

20 March 2020

Manager of Company Announcements  
ASX Limited  
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SYDNEY NSW 2000

By E-Lodgement

## **JCurve Solutions Business Update**

JCurve Solutions (ASX: JCS) today provides an update on the Company's response to the COVID-19 pandemic and a general business update.

### **Response to COVID-19 Pandemic**

COVID-19 has resulted in a significant and ongoing dislocation at all levels of the Australian and world economy. We at JCS are not immune to this but our business is well established to continue providing our existing customers with the highest level of service and support. This is our commitment; to continue serving our customers at this highest level.

The Company has enacted a number of measures to protect our employees, partners and customers:

- Enacting our Business Continuity Plans. All our employees in Singapore and Philippines are working from home. In Australia, our employees are encouraged to work from home where possible and we are monitoring the situation closely and advice or direction from all levels of Government;
- Ceasing all international travel and all but essential domestic air travel;
- Conducting all customer and prospect meetings remotely by video conference unless it is critical that an onsite meeting is required;
- Ceasing all JCurve Solutions hosted events;
- Ceasing attendance by our employees at conferences, trade shows, and events; and
- Ongoing and regular communication with employees regarding awareness of good hygiene, workspace sanitation and social distancing practices.

JCS CEO Stephen Canning said "These times are uncertain. There is no question. But we at JCS are focused on our staff, our clients and our community. Our uppermost thought is for the health and wellbeing of all our stakeholders at this time. It is important to note that our business continues uninterrupted whether that be from our offices in Chatswood, Metro Manila or Singapore or from the homes of our staff. We continue to focus on delivering an exceptional service that assists our customers in running their businesses."

### **JCurve Solutions remains in a strong financial position**

JCurve Solutions has strong annual recurring revenue streams exceeding \$7m, as well as a strong cash balance of \$3m as at the end of February 2020 which is expected to be materially similar as at 30 June 2020.

Our cash resources and contingency plans should enable the company to weather uncertainty and a market slowdown.

As a result of the COVID-19 pandemic, the Company has seen over the past month a number of sales opportunities across our ERP business which were expected to close but were delayed. We expect this will have a continuing negative impact on the new business sales result achieved in Quarter Four, the quarter which is typically strongest for new business sales for the Company.

It is too early to quantify the full effects of COVID-19 on our business, other than to indicate that we now expect results to be around the bottom end of the guidance range. We do expect the unearned income to be below the original guidance range and in the order of \$2.6m as at 30 June 2020 reflecting the anticipated reduced level of Quarter Four new business ERP sales.

The original guidance released was:

MEASURE	FY2019 ACTUAL	FY2020 ORIGINAL GUIDANCE
Sales Income (*)	\$12.3m	Range: \$12.5m - \$15.5m
Revenue	\$12.6m	Range: \$10.5m to \$13.5m
EBITDA (**)	\$0.9m	Range: \$0.0m - \$0.6m
NPBT	\$0.6m	Range: (\$0.3m) - \$0.3m
Unearned Income	\$2.2m	Range: \$3.5m - \$4.2m

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

(\*\*) The positive impact of adopting AASB 16 from 1 July 2019 on the FY2020 result, which is expected to be in the order of \$0.5m has not been included in the above guidance for comparability purposes.

### **Partnership with Epicor for the Riyo Solution**

The Company announced on the 25<sup>th</sup> of February 2020 that it had become an Alliance ISV (independent software vendor) partner for Epicor Software Corporation, with the Riyo solution selected as the preferred solution for rostering and scheduling jobs as part of the Epicor Senior Living Solution (SLS) offering. The Company continues to work with Epicor on a number of Epicor aged care opportunities, which are well suited to the tailored Riyo solution as part of the Epicor and JCurve Solutions go-to-market launch.

### **Conclusion**

JCS CEO Stephen Canning concluded “Your Company remains strong and resolute in its strategy to accelerate growth. With a strong balance sheet, we are well placed to take on opportunities that present themselves as Australia and Asia start to see green shoots from the current situation”.

### **About JCurve Solutions**

JCurve Solutions is a trusted technology solutions partner, listed on the ASX (JCS). The team at JCS utilise the power of the cloud to help customers make lasting, substantial improvements to their performance and grow into great businesses. Learn more: [www.jcurvesolutions.com](http://www.jcurvesolutions.com).

This update is authorised for release to the market by Stephen Canning, CEO of JCurve Solutions Limited.