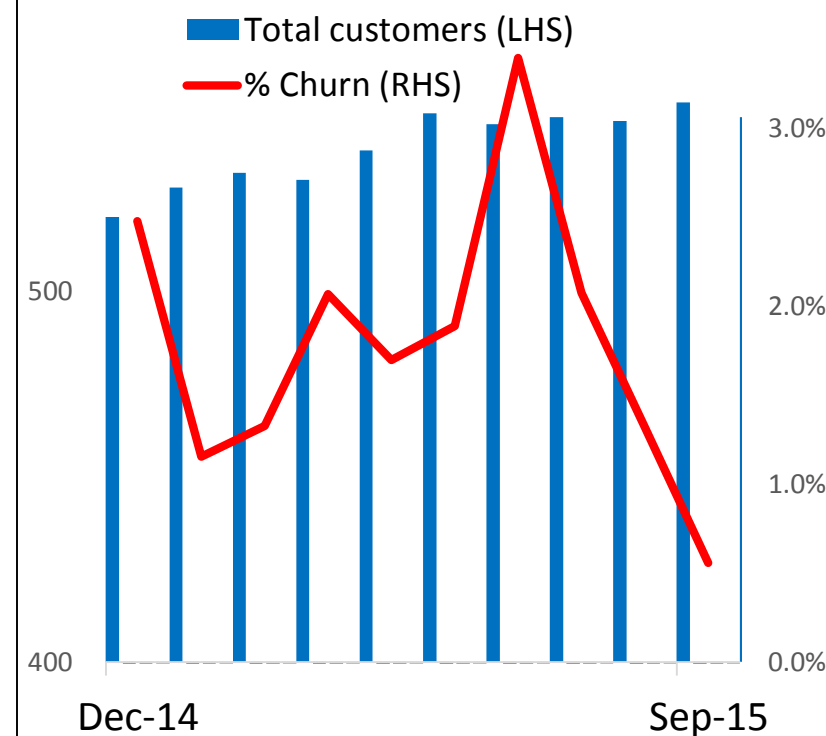
21,000

58,000

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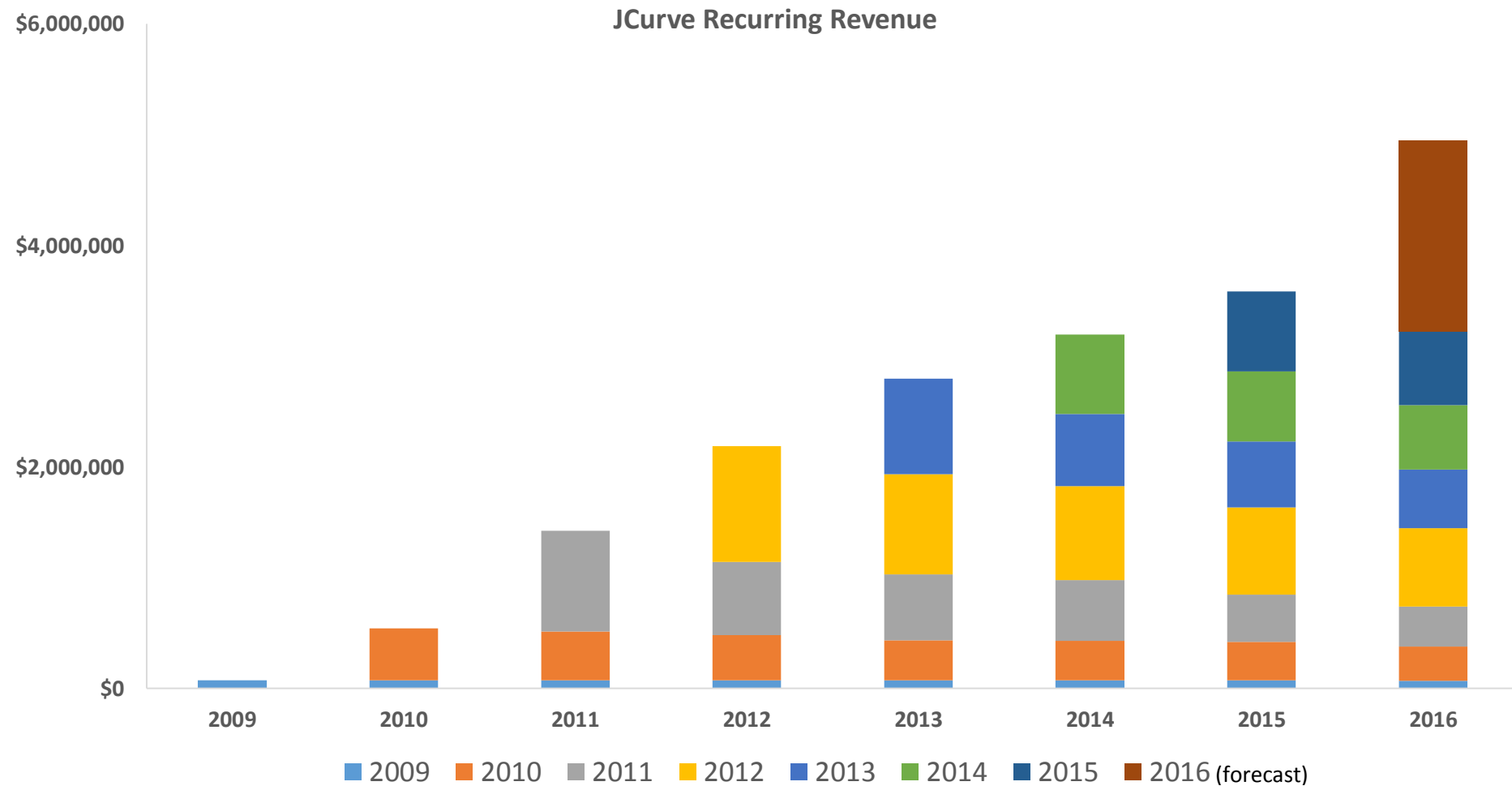
IMPROVING TRENDS ACROSS IMPORTANT KPIs

Annual contract value: new sales $000's

Number of average users

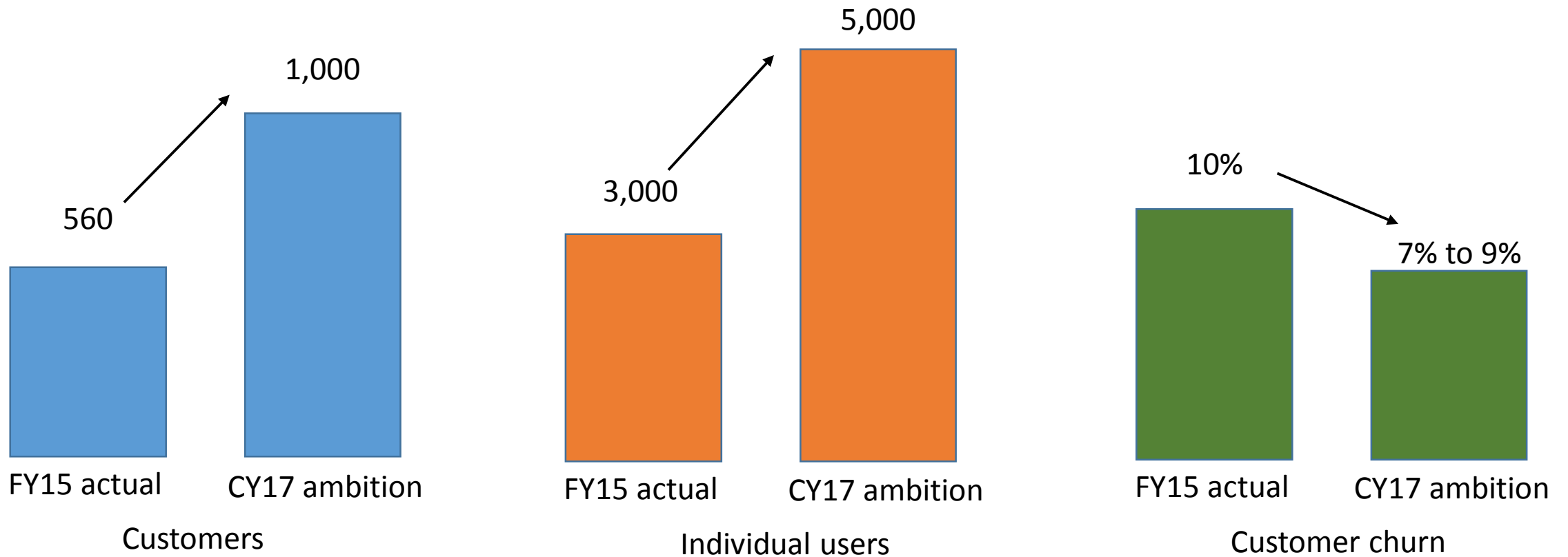Total customers and monthly churn

WE ARE SUPPORTED BY A COMMITTED, WORLD CLASS COMMERCIAL PARTNER

- We are the **exclusive** reseller of NetSuite's SME edition in ANZ
- We sell JCurve ERP to small businesses
- Joint marketing and training support
- Targeting wholesale & distribution segment
- NetSuite Direct Sales do not compete in JCurve's market

WE ARE FOCUSED ON CUSTOMER ACQUISTION AND RETENTION

Customers
- FY15 actual: 560
- CY17 ambition: 1,000

Individual users
- FY15 actual: 3,000
- CY17 ambition: 5,000

Customer churn
- FY15 actual: 10%
- CY17 ambition: 7% to 9%

CONCLUSION

JCurve exists to help small businesses grow

JCurve uses a cloud ERP as a platform for this growth

JCurve provides a complete solution: systems, processes, coaching, training – not just technology

JCurve has improving operational trends on important KPIs

JCurve is well supported by a world class partner in NetSuite

We have a plan to grow and are focused on customer acquisition and retention

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CONTACT DETAILS

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