

A photograph of three students in a library setting. A young woman with glasses and a braid is smiling and looking at a book. A young man is smiling and looking at a laptop. Another student is partially visible on the left. Bookshelves filled with books are in the background.

Janison.

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# For ASX Appendix 4D and Interim Report.

A large, stylized letter 'J' logo in a light teal color, with a green dot at the end of the horizontal bar.

Janison Education Group Limited  
Six months ended 31 December 2020

# "Strong focus on equity and real world learning."

David Caspari Chief Executive Officer

## Company Directory

### COMPANY

Janison Education Group Limited

### ASX CODE

JAN

### REGISTERED OFFICE

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Level 5, 126 Phillip Street  
Sydney NSW 2000

### TELEPHONE

+61 2 8072 1400

### WEBSITE

janison.com  
lcasAssessments.com

### SHARE REGISTRY

Automic Registry Services  
Level 5, 126 Philip Street  
Sydney NSW 2000

### BOARD OF DIRECTORS

Mr Mike Hill, Non-Executive Chairman  
Mr Wayne Houlden, Non-Executive Vice Chairman  
Mr Brett Chenoweth, Non-Executive Director  
Mr David Willington, Non-Executive Director  
Ms Allison Doorbar, Non-Executive Director

### COMPANY SECRETARY

Mr Andrew Whitten

### AUDITOR

Stantons International Audit & Consulting Pty Ltd  
6 Middlemiss Street  
Lavender Bay NSW 2060

### CORPORATE GOVERNANCE

janison.com/investors/

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## Janison Education Group Limited and its consolidated entities.

ABN 90 091 302 975

### 1. Reporting period

Report for the six months ended: 31 December 2020

Previous corresponding period six months ended: 31 December 2019

### 2. Results for announcement to the market

		Millions \$
2.1 Revenues from ordinary activities	Up 40% to	15.9
2.2 Earnings before interest, tax, depreciation and amortisation (EBITDA)	Up 114% to	2.8
Loss from ordinary activities after tax attributable to members	Down 53% from loss (\$1.2m) to	(0.6)
2.3 Loss after tax attributable to members	Down 53% from loss (\$1.2m) to	(0.6)
2.4 Dividends	None proposed	
2.5 Dividends record date	Not applicable	
2.6 Refer to the Interim Financial Report for the six months ended 31 December 2020 lodged on 19 February 2021.		

### 3. Net tangible assets per security

	2020	2019
Net tangible asset backing per security (in dollars)	0.039	0.001

### 4. Control gained and lost over entities

Not applicable

### 5. Total dividends or distributions and dividend or distribution payments

Not applicable

### 6. Dividend reinvestment plan

Not applicable

### 7. Details of associates and joint ventures

Not applicable

### 8. For foreign entities, which set of accounting standards is used in compiling the report

Refer to the Interim Financial Report for the six months ended 31 December 2020 lodged on 19 February 2021.

### 9. Audit review of the financial report

Refer to the Interim Financial Report for the six months ended 31 December 2020 lodged on 19 February 2021

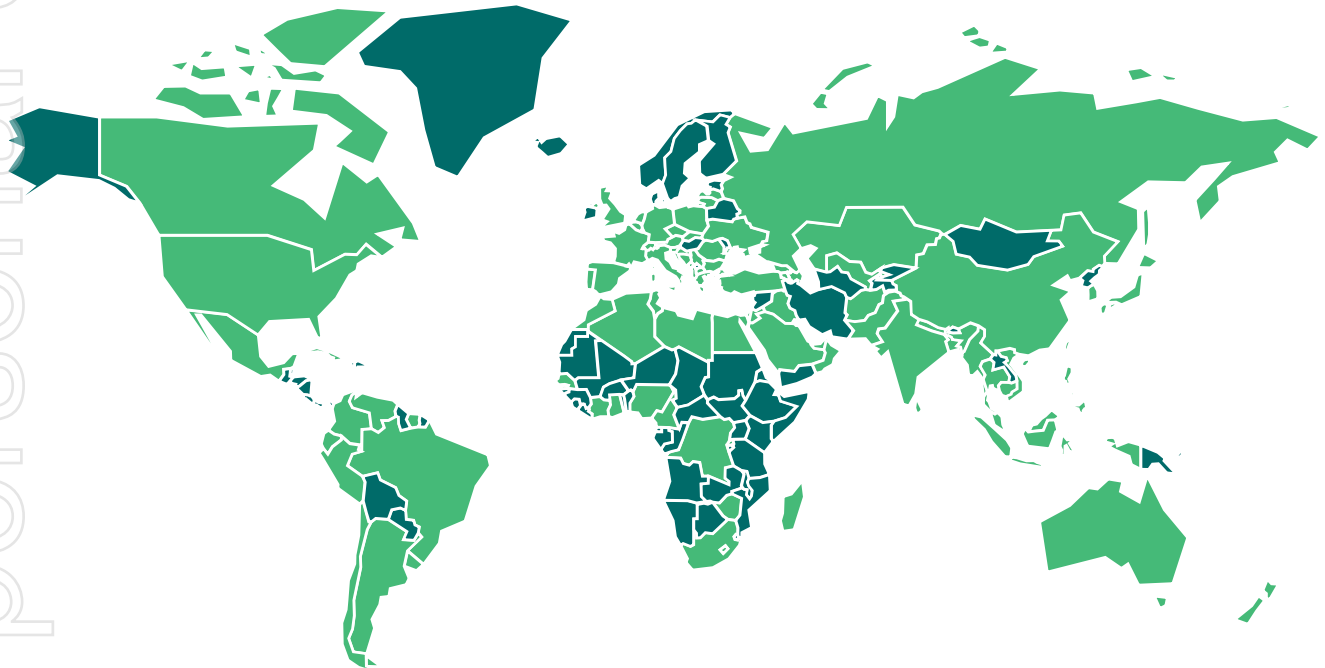


**"Janison is a global force  
for good – we exist  
to change education  
by leveraging digital  
assessments ...**

**... our technology enables  
it to be accessible to the  
needs of schools and  
countries everywhere."**

**Janison.**

**We empower  
educators and support  
school improvements  
to make a difference in  
more than 120 countries.**



- Eliminating geographical and connectivity limitations with technology that runs uninterrupted, regardless of internet drop-outs.
- Delivering efficient authoring and marking, and swift delivery of results.
- Providing a consistent, authentic assessment experience for every candidate.
- Offering analytics that close the divide between teaching and outcomes.

■ Janison. locations



# Founder's Message.

With more than 40 years of experience working in the technology and education industries, I find it rewarding to reflect on the ways in which Janison has led strategic change for education and continues to make valuable contributions in our third decade of operation.

Janison was founded in 1998 as an education technology company, long before such a term became commonplace. Thinking ahead of our time and leading through innovative software development is a key component of Janison's culture and an important contributor to our continued success.

For the first decade of our operation, we focused on building the best available learning platforms for schools, colleges, companies and governments. Through innovation, we won many awards and made significant contributions to the development of online learning.

In our second decade, we shifted focus to the development of large, cloud hosted, digital testing platforms with the goal to replace paper-based testing with a more secure, robust and efficient option. During this period, we successfully built and continue to operate significant national assessment platforms.

Now in our third decade, we are again providing leadership and innovation through the creation of complete assessment and measurement systems which operate at both national and global levels, combining our testing technology with the best of assessment content, data analysis and reporting.

Each of these phases represent a growing connection between technology and educational outcomes, and it is incredibly pleasing to see Janison now fulfilling the original vision at a global level in partnership with many world leading educational organisations.

As we continue on this trajectory, the challenge is to continue to innovate and lead thinking in digital assessment and measurement. Given our track record, our unwavering vision, the opportunities which lie ahead, I have every confidence that we are fit for the challenge.



**Wayne Houlden**

Janison Founder and Vice Chairman



**13.2M+**

online assessments  
delivered in 2017-2020



**70%+**

Australian schools use Janison Insights



**25M+**

pieces of paper saved per year



# Chairman's Letter.

Dear shareholders,

Janison's board and leadership have continued to deliver on its strategic objectives to transition the businesses from a custom software developer to a SaaS platform and content provider focused on delivering world-class digital assessments for schools.

In the first six months of this financial year we are delighted with the substantial progress made against our strategic plans with our financial results reflecting the truly exceptional work achieved. Revenue from Janison's core business - **digital Assessment Platforms and Products more than doubled** compared to the same period last year, with **+143% growth**.

Despite COVID-19 headwinds impacting the traditional Exam Management division, the combined **Janison Education Group reported revenues of \$16m** for the first six months – an impressive overall **growth of 40% on the same period last year**.

Through a focused approach to continued investment in growth, Janison generated **positive operating cash flow of \$1.9m** for the half year. Newly acquired **ICAS Assessments** delivered outstanding results with **revenue of \$4.8m at 80% gross profit margin**. Were it not for the upfront payment nature of most of Janison's clients, operating cash flow would have been even greater in first-half FY21.

We are encouraged to see our strong operational performance delivering an impressive return for our shareholders with first half financial results translating into a **+74% growth in share price** between 30 June 2020 and 31 December 2020.

In the past six months, the Board, CEO and a renewed management team have presided over a very successful period in terms of completing a transition in the business, emerging from COVID-19 as a major global contributor to improved teaching and learning, and has delivered growth and performance whilst retaining our culture, values and purpose-driven focus.

This is a very strong platform for moving forwards, and as the world emerges from the pandemic we are confident that Janison is well-positioned, well-partnered, well-resourced and well-credentialled to continue to build our influence as a global edtech provider.

On behalf of the Board, we thank you for your continued support.



**Mike Hill**

Chairman of the Board

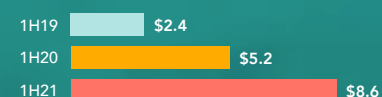
ARR (Annualised Recurring Revenue)  
Assessment Platform & Products



Total Operating Revenue \$millions



Total Gross Profit \$millions





Dear shareholders,

Janison exists to change education by leveraging digital assessments to measure knowledge and skills and provide insights for improvement. We are a global force for good.

Our team of dedicated educators, technologists and change agents are passionate about empowering teachers, students and governments to achieve better outcomes using our digital assessment platform and instruments. Our assessments are authentic, provide greater student insight, and more reliable data within a faster timeframe; and our technology platform supports a commitment to equity and accessibility for all.

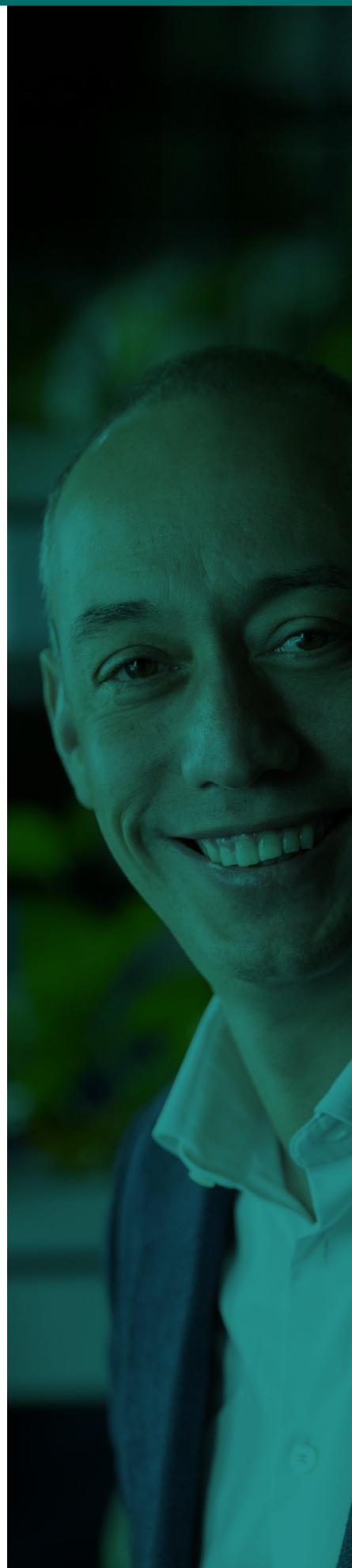
From regional NSW to an ASX-listed company headquartered in Sydney, Janison is a trusted edtech partner of universities, governments, schools, accreditors and educators around the world. We are an Australian success story, now thriving on the global stage by delivering more than 5-million best-in-class assessments annually in 120 countries.

Our 1H21 has been very successful for Janison. In particular, I'm encouraged by key financial performance indicators, most notably 78% Assessment ARR growth vs. prior corresponding period (pcp) and +8.1 percentage point growth in gross margin vs pcp, both of which demonstrate sound execution of our strategy as we transition to a product focused Software-as-a-Service (SaaS) platform business.

Our partnership with the **Organisation for Economic Co-operation and Development (OECD)** in the global rollout of PISA-based Test for Schools (PBTS) continues to flourish, and is a showcase of Janison's aspiration and purpose. With a strong focus on equity and real world learning, our technology enables it to be accessible to all as we work to meet the needs of schools and countries everywhere. It empowers educators, supports school improvement, and is enabled by a deep and enduring partnership with the OECD that allows us to make a difference globally.

Through COVID-19, with rolling school closures, we were delighted to be able to continue to deliver PBTS across the globe, including in Russia where we delivered to 1750 schools across six time zones. We have bolstered our PBTS capabilities, including the appointment of an OECD PISA for Schools team, and we anticipate these investments will result in us rolling out the program in further countries in 2H21. We also expect that we will take greater responsibility for in-country rollout of the full suite of capabilities that enable the delivery of this exciting program.

Despite the impact of COVID-19, the **ICAS competition** in 2020 exceeded our most optimistic ambitions, delivering \$4.8m revenue. Critically, with 300,000+ tests administered across 2500+ schools, we saw a 98% improvement in customer satisfaction as a result of market-leading products combined with seamless event delivery. The integration of the UNSW Global Educational Assessment business is now complete, and as the 1H21 closed, we successfully rebranded this business (including but not limited to the ICAS competition to ICAS Assessments. Janison plans to test more school children in Q4 with its REACH progression test – also acquired in June 2020.





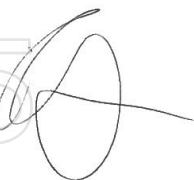
A key indicator of momentum in our assessments business is the number of tests and candidates. Excluding NAPLAN (which did not occur in 2020), Janison delivered more tests to more candidates in 1H21 than almost all of FY20. COVID-19 permitting, Janison expects to deliver more than 5 million tests for the full financial year FY21. New customers such as the **Chartered Accountants Australia & New Zealand** (\$5m TCV new logo in 1H) will see that continue to accelerate.

We are proud to have supported universities, governments, schools and educators through COVID-19. A significant highlight is the partnership with the **Department of Education (DoE)** in New South Wales where Janison's assessment platform assisted schools in identifying learning gaps for nearly 180,000 school children across NSW who had their schooling disrupted by the global pandemic.

Janison's exam management services business JEM is expected to see revenue contract due to COVID-19 forcing high-stakes exams including those ran by higher education institutions to be deferred or replaced temporarily with alternative forms of assessment (assignments and low-stakes exams). We have accelerate the transition to digital offerings, and with the outlook for eased restrictions and a vaccine looking favourable, management expect exam services revenue to begin to return, however the timing of the return represents an ongoing risk in the second half of FY21.

We have completed the first phase of our transition to a product focused SaaS business. Through the COVID-19 period we invested to set ourselves up for accelerated global scaling. We recruited significant new talent into the business, accelerated the development of our platform with enhanced features and functionality, opened our new Sydney-based headquarters, completed a rebrand of the company, and have been rapidly maturing our processes, systems, tools and operations. We are now well placed for growth, at a time where there has been a step change in the recognition that digital assessments will empower teachers and students to achieve better outcomes, enabled by our assessment content and platform.

We are optimistic about the half-year ahead and thank our valued customers for their trust, our partners for their collaboration, and our staff, contractors and their extended families for choosing Janison each day. I also thank the leadership team for their commitment to our vision and the Board for their guidance. Finally, I would like to thank our investors for their support as we continue on our mission to transform the way people learn.



**David Caspari**  
Chief Executive Officer



# 1H21 Financial Highlights.

Platform Revenue

**+88%**

growth

ICAS Assessments

**\$4.8m**

new revenue in 1H21

Gross Margin

**+8pps**

increase on 1H20

Assessment  
Gross Margin

**+15pps**

increase on 1H20

Research &  
Development

**\$2.4m**

21% of platform  
revenue invested  
in R&D

Cash

**\$10m**

cash on hand at  
31 December 2020

# Review of Operations.

The following commentary should be read in conjunction with the financial statements and the related notes in this report. Some sections of this commentary include Non-International Financial Reporting Standards (IFRS) financial measures as the Group believes they provide useful information for readers to assist in understanding the Group's financial performance. Non-IFRS financial measures do not have standardised meaning and should not be viewed in isolation or considered as substitutes for amounts reported in accordance with Australian Financial Reporting Standards. These measures have not been independently audited or reviewed.

## Principal Activities

The Group operates within the education technology (edtech) sector. Principal activities include the provision of Software-as-a-Service (SaaS) (the licence of its proprietary software platforms) to state and federal education bodies and large corporates. Since acquiring Educational Assessments in June 2020 from UNSW Global Pty Ltd the principal activities also include the production and sale of school assessments such as the ICAS Assessment, which is delivered to schools across Australia, New Zealand and internationally.

## Review of Operations

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)	Change
Platform revenue	11,838	6,295	88%
Services revenue	4,076	5,100	(20)%
<b>Total operating revenue</b>	<b>15,914</b>	<b>11,395</b>	<b>40%</b>
Cost of sales	7,345	6,186	19%
Gross profit	8,569	5,209	65%
Gross Profit %	54%	46%	8.1 pps
Operating expenses	6,086	4,417	38%
R&D tax incentive credit income	(275)	(500)	NM
<b>EBITDA</b>	<b>2,758</b>	<b>1,292</b>	<b>114%</b>
EBITDA %	17%	11%	6.0 pps
Non-operating expenses	582	612	(5)%
Depreciation and amortisation	2,785	1,776	57%
Net financial expense	68	72	(5)%
<b>Loss before income taxes</b>	<b>(677)</b>	<b>(1,168)</b>	<b>(42)%</b>
Income tax benefit/(expense)	110	(30)	NM
<b>Net loss after tax</b>	<b>(567)</b>	<b>(1,198)</b>	<b>(53)%</b>
Acquired amortisation	869	866	NM
<b>Net profit/(loss) after tax excluding acquired amortisation</b>	<b>302</b>	<b>(332)</b>	<b>&gt;100%</b>

pps - percentage point

NM - not meaningful

# Review of Operations.

The growth in total operating revenue during the six months ended 31 December 2020 was driven by the growth in Assessment platforms and products which included revenue generated from the licence of the ICAS Assessment to schools in Australia and internationally – one of four schools' assessments acquired by Janison as part of the purchase of Educational Assessments in June 2020.

Over the past three years, Janison has transitioned its business model from primarily developing bespoke assessment technology platforms for large strategic clients, to one which sells licences to a SaaS assessment platform with little or no services component. This has seen platform revenue increase substantially, and simultaneously, services revenue fall.

In addition, Janison has experienced a negative impact of the COVID-19 pandemic in its Exam Management division which has historically delivered large-scale in-person exams to several higher education clients across Australia and globally. In the first six months of FY21, revenue fell due to the restrictions placed on large gatherings and the lack of students arriving in Australia. Exam Management is classed as services revenue and is another driver of the reduction in revenue when compared to the prior corresponding period.

The transition towards a higher sales mix of high-margin platform revenue and a reduction in low-margin services revenue has had a favourable impact on Gross Profit margin which increased to 54% for the six months to December 2020 compared to 46% for the prior corresponding period. Over the past twelve months, Janison has also focused on reducing its cost of sales in order to generate further gross profit margin.

EBITDA margin (a non-IFRS measure) increased 6 percentage points when compared to the prior corresponding period as a result of the higher-margin sales mix despite an increased investment in Sales, Account Management and Marketing (Operating Expenses). Having successfully validated the demand for Janison's assessment technology platform (Janison Insights) with the securing of several SaaS clients, the Company proceeded with a larger investment in Sales and Marketing to support growth and the direct marketing of ICAS.

## Non-operating Expenses

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Share based compensation	424	356
Foreign exchange losses	69	54
Adjustment for LTC acquisition earn-out payment	-	182
Other	89	20
<b>Total non-operating expenses</b>	<b>582</b>	<b>612</b>

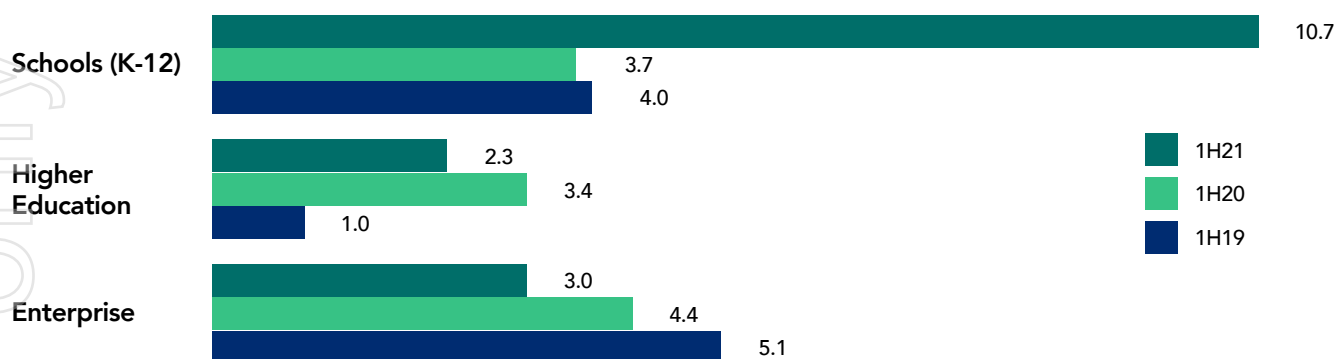
## Operating Revenue by Component

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)	Change
Licence and hosting revenue	5,806	5,743	1%
Content licence revenue	374	396	(6)%
Product revenue	5,658	156	>100%
<b>Total platform revenue</b>	<b>11,838</b>	<b>6,295</b>	<b>88%</b>
Services revenue	4,076	5,100	(20)%
<b>Total operating revenue</b>	<b>15,914</b>	<b>11,395</b>	<b>40%</b>



## Operating Revenue by Market Sector

Six months ended 31 December (\$ millions)



Growth in the Schools sector is the Group's stated primary focus and was achieved through the expansion of existing clients in this sector as well as the introduction of ICAS Assessments. The decline in the Enterprise sector reflects performance in Janison's secondary business division – Learning, where a number of clients facing difficulties during COVID-19 chose not to renew their licences for the use of Janison's Learning Management System (LMS).

## Operating Revenue by Geographic Location

Six months ended 31 December (\$ millions)



Janison continues to grow its domestic business through the acquisition of new clients and the expansion of existing ones. Growth in the rest of the world in the six months to 31 December 2020 is largely a result of the 5-year partnership agreement the Group has with the OECD in transitioning countries across to the Janison Insights platform and expansion opportunities leading from this. Notable contributions to this include Russia, Portugal, Thailand and Japan.

The decline in revenue from the Asia region compared to the corresponding period last year is driven by a reduction in development work for key Singaporean clients now that the bespoke assessment software build is complete and the platform is in operation.

## Gross Profit

Six months ended 31 December (\$ millions)



Cost of sales consists of personnel expenses directly associated with the supply of Janison's platforms and services to clients, including customer support. Cost of sales also includes hosting and third-party content licensing fees. Cost of sales excludes depreciation, amortisation and overheads which are reported separately below Gross Profit on the Consolidated Statement of Profit or Loss and Other Comprehensive Income.



# Interim Financial Report.

Janison.

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

Six months ended 31 December	Notes	2020 (\$'000s)	2019 (\$'000s)
Platform revenue		11,838	6,295
Services revenue		4,076	5,100
<b>Total operating revenue</b>	<b>3</b>	<b>15,914</b>	<b>11,395</b>
Cost of sales	4	7,345	6,186
<b>Gross profit</b>		<b>8,569</b>	<b>5,209</b>
Product development labour costs		-	315
General and administrative	5	3,820	3,363
Business development expenses		2,432	739
<b>Total operating expenses</b>		<b>6,252</b>	<b>4,417</b>
Research and development tax credit income		(275)	(500)
Other income		(166)	-
Share-based compensation	5	424	356
Depreciation and amortisation	6	2,785	1,776
Net financial expense	7	68	72
Other non-operating expenses		89	202
Foreign exchange losses		69	54
<b>Loss before income tax</b>		<b>(677)</b>	<b>(1,168)</b>
Income tax benefits/(expense)	8	110	(30)
<b>Net loss</b>		<b>(567)</b>	<b>(1,198)</b>
Foreign currency translation, net of income tax		(5)	(5)
<b>Total comprehensive loss</b>		<b>(572)</b>	<b>(1,203)</b>
Basic loss per share (cents)	12	(0.27)	(0.68)

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Financial Position

Period ended	Notes	31 Dec 2020 (\$'000s)	30 Jun 2020 (\$'000s)
<b>Assets</b>			
Cash and cash equivalents		9,929	11,108
Trade and other receivables	9	4,983	4,421
Work in progress		419	239
Prepaid expenses		665	900
<b>Total current assets</b>		<b>15,996</b>	<b>16,668</b>
Term deposit		271	-
Plant and equipment		757	675
Intangible assets	10	20,253	20,083
Right-of-use asset		3,595	2,164
Deferred tax asset	8	5,999	5,983
<b>Total non-current assets</b>		<b>30,875</b>	<b>28,905</b>
<b>Total assets</b>		<b>46,871</b>	<b>45,573</b>
<b>Liabilities</b>			
Trade and other payables		3,750	2,579
Employee entitlements		1,836	1,930
Lease liability		854	249
Contract liabilities		3,566	4,597
Income tax payable		-	337
<b>Total current liabilities</b>		<b>10,006</b>	<b>9,692</b>
Employee entitlements		170	171
Lease liability		2,942	2,023
Provision for make good		230	110
Deferred tax liability	8	1,420	1,636
<b>Total non-current liabilities</b>		<b>4,762</b>	<b>3,940</b>
<b>Total liabilities</b>		<b>14,768</b>	<b>13,632</b>
<b>Net assets</b>		<b>32,103</b>	<b>31,941</b>
<b>Equities</b>			
Share capital	11	56,653	56,343
Reserves	11	2,701	2,282
Accumulated losses		(27,251)	(26,684)
<b>Total equity</b>		<b>32,103</b>	<b>31,941</b>

The accompanying notes form an integral part of these financial statements.



# Consolidated Statement of Cash Flows

Six months ended 31 December	Notes	2020 (\$'000s)	2019 (\$'000s)
Receipts from customers		15,343	14,865
Payments to suppliers and employees		(13,352)	(12,073)
Interest paid and received, net		6	(12)
Income taxes paid		(271)	(167)
Other		150	-
<b>Net cash flows from operating activities</b>		<b>1,876</b>	<b>2,613</b>
Acquisition transaction costs		(65)	(1,663)
Internal product development	10	(2,134)	(2,467)
External product development		(282)	-
Purchase of plant and equipment		(170)	(39)
<b>Net cash (used in) investing activities</b>		<b>(2,651)</b>	<b>(4,169)</b>
Repayment of lease liabilities		(325)	(241)
<b>Net cash (used in) financing activities</b>		<b>(325)</b>	<b>(241)</b>
Effect of exchange rate changes		(79)	(56)
<b>Net change in cash and cash equivalents</b>		<b>(1,179)</b>	<b>(1,853)</b>
Cash and cash equivalents at the beginning of period		11,108	6,025
<b>Cash and cash equivalents at the end of period</b>		<b>9,929</b>	<b>4,172</b>

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

	Share Capital (\$'000s)	Accumulated Losses (\$'000s)	Reserves (\$'000s)	Total Equity (\$'000s)
Balance at 1 July 2020	56,343	(26,684)	2,282	31,941
Net loss	-	(567)	-	(567)
Other comprehensive income	-	-	(5)	(5)
Total comprehensive loss	-	(567)	(5)	(572)
Contributions of capital	310	-	-	310
Share-based payments-Directors and executives	-	-	424	424
Total transactions with owners	310	-	424	734
Balance at 31 December 2020	56,653	(27,251)	2,701	32,103

	Share Capital (\$'000s)	Accumulated Losses (\$'000s)	Reserves (\$'000s)	Total Equity (\$'000s)
Balance at 1 July 2019	47,549	(24,291)	1,949	25,207
Adjustments for AASB 16	-	(191)	-	(191)
Adjusted balance at 1 July 2019	47,549	(24,482)	1,949	25,016
Net loss	-	(1,198)	-	(1,198)
Other comprehensive income	-	-	(5)	(5)
Total comprehensive loss	-	(1,198)	(5)	(1,203)
Contributions of capital	2,023	-	-	2,023
Share-based payments-Directors and executives	-	-	184	184
Share-based payments-employee share options	-	-	172	172
Total transactions with owners	2,023	-	356	2,379
Balance at 31 December 2019	49,572	(25,680)	2,300	26,192

# Notes to the Consolidated Financial Statements

## Note 1: Summary of Significant Accounting Policies

### 1.1 General information and nature of operations

These financial statements include Janison Education Group Limited (JEG), a publicly listed company incorporated and domiciled in Australia and its subsidiaries (collectively referred to as the Group).

The Group's principal activities include the software development, hosting and licensing of e-learning and student assessment software platforms for schools, institutes of higher learning, corporations, and exam management services. A description of the Group's operations is provided in the Director's Report, which is not part of the financial statements.

The financial statements have been prepared using consistent accounting policies and methods of computation in all periods presented, unless otherwise stated.

The consolidated interim financial statements were authorised for issue by the Board of Directors on 19 February 2021.

### 1.2 Significant accounting policies

These general purpose consolidated financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2011. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

They do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

### 1.3 New or amended Accounting Standards and Interpretations adopted

The Group has applied all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Group has applied the AASB 2020-4 - Amendment to AASB 16 Leases, which was first adopted on 1 July 2019, for the accounting of COVID 19-related rent concessions. It provides a practical expedient for lessees from assessing whether a COVID-19 related rent concession is a lease modification. Lessees can elect to account for such concession as variable payments, given specified conditions are met. The Group received approximately \$118 thousand waived rent during the six months which offset its operating costs.



# Notes to the Consolidated Financial Statements

## Note 2: Segment Reporting

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. (Refer to Note 3 for information on the revenue components and their definition).

The Group's activities are organised into two operating segments: the Assessment segment and the Learning segment. The Assessment segment implements and operates a leading global platform for the provision of digital exam authoring, testing and marking which is sold to national education departments, tertiary institutions and independent educational institutions around the globe.

The Learning segment operates a Learning Management System ("LMS") that manages the content and learning programs for major corporate and government clients, as well as providing custom content development services.

### 2.1 Segment Contribution

Six months ended 31 December 2020	Assessment (\$'000s)	Learning (\$'000s)	Total (\$'000s)
Total segment revenue	12,347	3,567	15,914
Cost of sales	5,729	1,616	7,345
Segment gross profit	6,618	1,951	8,569
Operating expenses	4,508	1,303	5,811
Segment EBITDA	2,110	648	2,758

Six months ended 31 December 2019	Assessment (\$'000s)	Learning (\$'000s)	Total (\$'000s)
Total segment revenue	7,915	3,480	11,395
Cost of sales	4,827	1,359	6,186
Segment gross profit	3,088	2,121	5,209
Operating expenses	2,865	1,052	3,917
Segment EBITDA	223	1,069	1,292



# Notes to the Consolidated Financial Statements

## 2.2 Reconciliation from Segment Contribution to Net Loss after Tax

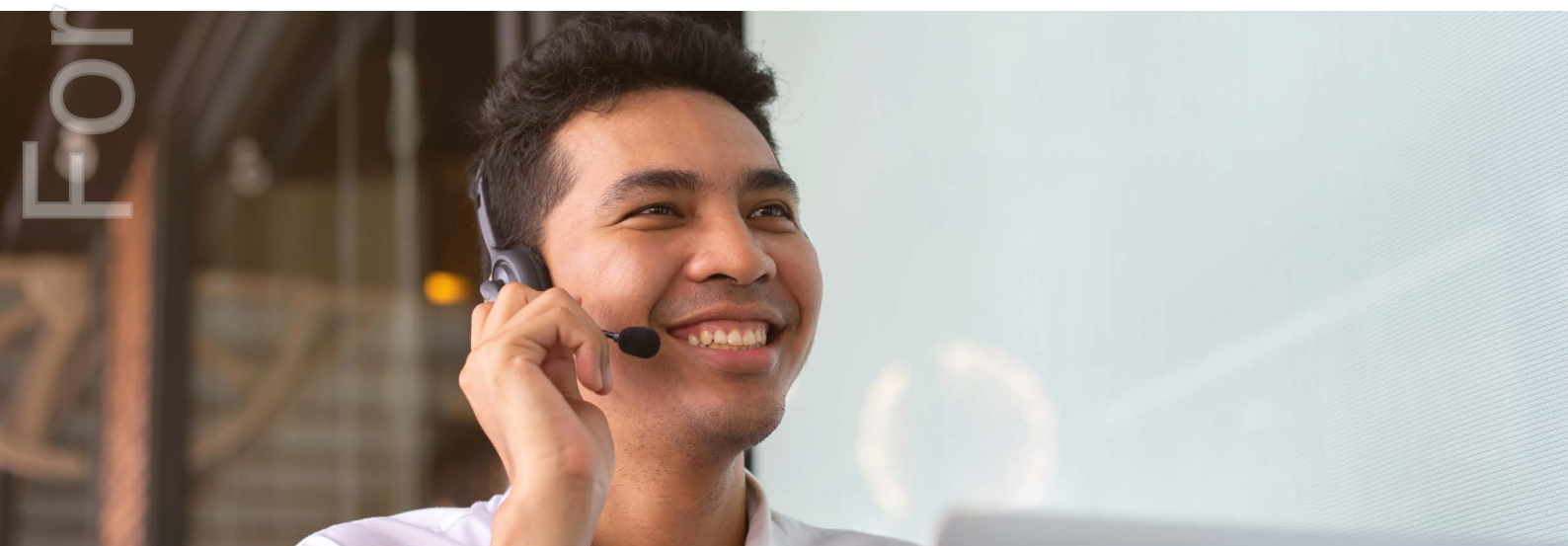
Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Assessment	2,110	223
Learning	648	1,069
<b>Segment EBITDA</b>	<b>2,758</b>	<b>1,292</b>
Share-based compensation	424	356
Foreign exchange losses	69	54
Other non-operating expenses	89	202
Net financial expense	68	72
Depreciation and amortisation	2,785	1,776
Income tax (benefit)/expense	(110)	30
<b>Net loss after tax</b>	<b>(567)</b>	<b>(1,198)</b>

## 2.3 Revenue by Market Sector

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Schools (K-12)	10,633	3,638
Higher Education	2,270	3,380
Enterprise	3,011	4,377
<b>Total operating revenue</b>	<b>15,914</b>	<b>11,395</b>

## 2.4 Revenue by Geographic Location

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Australia and New Zealand	12,456	8,958
<b>International Total</b>	<b>3,458</b>	<b>2,437</b>
Asia	997	1,565
Europe	969	760
Rest of the world	1,492	112
<b>Total operating revenue</b>	<b>15,914</b>	<b>11,395</b>



# Notes to the Consolidated Financial Statements

## Note 3: Consolidated Trading Revenue

The Group's revenue by component are presented below:

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Licence and hosting revenue	5,806	5,743
Content licence revenue	374	396
Product revenue	5,658	156
<b>Total platform revenue</b>	<b>11,838</b>	<b>6,295</b>
Services revenue	4,076	5,100
<b>Total operating revenue</b>	<b>15,914</b>	<b>11,395</b>

Platform revenue includes three components:

- Licence and hosting revenue comprises revenue for the right to use the platform and hosting services.
- Content licence revenue comprises recurring revenue for the right-to-use third-party content distributed via Janison's learning platform or customers' proprietary learning platforms.
- Product revenue represents the sale of online school assessments delivered on the assessment platform.

Services revenue includes revenue generated by platform customisation, implementation, configuration, customer training activities and the facilitation and supervision of examination events.

## Note 4: Cost of Sales

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Personnel costs	2,609	1,775
Third party contractors	1,760	2,098
<b>Total direct labour</b>	<b>4,369</b>	<b>3,873</b>
Hosting costs	934	1,502
Exam management costs	60	457
Direct software	1,008	130
Content licence fees	543	224
Other cost of sales	431	-
<b>Total cost of sales</b>	<b>7,345</b>	<b>6,186</b>

Personnel costs includes wages and employee benefits for staff servicing customers including segment heads, software developers, testers, and system operations engineers. Refer to note 15 for impact of JobKeeper program.

# Notes to the Consolidated Financial Statements

## Note 5: General and Administrative Expenses

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Personnel costs	2,580	2,077
Personnel costs - share-based compensation	424	356
Unallocated employee costs	110	306
Office facility expenses	142	203
Travel	55	290
Software licences	127	99
Professional services	370	215
Telecommunications	62	31
Other	374	142
<b>General and administrative expenses</b>	<b>4,244</b>	<b>3,719</b>
Less: Share-based compensation classified as non-trading	424	356
<b>Total general and administrative expenses</b>	<b>3,820</b>	<b>3,363</b>

Personnel costs include the salaries, benefits and bonuses of the Group's board, human resources, sales, marketing, technology, product and finance functions. Unallocated employee costs include primarily Australian state payroll tax levies, staff training and other employee related expenses not allocated by department. Refer to note 15 for impact of JobKeeper program.

## Note 6: Depreciation and Amortisation Expense

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Office and computer equipment	59	36
Leasehold improvements	23	25
Capitalised platform development costs	1,372	630
Amortisation of acquired IP	869	866
Right-of-use asset depreciation expense	462	219
<b>Depreciation and amortisation expense</b>	<b>2,785</b>	<b>1,776</b>

## Note 7: Net Financial Expense

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Interest (income)/expense	(6)	12
Interest expense - lease liability	74	60
<b>Net financial expense</b>	<b>68</b>	<b>72</b>

# Notes to the Consolidated Financial Statements

## Note 8: Income Taxes

### 8.1 Components of Income Tax Expense

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Current tax expense	120	5
Deferred tax (benefit)/expense	(230)	25
<b>Income tax (benefit)/expense</b>	<b>(110)</b>	<b>30</b>

### 8.2 Reconciliation of Prima Facie Tax Expense to Income Tax Expense

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
(Loss) before income tax	(677)	(1,168)
Tax rate	27.5%	27.5%
<b>Prima facie tax (benefit)</b>	<b>(186)</b>	<b>(321)</b>
<b>Adjusted for:</b>		
Non-deductible research and development expenditure	1	2
Foreign income tax	34	5
Revaluation of deferred tax asset due to reduction in tax rate/temporary timing differences	-	36
Share based payments expense	117	98
Non-assessable government grant	(116)	(138)
Expenditure subject to R&D tax incentive	196	357
Adjustment to prior year's tax	(156)	-
Other non-deductible expenditure	-	(9)
<b>Income tax (benefit)/expense</b>	<b>(110)</b>	<b>30</b>

### 8.3 Deferred Tax Assets and Liabilities

Period ended	31-Dec-20 (\$'000s)	30-Jun-20 (\$'000s)
Intellectual property valuation difference	3,406	3,483
Employee entitlements accrual	791	699
Leasehold improvements amortisation	60	60
Blackhole Expenditure	230	295
Carried forward tax credits and offsets	440	519
Leases	118	60
Provisions and accruals	935	855
Other	19	12
<b>Net deferred tax asset</b>	<b>5,999</b>	<b>5,983</b>
Customer Relationships	(1,394)	(1,609)
Other	(26)	(27)
<b>Net deferred tax liability</b>	<b>(1,420)</b>	<b>(1,636)</b>



# Notes to the Consolidated Financial Statements

## Note 9: Trade and Other Receivables

Period ended	31-Dec-20 (\$'000s)	30-Jun-20 (\$'000s)
Trade receivables	2,708	2,916
Contract assets	2,109	982
Other receivables	166	523
<b>Trade and other receivables</b>	<b>4,983</b>	<b>4,421</b>

Unbilled project revenue relates to amounts accrued for the Group's performance obligations under customer contracts in accordance with AASB 15.

The directors believe that the above stated balances are fully recoverable.



# Notes to the Consolidated Financial Statements

## Note 10: Intangible Assets

The roll-forward of intangible asset balances is presented below for the six months ended 31 December 2020:

Period ended	30-Jun-20 (\$'000s)	Additions (\$'000s)	Deductions (\$'000s)	31-Dec-20 (\$'000s)
Capitalised software - at cost	9,487	2,393	-	11,880
Capitalised software - accumulated amortisation	(1,773)	(1,372)	-	(3,145)
<b>Total capitalised software</b>	<b>7,714</b>	<b>1,021</b>	<b>-</b>	<b>8,735</b>
Other intangibles - at cost	8,437	18	-	8,455
Other intangibles - accumulated amortisation	(2,079)	(869)	-	(2,948)
<b>Total other intangibles</b>	<b>6,358</b>	<b>(851)</b>	<b>-</b>	<b>5,507</b>
Goodwill - at cost	6,011	-	-	6,011
<b>Total goodwill</b>	<b>6,011</b>	<b>-</b>	<b>-</b>	<b>6,011</b>
<b>Total intangible assets</b>	<b>20,083</b>	<b>170</b>	<b>-</b>	<b>20,253</b>

During six months ended 31 December 2020, the Group capitalised \$2.4 million of software development costs relating to new features to be included in future versions of the Assessment and Learning platforms. Once in use these assets will be amortised over a three year period.

Other intangibles include identifiable intangibles related to the purchase of Latitude Learning Academy in financial year 2016 in the amount of \$650 thousand and purchased intellectual property acquired as a result of the purchase of the Ascender content generation business as well as client relationships acquired when LTC was purchased in April 2019.

# Notes to the Consolidated Financial Statements

## Note 11: Share Capital and Reserves

The table below details the movements in share capital and reserves for the half year ended 31 December 2020:

Details	Date	Share Capital		Reserves	
		(\$'000s)	No. Shares	(\$'000s)	No. Units
<b>Balance</b>	<b>30-Jun-2019</b>	<b>47,549</b>	<b>168,752,042</b>	<b>1,949</b>	<b>12,936,676</b>
Employee options exercised	23-Jul-2019	-	6,667	-	(6,667)
Employee options exercised	6-Sep-2019	-	633,336	-	(633,336)
Performance rights vesting - board	6-Sep-2019	-	4,500,000	-	(4,500,000)
Advisor and employee rights vesting	6-Sep-2019	-	770,000	-	(770,000)
Issue of new LFS to KMP	6-Sep-2019	-	150,000	-	-
Issue of earn-out equity to LTC vendor	16-Sep-2019	2,033	6,694,076	-	-
Transaction costs for issue of LTC vendor earn-out	17-Sep-2019	(9)	-	-	-
Employee options exercised	31-Oct-2019	-	40,000	-	(40,000)
Employee options exercised	13-Dec-2019	-	93,334	-	(93,334)
Employee options forfeited	15-Dec-2019	-	-	-	(173,339)
Employee options exercised	20-Dec-2019	-	13,334	-	-
LTC earn-out equity released from escrow	16-Mar-2020	-	-	-	-
Capital raise	1-May-2020	7,000	28,000,000	-	-
Capital raise - transaction costs	1-May-2020	(211)	-	-	-
Capital raise - listing costs	4-May-2020	(18)	-	-	-
Loan funded shares	Various	-	-	304	-
Performance rights forfeited	Various	-	-	(13)	(150,000)
Performance rights granted	Various	-	-	47	3,878,924
Foreign Currency Translation	-	-	-	(5)	-
<b>Balance</b>	<b>30-Jun-2020</b>	<b>56,343</b>	<b>209,652,789</b>	<b>2,282</b>	<b>10,448,924</b>
Issue of shares to directors and employees in lieu of remuneration	27-Oct-2020	310	1,002,825	-	-
Performance rights granted	6-Nov-2020	-	-	424	6,878,924
Employee options forfeited	15-Dec-2020	-	-	-	(120,000)
<b>Balance</b>	<b>31-Dec-2020</b>	<b>56,653</b>	<b>210,655,614</b>	<b>2,706</b>	<b>17,207,848</b>

	Loan Funded Shares No. Units	Performance Rights No. Units	Nil Priced Options No. Units	Advisor Options & Rights No. Units
<b>As of 1 July 2019</b>	<b>6,450,000</b>	<b>5,300,000</b>	<b>843,340</b>	<b>240,000</b>
Average exercise price in dollars	\$0.32	Nil	Nil	Nil
Units granted during the year	-	3,878,924	-	-
Units exercised during the year	-	(5,150,000)	(816,671)	(120,000)
Units forfeited during the year	-	(150,000)	(26,669)	-
<b>As of 30 June 2020</b>	<b>6,450,000</b>	<b>3,878,924</b>	<b>-</b>	<b>120,000</b>
Average exercise price in dollars	\$0.32	Nil	Nil	Nil
Units granted during the period	-	6,878,924	-	-
Units forfeited during the period	-	-	-	(120,000)
<b>As of 31 December 2020</b>	<b>6,450,000</b>	<b>10,757,848</b>	<b>-</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

## Note 12: Earnings per Share

Six months ended 31 December	2020 (\$'000s)	2019 (\$'000s)
Loss after income tax	(567)	(1,198)
	Number '000	Number '000
Weighted average number of ordinary shares	210,009	175,537
	Cents	Cents
Basic loss per share	(0.27)	(0.68)

The Group is in a loss position therefore the share-based incentive plans do not affect the diluted earnings per share calculation as potential ordinary shares will be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

## Note 13: Contingent Liabilities

There are no contingent liabilities as of 31 December 2020.

## Note 14: Events After The Reporting Date

There have been no significant events between the balance sheet date and the date these financial statements were authorised for issue.

## Note 15: COVID-19

The Group has benefited from the following significant government support packages as a result of COVID-19 during the period:

### JobKeeper Scheme

Due to the impact of COVID-19 on the Group's turnover, government subsidies of \$1,267 thousand for the six months ended 31 December 2020 (FY2020: \$874 thousand) were received under the Australian Federal Government's JobKeeper scheme. The Group became eligible for the Scheme from its inception in March 2020 up to 31 December 2020. The amounts were paid to employees in line with government's objectives of helping businesses to continue paying employees to keep them in their jobs so that businesses can re-start when business conditions improve. The Group has booked receipts for JobKeeper by offsetting wages in cost of sales and operating expenses.

### Cash Flow Boost Scheme

Due to the impact of COVID-19 the Group received government subsidies of \$150 thousand for the six months ended 31 December 2020 (FY2020: \$150 thousand) under the Australian Federal Government's Cash Flow Boost scheme. The Group has booked receipts for Cash Flow Boost scheme in other income.



In accordance with a resolution of the Directors of Janison Education Group Limited, I state that in the opinion of the directors:

- a) the attached financial statements and notes sets out in pages 15 to 28 are in accordance with the *Corporations Act 2001*, including:
  - i. complying with Accounting Standard 143 *Interim Financial Reporting* and the *Corporation Regulations 2001*, and
  - ii. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the six months ended on that date; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

Mike Hill

Chairman and Director

Dated: 19 February 2021





# Auditor's Independence Declaration.

Stantons International Audit and Consulting Pty Ltd  
trading as

**Stantons International**  
Chartered Accountants and Consultants

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19 February 2021

Board of Directors  
Janison Education Group Limited  
c/- Automic Registry Services  
Level 5, 126 Philip Street  
SYDNEY NSW 2000

Dear Sirs

**RE: JANISON EDUCATION GROUP LIMITED**

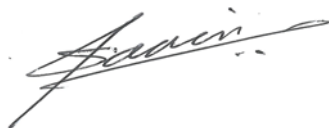
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Janison Education Group Limited.

As Audit Director for the review of the financial statements of Janison Education Group Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED**  
(Trading as Stantons International)  
(An Authorised Audit Company)



**Samir Tirodkar**  
Director

Liability limited by a scheme approved  
under Professional Standards Legislation

Member of Russell Bedford International



# Independent Auditor's Review Report.

Stantons International Audit and Consulting Pty Ltd  
trading as

**Stantons International**

Chartered Accountants and Consultants

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Janison Education Group Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Janison Education Group Limited, which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Janison Education Group Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Janison Education Group Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 19 February 2021.

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## Stantons International

### *Responsibility of the Directors for the Financial Report*

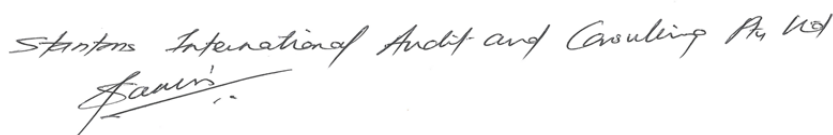
The directors of the Janison Education Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(Trading as Stantons International)  
(An Authorised Audit Company)



**Samir Tirodkar**  
Director

West Perth, Western Australia  
19 February 2021