



29 July 2019

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

By E-Lodgement

Company Update

- **Preliminary FY2019 statutory unaudited financial results within the revised guidance range**
- **Further balance sheet strengthening with positive operating cash flows of \$0.7 million in FY2019 and a 30 June 2019 cash balance of \$4.8 million**
- **Establishment of a delivery centre of excellence in Manila**
- **We are investigating several carefully selected product IP acquisition opportunities in Asia**

Preliminary FY2019 unaudited results

JCurve Solutions Limited (ASX : JCS, The Company) is pleased to provide its preliminary sales, revenue, EBITDA and NPBT results for the year ending 30 June 2019 (FY2019). Final audited results will be reported by JCS in late August 2019.

MEASURE	FY2019 GUIDANCE (*)	FY2019 PRELIMINARY UNAUDITED RESULT (***)
Sales Income (**)	Range: \$13.0m - \$14.0m	\$12.3m
Revenue	Range: \$12.0m - \$13.0m	\$12.6m
EBITDA (****)	Range: \$0.7m to \$0.9m	\$0.8m
NPBT (****)	Range: \$0.5m - \$0.7m	\$0.6m

(*) Revised guidance issued 30 January 2019

(**) Not revenue as per the accounting standards and not reported in the statutory financial results

(***) The preliminary results outlined above are still subject to year-end audit

(****) R&D is expensed as incurred under the Company's accounting policies. The above results include \$0.4 million of expensed R&D salaries and wages

The Company reports that it achieved strong growth results from its existing ERP customers by minimising churn and maximising revenue through renewals and upsells. JCS continues to have success maximising value from its Telecommunication Expense Management solutions.



Sales to prospective new ERP business customers was below forecast levels with a number of new business sales opportunities which were expected to close in FY2019 being won in July 2019. Throughout FY2019, JCS continued to see a shift toward the more complex NetSuite solutions resulting in longer sales cycles.

Our recent acquisitions, Riyo and Spectrum, provided small revenue contributions to our group FY2019 result. JCS invested in research and development activities for the Riyo solution and ramped up operations in Asia, including the establishment of a delivery centre of excellence in Manila. The revenue and profit contributions of both business units are expected to improve in FY2020.

Balance Sheet

JCS was \$0.7 million operating cash flow positive in FY2019. The Company's 30 June 2019 cash position is \$4.8 million, increasing from \$4.5 million reported in June 2018 and the \$3.3 million reported in December 2018. The Company remains debt free.

The Company's deferred revenue balance reduced from \$2.7 million in FY2018, to \$2.4 million as at 30 June 2019 as a number of larger NetSuite implementation projects reached performance milestones in FY2019.

Opportunities

With a strong balance sheet and solid operating fundamentals, JCS has been investigating several carefully selected product IP acquisition opportunities over the last quarter in Asia. This follows the acquisition and integration of the Spectrum Partner Group in December 2018.

The relocation of the JCS CEO, Stephen Canning, to Singapore from August 2019 will allow the Company to further progress these opportunities while investigating growth opportunities for Riyo as well as assisting with the planned rapid growth of the ERP practice in Asia.

For and on behalf of the Board

Bruce Hatchman
Chairman