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Manager of Company Announcements
ASX Limited
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By E-Lodgement

JCurve Solutions Limited completes acquisition of The Full Circle Group

Resultant Company restructure and integration benefits realised

Highlights:

- The Full Circle Group acquisition delivers JCurve Solutions the most comprehensive Australian telecom expense management service portfolio
- Organisational Restructure into specialist service lines, ready to "go to market"
- Appointment of industry experienced senior and strategic management to pursue channel strategies across both service lines
- Immediate annual resource savings of $600k realised, with further benefits identified post The Full Circle Group acquisition
- Acquisition complements plans to increase sales of JCurve's small business cloud accounting and ERP software

The Full Circle Group Acquisition

Sydney, 17 June, 2014, JCurve Solutions Limited ("JCS" or "JCurve") has completed the acquisition of leading cloud telecoms management company The Full Circle Group ("Full Circle"), to be fully integrated into JCS's business operations, effective 1st July 2014.

The Full Circle acquisition will combine the capabilities of two previously competing Australian telecom expense management (TEM) providers into a dominant and competitive service offering.

Such will not only deliver JCS scale and growth opportunities in the telecommunications and data management cloud software market, but also enhances the capability to protect existing recurrent revenue streams. An added bonus is the elimination of an otherwise substantial investment of over $800k being considered by JCS into its existing TEM's product, JTel, which is no longer required.

Besides taking out a direct competitor from the Australian market, the acquisition delivers JCS a leading cloud software platform built on the breakthrough technology platform, Ruby on

Rails. Full Circle also brings a wealth of management, sales and development experience with a proven record of delivering year-on-year revenue growth. The Full Circle Group has recorded 30+% year-on-year revenue growth over the past three years.

"This acquisition is part of a wider concerted growth strategy, to expand the complementary JCurve business units exponentially," states Graham Baillie, Managing Director at JCS. "Collectively, Full Circle and JTel, combined with the recognised huge potential of JCurve, accelerates the Company's stated goal to increase the value of the company through its premium cloud computing product offerings" said Mr Baillie.

Tony Simmons, Managing Director of Full Circle said of the acquisition "The Full Circle Group has been rewarded for its independent approach to client cost reduction by securing major contracts with two large Australian enterprises. Once again, this current financial year will see Full Circle revenue growth of 30%+. Continuous year on year revenue growth of 30% has Full Circle recognised as the leading supplier in the Australian TEM's market."

This acquisition allows JCS to streamline operations and eliminate duplicated resources with identified annual savings in excess of $600,000 to be delivered in FY 2015, with further savings identified post the Full Circle acquisition.

The restructure is intended to support the "go to market" initiatives for both service lines and incorporates recent appointments of experienced senior managers to focus on the acceleration of JCS's intent to establish itself as an aggressive and competitive supplier in the TEM's and small business ERP business software markets.

Key strategic revenue initiatives – JTel / The Full Circle Group:

- Advance license opportunities for the software platform
- Deliver increased results from a strengthened sales team
- Exclusive Distribution Partnership Agreements to be executed to add further TEM capabilities to JCS's portfolio of solutions

JCurve ERP Software

The acquisition coincides with plans to grow sales of JCurve's small business cloud accounting and ERP software. "JCurve is well placed to be the leading cloud accounting and ERP software for small business," said Graham.

"Giving customers a 360 degree view of their business is helping revolutionise how small businesses operate. JCurve is not a comparable solution to Xero or MYOB. It is a complete business transformation tool for growing small businesses looking to outperform their competitors. Built on the global leader in Cloud ERP, NetSuite, our customers can be assured of access to world class technology," continued Mr Baillie.

Of plans to grow the business Mr Baillie said "We are taking on new channel partners to build scale quickly. The increasing interest in the JCurve product has been exceptional and with the appointment of a highly experienced manager, Lukas Taylor, to grow our channel business we are confident in achieving impressive growth numbers. Lukas' previous experience as a senior level relationship and partner manager with proven success in building sales channels from the ground up (most recently with Macquarie Telecom will be a great asset to the company.

"JCurve has experienced proven success in wholesale distribution, retail and franchising verticals and will focus efforts to leverage this past success," explained Mr Baillie.

Key strategic revenue initiatives – JCurve ERP Software:

- Finalise commercial agreements to announce strategic alliances with Tier 2 & 3 accountant channel pilots to target over 25,000 small business customers
- High performing talent acquisition to be appointed in the sales team to drive deliver revenue targets
- Launch of major digital campaign to drive online sales of JCurve's entry point solution
- Launch of vertical offerings to market
- Rollout of the new NetSuite user interface and increase the ease of adoption of JCurve by small business and the accounting profession

Other Activity:

JCurve has been active in the market place attending relevant conferences and events to grow its profile and generate business opportunities. An extract of some of the recent events attended is highlighted below:

Attendance at SuiteWorld, California

- JCurve recently attended the annual SuiteWorld Conference hosted by Netsuite in Silicon Valley, California
- 6,500 Netsuite partners and customers attended from across the globe
- JCurve was awarded a 5 Star Partner, the highest partnership status, at this year's conference given it now contributes over $1 million revenue to NetSuite annually

CPA – Roadshows

- Over the past 4 months JCurve has attended 6 CPA events as part of its go to market strategy for accountants
- At the recent events JCurve sat on panels with representatives from Xero and Reckon to discuss cloud based business solutions

- CPA Australia is one of the world's largest accounting bodies with a membership of over 150,000 finance, accounting and business professionals
- JCurve is generating significant interest at these conferences and will notify the market as tangible outcomes are realised

The Transaction – acquisition of The Full Circle Group Pty Limited

JCurve Solutions acquisition of the Full Circle Group is for a consideration of AUD 2.9 million, consisting of AUD 1.8 million in cash and AUD 850,000 worth of shares in JCS. A further AUD 250,000 worth of JCS shares will be issued on an incentive basis on the achievement of financial and product development targets as agreed in the purchase of Full Circle.

Employment terms have been offered to and accepted by Anthony Simmons, Founder and Managing Director of Full Circle, and continuing employees.

About JCurve Solutions

JCurve Solutions Limited is an ASX listed, Australian-owned IT company focused on cloud and mobility solutions. The company was established in 2013, following the acquisition of JCurve Solutions Pty Ltd by Stratatel Limited (ASX: STE).

JCurve Solutions delivers a range of cloud technology solutions and services that meet the complete business management needs of businesses across Australia and New Zealand, as well as Internationally. Its solutions include cloud accounting and fully integrated ERP software, telecommunications expense management software and professional services.

With a team of 50 people across 3 offices across Australia, JCurve Solutions supports over 2,000 customers.

About The Full Circle Group

The Full Circle Group was established as an independent Australian Cloud Telecoms Management company, in 2004. With over 35 years of accumulated telco experience, Full Circle provides telco expense management solutions using proven methods and Full Circle's telco analytics to guarantee its clients cost savings.

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