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## Summary



On track to

Decreased
operating
expenditure

Operating cash flow positive and increased cash flow from sales - 1HY2017 v 1HY2016

Substantial investment in ERP business

On track to meet FY2017
Market
Guidance

## JCURVE Solutions offers a Portfolio of Solutions





#### **BUSINESS MANAGEMENT / ERP**



- Software to help businesses grow
- NetSuite is the #1 in cloud ERP, including the small business |Curve ERP edition
- Over 30,000 customers globally run on NetSuite
- Includes financials, CRM, inventory management and eCommerce capabilities
- Partnerships with a growing list of third party integrations

### **TELECOM EXPENSE MANAGEMENT (TEMS)**





- Simplifying telecom management
- Automates the administration of telecoms expenditure and improves visibility of usage
- Optus TEM is a white labelled edition of ITel
- Responding to bill shock caused by excess data and/or voice charges

## Half Year Highlights



Signed new NetSuite Solution Provider Agreement (August 2016)



Entered into 6 new partnerships (September 2016)

contivio.com











Maintained strong financial position

- Operating cash flow positive in 1HY17
- \$2.4m cash balance and debt free

Focus on multi year renewals and new **business** transactions

Growing deferred revenue balance **Growing Market** Profile







Achieved NetSuite 5 Star Status for 2017



Recruitment and training to expand the capabilities of the ERP Sales (100% increase in headcount) and Professional Services Teams (71% increase in headcount)

Geographical Diversification

Establishment of a Singapore Subsidiary



**Product Expansion** 



**Award Winning** 







Finalist in multiple awards

## Strategic Priorities



### **Strategic Priority**

Maximising value from the TEMS business



### **Strategic Priority**

Diversification by leveraging our core strengths and capabilities



### **Strategic Priority**

Investing to grow the ERP business including NetSuite, JCurve ERP and MYOB Advanced



# Achievement of Strategic Priority



Strategic opportunities	Objectives	Progress
Maximising value from the TEMS business	<ul> <li>Drive productivity</li> <li>Harvest cash to fund product IP development opportunities and business expansion</li> </ul>	<ul> <li>\$1.6m of TEMS revenue generated in 1HY2017.</li> <li>\$0.9m profit generated in 1HY2017.</li> <li>Maintaining key customer relationships through multi year contract arrangements and continuing channel partner arrangements.</li> </ul>

# Achievement of Strategic Priority



Strategic opportunities	Objectives	Progress
Investing to grow the ERP business including NetSuite, JCurve ERP and MYOB Advanced	<ul> <li>Customer growth</li> <li>Build a large, sustainable and growing base of monthly recurring revenue</li> </ul>	<ul> <li>Continued to increase net customer numbers.</li> <li>Upgraded 10 JCurve ERP customers to the NetSuite mid market edition.</li> <li>\$2.6m of ERP revenue generated in 1HY2017.</li> <li>Increased the JCurve ERP deferred revenue balance from \$2.6m to \$3.3m.</li> <li>Signed a Solution Provider Partner agreement with NetSuite allowing JCurve to target businesses of all sizes across Australia and New Zealand creating a larger addressable market.</li> <li>Focus on the recruitment and training of sales and professional services team members to enable the implementation of the NetSuite edition and rapid expansion of the ERP division. 100% increase in the number of business development managers and 71% increase in the number of professional services consultants since June 2016.</li> </ul>

# Achievement of Strategic Priority



Strategic opportunities	Objectives	Progress
Diversification by leveraging our core strengths and capabilities	<ul> <li>Diversify our product range</li> <li>Expand our geographical footprint into Asia</li> <li>Reinvest for further growth</li> </ul>	<ul> <li>Six new partnership agreements signed in September 2016 to expand our cloud ERP offering with new integrated functionality and capability.</li> <li>Incorporation of 100% owned Singapore subsidiary.</li> <li>Preliminary investigation of multiple acquisition targets in Asia remains ongoing.</li> <li>Partnership with MYOB announced in February 2017 (following discussions during 1HY2017) to expand ERP portfolio to enable JCurve Solutions to sell, implement and support MYOB Advanced cloud ERP software for larger businesses as an accredited MYOB partner.</li> <li>Continued investment in research and development supporting the ongoing maximisation of value from the TEMS business.</li> </ul>

## 1HY2017 Financial Summary



P&L Extract		
	1HY2017 (\$m)	1HY2016 (\$m)
Revenue	4.2	4.9
EBITDA loss (*)	(0.2)	(0.2)
Impairment expense	-	(3.0)
Add back: Income tax credit	-	0.4
Net loss after tax	(0.2)	(2.8)

<sup>\*</sup> Excluding impairment and income tax credit

#### Summary

- 2% decrease in recognised JCurve ERP product division revenue (\*\*).
- 27% decline in revenue recognised from the TEMS product division.
- o 10% reduction in operating expenses.
- o 92% decrease in after tax loss for 1HY2017 v 1HY2016.

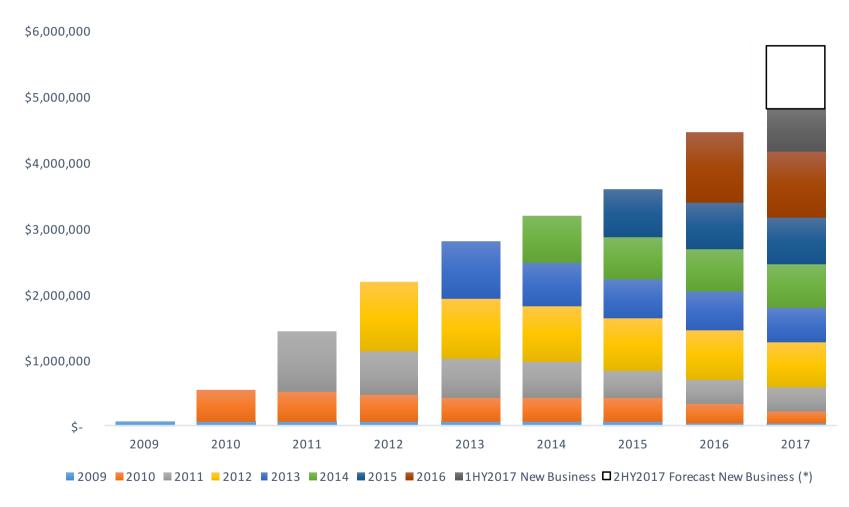
Balance Sheet Extract		
	Dec 2016 (\$m)	June 2016 (\$m)
Cash at Bank	2.4	2.4
Total Assets	7.4	7.4
Deferred Expenditure	0.9	0.9
Unearned Income	3.3	3.0
Total Liabilities	4.9	4.6
Net Assets	2.5	2.8
Net Tangible Assets	0.2	0.5

#### **Summary**

- \$2.4m of cash held as at 31 December 2016 and debt free.
- o Operating cash flow positive for 1HY2017.
- Strong growth in the JCurve ERP product division deferred revenue balance (\$2.6m to \$3.3m).

## Continued Growth in ERP Recurring Revenue





<sup>\*</sup> Assumes the JCurve Solutions forecast for the remainder of the year is met. Does not include customer churn for 2HY2017.

## FY2017 Market Guidance



Year ended 30 June 2017		
FY2017 Market Guidance – Issued June 2016		
Revenue	Range: \$10m to \$11m	
EBITDA	Range: \$0.0m to \$0.2m profit	
NPAT	Range: \$0.3m to \$0.5m profit	

We remain on track towards the achievement of our market guidance for FY2017. JCurve Solutions historically achieves stronger growth and profitability in the second half of each financial year and has invested strongly in 1HY2017 to increase the number and capabilities of the ERP sales and professional services team members.

## Value Proposition





## SOLID FINANCIAL FOUNDATIONS

- \$2.4m cash at bank as at 31 December 2016
- Debt free
- Recurring revenue base of \$5.8m as at 31 December 2016 and growing
- Operating cash flow positive business

02

## EXPOSURE TO GROWING MARKETS

- Cloud adoption
- SME sector
- Organic growth
- Diversification of revenue streams
- Targeted acquisitions
- Geographical expansion

03

## STRONG OPERATING FUNDAMENTALS

- 'All in one' unique product capability
- Growing customer base
- Strategic relationship with #1 vendor of cloud ERP software
- Expanding list of additional solutions