



17 April 2014

Manager of Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

By E-Lodgement

JCurve Solutions raises A\$2.5m in an oversubscribed share placement to fund rapid growth plans and announces acquisition of The Full Circle Group

Highlights:

- Successful capital raising completed to rapidly expand market footprint of JCurve's cloud accounting and Enterprise Resource Planning (**ERP**) small business software, powered by Netsuite
- Strategic acquisition of leading edge telecoms expense management company to more aggressively compete in lucrative local and overseas markets

JCurve Solutions Limited (**JCS**) is pleased to announce that it has raised approximately A\$2.5m in a placement of 50,172,030 shares at A\$0.05 per share (**Placement**) to professional and sophisticated investors. The Placement represents a 16.7% discount to the last traded price on 14 April 2014. The company plans to accelerate its JCurve product's go-to-market strategy, which is the small business version of Netsuite's cloud accounting and ERP software.

In addition, JCurve Solutions has entered into a non-binding Heads of Agreement to acquire 100% of the issued capital of cloud telecoms management company, The Full Circle Group (**Transaction**).

Summary of Acquisition:

- EBITDA positive recurrent revenue business
- Takes out leading competitor, adding management, sales and development capability
- Supplements existing JTel division revenues
- Offsets JTel product development expense otherwise required

JCurve has enjoyed a substantial increase in the acceptance and adoption of its product offering in the SME cloud accounting and ERP space. Accordingly, the board of JCurve Solutions decided to raise additional capital to accelerate its marketing efforts to take advantage of this window of opportunity, whilst simultaneously securing a strategic acquisition.

The marketing drive for JCurve will focus on digital marketing campaigns, the implementation of its go to market strategy specifically for accountants, the finalisation of commercial arrangements with strategic channel partners, targeting specific vertical opportunities and talent acquisitions. The results of these initiatives will be visible in the market in the not too distant future along with a more comprehensive go to market strategy.



Graham Baillie, Managing Director, JCurve Solutions said “JCurve Solutions has huge potential to attack the lucrative small business market with a quality product offering, designed specifically for small businesses, that enables simple and easy transition to a fully featured software system. The funding will let JCurve raise its profile and capitalise on the opportunities in the growing cloud small business software market”.

Of the acquisition Mr. Baillie said, “Adding another cloud recurrent revenue business in the mobility arena continues to build the solid foundation of JCurve Solutions as it ramps up for growth. JCurve Solutions no longer needs to significantly invest in the development earmarked for the JTel product and can focus resources on growing the business.”

Chris Gabriel, Director of JCurve Solutions and acknowledged global telecommunications specialist said “Incoming Full Circle management can aggressively pursue local and international opportunities and grow the existing recurrent revenues of the JTel division. The acquisition brings the company a leading cloud software platform, as well as added management, sales and development capability. It also introduces a new range of consulting services including benchmarking, auditing & optimisation, proposal evaluation and tender management.”

Mr. Gabriel continues, “With mobility driving productivity for Australian businesses this acquisition will continue to drive savings and improve efficiencies when managing telecoms for customers.”

JCurve Solutions is confident the acquisition will benefit from the significant development that has recently been invested into the Full Circle telecom expense management solution. The solution is built on breakthrough technology Ruby on Rails, which helps to lower the software’s development costs and timeframes.

The Transaction – acquisition of The Full Circle Group Pty Limited

JCurve Solutions Limited has entered into a non-binding Heads of Agreement with The Full Circle Group Pty Limited to acquire 100% of the cloud-based software and telecom consulting services company.

The consideration is to consist of a \$1,800,000 cash component, new issue of shares in JCS with a market value of AUD \$850,000 (valued at 7 day VWAP which has been agreed as A\$0.056) and an incentive scheme for the issuing of shares of a market value of AUD \$250,000, the entitlement to such shares to be subject to milestones being achieved including:

- (i) Full Circle achieving not less than 90% of its projected revenue for Financial Year 2014-15
- (ii) The successful delivery of Full Circle’s development roadmap for the telecom expenditure management (**TEM**) platform and its integration into JCurve’s business.

Employment terms are to be offered to Tony Simmons, Founder and Managing Director and continuing employees.



The Heads of Agreement is subject to various conditions precedent including completion by JCurve Solutions, to the reasonable satisfaction of all directors, of all necessary due diligence investigations in respect of The Full Circle Group.

It is intended the parties will also negotiate and enter into full form transaction documentation and it is anticipated the transaction will be completed by the end of May 2014.

The Company will provide updates on the Transaction as it unfolds.

About JCurve Solutions

JCurve Solutions 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 by Stratatel (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 almost a decade ago by Tony Simmons, a former Telco lawyer, as an independent Australian Cloud Telecoms Management company. With over 35 years of accumulated telco experience, Full Circle provides telco analytics insights that far outstrip traditional cost reporting. 82% of Full Circles client base are Telstra customers.

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Appendix 1 - Indicative Timetable

	2014 (EST)
Offer Opened	15 April 2014
Firm Commitments closed	5pm, 16 April 2014
Settlement of Funds	28 April 2014
Issue of Shares	29 April 2014