



2016 HALF YEAR RESULTS

23 February 2016
ASX:JCS

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HALF YEAR HIGHLIGHTS

CONTINUED GROWTH FOR JCURVE



REV. MIX CHANGE
CONTINUES: JCURVE
SOFTWARE +42%,
TEMS -27%



CHURN LOWER AT
8.6% (-1.4pp since
June '15)



JCURVE SOFTWARE
MRR +29%



INCREASED
INVESTMENT IN
CULTURE AND BRAND



IMPROVING
CUSTOMER MIX:
VALUE PER NEW
CUSTOMER +100%



INDUSTRY
RECOGNITION FROM
PRESTIGIOUS
AWARDS



PARTNERSHIP
WITH NETSUITE
WORKING WELL



PRODUCTIVITY:
TOTAL EXPENSES
(excl. impairments) -21%

STRATEGY

WE ARE FOCUSED ON THREE OPPORTUNITIES

STRATEGIC OPPORTUNITIES	OBJECTIVES	TIME FRAME
1 Maximising value from the TEMs business	<ul style="list-style-type: none">• Drive productivity• Harvest cash to fund growth in JCurve	Short term
2 Investing to grow the JCurve business	<ul style="list-style-type: none">• Subscriber 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	<ul style="list-style-type: none">• Diversify our product range• Reinvest for further growth	Longer term

GROUP FINANCIAL SUMMARY

Half Year ended 31 December

\$ millions	2015	2014	% change
Revenue	4.9	6.0	(19%)
EBITDA loss	(3.2)	(5.4)	(40%)
Loss before income tax	(3.2)	(5.5)	(41%)
Income tax*	0.4	0.0	n/m
Loss after income tax	(2.8)	(5.5)	(48%)
Impairment	3.0	4.9	(39%)
Profit/(loss) after income tax (excl. impairment)	0.2	(0.6)	133%
Cash from operating activities	(1.1)	(1.8)	(40%)
Selected balance sheet lines	Dec 2015	Jun 2015	% change
Cash at bank	1.0	2.0	(53%)
Net intangibles	2.3	5.3	(56%)

Highlights

- Revenue mix change includes increased JCurve Software revenue +42% to \$2.7m, lower TEMS revenue -27% to \$3m and \$1.1m of revenue from discontinued operations booked in the prior corresponding period
- Impairment expense related to the TEMS business (Full Circle Group \$2.6m and Phoneware \$0.4m)
- The net intangibles balance of \$2.3m relates to the JCurve Software business



INVESTING TO GROW THE JCURVE BUSINESS

About JCurve

Big software for small business

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

Cloud technology for accounting, CRM, inventory management and eCommerce capabilities

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

— JCURVE'S COMPETITIVE ADVANTAGES —

Made for small business

Exclusive license with NetSuite for small business in A & NZ

Scalable

The last software a growing business will ever need

Simplify Complexity

Streamlines and automates end-to-end business processes

Empowers growth

Delivers improved sales and inventory performance

Unified Solution

Integrating accounting, CRM, Inventory, eCommerce and more in a single platform

World Class Technology

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



INVESTING TO GROW THE JCURVE BUSINESS

CULTURE

- New talent and capability recruited
- Recognising our 'values'
- New, modern and technology friendly premises
- Training with NetSuite and solutions selling focus.

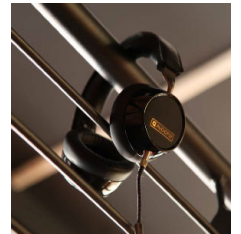
BRAND

- Launched new customer case studies
- Launched new website www.jcurve.com.au
- Industry recognition.



Case study

JCurve is our home base and has allowed us to compete on the world stage. – AUDIOFLY



Case study

The dashboard alone has made my business forward thinking, insight powered and put operational error detection firmly back in my hands. – KLEENMAID



Case study

I've worked with other systems but JCurve's ability to transact, answer questions and problem solve anywhere, anytime is by far the easiest and most mature I've experienced.

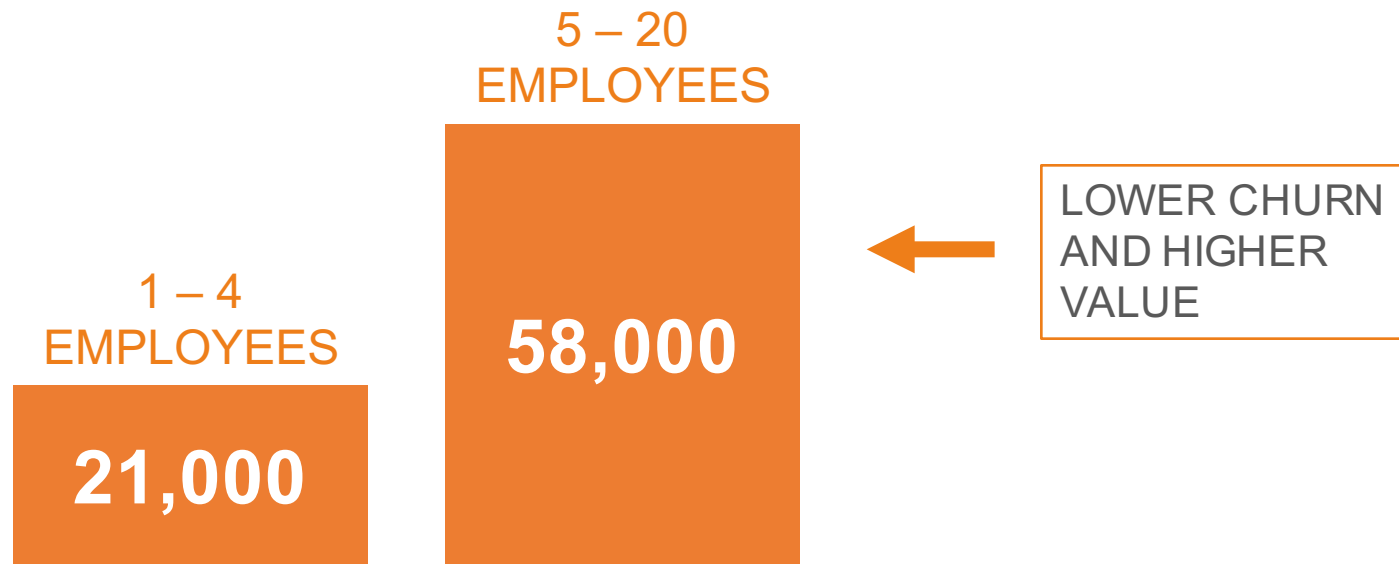
– THE OLIVE CENTRE



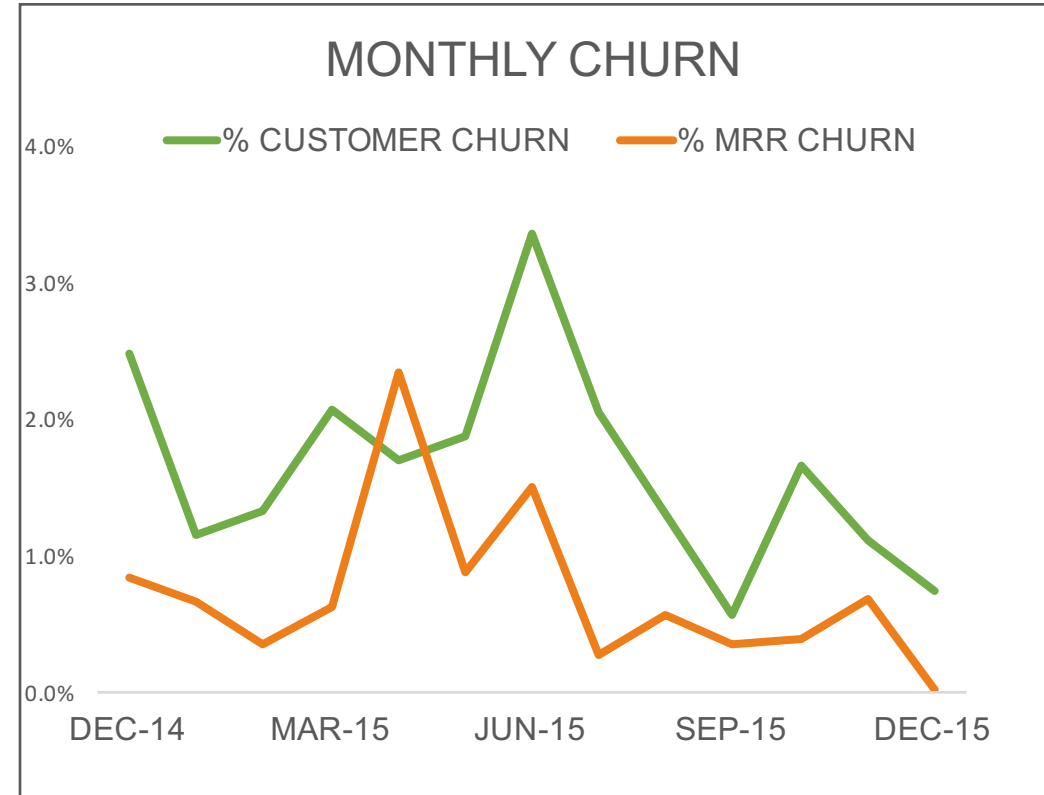
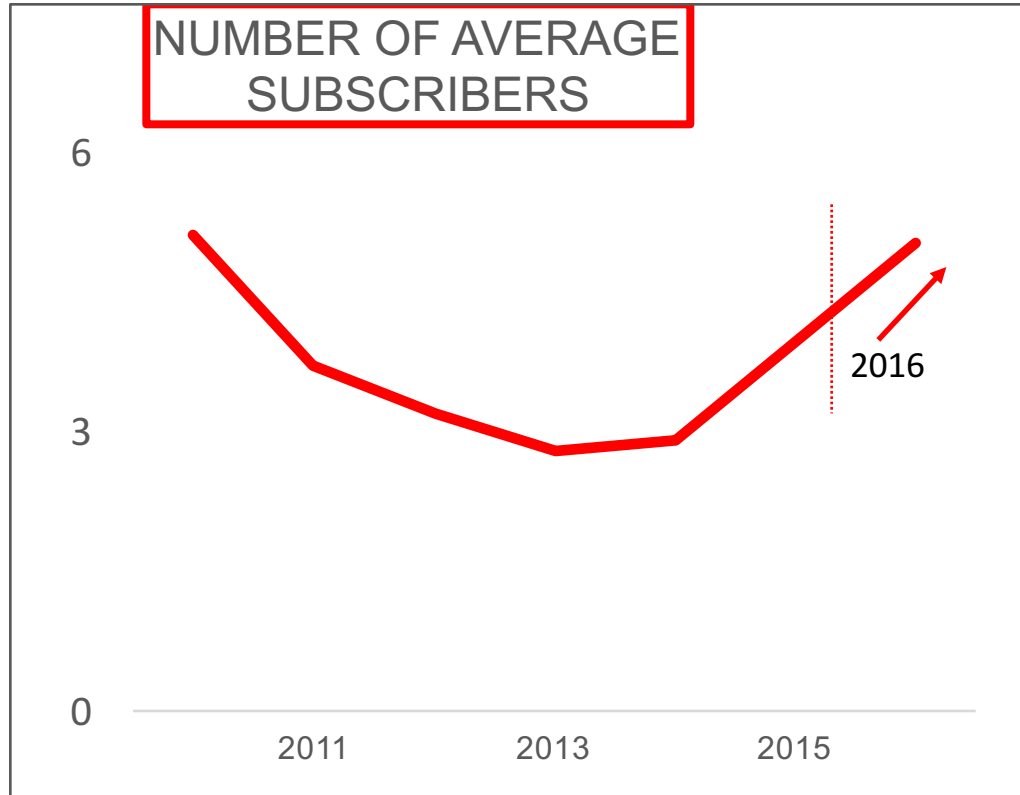
WHO ARE WE SELLING TO?



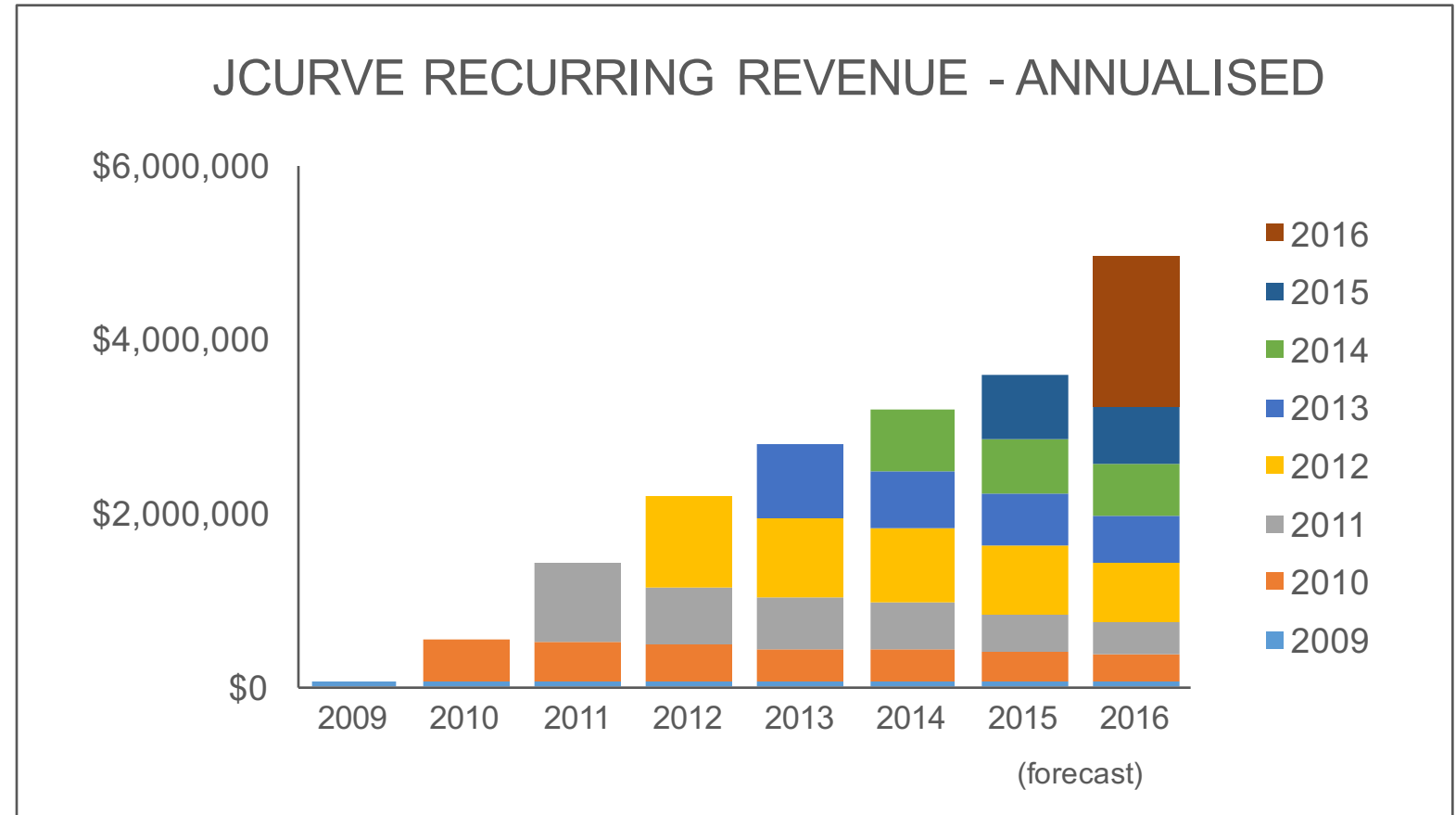
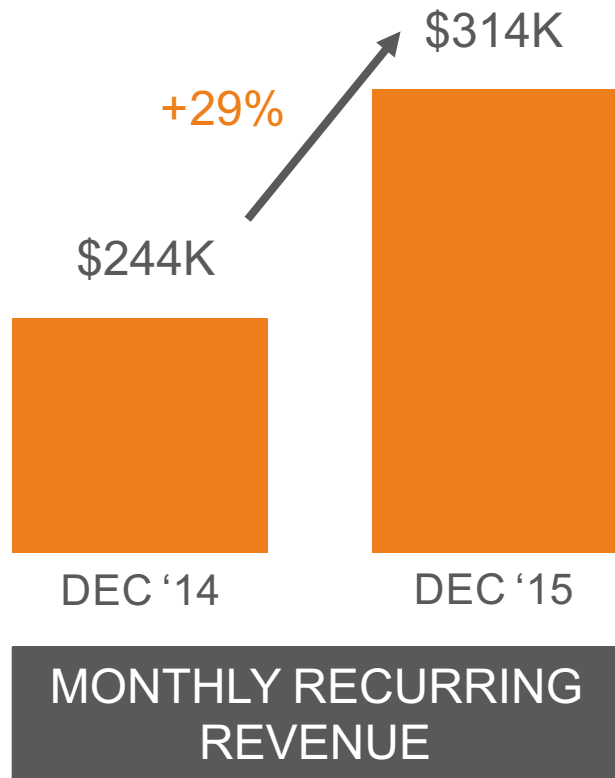
Our target market is growing Wholesale & Distribution businesses in Australia and New Zealand, typically employing less than 20 employees. There are 79,000 such businesses in Australia.



POSITIVE CUSTOMER MIX CHANGE: — ACQUIRING AND RETAINING HIGHER VALUE CUSTOMERS —



— JCURVE RECURRING REVENUE GROWTH —



MAXIMISING VALUE FROM TEMS

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

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

1H'16 Initiatives

Productivity: reduced headcount in TEMS has enabled group opex to decrease 21% (excl. impairment expense)

Impairment of \$3m included \$2.6m for the Full Circle Group and \$0.4m for Phoneware.

TEMS business has now been written down to \$0

— 2016 OUTLOOK AND PRODUCT TRENDS —

MEASURE (\$ MILLIONS)	FY15	FY16 OUTLOOK (issued Nov '15)	FY16 REVISED OUTLOOK
JCurve Solutions			
Revenue	\$11.3m	Range: \$10m to \$10.5m	Range: \$9.5m to \$10.5m
EBITDAexcl. Impairments	(\$0.9m) loss	Range: (\$0.5m to \$0.2m) loss*	Unchanged
NPAT excl. Impairments	(\$0.3m) loss	Range: (\$0.2m) loss to \$0.1m profit*	Unchanged
JCurve Product			
Paid Subscriptions	2,035	2,500+	
Churn	10%	Below 10%	
PRODUCT REVENUE TRENDS AFFECTING FY16			
<ul style="list-style-type: none"> JCurve - strong double digit growth TEMS - continued weakness driven by structural headwinds Discontinued operations having contributed \$1.1 million in FY15 			

CONCLUSION



JCurve software business is performing well and should continue to grow strongly



Productivity is helping to maximise value from the TEMS business



We have a plan to grow and are investing in our people, our brand, and our customers for sustainable growth

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