

Janison.

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# Annual Report. 2022

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# FY22 Highlights.



**8.6m+**

DIGITAL ASSESSMENTS DELIVERED  
IN FY22 ACROSS 117 COUNTRIES

ICAS GROWTH



**350k+**

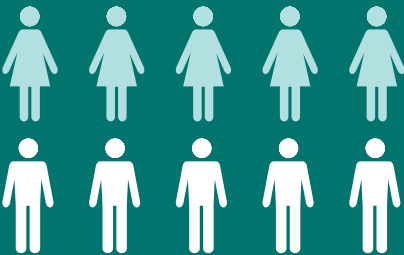
ASSESSMENTS DELIVERED IN FY22

EMPLOYEE NET PROMOTER SCORE



**30+**

GENDER DIVERSITY



50% men and 50% women.  
3 female board members,  
4 male



**+20%**

**\$36m**

OPERATING REVENUE



**+12%**

**\$25m**

ANNUALISED RECURRING REVENUE



**+9PPS**

**64%**

GROSS PROFIT MARGIN



**\$12m**

CASH ON HAND



**\$1.9m**

EBITDA

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# Janison Overview.



**Janison Overview.**

Founded 24 years ago, Janison is an award-winning Australian owned, publicly listed edtech pioneer delivering more than 27 million assessments in 117 countries since inception. Our technology, services and content supports our commitment to equity and accessibility for all. For the millions of candidates who we reach, many in some of the most remote parts of the world, access to our assessment and learning solutions offers life-changing opportunities in education and work.

Janison is a combination of two distinct and complementary business units:

**Janison | Assessments.**

**Janison | Solutions.**

**Janison Assessments** develops world-leading branded exam products for the K-12 market, with products such as the ICAS Competition. It leverages over 40 years' experience in psychometrics and data analytics capability to create unique test items and powerful, targeted insights for teachers, parents and schoolchildren.

The acquisitions of Academic Assessment Services (AAS) and Quality Assessment Tasks (QATs) in FY22 further enhances the number of test assets and broadens the product portfolio which now includes Year 11 and 12 summative exam practice assessments, scholarship and placement tests, and ATAR prediction tools. The Janison Assessments business unit recently launched a new online subscription platform for parents of schoolchildren called RISE+. Built on the same Janison test player as

used in NAPLAN and other well-known assessments and leveraging the vast array of unique test items, it provides parents and children with the tools to help advance a child's education and extend the in-classroom learning to the home.

**Janison Solutions** specialises in the provision of an enterprise-grade exam management platform and services to enable large scale event delivery. Over the past 12 years we have built a world-class, highly configurable yet standardised assessment platform called Janison Insights in conjunction with leading education authorities such as the Singapore Examinations and Assessments Board, Australian education bodies at a national and state level, and the OECD (Organisation for Economic Co-operation and Development). Customers include Chartered Accountants ANZ, NSW Department of Education, Commonwealth Government of Australia and Transport for NSW. Contracts are often multi-year and generate revenue of several million dollars in annual licence subscriptions.

Janison also has an exclusive partnership with the OECD to deliver its PISA for Schools test, a school-level benchmarking tool linked to the PISA framework which puts gold-standard data into the hands of educators. Janison delivers the test digitally in 17 countries including Australia, the UK and the US.

We continue to forge a reputation for forward-thinking, robust solutions and surpass expectations in the digital transformation of education, and in unlocking the potential in every learner. It's a journey to which we're dedicated.

**The Janison business.**

**'Janison Solutions'**  
Assessment Platform  
Enterprise & Government

Selected clients



CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND



PISA  
for Schools



NSW  
Education

IPP Countries



NAPLAN  
NATIONAL ASSESSMENT PROGRAM  
LITERACY AND NUMERACY



Cambridge  
Assessment



BOX HILL  
INSTITUTE



BRITISH  
COUNCIL



NSW  
Transport  
Roads & Maritime  
Services



idp



Australian Children's  
Education & Care  
Quality Authority

Assessment platform technology for high stakes exams

Assessment Services

Learning Platform (LMS)

Learning Content Development

**'Janison Assessments'**  
K-12 Assessment Products  
Schools & Parents

Selected brands



ICAS  
assessments



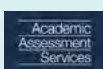
PISA  
for Schools



NSP  
Schools



QATs  
Quality Assessment Tasks



Academic  
Assessment  
Services

K-12 Assessments, Progression tests, benchmarking, competitions, scholarships

K-12 educational assessment content development

Educational assessment services\*

'Janison Solutions' is the combination of the former enterprise business units; Assessment, Learning and JEM (Janison Exam Management) now all combined into one B2B business unit. 'Janison Assessments' is the combination of the three acquisitions made since June 2020: ICAS (UNSW Global), QATs and AAS. \* Includes psychometric services, item trialing, marking, etc.

# Janison's FY22 statistics.

Janison is a global market leader in digital assessments and testing



**117+**

COUNTRIES



**1m**

ONLINE TESTS IN A SINGLE DAY



**8.6m+**

DIGITAL ASSESSMENTS



**200**

EMPLOYEES



**5m+**

STUDENTS ASSESSED

# What makes Janison unique.



## Purpose-led

Janison is driven by its purpose to unlock the potential in every learner via the digital transformation of education. Its technology contains unique functionality that enables a consistent and accessible exam experience for students of all backgrounds and abilities – sitting tests on any device and network connection.

Janison's purpose is to unlock the potential in every learner. We make our platform accessible on almost any device, any browser, any network capability, for learners of all backgrounds and abilities – all around the world.



## Australian born. Global presence

Janison is an Australian-owned, ASX-listed education technology pioneer whose team of experts and developers innovate digital assessment solutions for forward-thinking governments, education departments, schools and parents around the world. Our sovereign data storage provides local customers with the data-privacy confidence they need.



## By educators, for educators

Making education tools equitable and accessible to all learners is what we're all about. Founded by educators, we understand and support the education industry, from K-12 schools, principals and teachers making professional lives easier, student testing experiences positive, and delivering insightful, relevant data to enable real classroom impact. We work with clients throughout the entire transition from paper-based to online exams, providing decades of experience delivering in-person and online exams. We provide the software, the support and the content needed for any exam event.



## Proven track record of technology at scale

From the earliest days of the internet, we've been achieving world-firsts in education technology performance at scale. We're trusted by educators and governments to deliver more than 8.6 million online assessments across 117+ countries annually. Few competitors around the world have demonstrated this level of reliability and clients are often reluctant to entrust newcomers with untested and unproven technology.



## Strong relationships with 100% retention

Janison's quality solutions, agile and collaborative approach, and exceptional 24/7 support and service mean that we have forged long-lasting relationships and 100% retention to date with our major platform clients.

Our Assessments products are flagship brands. Our ICAS competition and Allwell tests and are widely recognised as leading quality assessments globally and continue to be purchased year after year by schools and parents.



## Exam integrity and security

Our Janison Insights assessment platform is GDPR compliant, meeting European standards, compliant with the Australian Government's Information Security Manual, and is certified for ISO 27001. Our solutions offer enterprise-grade security and encryption and the peace of mind of local data hosting. Our remote proctoring solution balances protecting student data and privacy with ensuring the highest possible level of academic integrity.

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# Our people.

An exceptional leadership team, each with a proven track record in building and scaling companies with teams based around the world to support our clients.

Supported by a diverse team of 200 employees and headquartered in Sydney, Janison is comprised of one third educationists, one third technologists and one third change agents.

Over the past two years we have achieved a 50:50 gender balance across the entire organisation and supported the diversity in our people in many ways.

Through COVID we have pivoted to become a fully-flex organisation which gives our people the ability to work remotely wherever possible whilst also retaining our Australian offices for collaboration, meetings and cultural events.



**Wayne Houlden**  
Founder and Vice Chairman



**David Caspari**  
Chief Executive Officer  
and Managing Director

“

Our people are what make Janison a success. We have established a strong blend of educators, technologists, and change agents from all walks of life and with incredible experience. Together we create exceptional outcomes for our clients and students with our purpose at the core of what we do every day.”

– David Caspari, CEO & MD





**Stuart Halls**  
Chief Financial Officer



**Amy Barouch**  
Group Executive,  
Janison Assessments



**Derek Welsh**  
Chief Operating Officer



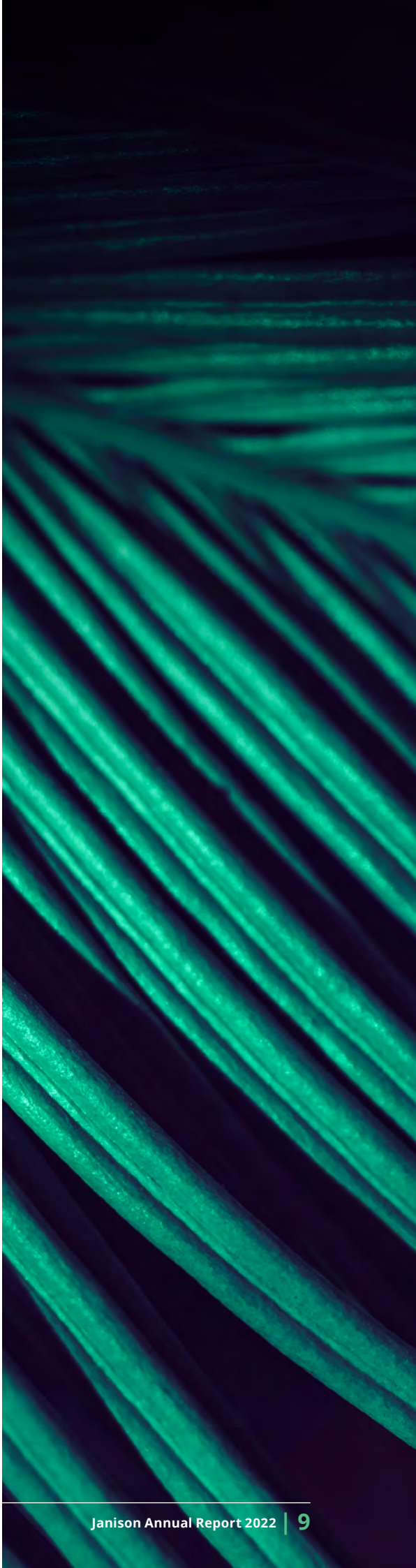
**Sara Ratner**  
Chief Academic Officer



**Denise Hanlon**  
Chief People Officer



**Rebecca Niemiec**  
Group Executive,  
Customer & Event Support



# Global view.

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**8%**

## EMEA

In FY22, Janison secured new relationships with clients in the EMEA region including Cambridge University Press & Assessments for the delivery of digital exams in schools.

It also secured new IPP (International Platform Provider) contracts to deliver PISA for Schools across the European Schools network and in Andorra.

**7%**

## Asia

Many of Janison's school assessment products such as ICAS have application in overseas markets including Asia in particular, where ICAS has seen strong and growing demand for many years.

**84%**

## Australia & NZ

Janison's existing client base expanded its use of the Janison platform in FY22, taking on more user licences and test services than ever before.

The purchase of AAS and QATs in FY22 was a consolidation of our strong assessment brands in the domestic schools market and assisted in growing Janison's Australian footprint.

1%

Americas

North America represents one of the largest opportunities for Janison with its rollout of the OECD's PISA for Schools Test. Janison has exclusive rights to sell and deliver the product to all secondary schools in North America, of which there are approximately 27,000 – more than ten times the number in Australia. In FY22 Janison secured a number of school groups and school districts to the PISA for Schools program.

Janison has also provided the assessment software to power PISA for Schools in Brazil for the past two years.

Janison operates in a global market for digital assessments. The addressable market includes schools, parents, education authorities and accreditation bodies.

In FY22 Janison expanded its footprint globally with the acquisition of new customers in the USA and UK through its exclusive program rollout of PISA for Schools, in partnership with the OECD.

Despite Janison having a large market share domestically, we believe there is still more growth potential in Australia through the development of new products for parents and schools, such as the recent introduction of RISE+ – a new online subscription tool for schoolchildren.

In Australia, our Janison Assessments products such as ICAS, Allwell and QATs command a very high share of the local market with penetration as high as 75% in some states. Overseas, our products have international application in that they are agnostic to school curricula and so have begun to expand into markets such as South East Asia and see further opportunity to significantly grow into Asia and large English-speaking nations.

Our Janison Solutions assessment platform on the other hand has been an international business for many years, delivering tests in over 110 countries in partnership with clients such as British Council, the Singapore Exams Assessment Board (SEAB) and the University of London. Despite already being geographically widespread, we see great potential to acquire further business in key markets such as the UK and Europe with partners looking to digitise their exam delivery process with a global platform provider such as Janison.

# A brief history.

Since the earliest days of the internet, we've been delivering high-impact assessment and learning solutions at state, national and international level. Here are some of our key milestones.



Janison registers as an Australian company in Tamworth, regional NSW.



Janison builds one of the earliest Learning Management System (LMS) platforms, Janison Toolbox, for TAFE NSW. The groundbreaking interface allows students to access courses remotely and submit assessments online.



Another world-first: the first standardised, large-scale online assessment to nearly 40,000 students from 650 schools in one day. We address the scalability, delivery and security challenges of running NSW science exams, known as VALID, with an innovative approach – using Microsoft's then newly-released cloud service, Azure.

1998

1999

2005

2010

2011

2016



We launch our new learning product, Janison LMS, offering a fresh new interface for administrators and learners. The Governance Institute of Australia, Australian Securities and Investments Commission (ASIC), TAFE NSW, NSW Ambulance and WorkCover WA are among its first clients.



## 10,000

Users are engaging with our online assessment platform, Janison Cloud Assessment, which wins us the national iAward – putting Janison in the company of fellow winners including the creators of Google Maps and Huawei's E5 WiFi 3G modem.

## J. | Insights.

Our online assessment platform continues to deliver successes and transformative education insights for government department clients.

We rename it Janison Insights.

## J. | Replay.

We solve the British Council's challenge of delivering English proficiency exams to parts of the world with poor internet connectivity by building a world-first: Janison Replay. The application is one of the first to adopt Google's newest technology, allowing uninterrupted tests even amid internet dropouts.

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We join forces with the Organisation for Economic Co-operation and Development (OECD). Its chosen platform to deliver its PISA-based Test for Schools (PBTS) online.

## J. | Insights.

We begin the transition to a standardised yet highly-configurable assessment platform – 'Janison Insights' built on the functionality developed in conjunction with esteemed education institutions worldwide.



A seismic shift for the Janison brand as we become sole provider of PISA for Schools in Australia and accredited by the OECD as the National Service Provider of PISA for Schools in Australia and the UK.



Broadening product portfolio and expanding into Parents with RISE+

2018

2019

2020

2021

2022



200K

Another world first. In May 2018, we successfully deliver the first NAPLAN Online exam to 200,000 students at 1,400 schools across Australia. 99.9% of the 668,529 individual tests are completed successfully online, and with no slowdowns – earning international attention for Janison.



The company celebrates a \$7 million capital raise, plus a landmark deal to remotely deliver university entrance exams for Czech Republic assessment provider SCIO.



We acquire UNSW Global's Educational Assessments business, including the ICAS schools competition.

Janison continues to flourish even amid the global grip of COVID-19, securing major assessment projects including Chartered Accountants, Check-in, University of London, Selective Schools testing and global partnerships with Go1 and D2L.

Acquisition of



Academic Assessment Services

Janison raises \$18m to fund expansion of its 3 strategic growth drivers, acquisitions, and product investment, in a heavily over-subscribed placement and share purchase plan.

We set a new record during our May 2022 delivery of NAPLAN Online across 100% of schools in Australia – during which we delivered more than one million tests in a single day and more than 4 million tests over two weeks. This paves the way for Australian schools' accelerated transition to digital assessment. Thanks to the NAPLAN Online project, schools nation-wide have the devices, infrastructure and teacher technical capability to deliver large-scale school assessments online.

# Our purpose.

## To unlock the potential in every learner.

Janison was founded by two teachers with a vision to enable equitable access to education for all, no matter their location or circumstances. This commitment to ensuring that no learner is disadvantaged remains at the centre of our ethos and what we deliver.

The pivotal role of effectively measuring students' knowledge is quickly being acknowledged by education departments and governments. Pinpointing learning gaps, stretching skillsets and tapping into learners' unique problem-solving abilities can have life-changing opportunities - including access to the most effective possible pathway through schooling and beyond. Through our platform and products, we equip educators with the tools and data to enable this level of impact on every learner.



# Our values.

We're deeply committed to our relationships with our clients, partners and each other, and to continuing our track record of innovation and raising the bar within our industry. Our values speak to how we deliver this.



## Own it and find a way

We take ownership of the problem or opportunity in front of us and work together to find a way and get it done.



## Realise potential

We believe that great things happen when people are empowered to learn, grow and innovate.



## Act sustainably

We are custodians of our company's future and act accordingly, with respect for our people, community and planet.

# Our vision.



To power education outcomes for

# 25 million learners.

# Our impact on society and the environment.

## Janison continues to reduce emissions through the digitisation of pen-and-paper assessments



### Equity

Janison is passionate about the power of education and insightful assessment technology to address inequity among learners. Our commitment to ensuring that no learner is disadvantaged remains at the centre of our ethos and what we deliver, as does our goal to unlock the potential in every learner at all ability levels. By delivering tools such as branching tests that adapt in real-time to students' performance, we can enable a deeper and far more detailed assessment of students' knowledge gaps and allow for targeted intervention in the classroom.

Janison's technology allows remote and disadvantaged communities globally to access the exact same online assessment experience that their city counterparts have, no matter the quality of their infrastructure or reliability of their internet connection. Around the world, our tests and assessments reach remote and developing nations, helping open life-changing opportunities for learners. Our diagnostic school assessments provide vital reporting and insights to enable teachers to develop learning interventions that lift education outcomes.



### Environment

Each year in Australia, educational institutions across schools, colleges and universities generate approximately 12,000 tonnes of carbon dioxide because of printing and transporting test papers to and from exam halls and markers and administrators.

We are significantly reducing this carbon footprint to a fraction of this total with the transition from pen-and-paper exams to online assessments which are prepared, delivered, and marked all within Janison's assessment platform without the need to print or ship bundles of paper-saving trees, fossil fuels and preserving the environment.



**10m**

teaching hours consumed with paper-based exams each year



**12,000t**

of carbon dioxide produced in Australia each year as a result of paper-based exams

Based on Australian Bureau of Statistics on the benefits of digitised exams, does not account for carbon footprint of cloud computing.



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## Potential

Janison's founding ethos and purpose is to unlock the potential in every learner.

Our platform is designed to provide a consistent exam experience for all learners regardless of their socioeconomic background, hardware type or network connectivity.

We strive to achieve the highest accessibility standards to ensure that learners of all accessibility receives the same opportunities as their counterparts.

Our technology helps teachers focus their attention, skills and limited time on what matters most, their students. The adaptive test questions feature within our assessment platform provides greater depth of insights and our reporting is comprehensive and fast, putting rich actionable insights into the hands of educators and allowing them to develop targeted interventions.



## Time

In Australia every year approximately 10 million teaching hours are consumed preparing, authoring, delivering, marketing and reporting on paper-based exams across K-12 schools, colleges and universities.

The Janison Insights online assessment platform provides end-to-end capability for teachers to develop, deliver, auto-mark and automatically report on assessments, saving approximately 4 million hours or 40% of teacher time in the process.

"We've pioneered technology that closes the connectivity divide by running seamlessly in low-bandwidth environments, allowing all learners to receive an identical test experience no matter where in the world they are located."

- David Caspari, CEO & MD.

"It is draining. Exhausting. Time consuming. The work never stops."

- The Conversation in Aug 2020.

# ESG case studies

Janison’s powerful assessment technology enables educators around the world to unlock the potential in every learner across a range of socio-economic backgrounds and abilities. We strive to give every learner the opportunity to reach their potential, particularly those in need the most. We go beyond the provision of software and services and seek to support communities. Here are a few ways in which Janison has supported schoolchildren and young people this year.

## Empowering Thai schools

As part of its exclusive partnership with the OECD to run its PISA for Schools program, since 2019 Janison has worked in several regions globally providing the Janison Insights assessment software, event services, and powerful reporting for schools with support from the OECD.

In Thailand, the delivery of PISA for Schools has helped to support some of the country's most disadvantaged schools. This was made possible through the partnership of Thailand's national service provider, the Research Institute for Policy Evaluation and Design (RIPED), funded by the Equitable Education Fund.

RIPED is the leading interdisciplinary research institute in Thailand whose goal is to develop the country's education system and comprehensively reduce any inequality. Through supporting education, knowledge research and information technology, RIPED helps strengthen and enhance human resources and capabilities across the Thai population.



The Equitable Education Act of 2018 in Thailand led to the establishment of the EEF. Its role is to reduce education inequality through systematic research, teacher development and financial support for children and youth in need. Initiated by the Thai government, it has supported more than 700,000 students and provided 2,500 vocational scholarships across Thailand, aiming to return out-of-school children to education.

The insights gained from PISA for Schools within this combined partnership project helped measure the impact of initiatives designed by RIPED to build the capacity of their Thai educators.



## Technology support for Afghan refugees

During FY22 Janison formed a relationship with Mahboba Rawi OAM, an Afghan-born Australian who founded the Sydney-based charity Mahboba's Promise in the 1990s after she was forced to flee war in her home city of Kabul. Mahboba assists fellow Afghan refugees arriving to Australia, as well as raising funds to secure a sustainable, self-sufficient future for women and children displaced in refugee camps overseas and living in Afghanistan.

She has established schools, shelters and health clinics across Afghanistan and provided numerous sponsorships to widows and orphans, earning an Order of Australia in 2010 for her work. Janison was able to play a small part in supporting Mahboba's Afghan Refugee Resettlement Project to assist children settling in Australia, by donating a number of laptops, devices and computer equipment.

## CaringKids

**1 in 10** children and teenagers in Australia are responsible for caring for a family member with a disability

In Australia, more than 235,000 children and teenagers care for a family member with a disability or chronic illness, taking on tasks such as housework, shopping and liaising with health professionals. These adult responsibilities mean they often miss out on many of the joys of childhood that most kids take for granted.

The CaringKids charity recognises the role of these young carers and works to reduce their feelings of loneliness and social isolation by sending them Toy Boxes (which they call Joy Boxes), packed with toys, games and books.

Janison is always delighted to support charitable causes — and as an education company, helping children in need is especially close to our hearts.

During the year, members of the Janison team visited the CaringKids workshop to learn more about the charity and help pack Joy Boxes for young carers around Australia, contributing to their toy donation drive over Christmas.



# Governance.

## Risk management

We approach risk management as a continual process. We actively manage risk by assessing against an agreed view of appropriate tolerance levels for a broad range of risk categories. For some, we have zero tolerance for risk, in others, we are willing to accept varying degrees of risk to be innovative with our products, technology, to enter new markets, make acquisitions, improve value for our people, customers, partners, our business and our community; but not at the expense of meeting our legal, regulatory, safety or ethical obligations.

## Safety & wellbeing

We care deeply about the physical and psychological safety of our employees, customers and consumers. We provide a safe environment in both the physical and digital world for our employees and students who use our technology.

## Strategy & competition

The board is actively involved in the development of strategy. It approves and regularly reviews performance against Janison's strategy. The Strategy Council, an executive committee, continually monitors and assesses Janison's strategy in line with changes in the market.

## Security & privacy

Cybersecurity and data protection are a significant focus and investment for us as an Australian-listed company with global regulatory obligations in supporting government and institutional clients conducting high visibility, high stakes assessments for both adults and minors, we manage tightly the risk of individual or state-led intrusion cyber attacks and data breaches.

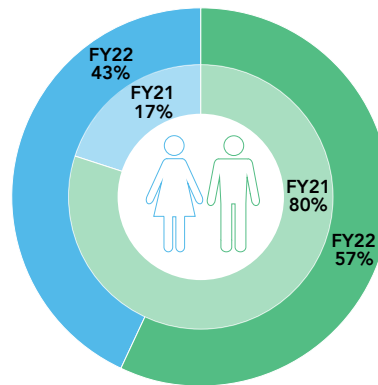
Cyber resilience is the ability to prepare for, respond to, and recover from cyber-attacks. Cyber resilience helps an organisation protect against cyber risks, defend against and limit the severity of attacks, and ensure its continued survival despite an attack.

Janison's Information Security Management System (ISMS) is the set of controls and processes by which we achieve cyber and data privacy resilience. Our ISMS is compliant with the Australian government Information Security Manual (ISM), European governments General Data Protection Regulation (GDPR) and has achieved certification in the International standard for information security management system (ISMS) ISO/IEC 27001:2005.

## Board

Our Board is responsible for the corporate governance of Janison. It is committed to optimising the business for financial performance and building sustainable value for our customers, employees, shareholders and the wider community. The Board comprises directors with a diverse range of skills, age and experience to support robust decision-making. An assessment of the Board's composition and performance takes place regularly. Full board biographies can be found on page 38 of this report.

### Board Gender Balance



**56**

Average age



4 3

Average tenure (yrs)

**3.4**

### Board Skills Matrix

Independent	7 / 10
Strategy	10 / 10
Corporate Governance	8 / 10
Risk & Compliance	8 / 10
Legal	6 / 10
Health / Safety / Environment	6 / 10
Investor / Public Relations	8 / 10
Technical	7 / 10
Product Development	8 / 10
Commercial / Operational	10 / 10
Financial / Accounting	7 / 10
Capital Markets	6 / 10
Mergers & Acquisitions	7 / 10

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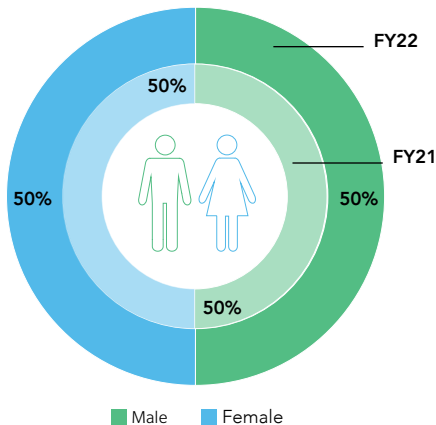
## Diversity

At Janison we foster a culture that appreciates and respects the diversity of our employees. We believe our employees can thrive when they feel comfortable to be themselves in the workplace and are encouraged to bring their uniqueness to the role and our company.

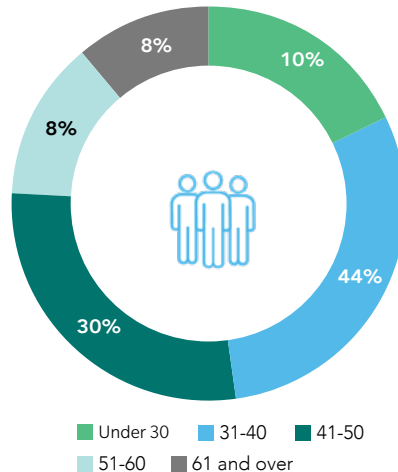
There are numerous forms of diversity and individual characteristics upon which we can measure ourselves. In FY22 & FY21 we are pleased to have achieved equal balance in one of these key areas – gender diversity.

At 30 June 2022 Janison consisted of a 50% female workforce – something that puts us toward the upper end amongst other technology peers, and stands us in good stead to continue the strong proportional representation of females at each level of our organisation, including on our executive leadership team which comprises 60% females. We are also encouraged to have a broad and ever-expanding demographic of employees in terms of nationality and age, with a range from 21 to 69 years old.

Employees by gender



Employees by age



# Chairman's review.



**Hardware capability and connectivity in Australian schools has progressed to a level where the delivery of large-scale, high stakes exams online to every school is now a reality**

Dear Shareholders,

It gives me great pleasure to update you once again on the many positive events taking place at Janison and to provide an overview of the opportunities that lie ahead within the education technology market.

Schools, parents, education authorities and accreditation bodies have accelerated their adoption of digital technologies over the past year as a means of providing continuity to teaching and learning. We saw clear evidence of this with Australia's National Literacy And

**Few businesses around the world have the capability nor the features that Janison has to provide exam equity and accessibility for all students – wherever and however they sit an exam online.**

Numeracy Assessment for schools (NAPLAN) being delivered fully online this year for the first time ever across thousands of schools in all regions. Hardware capability and connectivity in Australian schools has progressed to a level where the delivery of large-scale, high stakes exams online to every school is now a reality – a significant milestone.

As the technology platform behind NAPLAN, Janison demonstrated one of its core competitive defenses in the online exam market through the power of its assessment platform which seamlessly ran the exam with nearly half a million concurrent students and over a million tests in a single day. Few businesses around the world have the capability nor the features that Janison has to provide exam equity and accessibility for all students, wherever and however they sit an exam online.

Throughout FY22, extended disruption from COVID-19 impacted schools, teachers, education authorities and enterprises. Whilst Janison posted over 20% growth in revenue for the year, we are confident our results could have been even stronger had we not seen these lingering effects within our market and our customers' ability to engage with Janison on a larger scale. This gives me great cause for optimism as I look ahead to a less encumbered landscape in the coming months and years.

Another reason for a positive outlook is due to the recent launch of our brand-new assessment product "RiSE+", an online subscription service providing a vast array of assessment content for school-age children. The platform has been built using modern technology and provides parents, children and tutors the tools to help advance a child's education and extend the in-classroom learning to the home. In less than six months, the Janison team were able to build and launch this product with minimal capital investment.

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RiSE+ also speaks to the incredible value of intangible assets we have within Janison, being the exam content developed and acquired over the years, which is now being monetised in a whole new way. Recent launch metrics for RiSE+ suggest it is performing exceptionally well and I look forward to releasing updates on this in the coming months.

During the year, Janison formalised its new operational structure into the two distinct business units which represent a simplified go-to-market approach and a streamlined, and lower-cost, internal operating model:

- Janison Assessments
- Janison Solutions

**Janison Assessments** is the compilation of businesses we have acquired over the past three years, beginning with the purchase of ICAS Assessments from UNSW Global and then more recently with the purchase of AAS (Academic Assessment Services) and QATs (Quality Assessment Tasks) in 1HFY22. This combined business unit provides world-class and well-known branded exam products – ICAS as a great example, to schools, teachers and parents.

**Janison Solutions** is our B2B business unit which specialises in delivering enterprise-grade exam management software. Over the past 10 years it has built a world-class, highly configurable yet standardised assessment platform called Janison Insights in conjunction with leading education authorities such as Australian education bodies at a national and state level and the OECD. Contracts are often multi-year and generate revenue of several million dollars in annual licence subscriptions.

## Board

I am delighted to announce we have further strengthened our Board in FY22 with the arrival of two new non-executive directors and the appointment of David Caspari to the position of Managing Director.

Both Kathleen Bailey-Lord and Vicki Aristidopoulos bring several decades of experience in a number of specific areas which complement our board skills matrix. This has already begun to add great value in our interactions with the Janison executive team.

Having David join the board in a formal directorship capacity elevates his position in the company and is a reflection of his accomplishments since he began with Janison in 2020.

## Society and the environment

In FY22 we delivered almost nine million exams online. This is an increase of more than 26% on the prior year. Each one of these assessments has helped reduce the use of paper and logistics, where previously, exams required printed question and answer sheets to be distributed between administrators, exam centres and markers. Janison Remote – our online proctored solution, also enables students to sit exams remotely at home rather than in testing centres – further reducing the transportation cost and carbon footprint. I am proud that Janison is powering this transition to online exams and that it aligns perfectly with our goal to improve the environment and protect our climate.

## Sustainability

During FY22 we materially restructured our operations to focus on a clear path to positive net cash flow in FY23 and beyond. We moderated our investment approach and rationalised our operating model, taking cost out through efficiency improvement and in areas of duplication arising from recent acquisitions. I am pleased by the planning and execution our teams have done to get us to a place where now we have a strong, stable business, ready to capitalise on the great opportunity ahead of us.

In summary, FY22 was another challenging yet prosperous year for Janison and I am proud of our staff, our leaders, the board, and everyone involved in this years success.

Thank you to you, our shareholders, for supporting Janison throughout the year and into the future.

Sincerely,



Mike Hill  
Chairman

# CEO's review.



Janison is a trusted edtech partner of governments, schools, accreditors and educators around the world.

Dear Shareholders,

Janison exists to unlock the potential of every learner. Founded more than 24 years ago, we are an award-winning Australian owned, publicly listed edtech pioneer thriving on the global stage and delivered more than 8.6 million assessments in FY22 in 117 countries.

Our team of dedicated educators, technologists and change agents are passionate about empowering governments, professional accreditation bodies, teachers, students, schools and parents to achieve more meaningful educational outcomes by measuring knowledge, skills and progress. Our technology platform supports a commitment to equity and accessibility for all. For the millions of candidates that we reach – many in some of the most remote parts of the world – access to our assessment platform offers life-changing opportunities in education and work. Our digital assessments products are authentic, provide greater student insight, and more reliable data within a faster timeframe to inform targeted teaching and data-driven intervention strategies.

Our FY22 has been successful and continues the momentum built in a record-breaking FY21. In particular, in a materially COVID-19-impacted year, I'm encouraged by key financial performance indicators, most notably 20% YOY revenue growth, gross profit growing at close to twice revenue growth (+39% vs pcp), a +9 percentage point growth in gross margin vs pcp and +12% Platform ARR growth. Pleasingly, we grew in all three of our revenue growth drivers OECD PISA for Schools, Janison Assessments (our school and parent assessment products) and Janison Solutions (our enterprise and government customers), which demonstrates sound execution of our strategy as we continue our transition to a product focused SaaS platform business.

## OECD PISA for Schools

Our partnership with the Organisation for Economic and Co-operation Development (OECD) in the exclusive 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 assessments 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 enables us to make a difference globally.

Through the pandemic, with rolling school closures, we were able to continue to deliver PBTS across the globe, including very large-scale events in China, Brazil and Kazakhstan. We now have contracts as exclusive Platform Provider (IPP) in 17 countries, in six of which we have been appointed the National Service Provider (NSP) where we take greater responsibility for in-country rollout of the full suite of capabilities that enable the delivery of this exciting program, and saw 160 new schools added. I am proud of our world-class delivery, with Professor Jia Liu, CEO of BenBen (China NSP) quoted as saying: "I've never worked with a more professional or capable team who made something so complex into something so easy."

## Janison Assessments (School and parent assessment products)

Janison's flagship school competition ICAS grew 20% YOY, despite state-wide school closures across NSW and Victoria in Q1 during the peak selling and sitting period. In the lead up to school closures, demand for ICAS was very strong year-on-year with consistent daily growth of 50% on PCP. Approximately 20% of this sales growth came from an increased average price point and the remaining 30% from additional volumes. In recent years, customer behaviour has shifted, we have established





**+20%**

REVENUE  
GROWTH



**+12%**

ARR GROWTH



**+64%**

GROSS PROFIT  
MARGIN



**\$12m**

CASH ON  
HAND

direct-to-parent relationships we now have 100,000 parent contacts captured (up +40,000 on PCP) and this continues to grow rapidly into the ICAS 2022 campaign.

Our M&A strategy with the acquisition of QATs (Quality Assessment Tasks) and AAS (Academic Assessment Services) in FY22 further strengthens Janison Assessments' position in the Australian market as the go-to-provider of school assessments as the market transitions from analogue 'pen and paper' to a digital, scalable platform model.

In Q4 FY22, Janison launched its first new product developed solely for students, marketed to parents, with the introduction of "RiSE+", a SaaS product containing the highest-quality test content. RiSE+ is a practice assessment tool which delivers a range of tests and subjects. Built using the same Janison test player as used for NAPLAN and other assessments, and unlocking the value of our vast test item library, students can prepare for a variety of well-known K-12 school-run assessments, experiencing the same digital interface and online environment that they would in the actual school-run test on exam day.

Parents receive valuable insights in real time, providing granular information on their child's strengths and development opportunities. RiSE+ is in its infancy however is already gaining traction quickly.

### Janison Solutions (B2B Enterprise customers)

A key indicator of momentum in our Janison Solutions business is the number of tests delivered on Janison's Insights assessment platform. Janison delivered more than 8.6m tests in FY22, an increase of 26% YOY, driven by full rollout to new customers such as Chartered Accountants ANZ and NSW Maritime Services, combined with expansion of existing customers such as NSW Department of Education. Importantly, a very successful delivery of NAPLAN 2022 saw the

entire cohort of students nationally sit the assessment online for the first time and saw Janison break a range of global assessment benchmarks including the delivery of 1m tests in a single day. The rollout to new customers such as Cambridge Box Hill Occupational English Testing, Australian Children's Education & Care Quality Authority (ACECQA), will see test volumes continue to grow. Beyond that, we enter FY23 with a strong sales pipeline of new assessment platform clients.

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 400,000 schoolchildren across NSW who had their schooling disrupted by the global pandemic. This test called 'Check-In' has been lauded as 'an enlightened approach to assessment' and 'taking assessments into the 21st Century'.

We have seen acceleration of Janison's digital exam management (JEM) services as we strengthened our digital and remote-proctored delivery capability. Janison is now leveraging its national network of exam invigilation staff and on-demand testing centres in major cities across Australia to allow children to sit the ICAS competition remotely off school premises. This is an important milestone because it simplifies the sales cycle and relieves the administrative burden on schools to deliver and supervise the ICAS assessment event. In FY22 JEM assets also enabled digital remote delivery of online exams for the NSW Opportunity Class placement tests and for Chartered Accountants, supporting the Janison Solutions and Janison Assessments business units. Higher education institutions have signaled some return to end-of-semester exams outsourced and operated by Janison (JEM) however post COVID take-up has been slower than expected.

## Janison Overview.

We have accelerated the development of our platform with enhanced features and functionality, completed key programmes addressing technology debt and are well placed for sustained 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.

We pride ourselves on creating a culture that values every individual and supports them to learn and grow. During the year, we regularly sought feedback via our Employee Net Promoter (eNPS) survey and achieved a market-leading average eNPS of +30. While we constantly look for ways to allow our employees to be at their best, our approach to full-flexibility, reward and recognition has created a culture that employees truly value.

We have achieved gender balance at all levels at Janison. By creating a working environment that prioritises the individual, we have attracted an amazing array of talent, both nationally and internationally.

We are optimistic about the year ahead and expect sustained growth, driven from new customer acquisition, existing customer expansion and inorganic revenue from M&A. Several improvement programmes have been completed during FY22 including the acceleration of the acquisition integration plans and consolidation of legacy bespoke assessment platforms. Through carefully managed attrition and discretionary spending reductions, the Company has now materially reset its cost base and operating structure, and we enter FY23 with a nimbler organisation, geared for growth, expecting to be operating cashflow positive in FY23 and targeting to be net cashflow positive for the year.

We 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 purpose to unlock the potential in every learner.

Regards,



David Caspari  
Chief Executive Officer &  
Managing Director



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“

Our FY22 has been very successful and continues the momentum built in a record-breaking FY21.



# Directors' Report.

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# Directors' Report.

The following commentary should be read in conjunction with the annual financial statements and the related notes in this report. Some sections of this commentary include non-Australian Financial Reporting Standards 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.

## Review of Operations

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)	Change
Platform revenue	24,885	22,237	12%
Services revenue	11,426	7,974	43%
<b>Total operating revenue</b>	<b>36,311</b>	<b>30,211</b>	<b>20%</b>
Cost of sales	13,081	13,528	(3)%
<b>Gross Profit</b>	<b>23,230</b>	<b>16,683</b>	<b>39%</b>
<i>Gross Profit %</i>	64%	55%	9ppt
Operating expenses	21,353	13,665	56%
<b>EBITDA</b>	<b>1,877</b>	<b>3,018</b>	<b>(38)%</b>
<i>EBITDA %</i>	5%	10%	(5)ppt
Non-operating expenses	1,813	740	145%
Depreciation and amortisation	10,501	6,119	72%
Financial expense	126	158	(20)%
<b>Loss before income tax</b>	<b>(10,563)</b>	<b>(3,999)</b>	<b>164%</b>
Income tax benefit	(1,438)	(750)	92%
<b>Net Loss</b>	<b>(9,125)</b>	<b>(3,249)</b>	<b>181%</b>
<b>Adjusted Net Loss (adjusted for acquired amortisation)</b>	<b>(4,912)</b>	<b>(1,511)</b>	<b>225%</b>

In FY22 Janison delivered another strong year financially, with revenue growth of +20% year-on-year and further expansion in gross margin from 55% to 64%. A summary of the Company's financial performance is set out below and follows the structure of the Group's two business units: Janison Assessments and Janison Solutions.

During FY22, Janison restructured its organisation into two business units. The previous segments 'Assessment', 'Learning' and 'JEM' were all collapsed into the first new business unit called 'Janison Solutions'. This division provides enterprise assessment and learning software to businesses, governments and education departments.

The recent acquisitions of UNSW Global's ICAS Assessments, AAS and QATs along with the new RiSE+ platform were all combined to form the second business unit: 'Janison Assessments'. This division produces and sells branded assessment products such as the ICAS competition, scholarship tests, progression tests and general ability tests for the K-12 market including schools, teachers and parents.

## Janison Assessments

In October 2021 Janison acquired Quality Assessment Tasks (QATs), a business that produces and sells high quality practice assessments for year 11 and 12 high-school students in preparation for end of school exams. It has a high market share in a number of large states across Australia and boasts over 2,000 school customers. Subsequent to this, in November 2021 Janison also purchased a company called Academic Assessment Services (AAS). AAS produces a variety of highly regarded school exam products which service the independent school sector. Products include progression assessments, general ability tests, and ATAR indication tools. The combination of these two businesses delivered approximately \$4.8 million of revenue in FY22 and a pro forma amount of \$6 million.

In the first half of FY22 Janison ran its annual ICAS competition event across schools in Australia and selective international locations. This event was heavily affected by Covid in FY22 with several states forcing state-wide school closures to stem the spread of the virus. This led to Janison extending the sitting window for the ICAS competition a number of times and the disruption inevitably caused a reduction in sales and an abnormally high level of customer refund requests. Despite this, Janison was able to record \$5.8 million of revenue for ICAS in total for the financial year FY22, an increase of +11% on the prior year.

The PISA for Schools program is separated into two distinct channels. The direct-to-school approach, known as the National Service Provider model (NSP)

forms part of the revenue and financials for the Janison Assessments business unit. The country-level sales approach whereby Janison works with the federal education ministry in a number of countries alongside a locally-appointed NSP is referred to as the International Platform Provider (IPP) model. Revenues and costs from the IPP model are consolidated into the Janison Solutions business unit financials.

In FY22 Janison increased its sales from PISA for Schools NSP +69% from \$0.8 million to \$1.3 million. This was driven by the introduction into the UK market as the country's accredited NSP, as well as further expansion into the USA and Australia where Janison also has the exclusive NSP rights.

## Janison Solutions

Janison's enterprise business unit – Janison Solutions is the largest of the Group's two business units. In FY22, this division delivered \$23.9 million of revenue, representing an +4% growth on the prior year revenue of \$23.0 million. This growth was largely the result of retention and expansion of key assessment accounts such as the Chartered Accountants ANZ, NSW Department of Education and Cambridge assessment. The business was also successful in winning new clients such as ACECQA (The Australian Children's Education and Care Quality Authority) and Cambridge Box Hill Institute, which contributed a portion of the division's revenue growth in FY22.

## Gross Profit Margin

In FY22 Janison delivered further improvement in Gross Profit from approximately \$16.7 million in FY21 to approximately \$23.2 million in FY22, an increase of +39% on the prior financial year. Gross profit margin rose from 55% of revenue in FY21 to 64% in FY22, an increase of nine percentage points. This is a result of an improved customer mix, improved pricing and scale benefits.

In the Solutions business unit, Janison has focused development effort on consolidating legacy branches of its assessment platform – custom built for older clients, in order to reduce inefficiency and duplication of platform support. This simplification and rationalisation has led to improvements in Gross Margin.

In the Assessments business unit, Janison has increased the number of tests sold in FY22 and gained scale benefits from leveraging the fixed cost to produce test items each year. Incremental revenue from additional tests sold delivers an increasingly higher gross profit percentage.

## Opex

Operating costs increased in FY22 by approximately \$7.7 million, from approximately \$13.7m in FY21 to approximately \$21.4m in FY22, an increase of +56%. The majority of this increase represents a necessary step-change in the operating structure of the business to satisfy the growth in revenue and the global nature of Janison's customers. Increased investment arose in the following areas:

- Investment in enterprise sales and marketing resources for large enterprise procurement opportunities
- Increased marketing spend to support customer acquisition for products such as the ICAS competition
- Development and launch costs associated with new product development – RISE+
- Establishment of a global assessment event delivery team
- Investment in leadership

The acquisition of AAS and QATs in Q2FY22 brought in additional operating costs of approximately \$1.4 million in FY22 (nil in FY21).

## Depreciation and Amortisation

The acquisition of AAS resulted in a substantial increase in amortisation during the year. The intangible asset value of the AAS acquisition was approximately \$19.2 million and has an accounting life of five years.

## Capital Raising and Acquisitions

### FY 2022

On 21 July 2021 Janison completed a capital raise of \$3 million (before costs) by way of a public Share Purchase Plan (SPP) for cash consideration to all eligible shareholders. The SPP was made at a price consistent with that of the capital raise at \$0.82 per share and approximately 3.7 million new, fully paid ordinary shares were issued. The funds form part of the main capital raise and have the same use of funds as outlined above.

On 19 October 2021, Janison Solutions Pty Ltd acquired the business assets of Quality Assessment Tasks (QATs) for approximately \$2 million, consisting of \$1.2m of cash paid on completion and a remaining \$0.7 million deferred

cash payment due on completion of the Group's FY22 audited results. The deferred payment is contingent on the QATs business achieving a revenue target of \$1.3 million at 30 June 2022 on a pro forma basis (including the period of time between 1 July 2021 and the date of acquisition). QATs produces a range of practice assessments for high schoolchildren to assist with preparation for the high school certificate exams in each state.

On 29 November 2021, Janison Education Group Limited acquired 100% of the shares in Academic Assessment Services Pty Ltd (AAS). The shares were acquired for an initial consideration amount of \$9.0 million consisting of a combination of cash and ordinary shares ("Upfront Consideration") and an additional \$8.0 million may be payable subject to certain financial performance criteria being achieved ("Earnout Consideration"). The total consideration payable, assuming the Earnout Consideration is paid and not adjusted, is \$17.0m ("Total Consideration"). AAS is the leading premium assessments business in Australia providing educational tests and testing services to over 200 of the top 1,200 independent, Catholic and selective schools. AAS produces a range of school assessments including progression tests, placement tests, scholarships and general ability tests for years 2 to 10.

### FY 2021

On 24 June 2021 Janison completed a capital raise of \$15 million (before costs) by way of a private placement of ordinary shares for cash consideration to sophisticated and institutional investors (Placement). The Placement was made at a price of \$0.82 per share and approximately 18.3 million new, fully paid ordinary shares were issued. The funds have been used to:

- Capitalise on revenue growth opportunities across the PISA and ICAS products, including a global rollout of PISA for Schools in the UK & USA and further accelerate sales growth in the ICAS product,
- Invest in product development by expanding the range of product offering to parents, teachers and school systems, and invest in potential future strategic acquisitions; and
- Strengthen the balance sheet and provide working capital flexibility.

## Employees

Year ended 30 June	2022 (FTEs)	2021 (FTEs)	Change
Full Time Employees	148	128	16%
Part Time Employees (Full Time Equivalent)	37	17	118%
Casuals (Full Time Equivalent)	15	4	275%
<b>Total full time equivalent (FTE) employees</b>	<b>200</b>	<b>149</b>	<b>34%</b>

The number of full time equivalent employees increased by 34% at 30 June 2022 from 149 to 200 primarily as a result of the acquisition of new businesses. The Group utilises a mix of employees and contractors to meet its service obligations to customers. The data above does not include contractors or non-executive directors.

## Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

EBITDA disclosures (which are non-IFRS financial measures) have been included as the Group believe they provide useful information for readers to assist in understanding the Group's financial performance. EBITDA is calculated by adding back depreciation, amortisation, net interest expense and deducting tax income to net results.

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)	Change
<b>EBITDA</b>	<b>1,877</b>	<b>3,018</b>	<b>(38)%</b>
<b>Non-operating expenses</b>	<b>1,813</b>	<b>740</b>	<b>145%</b>
Share-based compensation	958	313	206%
Foreign currency losses	(6)	57	-
Acquisition costs	245	-	-
Loss on disposal of assets	-	64	-
Other <sup>1</sup>	616	306	101%
<b>Depreciation and amortisation</b>	<b>10,501</b>	<b>6,119</b>	<b>72%</b>
Office and computer equipment	165	134	23%
Leasehold improvements	39	47	(16)%
Product development	5,045	3,260	55%
Acquired intangibles	4,213	1,738	142%
Non-acquired intangibles	49	-	-
Right of use asset	990	940	5%
<b>Financial expense</b>	<b>126</b>	<b>158</b>	<b>(20)%</b>
<b>Income tax benefit</b>	<b>(1,438)</b>	<b>(750)</b>	<b>92%</b>
<b>Net Loss</b>	<b>(9,125)</b>	<b>(3,249)</b>	<b>181%</b>
<b>Underlying Net Loss (adjusted for acquired amortisation)</b>	<b>(4,912)</b>	<b>(1,511)</b>	<b>225%</b>

<sup>1</sup> In FY22 'Other' non-operating expenses related to restructure costs.  
In FY21 'Other' non-operating expenses related to the cost of a legal dispute with a supplier to the value of approximately \$300,000, including legal fees.



## Operating Revenue

### Platform revenue consists of:

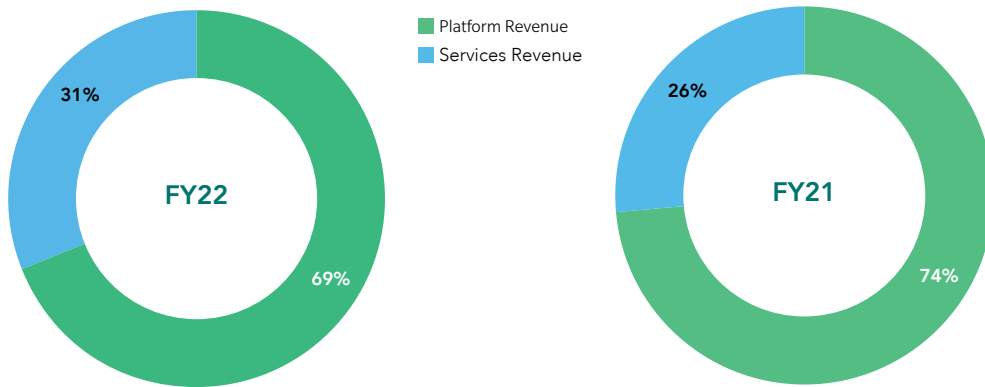
- Licence, hosting and support for the use of Janison's platform, products and for the external hosting of software and data remote proctoring. Products include ICAS Assessments and PISA for Schools.
- Content licence revenue for the use of content produced either in-house by Janison or by a third-party resold by Janison.

### Services revenue consists of:

- Software development and content development
- Implementation, configuration, and training
- Exam management services, including revenue for invigilation, venue hire and paper logistics

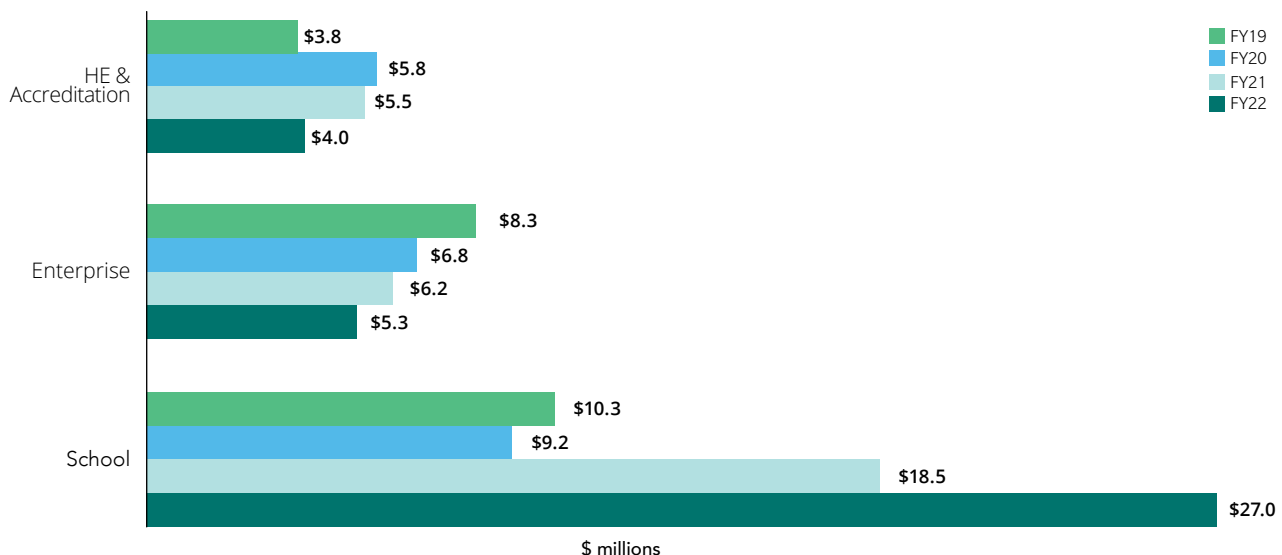
## Operating Revenue by Type

The increase in Services revenue was driven by a substantial change in sales mix with the acquisition of Academic Assessment Services (AAS) which delivers in-person, paper-based assessments and reporting. Janison classifies this as a service, not platform licence income.



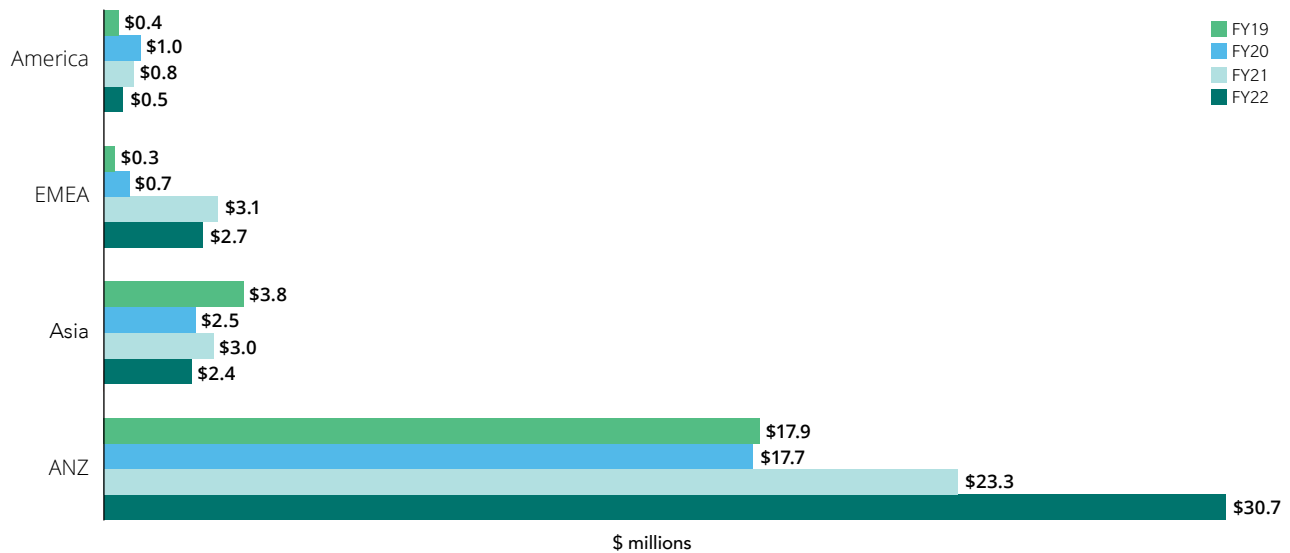
## Operating Revenue by Market Sector

The acquisition of AAS and QATs as well as the increase in sales of ICAS and services for the NSW Department of Education have all contributed to a further concentration in the Schools sector.



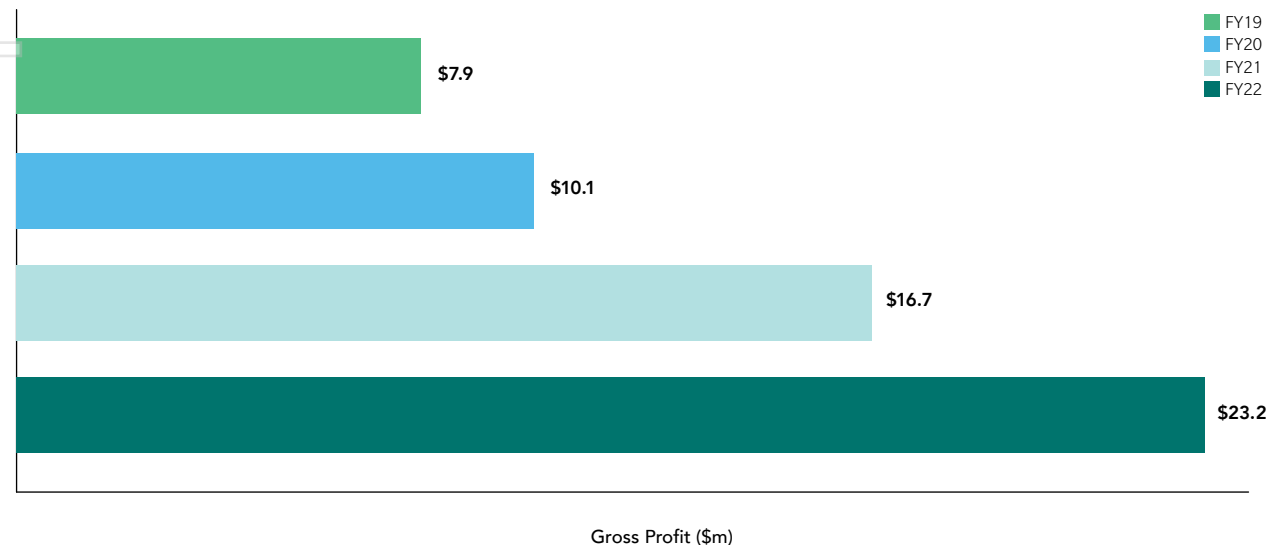
## Operating Revenue by Geography

In FY22, Janison recorded a reduction in the amount of revenue generated from international markets brought on by the global impact of COVID and school closures internationally. Locally, Janison grew share of wallet in its existing client base through acquisitions and the development of additional tests and the expansion of school year groups and associated services.



## Gross Profit

Gross Profit represents Operating revenue minus Cost of Sales. Cost of Sales consists of personnel expenses directly associated with the supply of Janison's platforms and services to clients. Cost of sales also includes cloud hosting and compute costs, third-party content licensing fees and software subscription fees. In FY22, the growth of platform revenue saw a reduction in Cost of Sales through lower personnel costs and optimised hosting costs. This resulted in a significant increase in Gross Profit and Gross Profit Margin of +39% and +9 percentage points, respectively. In FY21 Gross Profit margin also increased +9 percentage points on the prior year FY20.



## Cash Flows

Summarised cash flow data accumulated on the same basis as the Statement of Cash Flows is presented below.

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)	Change
Receipts from customers	38,393	34,025	13%
Payments to suppliers and employees	(36,944)	(29,187)	27%
Income taxes paid	(119)	(168)	(29%)
Other (Interest paid / received, and grant income)	94	(251)	-
<b>Total cash flows from operating activities</b>	<b>1,424</b>	<b>4,419</b>	<b>(67)%</b>
Purchase of fixed and intangible assets	(8,007)	(6,398)	25%
Acquisition of businesses, net of cash acquired	(6,346)	-	-
Acquisition costs	(245)	(65)	277%
Effect of exchange rate changes	3	(56)	-
Financing activities	1,845	14,138	(87)%
<b>Net change in cash</b>	<b>(11,326)</b>	<b>12,038</b>	<b>-</b>
<b>Closing cash at end of year</b>	<b>11,820</b>	<b>23,146</b>	<b>(49)%</b>
<b>Free Cash Flow / (Outflows)<sup>1</sup></b>	<b>(6,582)</b>	<b>(1,979)</b>	<b>233%</b>

<sup>1</sup>Free Cash Flow is defined as Total cash flows from operating activities less expenditure on purchase of fixed and intangible assets

During the year, Janison paid \$6.6m for the purchase and associated acquisition costs of QATs and AAS.

## Segment Information

Operating revenues and Cost of Sales are recorded to a segment depending on the business unit in which they are directly attributed. Janison's two business units are Janison Assessments (exam products, exam items and associated exam services for schools, parents and teachers), and Janison Solutions (enterprise-grade assessment platform technology and event management services for large organisations, education authorities and accreditation bodies). Any Cost of Sales or Operating Costs not directly attributable to a business unit are allocated on the basis of either revenue or labour costs.

### Janison Assessments

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)	Change
Platform revenue	8,149	6,424	27%
Services revenue	4,237	784	440%
<b>Total segment revenue</b>	<b>12,386</b>	<b>7,208</b>	<b>72%</b>
Cost of sales	4,870	3,621	34%
<b>Segment gross profit</b>	<b>7,516</b>	<b>3,587</b>	<b>110%</b>
<i>Gross profit percentage of assessments segment revenue</i>	61%	50%	11ppt
Operating expense	9,745	4,418	121%
<b>Segment EBITDA</b>	<b>(2,229)</b>	<b>(831)</b>	<b>168%</b>
EBITDA percentage of assessments segment revenue	(18)%	(12)%	(6)ppt

### Janison Assessments

Janison Assessments' revenue increased substantially in FY22 due to:

- The acquisition of AAS and QATs (approximately \$4.8 million)
- Growth in the sales of the ICAS Competition to schools and parents
- The launch of RiSE+ (new parent subscription business for practice assessments)

EBITDA reduced in FY22 due to the increase of total operating costs and the weighted allocation to the Janison Assessments business unit.

## Janison Solutions

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)	Change
Platform revenue	16,736	16,425	2%
Services revenue	7,189	6,578	9%
<b>Total segment revenue</b>	<b>23,925</b>	<b>23,003</b>	<b>4%</b>
Cost of sales	8,211	9,907	(17)%
<b>Segment gross profit</b>	<b>15,714</b>	<b>13,096</b>	<b>20%</b>
<i>Gross profit percentage of solutions segment revenue</i>	<i>66%</i>	<i>57%</i>	<i>9ppt</i>
Operating expense	11,608	9,247	26%
<b>Segment EBITDA</b>	<b>4,106</b>	<b>3,849</b>	<b>7%</b>
EBITDA percentage of solutions segment revenue	17%	17%	-

### Janison Solutions

Janison Solutions' revenue increased in FY22 due to:

- Expansion of Check-in testing across additional school years for the NSW Department of Education
- Expansion of development services for Education Services Australia (NAPLAN assessment)
- Full year of assessment licensing for Cambridge Assessment and Chartered Accountants ANZ
- New platform client revenue – ACECQA (the Australian Children's Education and Care Quality Authority)

Cost of Sales reduced in FY22 by approximately \$1.7 million due to efficiency gains made in the consolidation of legacy platforms and optimised hosting costs.

## Board of Directors

The following persons were Directors of the Group during or since the end of the financial year:

Name	Particulars
Mr Mike Hill	Non-Executive Chairman
Mr Brett Chenoweth	Non-Executive Director
Mr David Willington	Non-Executive Director (resigned 24 September 2021)
Mr Wayne Houlden	Non-Executive Vice Chairman
Ms Allison Doorbar	Non-Executive Director
Ms Vicki Artistidopoulos	Non-Executive Director (appointed 11 November 2021)
Ms Kathleen Bailey-Lord	Non-Executive Director (appointed 23 February 2022)
Mr David Caspari	Managing Director & Chief Executive Officer (appointed Director 24 September 2021)



### Mike Hill

#### Experience and Expertise

Formally a Partner of Ernst & Young, Mike has been involved in working with management teams and boards across a number of companies and industries for more than 20 years. He is the MD & CIO and Founder of the Bombora Special Investment Growth Fund. Prior to Bombora he was an investment Partner with Ironbridge, a private equity Investment fund which invested \$1.5bn. Mike has served as Chairman of multiple ASX-listed companies over the past six years. He is a member of the Institute of Chartered Accountants in Australia.

#### Other Current Directorships

Design Milk Co Limited (ASX:DMC)  
*(Non-executive Chairman)*

Beamtree Holdings Limited (ASX:BMT)  
*(Non-executive Chairman)*

Mad Paws Limited (ASX:MPA)  
*(Non-executive Director)*

Gratific Limited (ASX:GTI)  
*(Non-executive Director)*

#### Former Directorships in the Last Three Years

Rhipe Limited (ASX:RHP)  
*(Non-executive Chairman, resigned 26 March 2020)*

Acrow Formwork and Construction Limited (ASX:ACF)  
*(Non-executive Director, resigned 19 September 2019)*

#### Special Responsibilities

- Chairperson
- Chairperson Audit and Risk Committee
- Member Remuneration and Nominations Committee

#### Interests in Shares and Options

- 1,882,850 fully paid ordinary shares,
- 600,000 loan-funded shares funded by way of a 5-year limited recourse, non-interest bearing loan from the Company. The vesting conditions of continuous employment and the 5-day VWAP of the Company's share price exceeding \$0.60 for more than 30 days were met on 28 May 2021.



## Brett Chenoweth

### Experience and Expertise

Brett brings a wealth of major international experience across media, technology, entertainment, investment and telecommunications. Brett is Chairman of Canberra Data Centres (CDC), Adairs Limited (ASX:ADH), Madman Entertainment and he is an Independent Board Director of Vodafone New Zealand and Tabcorp Holdings Limited. Brett also serves as Chairman of the Investment Committee for The Bombora Group and as an independent director of Surfing Australia.

Brett has formerly served as Chief Executive Officer and Managing Director of APN News and Media and has held senior executive roles at the New York based investment firm Silverfern Group, Telecom New Zealand, Publishing & Broadcasting Limited, ecorp, ninemsn and Village Roadshow Limited. Brett holds a Bachelor of Laws and a Bachelor of Economics from the University of Queensland and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.

### Other Current Directorships

Adairs Limited (ASX:ADH)  
*(Non-executive Chairman)*

Tabcorp Holding Limited (ASX:TAH)  
*(Non-executive Director), appointed 4 August 2022*

### Former Directorships in the Last Three Years

None

### Special Responsibilities

Chairperson Remuneration and Nominations Committee

### Interests in Shares and Options

- 1,531,051 fully paid ordinary shares,
- 600,000 loan-funded shares funded by way of a 5-year limited recourse, non-interest bearing loan from the Company. The vesting conditions of continuous employment and the 5-day VWAP of the Company's share price exceeding \$0.60 for more than 30 days were met on 28 May 2021.



## Wayne Houlden

### Experience and Expertise

Wayne founded Janison in 1998. Wayne is a leading thinker in the global world of education technology and has been involved in the development of a number of award winning and innovative online learning applications including national education portals, online learning management systems, professional development learning portals and award winning assessment systems.

Wayne's focus is now on mentoring and supporting the Janison executive team and building and fostering both the global Janison brand and its strategic partnerships.

Wayne has a truly global vision for how Janison will play as a provider of digital assessment products and services. He has strong relationships in the education technology industry and Edtech investment community around the world. Wayne is also a fund advisor for Europe's leading Edtech investment group, Emerge Education.

Previous to Janison, Wayne worked as an IT leader in Citibank and also has a teaching background in information technology. Wayne has a Bachelor of Science Degree from University of New South Wales and a Diploma of Teaching from Sydney University of Technology.

### Other Current Directorships

None

### Former Directorships in the Last Three Years

None

### Special Responsibilities

Member of the Audit and Risk Committee and the Remuneration and Nominations Committee.

### Interests in Shares and Options

- 68,311,376 fully paid ordinary shares



### Allison Doorbar

#### Experience and Expertise

Allison is Managing Partner at EduWorld, a company that provides market research and strategic consulting services to the education sector. She has spent most of her career working with education providers globally helping them to develop and implement their marketing strategies. This includes working with many of the World's leading universities, major global providers as well as many government departments and agencies.

#### Other Current Directorships

None

#### Former Directorships in the Last Three Years

None

#### Special Responsibilities

Member Remuneration and Nominations Committee

#### Interests in Shares and Options

- 546,176 fully paid ordinary shares,
- 600,000 loan-funded shares funded by way of a 5-year limited recourse, non-interest bearing loan from the Company. The vesting conditions of continuous employment and the 5-day VWAP of the Company's share price exceeding \$0.60 for more than 30 days were met on 28 May 2021.



### Kathleen Bailey-Lord

#### Experience and Expertise

Kathleen is an experienced, independent company director and business advisor, with a passion for digital technology and transformational change. As a senior executive Kathleen has enjoyed a career at the forefront of transformational change within a wide range of industries across Australasia and Asia.

Kathleen serves on the boards of Alinta Energy, QBE Insurance (Auspac), Melbourne Water Corporation and Monash College. Her past boards include Bank of Queensland, Trinity College at the University of Melbourne and Australian Government Solicitor. Kathleen is an active member of the Chief Executive of Women and a Fellow of the Australian Institute of Company Directors.

#### Other Current Directorships

None

#### Former Directorships in the Last Three Years

Bank Of Queensland (BOQ:ASX) 2019 – 2021

#### Interests in Shares and Options

- As per Ms Bailey-Lord's letter of appointment, she is entitled to receive, subject to shareholder approval, a one off grant of 299,145 unlisted options representing a grant value of \$350,000 each exercisable at \$1.17 being the 15 day volume weighted average price of the Company's shares immediately prior to the effective date of appointment and expiring on the earlier of 23 February 2027 and the date on which Ms Bailey-Lord ceases to be a director of the Company.





## Vicki Aristidopoulos

### Experience and Expertise

Vicki has over 20 years experience in senior executive roles across a range of ASX companies and brings deep experience in digital transformation, scaling customer growth and elevating brand experience.

Vicki was Chief Marketing Officer for AfterPay (APT:ASX), where she played a key role supporting the buy-no-pay-later category and company founders through their early hyper-growth phase and global expansion.

Vicki is also a Non-Executive Director for digital pet marketplace Mad Paws (MPA:ASX) and is on the global advisory board of app-based travel insurance provider Freely, a Cover-More brand owned by Zurich Australian Insurance. She is also an independent advisor to Doshii, a hospitality point-of-sale and app middleware venture funded by Commonwealth Bank's X15.

### Other Current Directorships

Mad Paws (MPA:ASX) Non-Executive Director

### Former Directorships in the Last Three Years

None

### Special Responsibilities

Member Audit & Risk Committee

### Interests in Shares and Options

- 16,129 fully paid ordinary shares,
- As per Ms Aristidopoulos letter of appointment, she is entitled to receive, subject to shareholder approval, a one off grant of 300,000 unlisted options, each exercisable at \$1.17 and expiring on the earlier of 1 November 2026 and the date on which Ms Aristidopoulos ceases to be a director of the Company.



## David Caspari

### Experience and Expertise

David is a dynamic education and technology leader with a powerhouse of experience at Managing Director, CEO and Board level across all key sectors in technology and services in Australia and global markets.

David's executive and director roles include leading Enterprise and Government at Optus, as well as global executive roles at Hewlett-Packard and Cisco Systems. He is Deputy Chair of Knox Grammar and his previous Board positions include the University of New South Wales Academic Board and Chair of HP and EDS subsidiary boards.

### Other Current Directorships

None

### Former Directorships in the Last Three Years

None

### Special Responsibilities

None

### Interests in Shares and Options

- 700,000 fully paid ordinary shares,
- 6,357,848 performance rights which are subject to continuous employment and performance hurdles. Refer to page 51 for full details.

## Company Secretary

Maggie Niewidok holds the position of Company Secretary.

### Experience and Expertise

Maggie is an admitted lawyer who works at Automic Group across the Automic Legal and Company Secretarial teams. She works closely with a number of boards of both listed and unlisted public companies. Maggie holds a double degree, Bachelor of Laws and Bachelor of Commerce majoring in Finance and a Graduate Diploma of Applied Corporate Governance from the Governance Institute.

### Subsequent Events

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

### Environment Impacts

There have been no significant environmental impacts caused by the Group.

### Directors' Meetings

The following table sets out the number of Directors Meetings held during the financial year and the number of meetings attended by each Director (while they were in office):

Name	Board Meetings		Audit & Risk Committee Meetings		Remuneration & Nomination Meetings	
	Held	Attended	Held	Attended	Held	Attended
Michael Hill	13	13	3	2	4	4
Brett Chenoweth	13	9	-	-	4	3
Wayne Houlden	13	13	3	3	4	4
Allison Doorbar	13	11	-	-	4	3
Kathleen Bailey-Lord	4	3	-	-	-	-
David Caspari	9	9	-	-	-	-
Vicki Aristidopoulos	7	6	1	1	-	-
David Willington	4	4	2	2	-	-

All other business was conducted via circular resolution.

## Equity Instruments

As at the date of signing this report, there were 1,950,000 loan funded shares (accounted as share capital) and 11,023,690 unissued ordinary shares which are exercisable as follows:

Date of Grant	Security	Number	Date of Expiry	Conversion Price \$
21-Dec-17	Loan Funded Shares	600,000	14-Dec-22	\$0.30
14-Nov-18	Loan Funded Shares	600,000	14-Nov-23	\$0.45
3-Dec-18	Loan Funded Shares	600,000	3-Dec-23	\$0.45
19-Dec-18	Loan Funded Shares	150,000	19-Dec-23	\$0.45
14-Apr-20	Performance Rights	6,357,848	30-Jun-35	Nil
6-Nov-20	Performance Rights	2,366,667	30-Jun-35	Nil
17-May-21	Performance Rights	880,000	30-Jun-35	Nil
17-Sep-21	Performance Rights	440,000	30-Jun-35	Nil
6-Apr-22	Performance Rights	979,175	30-Jun-36	Nil
<b>TOTAL</b>		<b>12,973,690</b>		

### Insurance of Directors and officers

During the financial year the Group paid insurance premiums in respect of directors and officers liability insurance so as to insure the Directors of the Group, the Company Secretary, and all executive officers of the Group and of any related body corporate against a liability incurred as such as Director, secretary or executive officer to the extent permitted by the Corporation Act 2001. The amount paid during the year was \$120 thousand (2021: \$109 thousand).

### Auditor's independence

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 105 of this annual report.

### Non-audit services

Stantons International Audit and Consulting Pty Ltd (Stantons International) are the appointed auditors of the Group. The auditor has not been indemnified under any circumstance.

There were no non-audit services provided in the financial year 2022 (2021: Nil).

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### Rounding of Amounts

The Company is an entity to which ASIC Legislative instrument 2016/191 applies, and accordingly amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

### Corporate Governance Statement

The Directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability to the corporate governance statement dated 22 August 2022 released to the ASX and posted on the Company's website: [www.janison.com/investors](http://www.janison.com/investors).



**Mike Hill**

Chairman

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Report.**





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**Brett Chenoweth**

Chair of the  
Remuneration  
and Nomination  
Committee

## 1. Introduction

On behalf of the Remuneration & Nomination Committee, I am delighted to present Janison's Remuneration Report for the financial year ended 30 June 2022 ("FY22").

This was another challenging year for the team who worked well amidst ongoing disruptions within the schools' sector and across several large education bodies battling internal resource constraints and the aftereffects of COVID.

The team delivered a robust performance this year, as the financial results demonstrate:

- Revenue growing +20% year on year
- Gross profit margin lifting by 9 points
- Positive operating cash flow of \$1.4m
- EBITDA remaining positive; and,
- Strong cash management and closing cash reserves including a major reorganisation of the our business during the year to materially reduce cost and focus on positive free cash flow.

Throughout the year management were also successful in delivering a number of notable milestones:

- Acquisition and integration of two new businesses: Academic Assessment Services (AAS) and Quality Assessment Tasks (QATs)
- Successful launch of a new parent subscription business – RISE+
- Significant expansion of existing enterprise accounts including a 1-year extension to the NAPLAN agreement while long-term discussions develop
- Major new client wins in ACECQA (the Australian Children's Education and Care Quality Authority) and Cambridge Box-Hill Institute.

In the final months of FY22, management underwent a reorganisation of its operating structure, an acceleration of post-acquisition integration plans and a consolidation of legacy platform technology. This led to a reduction in selected headcount and managed attrition which saw the business finish FY22 with a substantially lower cost base than it started with at the beginning of the year. This has now setup the Group for a resilient year ahead with strong cash reserves and the ability to continue its investment in growth.

Throughout these changes I am pleased to report the business achieved a 31% improvement in its eNPS (employer Net Promoter Score) from July 2021 to June 2022 and finished with a world-class average score of +30.

In light of these achievements, the Remuneration & Nominations Committee believes the remuneration outcomes for the financial year are reflective of an appropriate pay and performance alignment and represent a comparative market offering in the current climate.

### ESOP

During FY22 we saw a strong take-up rate for the newly introduced Employee Share Ownership Plan (ESOP22). I am proud that the Remuneration and Nomination Committee worked closely with management to develop the plan which protects and rewards employees through share market cycles. The plan sees Janison's employees rewarded for salary-sacrificed contributions after a year of service and in turn, helps to further elevate our employer branding in the market to attract and retain great talent in the business.

The Remuneration and Nomination Committee is pleased with the performance of the team and the business during FY22 and believes its remuneration structures are fit-for-purpose for FY23. The executive team and in particular our Key Management Personnel share in the ups and downs of the business in equal lockstep with shareholders.

We are confident our remuneration policies mirror the interests of investors and are tightly aligned to the continued growth and success of the Company.

I invite you to read our remuneration report for FY22 and as always, welcome your feedback.

**Brett Chenoweth**

## 2. Scope

The Remuneration Report sets out the prescribed key management personnel (KMP) remuneration information and details of Janison Education Group Limited (the "Company") and its subsidiaries (the "Group") in accordance with section 300A of the Corporations Act 2001 (the Act) and associated regulations, including policies, procedures, governance, and factual practices as required.

Janison Education Group Limited has decided to set out further information for shareholders to develop an accurate and complete understanding of the Group's approach to the remuneration of KMP.

KMP are the non-executive directors, the executive directors and employees who have authority and responsibility for planning, directing and controlling the activities of the consolidated entity. On that basis, the following roles/ individuals are addressed in this report:

### Non-executive Directors (NEDs) of Janison Education as at the end of FY22

- **Mr Michael Hill**
  - Independent Non-executive Director since 7 July 2014
  - Chairman of the Board since 26 November 2014
  - Chairman of the Audit Committee since 15 December 2018
  - Member of the Remuneration and Nomination Committee since 15 December 2018
- **Mr Brett Chenoweth**
  - Independent Non-executive Director since 7 July 2014
  - Chair of the Remuneration and Nomination Committee since 15 December 2017
- **Mr Wayne Houlden**
  - Non-executive Director and Vice Chairman since 2 July 2020, previously Executive Director since 25 January 2000
  - Member of the Audit Committee since 15 December 2018
- **Ms Allison Doorbar**
  - Independent Non-executive Director since 20 June 2018
  - Member of the Remuneration and Nominations Committee since 24 July 2018

- **Ms Vicki Aristidopoulos**

- Independent Non-executive Director appointed 11 November 2021
- Member of the Audit Committee since 11 November 2021

- **Ms Kathleen Bailey-Lord**

- Independent Non-executive Director appointed 23 February 2022

### Executive Directors of Janison Education as at the end of FY22

- **Mr David Caspari**

- Chief Executive Officer (CEO) since 14 April 2020
- Managing Director (MD) appointed on 24 September 2021

### Senior executives of Janison Education classified as KMP during the reporting period.

- **Mr Stuart Halls**

- Chief Financial Officer (CFO) since 3 December 2018

## 3. Context

The KMP remuneration structures that appear in this report reflect the arrangements applicable to financial year FY22, and where appropriate comments regarding future considerations or changes are made to provide additional context that may be helpful to shareholders in understanding remuneration governance and practices applicable to key management personnel remuneration within Janison.

The following outlines important context for the decisions that were made in relation to remuneration during FY22, the outcomes of which are presented in this report:

- Revenue increased +20% on FY21 to a total Group revenue of \$36.3 million.
- Headcount of full-time employees increased by +16% from 128 to 148 at 30 June 2022 with the establishment of several new targeted roles in Account Management and Exam Event Delivery Support to increase the resources associated with a step-change in the strategic growth of the Group.

- Janison continued its international expansion with the addition of five new countries on to the PISA for Schools program in FY22, expansion into its new national service provider accreditation regions (Australia and the UK) where Janison assumes full-service delivery responsibility in those regions.
- The Company successfully raised \$3 million from a Share Purchase Plan in July 2021 (before costs). Cash reserves at the end of FY22 were approximately \$12 million, with no debt and a positive operating cash flow.
- As at 30 June 2022, being the end of the reporting period, the market capitalisation was \$100m – a 51% reduction in market value on FY21. This movement in valuation was heavily impacted by macro global factors such as the recent increases to global interest rates, the war in Ukraine and a change in sentiment towards technology businesses in general.

## 4. Governance

### 4.1 Transparency and Engagement

The Company seeks input regarding the governance of KMP remuneration from a wide range of sources, including:

- Shareholders and other stakeholders
- Remuneration and Nomination Committee Members
- External remuneration consultants (ERCs)
- Other experts and professionals such as tax advisors and lawyers
- Company management to understand roles and issues facing the Company

The following outlines a summary of the Company's Remuneration Framework. Shareholders can access a number of the related documents by visiting the investor portal on the Company website [www.janison.com/investors/](http://www.janison.com/investors/).

### 4.2 Remuneration and Nomination Committee Charter

The Remuneration and Nomination Committee Charter governs the operation of the Remuneration and Nomination Committee (the Committee). It sets out the Committee's role and responsibilities, composition, structure and membership requirements. The purpose of the Committee is to assist the board by:

- Establishing appropriate processes regarding the review of the performance of directors, committees and the Board, and implementing them

- Reviewing and making recommendations to the Board in relation to the remuneration packages of senior executives and non-executive directors, equity-based incentive plans and other employee benefit programs
- Developing policies, procedures and practices that will allow the Group to attract, retain and motivate high calibre executives
- Ensuring a framework for a clear relationship between key executive performance and remuneration

The Committee has the authority to obtain outside legal or other professional advice or assistance on any matters within its terms of reference.

The Company recognises the importance of ensuring that any recommendations given to the Committee provided by remuneration consultants are provided independently of those to whom the recommendations relate. Further information about the parameters under which external remuneration consultants are engaged is provided below.

### 4.3 Securities Trading Policy

The Company's Securities Trading Policy applies to Directors and executives classified as KMP (including their relatives and associates), those employees working closely with KMP, employees nominated by the Board, or any other employee holding inside information. It sets out the guidelines for dealing in any type of Company Securities by persons covered by the policy, and the requirement for the Company to be notified within 2 business days of any dealing. It also summarises the law relating to insider trading which applies to everyone at all times.

Under the current policy, those covered by the policy may not trade during a "blackout period" or when they hold inside information (subject to exceptional circumstances arrangements, see the policy on the Company website). The following periods in a year are "blackout periods" as defined in the policy:

- 2 weeks prior to the release of the Company's quarterly results or half year results,
- From the financial year balance date until 24 hours following the release of the Company's preliminary full year results (Appendix 4E) as long as such results are audited,
- Within 24 hours of release of price sensitive information to the market, and another date as declared by the Board ("ad-hoc").



## 5. Remuneration Strategy & Structure

### 5.1 Executive Remuneration Policy

The Group's executive remuneration policy is summarised by the following components:

- Base Package (inclusive of superannuation, allowances, benefits)
- Variable remuneration, the purpose of which is to create a strong link between performance and reward
- At-risk. An opportunity for the Group to pay less than the planned remuneration when performance expectations have not been met

- Short-term, via the Short-Term Incentive Plan (STIP) which provides a reward for performance against annual objectives, both financial and non-financial
- Long-term, via the Long-Term Incentive Plan (LTIP) which provides an equity-based reward for performance against indicators of shareholder benefit over a multi-year period
- Market relevant. Referencing the practices of competitors for talent, and the circumstances of the Group at the time

In total the sum of these elements constitute a total remuneration package (TRP).



**Short Term Incentive Plan (STIP) details**

Aspect	Plan, offers and comments
<b>Purpose</b>	The STIP's purpose is to give effect to an element of remuneration that is partly at-risk and partly an incentive. This element of remuneration reinforces a performance-focused culture, encourages teamwork and co-operation among executive team members and maintains a stable executive team by helping retain key talent. These objectives aim to be achieved by a simple plan that rewards participants for their performance during a 12-month period.
<b>Measurement Period</b>	The Group's financial year (12 months).
<b>Award Opportunities</b>	In FY22 the CEO and CFO were offered an opportunity of up to 40% and 30% of their Base Package respectively.
<b>Performance Assessment</b>	<p>Each year the Board sets the conditions that are used to assess the executive STI, in consultation with the CEO. The majority of performance assessments are linked to the Group's financial results, the business plans, budget and strategic priorities identified as part of the formal Annual Operating Plan (AOP) process. Also included are a series of non-financial outcomes relating to employee satisfaction, culture and retention of staff.</p> <p>For FY22, short-term incentive awards were based on a number of measures including Revenue, Gross Margin, EBITDA and Cash Flow, workforce development, employee retention, and the successful delivery of individual operating priorities. The outcome of these measures is shown in table 6.2.</p>
<b>Award/Payment</b>	Assessments and award determinations are performed following the end of the Measurement Period and the auditing of Group accounts. Awards are generally paid in cash within a reasonable period of time following the end of the Measurement Period. They are paid through payroll with PAYG tax and superannuation remitted as appropriate. (See page 59 for more details)
<b>Cessation of Employment During a Measurement Period</b>	<p>In the event of a termination of employment, the following applies to STI opportunities for the financial year:</p> <ul style="list-style-type: none"> <li>• If the participant is not employed on the date of payment, all award opportunities are forfeited unless otherwise determined by the Board,</li> <li>• If the termination is due to dismissal for cause, all award opportunities are forfeited,</li> <li>• If the termination is due to resignation, all entitlements in relation to the Measurement Period are forfeited, unless the termination is classified as "good leaver" in the discretion of the Board,</li> <li>• In the case of a good leaver, the Board may make an award at the time of the termination (which would be classified as a termination payment), or assess outcomes at the normal time, following the termination.</li> </ul>
<b>Change of Control</b>	In the event of a Change of Control, including a takeover, the Board has discretion regarding the treatment of short-term incentive bonus opportunities, having regard to the portion of the Measurement Period lapsed, and pro rata performance to the date of the assessment.
<b>Fraud, Gross Misconduct etc.</b>	If the Board forms the view that a participant has committed fraud or gross misconduct in relation to the Company then all entitlements in relation to the Measurement Period will be forfeited by that participant.

**Long Term Incentive Plan (LTIP) Performance Rights**

Aspect	Plan, offers and comments
<b>Purpose</b>	<p>The LTIP's primary purpose is to reinforce a long-term performance-focused culture, encourage teamwork and co-operation among key executives and directors, and maintain a stable leadership team by helping retain key talent. Other purposes of the LTI program include:</p> <ul style="list-style-type: none"> <li>• to enable the Company to compete effectively for the calibre of talent required for it to be successful, and</li> <li>• facilitating variable remuneration cost outcomes so that in periods of poor performance the cost is reduced</li> </ul> <p>Non-executive Directors are excluded from participation</p>
<b>Form of Equity</b>	<p>The current plan includes the ability to grant:</p> <ul style="list-style-type: none"> <li>• Indeterminate Performance Rights, which are subject to performance related vesting conditions and vesting hurdles, and which may be settled upon exercise in cash or by new issues or on market purchase of ordinary fully paid Shares.</li> <li>• No dividends accrue to unvested Rights, and no voting rights are attached.</li> </ul>
<b>Amount Payable for Grants</b>	No amount is payable by participants for grants of Performance Rights.
<b>Plan Limit</b>	Unless prior shareholder approval is obtained, the number of Awards which may be granted under this Plan (assuming all Options and Performance Rights were exercised) must not at any time exceed in aggregate 5% of the total Issued Capital of the Company at the date of any proposed new Awards.
<b>Grant Values</b>	<p>FY22 invitations</p> <ul style="list-style-type: none"> <li>• On 6 April 2022, Stuart Halls was issued 193,070 Performance Rights under the terms of the LTIP.</li> <li>• No other LTI allocations were issued to KMP in FY22.</li> <li>• On 6 April senior executives were issued 786,105 Performance Rights under the terms of the LTIP.</li> </ul>
<b>Exercise of Grants</b>	Following the end of the Measurement Period, the Remuneration Committee will assess whether the vesting conditions and hurdles have been met and will notify the participants of the number of Performance Rights which have vested (if any) and that are able to be exercised.
<b>Measurement Period</b>	Performance Rights granted have a Measurement Period of 3 years that applies prior to vesting. Performance Rights grants are intended to be made annually.

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**Long Term Incentive Plan (LTIP) Performance Rights**

Aspect	Plan, offers and comments
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**Vesting Conditions**

**1. Index-linked Total Shareholder Return (“iTSR”) [50% weighting]**

**Targets and Payout Levels:**

- **Threshold:** JAN.ASX Total Shareholder Return (TSR) equivalent to the index TSR (ASX All Ordinaries Accumulation Index) over a 3-year measurement period. The proportion of Performance Rights vesting at this level is on a pro rata basis between 0% and 50% up to the 'Target' Payout Level
- **Target:** JAN.ASX TSR is 10% greater than the Index TSR over a 3-year measurement period. The proportion of Performance Rights vesting at this level is on a pro rata basis between 50% and 100% up to the 'Stretch' Payout Level.
- **Stretch:** JAN.ASX TSR is 20% greater than the Index TSR over a 3-year measurement period. The proportion of Performance Rights vesting at this level is 100%.

**2. Return on Equity (“ROE”) average over 3 years [50% weighting]**

**Targets and Payout Levels:**

- **Threshold:** 10.0%
- **Target:** 12.5%
- **Stretch:** 15.0%

ROE is defined as Net Profit After Tax adjusted for amortisation of acquired intangible assets (“NPAT-A”) divided by Shareholder Equity. NPAT-A is calculated by summing the total NPAT-A for each of the 3 years during the Measurement Period and dividing by the average equity of the same 3-year Measurement Period.

Each measure carries a 50% weighting on the total amount of Performance Rights. The exercise price is Nil.

Holders of Performance Rights in the Company do not have any shareholder rights such as voting or dividend rights

**Plan Gates**

TSR Gate: Total Shareholder Return must be positive for any Performance Rights to vest.

ROE Gate: EPS must be at least 0.5 cents per share in the final year of the 3-year measurement period for any Performance Rights to vest.

**Comments**

The performance hurdles were developed in 2019 in consultation with independent remuneration consultants.

iTSR was chosen as the most direct measure of value creation for shareholders and therefore one of the most effective measures to align the interests of executives with those of shareholders.

The iTSR target compares Total Shareholder Return with the TSR of the S&P/ASX All Ordinaries Accumulation Index which was chosen due to it being a well-known and transparent index. The Group operates in an industry with few Australian edtech listed peers for it to choose a peer-group as its benchmark index.

Indexing avoids the problems associated with gains or losses from broader market movements.

Return on Equity was chosen as it ensures there is appropriate focus on profitable growth and cost management which are directly controlled by KMP.

**Method of Allocation**

Return on Equity was chosen as it ensures that there is an appropriate focus on profitable growth and cost management which are also directly controlled by KMP.

The number of Performance Rights granted (at Target) is calculated as 30% of the KMP's base salary divided by the volume-weighted average share price (VWAP) for the 20 days immediately following the release of the Company's audited Annual Report. This number of Rights represents 50% of the maximum amount the participant can earn if the Stretch opportunity is achieved. Rights are split into two equal tranches with one tranche subject to an iTSR vesting condition and the second tranche subject to a ROE vesting condition.

The Board retains discretion to determine the value of LTI to be offered each year, subject to shareholder approval in relation to Directors, when the Rights are to be settled in the form of a new issue of Company shares. The Board may also seek shareholder approval for grants to Directors in other circumstances, at its discretion.

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**Long Term Incentive Plan (LTIP) Performance Rights**

Aspect	Plan, offers and comments
<b>Term</b>	The Term of Rights in each Tranche will be 15 years unless otherwise determined by the Board and specified in an Invitation
<b>Cessation of Employment</b>	A termination of employment will trigger a forfeiture of some or all of the long-term incentives held by an executive in respect of which performance conditions and hurdles have not yet been met, depending upon the circumstances of the termination. The Board retains discretion to trigger or accelerate payment or vesting of incentives provided the limitation on termination benefits as outlined in the Corporations Act are not breached.
<b>Change of Control of the Company (CoC)</b>	If a Change of Control Event occurs the Board may determine that all or a specified number of a Participant's Performance Rights Vest or cease to be subject to Vesting Conditions or restrictions (as applicable).
<b>Fraudulent or Dishonest Actions</b>	If the Board takes the view that a Participant has acted fraudulently, dishonestly, or willfully breaches their duties to the group, the Board has discretion to determine that unvested or unexercised awards are forfeited.

**Employee Share Ownership Plan (ESOP) details**

Aspect	Plan, offers and comments
<b>Purpose</b>	The ESOP's purpose is to attract and retain permanent employees.
<b>Period</b>	The Company's financial year (12 months).
<b>Award Opportunities</b>	Eligible employees are entitled to participate in the Plan and can sacrifice up to 30% of their Base Package each year as a post-tax contribution during the Period. The Company will convert the employee contributions into fully paid ordinary shares at the end of the Period. For every \$1 contributed by the employee, the Company will match with shares to the equivalent amount up to a maximum of \$2,000. Thereafter, the Company will match every additional \$3 contributed with shares equivalent to the amount of \$1 up to the maximum of the individual's 30% of Base Package.
<b>Award/Payment</b>	Assessments and share issues are performed following the end of the Period and the auditing of Company accounts and Annual General Meeting (AGM). Awards can be made through the issue of new equity or via on-market purchases.
<b>Grant Values</b>	During FY22 employees contributed \$478 thousand, these shares will be issued as per the policy.
<b>Cessation of Employment During a Measurement Period</b>	In the event of a termination of employment up to the Award date each year all award opportunities are forfeited and any cash contributed by the employee is returned in full.
<b>Change of Control</b>	In the event of a Change of Control, including a takeover, the Board has discretion regarding the treatment of the ESOP awards, having regard to the portion of the Measurement Period lapsed, and pro rata performance to the date of the assessment.
<b>Fraud, Gross Misconduct etc.</b>	If the Board forms the view that a participant has committed fraud or gross misconduct in relation to the Company then all entitlements in relation to the Measurement Period will be forfeited by that participant and any cash contributions made by the employee will be returned in full.

## 5.2 Non-executive Director Remuneration Policy

The Non-executive Director remuneration policy applies to non-executive directors (NEDs) of the Company in their capacity as directors and as members of committees, and is summarised as follows:

- Remuneration may be composed of:
  - Board fees
  - Committee fees
  - Superannuation
  - Other benefits
- Remuneration will be managed within the aggregate fee limit (AFL) or fee pool approved by shareholders of the Company as part of the listing, of \$500,000 (excluding the salaries of executive Directors)
- The Board may seek adjustment to the AFL in the case of the appointment of additional NEDs, or should the AFL become insufficient to attract or retain the appropriate caliber of NEDs
- Committee fees may be used to recognise additional contributions to the work of the Board by members of committees in circumstances where the workload of the Board is not equally shared. Committee fees are not currently paid
- The Board Chair and Vice Chair fee will be set as a multiple of the fees payable to other NEDs, in recognition of the additional workload associated with this role

The NED fee policy rates for the main Board that were applicable as at the end of FY22, and which will apply to FY23 unless a review is conducted during the year were \$70,000 fee (including super) for members and \$90,000 fee (including super) for the chair.

Currently the Board does not pay committee fees, as the duties involved in committee work are shared between the NEDs in an evenly distributed manner.



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## 6. FY22 Performance

### 6.1 Group Performance

The following outlines the performance of the Group over the FY22 period in accordance with the requirements of the Corporations Act.

(A\$ millions unless otherwise stated)	FY19	FY20	FY21	FY22
Revenue	\$22.5	\$21.9	\$30.2	\$36.3
Annualised Recurring Revenue	\$13.1	\$12.9	\$22.4	\$25.2
Gross Margin	35%	46%	55%	64%
Share Price (\$)	\$0.29	\$0.33	\$0.89	\$0.43
Total Shareholder Return	(34)%	+14%	+170%	(52)%
ASX All Ordinaries Shareholder Return	+7%	(8)%	+23%	(7)%

Total Shareholder Return (TSR) is calculated as the return to shareholders between the start and the end of measurement period, composed of the sum of the change in the share price and dividends over the period (assumed to be reinvested in Company Shares), as a percentage of the Share price at the start of the measurement period.

Macro factors and technology-specific sentiment affected the share price of Janison in the final months of the financial year FY22. Despite this, the Company delivered significant achievements that created shareholder value during the reporting period such as the following:

- Accretive acquisitions – Academic Assessment Services (AAS) and Quality Assessment Tasks (QATs)
- Expansion of the exclusive OECD / PISA for Schools program as the National Service Provider (NSP) in the UK and Australia and the signing of two new International Platform Provider (IPP) contracts.
- Launch of a new parent subscription business RISE+ – utilises the large bank of digital assessment items developed and acquired in recent years.
- New major client wins on Janison Solutions' standardised assessment platform – The Australian Children's Education and Care Quality Authority (ACECQA) and Cambridge BoxHill Institute



## 6.2 Links Between Performance and Reward Including STI and LTI Determinations

The remuneration of executive KMP is composed of three parts as outlined earlier, being:

- Base Package, which is not intended to vary with performance but which is benchmarked to the scale of the Company (i.e. increases tend to follow increases in market capitalisation which is most commonly driven by value creation for shareholders)
- STI which is intended to vary with indicators of annual Company and individual performance
- LTI which is also intended to deliver a variable reward based on long-term measures of Company performance

The awards outlined below are considered appropriate by the Board, under the STI scheme in place for FY22, in light of the performance during the year:

Name	Position	KPI Summary	FY22 KPI Summary			Award Outcomes
			Target Award \$	Achievement %	\$ Awarded	FY22 Paid in FY23
						Total STI Award \$
David Caspari	Chief Executive Officer / Director	See below	152,000		To be determined	To be determined
Stuart Halls	Chief Financial Officer	See below	93,000		To be determined	To be determined

### KPI Summary

KPI metrics are set annually in advance by the Board and include a combination of Group financial measures, non-financial measures and individual targets. For FY22, the Group financial measures for the Chief Executive Officer and Chief Financial Officer included:

- Total Operating Revenue
- Gross Margin
- EBITDA
- Cash Flow

### Weighting

- 60% of the FY22 STI metrics were linked to the Group's financial measures
- 20% of the FY22 STI metrics were linked to non-financial measures related to the retention, development and performance of staff during FY22
- 20% of the FY22 STI metrics were linked to Individual targets which included the successful delivery of key projects in accordance with the Group's Annual Operating Plan (AOP) FY22

To calculate the total award payable, the Group accounts were audited and reports on the Group's activities during the year were prepared for the Board and the Remuneration Committee. The Remuneration Committee then assessed the extent to which STI metrics had been met or exceeded in relation to the Company and individual.

## 7. Changes in KMP and directors' equity

The following table outlines the changes in the amount of equity held by executives (including executive Director) of the Group over the financial year:

Name	Instrument	Balance Beginning of Year 1-Jul-21	Granted FY22				Vested Number	Purchased Number	Balance End of Year Number	Escrowed Number
			Date Granted	Granted Number	Forfeited Number	Forfeited Number				
David Caspari	Performance Rights	7,057,848	-	-	-	(700,000)	-	6,357,848	-	
	Ordinary Shares	-	1-Dec-21	-	-	700,000	-	700,000	-	
Stuart Halls	Ordinary Shares	91,295	-	-	-	-	7,904	99,199	-	
	Loan Funded Shares	150,000	-	-	-	-	-	150,000	-	
	Performance Rights	900,000	-	-	-	-	-	900,000	-	
<b>TOTAL</b>		<b>8,199,143</b>	-	-	-	-	<b>7,904</b>	<b>8,207,047</b>	-	

The following table outlines the changes in the amount of equity held by non-executive directors of Janison Education Group Limited over the financial year:

Name	Instrument	Balance Beginning of Year 1-Jul-21	Granted Number	Forfeited Number	Vested Number	Purchased Number	Other	Balance End of Year Number	Escrowed Number
	Ordinary Shares	67,111,376	-	-	1,200,000	-	-	68,311,376	-
Mike Hill	Loan Funded Shares	600,000	-	-	-	-	-	600,000	-
	Ordinary Shares	1,882,850	-	-	-	-	-	1,882,850	-
Brett Chenoweth	Loan Funded Shares	600,000	-	-	-	-	-	600,000	-
	Ordinary Shares	1,507,337	-	-	-	23,714	-	1,531,051	-
David Willington <sup>1</sup>	Loan Funded Shares	600,000	-	-	(600,000)	-	-	-	-
	Ordinary Shares	892,181	-	-	600,000	-	(1,492,181)	-	-
Allison Doorbar	Loan Funded Shares	600,000	-	-	-	-	-	600,000	-
	Ordinary Shares	522,462	-	-	-	23,714	-	546,176	-
Vicki Aristidopoulos <sup>2</sup>	Ordinary Shares	-	-	-	-	16,129	-	16,129	-
<b>TOTAL</b>		<b>75,516,206</b>	-	-	-	<b>63,557</b>	<b>(1,492,181)</b>	<b>74,097,582</b>	-

<sup>1</sup>Resigned 24 September 2021

<sup>2</sup>Appointed 11 November 2021

## Remuneration Report.

The following table outlines the value of equity granted to executives and NEDs in respect of Janison Education Group Limited:

Name	Role	Instrument	Total Value at Grant \$	Value Expensed in FY22	Max Value to be Expensed in Future Years	Min Value to be Expensed in Future Years
David Caspari	Chief Executive Officer	Performance Rights	1,127,046	95,933	978,866	56,978
Stuart Halls	Chief Financial Officer	Loan Funded Shares	28,057	-	-	-
		Performance Rights	271,962	22,572	294,165	38,853
<b>TOTAL PERFORMANCE RIGHTS</b>			<b>1,399,008</b>	<b>118,505</b>	<b>1,273,031</b>	<b>95,831</b>
<b>TOTAL LOAN FUNDED SHARES</b>			<b>28,057</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: The assumptions used to value equity grants can be found in the Notes to the financial statements.

## 8. Remuneration Records

### 8.1. Senior Executive Remuneration

The following table outlines the remuneration received by Senior Executives of Janison Education Group Limited during the financial years ended 30 June 2022 and 2021, prepared according to statutory disclosure requirements of the Corporations Act:

Name	Role	Year	Base Package					STI		LTI <sup>2</sup>		Total Package \$ (TRP)
			Salary <sup>1</sup> \$	Super Contribution \$	Other Benefits \$	Amount \$	% of TRP	Amount \$	% of TRP	Amount \$	% of TRP	
David Caspari	CEO / MD	2022	380,000	23,568	-	403,568	76%	-	-	95,933	19%	499,501
		2021	346,250	21,694	-	367,944	53%	138,438	20%	189,646	27%	696,028
Stuart Halls	CFO	2022	305,747	23,568	-	329,315	93%	-	-	22,572	6%	351,887
		2021	284,480	21,694	-	306,174	73%	85,344	20%	29,895	7%	421,413
<b>TOTAL</b>		<b>2022</b>	<b>685,747</b>	<b>47,136</b>	<b>-</b>	<b>732,883</b>	<b>83%</b>	<b>-</b>	<b>-</b>	<b>118,505</b>	<b>14%</b>	<b>851,388</b>
<b>TOTAL</b>		<b>2021</b>	<b>630,730</b>	<b>43,388</b>	<b>-</b>	<b>674,118</b>	<b>65%</b>	<b>223,782</b>	<b>18%</b>	<b>219,542</b>	<b>17%</b>	<b>1,117,441</b>

<sup>1</sup> Base salary includes remuneration increases effective 1 September 2021.

<sup>2</sup> The LTI value reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Where a market-based measure of used such as TSR or Share Price, no adjustments can be made to reflect actual LTI outcomes. Where conditions include only non-market hurdles (effectively anything other than Share price or TSR), LTI performance is amortisation may increase, or even be written back, based on the expected outcome during each year of the amortisation period (and may include negative values).

## 8.2 NED Remuneration

Remuneration received by non-executive directors of Janison Education Group during the financial years ended 30 June 2022 and 2021 is disclosed below:

Name	Role	Year	Board Fees \$	Other Benefits \$ <sup>(4)</sup>	Superannuation \$	Equity Grant \$	Total \$
Mike Hill	Non Executive Chairman	2022	82,192	-	8,219	-	90,411
		2021	82,192	-	7,808	-	90,000
Wayne Houlden	Non Executive Vice Chairman	2022	136,986	32,000	13,699	-	182,685
		2021	136,986	-	13,014	-	150,000
Brett Chenoweth	Non Executive Director	2022	69,996	-	-	-	69,996
		2021	69,996	-	-	-	69,996
David Willington <sup>1</sup>	Non Executive Director	2022	15,982	-	1,598	-	17,580
		2021	63,927	-	6,073	-	70,000
Allison Doorbar	Non Executive Director	2022	69,996	-	-	-	69,996
		2021	69,996	-	-	-	69,996
Vicki Aristidopoulos <sup>2</sup>	Non Executive Director	2022	40,496	-	4,050	-	44,546
		2021	-	-	-	-	-
Kathleen Bailey-Lord <sup>3</sup>	Non Executive Director	2022	22,273	-	2,227	-	24,500
		2021	-	-	-	-	-
<b>TOTAL</b>		<b>2022</b>	<b>437,921</b>	<b>32,000</b>	<b>29,793</b>	<b>-</b>	<b>499,714</b>
<b>TOTAL</b>		<b>2021</b>	<b>423,097</b>	<b>-</b>	<b>26,895</b>	<b>-</b>	<b>449,992</b>

<sup>1</sup>Resigned 24 September 2021

<sup>2</sup>Appointed 11 November 2021. As per Ms Aristidopoulos letter of appointment, she is entitled to receive, subject to shareholder approval, a one off grant of 300,000 unlisted options, each exercisable at \$1.17 and expiring on the earlier of 1 November 2026 and the date on which Ms Aristidopoulos ceases to be a director of the Company. No cost in relation to these unapproved options has been recorded at 30 June 2022.

<sup>3</sup>Appointed 23 February 2022. As per Ms Bailey-Lord's letter of appointment, she is entitled to receive, subject to shareholder approval, a one off grant of 299,145 unlisted options representing a grant value of \$350,000 each exercisable at \$1.17 being the 15 day volume weighted average price of the Company's shares immediately prior to the effective date of appointment and expiring on the earlier of 23 February 2027 and the date on which Ms Bailey-Lord ceases to be a director of the Company. No cost in relation to these unapproved options has been recorded at 30 June 2022.

<sup>4</sup>Included in "Other Benefits" is Living Away from Home Allowances



## 9. Employment Terms for KMP

### 9.1 Service Agreements

A summary of contract terms in relation to executive KMP as at the end of FY22 is presented below noting that under the FY22 arrangements, the STI is scaled to the target amount, and the LTI is reported at the accounting value as of the date of grant since the vesting conditions attaching to the long-term incentive are binary, either achieved or not achieved, and therefore have either the grant date accounting value shown, or will not have a value.

Name	Position Held	Period of Notice		Base Package including			STI Opportunity			LTI Opportunity			Total Remuneration Package at Target Performance
				Super		Target % of Base Pkg	Target STI Amount \$	STI % TRP	% of STI Subject to Deferral	Target LTI			
				Amount \$	Fixed % TRP					Target % of Base Pkg	Target LTI Amount \$	LTI % TRP	
From Company	From KMP	Amount \$	Fixed % TRP	Target % of Base Pkg	Target STI Amount \$	STI % TRP	% of STI Subject to Deferral	Target % of Base Pkg	Target LTI Amount \$	LTI % TRP			
David Caspari	CEO / MD	3 mths	3 mths	403,568	24%	38%	152,000	9%	-	279%	1,127,046	67%	1,682,614
Stuart Halls	CFO	3 mths	3 mths	333,568	48%	28%	93,000	13%	-	82%	271,962	39%	698,530
<b>TOTAL</b>				<b>737,136</b>	<b>31%</b>	<b>33%</b>	<b>245,000</b>	<b>10%</b>	<b>-</b>	<b>190%</b>	<b>1,399,008</b>	<b>59%</b>	<b>2,381,144</b>

#### Note:

- Employing company is Janison Education Group Limited, except Stuart Halls, for which the employing company is Janison Solutions Pty Ltd.
- All contracts have an open-ended duration
- Under the terms of the STI arrangements in place, the maximum STI opportunity is 100% of the Target STI opportunity based on a weighted average salary during the year
- Base package includes an entitlement of five weeks annual leave per year of service and the compulsory superannuation
- Contributions as per the Superannuation Guarantee
- Maximum termination payments under the above contracts are up to the amount specified under the Corporations Act (1 x average Base Salary) unless shareholder approval is obtained. The treatment of incentives in the case of termination is addressed in separate sections of this report that give details of incentive design
- On appointment to the Board, all non-executive directors enter into an agreement with the Company in the form of a letter of appointment, including an outline of duties, and the following features:
  - Open ended term, subject to ongoing approval by the Company's shareholders
  - The initial fees payable to the person
  - The terms on which the Company may terminate the appointment (e.g., resignation, bankruptcy etc.)
  - The initial granting of equity as outlined elsewhere in this report (only one grant specified in the agreement)
  - The agreement does not include any entitlement to termination payments, however under the equity grant arrangements, payments which may be classified as termination payments could theoretically arise, in which case the Board will exercise its discretion to determine the appropriate outcome

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# Financial Statements.



# Contents.

## Financial Statements

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 June	Note	2022 (\$'000s)	2021 (\$'000s)
Platform revenue		24,885	22,237
Services revenue		11,426	7,974
<b>Total operating revenue</b>	3	<b>36,311</b>	<b>30,211</b>
Cost of sales	4	13,081	13,528
<b>Gross profit</b>		<b>23,230</b>	<b>16,683</b>
General and administrative expenses	5	16,450	8,871
Business development expenses		5,245	5,233
Other operating income and expenses, net	6	(342)	(268)
Research and development tax credit income		-	(171)
<b>Total operating expenses</b>		<b>21,353</b>	<b>13,665</b>
Acquisition expenses		245	-
Share-based compensation	5	958	313
Depreciation and amortisation	7	10,501	6,119
Net financial expense	8	126	158
Other non-operating expenses		616	370
Foreign exchange gains and losses		(6)	57
<b>Loss before income tax</b>		<b>(10,563)</b>	<b>(3,999)</b>
Income tax benefit	9	1,438	750
<b>Net loss</b>		<b>(9,125)</b>	<b>(3,249)</b>
Foreign currency translation, net of income tax		(3)	(1)
<b>Total Comprehensive Loss</b>		<b>(9,128)</b>	<b>(3,250)</b>
<i>Basic loss per share (cents)</i>	31	<i>(3.92)</i>	<i>(1.54)</i>

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



## Consolidated Statement of Financial Position

As at 30 June	Note	2022 (\$'000s)	2021 (\$'000s)
<b>Assets</b>			
Cash and cash equivalents	30	11,820	23,146
Trade and other receivables	10	5,658	5,039
Work in progress	11	820	1,034
Prepaid expenses		536	1,345
<b>Total current assets</b>		<b>18,834</b>	<b>30,564</b>
Work in progress	11	99	38
Plant and other equipment	12	771	758
Intangible assets	13	40,702	21,156
Right of use asset	24	2,629	3,128
Deferred tax asset	9	7,281	6,794
Other non-current assets		272	199
<b>Total non-current assets</b>		<b>51,754</b>	<b>32,073</b>
<b>Total Assets</b>		<b>70,588</b>	<b>62,637</b>
<b>Liabilities</b>			
Trade and other payables	14	3,917	3,155
Employee entitlements	15	3,451	3,265
Lease liabilities	24	940	865
Contract liabilities	29	5,738	6,498
Provisions	23	525	-
Income tax payable	9	26	6
Other liabilities	34	652	-
<b>Total current liabilities</b>		<b>15,249</b>	<b>13,789</b>
Employee entitlements	15	174	139
Lease liabilities	24	1,984	2,538
Provisions	23	199	230
Other liabilities	34	7,296	-
Deferred tax liability	9	3,464	1,486
<b>Total non-current liabilities</b>		<b>13,117</b>	<b>4,393</b>
<b>Total Liabilities</b>		<b>28,366</b>	<b>18,182</b>
<b>Net Assets</b>		<b>42,222</b>	<b>44,455</b>
<b>Equity</b>			
Share capital	18	77,731	71,794
Reserves	19	3,549	2,594
Accumulated losses		(39,058)	(29,933)
<b>Total Equity</b>		<b>42,222</b>	<b>44,455</b>

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

## Consolidated Statement of Cash Flows

Year ended 30 June	Note	2022 (\$'000s)	2021 (\$'000s)
Receipts from customers		38,393	34,025
Payments to suppliers and employees		(36,944)	(29,187)
Interest paid and received, net		14	(4)
Income taxes paid		(119)	(168)
Other	6	80	(247)
<b>Net cash flows from operating activities</b>	<b>30</b>	<b>1,424</b>	<b>4,419</b>
Acquisition of businesses, net of cash acquired	34	(6,346)	-
Acquisition transaction costs		(245)	(65)
Purchase of intangible assets	13	(7,790)	(5,967)
Proceeds from the sale of plant and equipment		-	7
Purchase of plant and equipment	12	(217)	(438)
<b>Net cash used in investing activities</b>		<b>(14,598)</b>	<b>(6,463)</b>
Proceeds from capital raising, net of costs	18	2,937	14,948
Repayment of lease liabilities		(1,092)	(810)
<b>Net cash from financing activities</b>		<b>1,845</b>	<b>14,138</b>
Effect of exchange rate changes		3	(56)
<b>Net change in cash and cash equivalents</b>		<b>(11,326)</b>	<b>12,038</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>23,146</b>	<b>11,108</b>
<b>Cash and cash equivalents at the end of period</b>		<b>11,820</b>	<b>23,146</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)
<b>Balance at 1 July 2021</b>	<b>71,794</b>	<b>(29,933)</b>	<b>2,594</b>	<b>44,455</b>
Net loss	-	(9,125)	-	(9,125)
Other comprehensive loss	-	-	(3)	(3)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(9,125)</b>	<b>(3)</b>	<b>(9,128)</b>
Contributions of capital – net of costs	5,937	-	-	5,937
Share-based payments – directors and executives	-	-	958	958
<b>Total transactions with owners</b>	<b>5,937</b>	<b>-</b>	<b>958</b>	<b>6,895</b>
<b>Balance at 30 June 2022</b>	<b>77,731</b>	<b>(39,058)</b>	<b>3,549</b>	<b>42,222</b>

	Share Capital (\$'000s)	Accumulated Losses (\$'000s)	Reserves (\$'000s)	Total Equity (\$'000s)
<b>Balance at 1 July 2020</b>	<b>56,343</b>	<b>(26,684)</b>	<b>2,282</b>	<b>31,941</b>
Net loss	-	(3,249)	-	(3,249)
Other comprehensive loss	-	-	(1)	(1)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(3,249)</b>	<b>(1)</b>	<b>(3,250)</b>
Contributions of capital – net of costs	14,421	-	-	14,421
Share-based payments – directors and executives	1,030	-	313	1,343
<b>Total transactions with owners</b>	<b>15,451</b>	<b>-</b>	<b>313</b>	<b>15,764</b>
<b>Balance at 30 June 2021</b>	<b>71,794</b>	<b>(29,933)</b>	<b>2,594</b>	<b>44,455</b>

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

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# Notes to Financial Statements.



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## Note 1: Summary of Significant Accounting Policies

### 1.1 General Information and Nature of Operations

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

Janison Education Group Limited ("Janison") operates within the education technology (edtech) sector globally. Its principal activities include the provision of online assessment software, assessment products (test content), and assessment services (invigilation, marking, test development and exam management). Janison's core customer segment is the Schools market (K-12) in Australia, Singapore, the USA, and the UK. Customers include state and federal education bodies, schools, and parents. Online testing is delivered across 117 countries each year, in 10 languages and with accessibility a primary concern to ensure equitable assessments for all students.

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

### 1.2 Basis of Presentation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group's financial year ends on 30 June and the financial statements are denominated in Australian dollars.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the revaluation of selected non-current assets for which the fair value basis of accounting has been applied. The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

The Group is of a kind referred to in ASIC Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial reports. Amounts in this financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Janison Education Group Limited as of 30 June 2022 and the results of all subsidiaries.

### 1.3 Accounting Policies

The financial statements have been prepared using the consistent accounting policies and methods of computation in all periods presented. The Group's accounting policies are described below.

#### 1.3.1 Income Tax

The income tax expense / (benefit) for the year comprises current income tax expense / (income) and deferred tax expense / (income). Current and deferred income tax expense / (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

**Current tax** - Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/ (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

**Deferred tax** - Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The income tax expense / (benefit) for the year comprises current income tax expense / (income) and deferred tax expense / (income). Current and deferred income tax expense / (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

### 1.3.2 Plant and Equipment

Fixed assets including identifiable intangibles are measured at cost less depreciation and impairment losses. The carrying amount of plant and equipment and an assets residual values are reviewed as required, but at least annually.

Depreciation is calculated by applying the following methods and useful lives:

Category	Method	Useful Life
Computer Equipment	Straight-Line	3 years
Office Furnishings & Equipment	Straight-Line	4 to 15 years
Leasehold Improvements	Straight-Line	15 years
Purchased Intangibles	Straight-Line	3 to 5 years
Motor Vehicle	Straight-Line	5 years

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

### 1.3.3 Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### 1.3.4 Intangible Assets

Internally Developed Software – Expenditure on the research phase of projects to develop new software systems and products is expensed as incurred.

Costs that are directly attributable to the development phase of new Janison software products or costs that enhance the capabilities and features of existing products are recognised as intangible assets, and are amortised over 3 years once complete, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Group intends to and has sufficient resources to complete the project
- the Group has the ability to use or sell the software; and
- the software will generate probable future economic benefits

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on software development along with an appropriate portion of direct overheads.

Any capitalised internally developed software that is not yet complete is not amortised, but is subject to impairment testing. Goodwill arises on the acquisition of a business. Goodwill is not amortised, instead, goodwill is tested annually for impairment.

**Subsequent measurement** – All internally developed software is accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 13.

### 1.3.5 Employee Benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, and accumulating annual leave.

The Group's liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of services, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit and loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

### 1.3.6 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### 1.3.7 Provisions

Provisions are recognised when a Group Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefit will result and that outflow can be reliably measured.



### 1.3.8 Revenue Recognition

The Group has applied AASB 15: Revenue from Contracts with Customers in all periods in determining the amount of revenue recognised in each reporting period. Using the guidance provided in AASB 15, the Group uses a 5-step approach to analysing customer contracts and recording revenue:

**Step 1:** Identify the contract(s) involved in the arrangement with the customer

**Step 2:** Identify the performance obligations under the arrangement

**Step 3:** Determine the transaction price

**Step 4:** Allocate the transaction price to the performance obligations

**Step 5:** Calculate revenue to be recognised in each reporting Period

Revenue is recognised and measured at the fair value of the consideration received or receivable excluding sales taxes. The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

The Group provides customers Software as a Service ("SaaS"). Customers include corporates, schools, tertiary and governmental agencies.

The Group's revenue is separable into its components for each of these operating segments and recognised as follows:

#### a) Platform Licensing and Hosting Revenue

The Group's products include a learning platform and a student assessment platform. Revenue related to the licensing of these platforms is recognised on the completion of performance obligations of the licensed software under an agreement between the Group and the customer and in the case of period based fees recognised over the licence period.

Cloud-based hosting services revenue is recognized over the period that the services are performed. Post-implementation licence support revenue includes fees for ongoing upgrades, minor software revisions and helpline support and is recognized as revenue over the contract period in which the services are performed.

#### b) Exam Management Revenue

Exam management revenue includes fees related to the physical supervision of exams for clients. Revenue is recognised in the period when exams are completed.

#### c) Content Revenue

Content revenue includes fees for sourcing third party content and in some cases fees for generating custom designed content. Content services fees are recognised as revenue over the period that the services are provided.

#### d) Software Development Project Revenue

Software development project revenue includes fees related to the creation of custom designed software systems and configuration and implementation services linked to installing a Janison platform. Revenue related to software development and major configuration projects is recognised in proportion to the stage of completion, typically in accordance with the achievement of contract performance obligations and/or the percentage of completion.

#### e) Contract liabilities

Contractual amounts received from customers in advance of the start of the licence or hosting period or the provision of services are accounted for as a current liability called contract liabilities.

The Group receives amounts from customers for the use of the Group's platform during events that take place in the following financial year. Revenue for these events is recorded throughout the delivery and reporting window and held in Income in Advance until that time.

#### f) Earned and Contract Assets

Revenues recorded for fees not yet invoiced to customers are accounted for as an asset called Unbilled Revenue. These amounts have met the revenue recognition criteria of the Group, but have not reached the payment milestones contracted with customers.

#### g) Other Income

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Grant income for Export Market Development Grants (EMDG) is recognised at the point when the Group is notified of successful application.

### 1.3.9 Trade and other receivables

Trade receivables are initially recognised at fair value and measured subsequently at amortised cost, less any allowance for expected credit losses. The general terms of trade receivables are between 14 and 30 days from date of recognition.

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected credit loss (ECL) provision for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The estimation of loss allowance provision as at 30 June 2022 is determined by using a provision matrix based on historical credit loss experience, adjusted for factors specific to debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

The trade receivables are written off where there is no reasonable prospect of recovery, for example customers declaring bankruptcy, or term receivables that have now become unrecoverable.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within other net operating income and expenses. Subsequent recoveries are credited against the same item.

### 1.3.10 Share Based Payments

Equity-settled share-based compensation benefits are provided to employees and directors.

Equity-settled transactions are awards of shares, or options/rights over shares, that are provided to employees and directors in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made.

An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are canceled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the canceled award, the canceled and new award is treated as if they were a modification.

### 1.3.11 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the tax authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### 1.3.12 Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. Under the acquisition method, the business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

Consideration transferred, including any contingent consideration is required to be measured at fair value on the date of acquisition, which takes into account the perspective of a 'market participant' and is a measurement of the amount that the Group would have to pay to such a participant for them to assume the remaining obligations under the contracts to acquire these businesses. Contingent consideration obligations are classified as equity or liability in accordance with AASB 132 Financial Instruments: Presentation. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. Where the accounting standards require that an obligation to be settled in shares is classified as a liability, changes in measurement from the point of initial recognition through to when the milestone is achieved and the number of shares to be granted is determined, are recognised in profit or loss. Subsequently, once the number of shares is fixed and determined, any changes in the value of the shares to be granted between the milestone being achieved and the point of settlement, are recognised within equity.

The Group has contingent consideration obligations classified as liabilities at the reporting date. As a consequence, any changes in the fair value of contingent consideration that do not meet the requirements above, such as a subsequent renegotiation and settlement of the obligation, does not result in any change to the measurement of goodwill. Instead, changes to the fair value of contingent consideration classified as a liability are recognised in the profit or loss. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Consolidated Statement of Profit or Loss.

### 1.3.13 Critical Accounting Estimates and Judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

**Internally developed software and research costs** – Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems after the time of recognition.

**Deferred tax assets** – The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

**Estimation uncertainty** – When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

**Revenue** – The Group recognises revenue on long-term software development projects based upon the percentage of completion against the contract performance obligation method which relies upon estimates of the total cost to complete a project at each reporting date.

**Impairment** – An impairment loss is recognised for the amount by which the assets' or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

**Useful lives of depreciable assets** – Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

**Fair value of financial instruments** – Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Trade receivables** – Loss allowances are based on assumption about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history and exiting market conditions, as well as forward-looking estimates at the end of each reporting period. Refer to 1.3.8 for the expected credit loss approach.

**Provisions – Long service leave** – As discussed in Note 1.3.5, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

### Financial instruments fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

### Deferred Consideration

Management has estimated the deferred consideration payable in relation to business combinations based on information available at the time of recognition, which includes forecast revenue targets. Refer to Note 34.

### 1.3.14 New and Amended Accounting Standards Adopted by the Group

The Group (or the Company) has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period. Any new or amended Accounting Standards that are not yet mandatory have not been early adopted.

#### AASB 2021-3: Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021

The Group has applied AASB 2021-3: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions beyond 30 June 2021 this reporting period.

The amendment amends AASB 16 to extend by one year, the application of the practical expedient added to AASB 16 by AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and instead, to account for those rent concessions as if they were not lease modifications. The amendment has not had a material impact on the Group's financial statements.

#### Initial adoption of AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material

This amendment principally amends AASB 101 and AASB 108 by refining the definition of material by improving the wording and aligning the definition across the standards issued by the AASB.

#### Initial adoption of AASB 2019-1: Amendments to Australian Accounting Standards – References to the Conceptual Framework

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## 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).

Up to 30 June 2022, the Group managed the group's activities based on two operating segments, the Assessment Segment and the Learning Segment. As a result of the business acquisitions and management restructure in FY22, the Board now segments the business into two operating segments, the Assessments Segment and the Solutions Segment.

The Assessments segment provides exam products, exam items and associated exam services which are sold to schools, parents and teachers.

The Solutions segment operates exam enterprise-grade assessment platform technology and event management services for large organisations, national education authorities and accreditation bodies.

The Board does not review assets and liabilities on an operating segment basis with the exception of intangible assets. Refer to Note 13.

### 2.1 Segment Contribution

Year ended 30 June 2022	Assessments (\$'000s)	Solutions (\$'000s)	Total (\$'000s)
Platform revenue	8,149	16,736	24,885
Service revenue	4,237	7,189	11,426
<b>Total segment revenue</b>	<b>12,386</b>	<b>23,925</b>	<b>36,311</b>
Cost of sales	4,870	8,211	13,081
<b>Segment gross profit</b>	<b>7,516</b>	<b>15,714</b>	<b>23,230</b>
Operating expenses	9,745	11,608	21,353
<b>Segment results</b>	<b>(2,229)</b>	<b>4,106</b>	<b>1,877</b>
<b>Revenue recognised at a point in time</b>	<b>11,286</b>	<b>20,077</b>	<b>31,363</b>
<b>Revenue recognised over time</b>	<b>1,100</b>	<b>3,848</b>	<b>4,948</b>

For the prior year comparative period, segment information by component is provided below:

Year ended 30 June 2021	Assessments (\$'000s)	Restated <sup>1</sup> Solutions (\$'000s)	Total (\$'000s)
Platform revenue	6,424	16,425	22,849
Service revenue	784	6,578	7,362
<b>Total segment revenue</b>	<b>7,208</b>	<b>23,003</b>	<b>30,211</b>
Cost of sales	3,621	9,907	13,528
<b>Segment gross profit</b>	<b>3,587</b>	<b>13,096</b>	<b>16,683</b>
Operating expenses	4,418	9,247	13,665
<b>Segment results</b>	<b>(831)</b>	<b>3,849</b>	<b>3,018</b>
<b>Revenue recognised at a point in time</b>	<b>6,006</b>	<b>20,161</b>	<b>26,167</b>
<b>Revenue recognised over time</b>	<b>1,202</b>	<b>2,842</b>	<b>4,044</b>

<sup>1</sup>Prior year segment information has been restated to reflect the revised operating segments in FY22.

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

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Assessments	(2,229)	(831)
Solutions	4,106	3,849
<b>Segment results</b>	<b>1,877</b>	<b>3,018</b>
Acquisition costs	245	-
Share-based compensation	958	313
Depreciation and amortisation	10,501	6,119
Net financial expense	126	158
Other non-operating expenses	616	370
Foreign exchange losses	(6)	57
Income tax benefit	(1,438)	(750)
<b>Net loss after tax</b>	<b>(9,125)</b>	<b>(3,249)</b>

## 2.3 Revenue by Market Sector

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Schools	26,992	18,596
Higher Education	3,978	5,457
Enterprise & Government	5,341	6,158
<b>Total operating revenue</b>	<b>36,311</b>	<b>30,211</b>

## 2.4 Revenue by Geographic Location

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Australia and New Zealand	30,631	23,267
Asia	2,429	2,963
Rest of the world	3,251	3,981
<b>Total operating revenue</b>	<b>36,311</b>	<b>30,211</b>

## Note 3: Consolidated Trading Revenue

The Group's revenue by component are presented below:

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Licence and hosting revenue	24,578	21,573
Content licence revenue	307	664
<b>Total platform revenue</b>	<b>24,885</b>	<b>22,237</b>
Services revenue	11,426	7,974
<b>Total operating revenue</b>	<b>36,311</b>	<b>30,211</b>

Platform revenue includes two components:

- Licence and hosting revenue comprises revenue from ICAS, recurring revenue for the right to use the platform and platform maintenance i.e. revenue for maintenance and support services over a specific period of time (usually one year).
- 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.

Services revenue includes revenues generated by platform customisation, implementation, configuration, exam management and invigilation.

## Note 4: Cost of Sales

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Personnel costs	5,080	4,391
Third party contractors	2,630	3,451
<b>Total direct labour</b>	<b>7,710</b>	<b>7,842</b>
Hosting and software costs	4,467	4,453
Exam management costs	747	873
Content licence fees	157	360
<b>Total cost of sales</b>	<b>13,081</b>	<b>13,528</b>

Personnel costs includes wages and employee benefits for staff servicing customers including software developers, testers, system operations engineers, project and account managers.

In FY21 the group received a total of \$1.64 million in JobKeeper payments, \$1.01 million has been incorporated into the personnel costs within cost of sales. FY22: Nil.



## Note 5: General and Administrative Expenses

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Personnel costs	13,244	6,466
Share-based compensation	958	313
Unallocated employee costs	560	314
Office facility expenses	41	238
Travel	173	173
Software licences	673	302
Professional services	771	589
Telecommunications	239	139
Other	749	650
<b>General and administrative expenses</b>	<b>17,408</b>	<b>9,184</b>
Less: Share-based compensation classified as non-trading	958	313
<b>Total general and administrative expenses</b>	<b>16,450</b>	<b>8,871</b>

Personnel costs include the salaries, benefits and bonuses of the Group's board and executive team including human resources and finance functions. Unallocated employee costs include primarily staff training, workers compensation insurance and other employee related expenses not allocated by department.

In FY21 the group received a total of \$1.64 million in JobKeeper payments. \$0.63million has been incorporated into the personnel costs within general and administrative expenses. FY22: Nil.

## Note 6: Other Operating Income and Expenses, Net

Other operating income and expenses includes the following:

In FY22, the Group received \$67 thousand for Export Market Development Grant (EMDG) and \$262 thousand reduction to the completion payment on acquisition of Academic Assessment Services Pty Ltd.

In FY21, the Group received \$100 thousand for EMDG and \$150 thousand in Cash Flow Boost payments from the Australian government. The Group also received a grant from the Singaporean government of \$32 thousand for a Jobs Support scheme. The Group also incurred costs of \$29 thousand for professional services on employment matters through COVID-19.

## Note 7: Depreciation and Amortisation Expense

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Office and other equipment	165	134
Leasehold improvements	39	47
Capitalised platform development costs	5,045	3,260
Amortisation of other intangibles – acquired IP	4,213	1,738
Amortisation of other intangibles – non acquired IP	49	-
Right of use asset amortisation	990	940
<b>Depreciation and amortisation expense</b>	<b>10,501</b>	<b>6,119</b>

## Note 8: Net Financial Expense

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Interest income	(16)	(9)
Interest expense	2	13
Interest expense – lease liabilities	140	154
<b>Net financial expense</b>	<b>126</b>	<b>158</b>

## Note 9: Income Taxes

All calculations are subject to review by the Australian Taxation Office upon filing of the financial year 2022 tax return.

### 9.1 Components of Income Tax Benefit

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Current tax expense / (benefit)	207	(10)
Deferred tax benefit	(1,645)	(740)
<b>Income tax benefit</b>	<b>(1,438)</b>	<b>(750)</b>

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

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Loss before income tax	(10,563)	(3,999)
Tax rate	25.0%	26.0%
<b>Prima facie tax benefit</b>	<b>(2,641)</b>	<b>(1,040)</b>
<b>Adjusted for:</b>		
Non-deductible research and development expenditure	-	(411)
Share-based payment expense	240	81
Non-assessable government grants	-	(83)
Non-deductible expenditure	147	6
Revaluation of deferred tax asset due to reduction in tax rate/temporary timing differences	-	356
Prior year adjustments	834	352
Other	(31)	(23)
Adjustments due to different tax rates in different jurisdictions	13	12
<b>Total income tax benefit</b>	<b>(1,438)</b>	<b>(750)</b>

### 9.3 Deferred Tax Asset and Liability

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Intellectual property valuation difference	2,885	3,026
Intangibles and other fixed assets	548	-
Employee entitlements	833	955
Leasehold improvements	-	12
Carried forward tax credits and offsets	1,178	1,236
Leases	138	126
Foreign exchange gains	(1)	4
Provisions and accruals	1,547	1,146
Capital raising and acquisition transaction costs	153	308
Other	-	(19)
<b>Total deferred tax asset</b>	<b>7,281</b>	<b>6,794</b>
Deferred tax liability	3,464	1,486
<b>Total deferred tax liability</b>	<b>3,464</b>	<b>1,486</b>

### 9.4 Income Tax Payable

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Income tax receivable	117	-
Income tax payable – estimated current tax	-	720
Income tax credit – R&D estimate	-	(720)
Income tax payable – foreign subsidiary	143	6
<b>Net income tax payable</b>	<b>26</b>	<b>6</b>

## Note 10: Trade and Other Receivables

As at 30 June	2022 (\$'000s)	2021 (\$'000s)
Trade receivables	4,369	3,941
Less: Provision for expected credit loss	(120)	(13)
Contract assets	1,389	1,058
Other receivables	20	53
<b>Trade and other receivables</b>	<b>5,658</b>	<b>5,039</b>

Contract assets relates to amounts accrued for the Group's performance obligations under customer contracts in accordance with AASB 15. The aging of the Group's trade and other receivables, net of expected credit losses, at the reporting date is:

As at 30 June	2022 (\$'000s)	2021 (\$'000s)
Current	3,028	3,249
Under 30 days	661	279
30-60 days	465	290
60-90 days	122	110
More than 90 days	93	-
<b>Total trade receivables</b>	<b>4,369</b>	<b>3,928</b>

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: Financial Instruments.

Year ended 30 June	Opening balance 2021 (\$'000s)	Net measurement of loss allowance (\$'000s)	Amounts written off (\$'000s)	Closing balance 2022 (\$'000s)
<b>Lifetime Expected Credit Loss: Credit Impaired</b>				
Current trade receivables	13	110	(3)	120
<b>Total</b>	<b>13</b>	<b>110</b>	<b>(3)</b>	<b>120</b>

Year ended 30 June	Opening balance 2020 (\$'000s)	Net measurement of loss allowance (\$'000s)	Amounts written off (\$'000s)	Closing balance 2021 (\$'000s)
<b>Lifetime Expected Credit Loss: Credit Impaired</b>				
Current trade receivables	175	(162)	-	13
<b>Total</b>	<b>175</b>	<b>(162)</b>	<b>-</b>	<b>13</b>

## Note 11: Work In Progress

Work in progress are costs accumulated for the preparation of ICAS and REACH assessments. These costs are primarily internal and external labour costs and will be expensed when the assessments take place.

## Note 12: Plant and Other Equipment

As at 30 June	2021 (\$'000s)	Additions (\$'000s)	Deductions (\$'000s)	2022 (\$'000s)
Historical cost	809	217	-	1,026
Accumulated depreciation	(318)	(164)	-	(482)
<b>Total office and computer equipment</b>	<b>491</b>	<b>53</b>	<b>-</b>	<b>544</b>
Historical cost	703	-	-	703
Accumulated depreciation	(449)	(39)	-	(488)
<b>Total leasehold improvements</b>	<b>254</b>	<b>(39)</b>	<b>-</b>	<b>215</b>
Historical cost	17	-	-	17
Accumulated depreciation	(4)	(1)	-	(5)
<b>Total motor vehicles</b>	<b>13</b>	<b>(1)</b>	<b>-</b>	<b>12</b>
<b>Total plant and other equipment</b>	<b>758</b>	<b>13</b>	<b>-</b>	<b>771</b>

## Note 13: Intangible Assets

As at 30 June	2021 (\$'000s)	Additions (\$'000s)	Deductions (\$'000s)	2022 (\$'000s)
Historical cost	15,393	7,103	-	22,496
Accumulated amortisation	(4,930)	(5,045)	-	(9,975)
<b>Total capitalised software costs</b>	<b>10,463</b>	<b>2,058</b>	<b>-</b>	<b>12,521</b>
Historical cost	8,498	21,750	-	30,248
Accumulated amortisation	(3,816)	(4,262)	-	(8,078)
<b>Total other intangibles</b>	<b>4,682</b>	<b>17,488</b>	<b>-</b>	<b>22,170</b>
Historical cost	6,011	-	-	6,011
Accumulated amortisation	-	-	-	-
<b>Total goodwill</b>	<b>6,011</b>	<b>-</b>	<b>-</b>	<b>6,011</b>
<b>Total intangible assets</b>	<b>21,156</b>	<b>19,546</b>	<b>-</b>	<b>40,702</b>

During the financial year, the Group capitalised \$5.045 million of platform development costs relating to new features to be included in future versions of the Solutions platform. Once in use these assets are amortised over a three-year period.

Other Intangibles includes identifiable intangibles related to:

- the purchase of Academic Assessment Services in November 2021, the amount of \$12.7million has been recognised in relation to client relationships and a further \$6.5million of item bank intangibles. These assets have a useful life of five years. Refer to Note 34
- the purchase of Quality Assessment Tasks in October 2021, the amount of \$1.9million has been recognised in relation to the acquired item bank intangibles
- purchased intellectual property acquired as a result of the purchase of the Ascender content generation business in April 2018
- client relationships acquired when LTC was purchased in April 2019
- intangible assets acquired from the purchase of EA including a CRM, an assessment item bank and online customer portal.

## Note 13: Intangible Assets (continued)

### Impairment testing for intangible assets

Intangible assets have been allocated to the following cash-generating units ('CGUs'):

As at 30 June	2022 (\$'000s)	2021 (\$'000s)
CGU1: Assessments	22,462	19,301
CGU2: Solutions	18,240	1,855
<b>Total</b>	<b>40,702</b>	<b>21,156</b>

1. The recoverable amount of each CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on business plan approved by management covering a three year period. Cash flows beyond the three year period are extrapolated using an estimated growth rate of 3%. Pre-tax discount rate: (10% was used for both FY2022 and FY2021).
2. Operating cash flow projections are extracted from the most recent approved strategic plans or forecasts that relate to the existing asset base. For each CGU, the cash flow projections for a three-year period have been determined based on expectations of future performance. Key assumptions in the cash flows include sales volume growth and the costs of doing business. These assumptions are based on expectations of market demand and operational performance. Cash flow projections are based on risk-adjusted forecasts allowing for estimated changed in the business, the competitive trading environment, legislation and economic growth.
3. At 30 June 2022, the lowest level within the Group for which information is monitored for internal management purposes is the Assessments and Solutions business, this represents a change in business structure to FY21. (Refer to Note 2).
4. The Assessments CGU includes \$3.1 million of goodwill and the Solutions CGU includes \$2.9 million.

For the financial year ended 30 June 2022, the recoverable amount of net assets for all CGUs is greater than the carrying value of the assets and therefore the goodwill and other intangible assets are not considered impaired.

### Sensitivity

Management have made judgements and estimates in respect of impairment testing of goodwill and other intangible assets. Should these judgements and estimates not occur the resulting carrying amounts of assets may decrease.

For all CGUs, any reasonable change in the key assumptions (growth rate and discount rate) on which the recoverable amount is based would not cause the CGU's carrying amount to exceed its recoverable amount. At the point when the discount rate increases to 22% or the growth rate falls by 16% the Assessments CGU would be impaired. Should the discount rate increase to 52% or the growth rate fall by 18%, the Solutions CGU would be impaired.

## Note 14: Trade and Other Payables

As at 30 June	2022 (\$'000s)	2021 (\$'000s)
Trade payables	1,992	308
Employee related payables	402	670
Sundry accrued expenses	1,523	2,177
<b>Total trade and other payables</b>	<b>3,917</b>	<b>3,155</b>

## Note 15: Employee Entitlements

As at 30 June	2022 (\$'000s)	2021 (\$'000s)
Current employee entitlements provision	3,451	3,265
Non-current employee entitlements provision	174	139
<b>Total employee entitlements</b>	<b>3,625</b>	<b>3,404</b>

## Note 16: Shareholder Loans

There are currently no outstanding shareholder loans.

## Note 17: Dividends

There were no dividends paid in the year ended 30 June 2022 (FY21: nil).



## Note 18: Share Capital

The table below details the movements in share capital for the two years ended 30 June 2021 and 30 June 2022.

Details	Date	Share Capital	
		(\$'000s)	No. of shares
<b>Balance</b>	<b>1 July 2020</b>	<b>56,343</b>	<b>209,652,789</b>
Issue of shares to directors and employees under salary-sacrificed share scheme	27 October 2020	310	1,002,825
Loan funded shares – repayment received	30 April 2021	720	-
Capital placement	30 June 2021	15,000	18,292,683
Capital raise – transaction and listing costs	30 June 2021	(579)	-
<b>Balance</b>	<b>30 June 2021</b>	<b>71,794</b>	<b>228,948,297</b>
Share purchase plan	21 July 2021	3,000	3,658,345
Acquisition of AAS (refer to note 34)	29 November 2021	3,000	2,293,403
Performance rights vesting	1 December 2021	-	700,000
Transaction costs	Various	(63)	-
<b>Balance</b>	<b>30 June 2022</b>	<b>77,731</b>	<b>235,600,045</b>

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise, each shareholder has one vote on a show of hands.

The Company does not have a par value in respect of its issued shares.

### Capital management

Management controls the capital of the Group in order to maintain investor, creditor and market confidence and to sustain future development of the business.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of financial liabilities and share issues.

## 18.1 Capital Raising

### FY2022

On 21 July 2021 Janison completed a capital raise of \$3 million (before costs) by way of a public Share Purchase Plan (SPP) for cash consideration to all eligible shareholders. The SPP was made at a price consistent with that of the capital raise at \$0.82 per Share and approximately 3.7 million new, fully paid ordinary shares were issued. The funds form part of the main capital raise and have the same use of funds as outlined below.

### FY2021

On 24 June 2021 Janison completed a capital raise of \$15 million (before costs) by way of a private placement of ordinary shares for cash consideration to sophisticated and institutional investors (Placement). The Placement was made at a price of \$0.82 per Share and 18.3 million new, fully paid ordinary shares were issued. The funds have been used to:

- Capitalise on revenue growth opportunities across the PISA and ICAS products, including a global rollout of PISA for Schools in the UK & USA and further accelerate sales growth in the ICAS product
- Invest in product development by expanding the range of product offering to parents, teachers and school systems, and invest in potential future strategic acquisitions
- Strengthen the balance sheet and provide working capital flexibility

## Note 19: Reserves

The table below details the movements in reserves for the two years ended 30 June 2021 and 2022:

Details	Date	Reserves	
		(\$'000s)	No. of units
<b>Balance</b>	<b>1 July 2020</b>	<b>2,281</b>	<b>13,627,848</b>
Performance rights granted	6 November 2020	313	3,700,000
Employee options forfeited	15 December 2020	-	(120,000)
Loan funded shares vested	30 April 2021	-	(2,400,000)
Loan funded shares re-allocated	Various	-	(4,050,000)
Performance rights granted	17 May 2021	-	880,000
Performance rights forfeited	17 May 2021	-	(440,000)
<b>Balance</b>	<b>30 June 2021</b>	<b>2,594</b>	<b>11,197,848</b>
Performance rights granted	17 September 2021	72	440,000
Performance rights vested	1 December 2021	-	(700,000)
Employee Share Ownership Program	Various	262	-
Performance rights granted	Various	211	979,175
Performance rights forfeited	30 June 2022	(34)	(893,333)
Service Rights granted <sup>1</sup>	30 June 2022	447	-
Foreign currency translation	-	(3)	-
<b>Balance</b>	<b>30 June 2022</b>	<b>3,549</b>	<b>11,023,690</b>

<sup>1</sup>940,433 shares were issued in July 2022.

At 30 June 2022, the following securities have been granted to Directors, which are subject to shareholder approval at the 2022 AGM:

- 345,084 performance rights
- 300,000 unlisted options
- 299,145 unlisted options

At 30 June 2022, no costs have been recorded in relation to the above securities.

## Note 19: Reserves (continued)

### 19.1 Share-based compensation

During the year ended 30 June 2022, share-based compensation was provided to the Chief Financial Officer, other senior executives and other employees as follows:

Date Issued	No. of Performance Rights	Share Price on Date of Issue	Vesting Condition	Volatility	Value \$
17-Sep-21	440,000	\$0.90	1,2	NA	158,400
5-Apr-22	979,175	\$0.92	3,4	NA	864,710
30-Jun-22	940,443	\$0.47	5	NA	414,966
<b>Total</b>	<b>2,359,618</b>				<b>1,438,076</b>

Performance Rights were issued to the Group's executive leadership team (ELT) under the Group's Long-Term Incentive Plan (LTIP). Each performance right provides a right to receive one fully paid share upon vesting. The grant price and exercise right for the rights issued was nil. The share price of the shares on the date of grant is set out above. The performance rights are subject to continuous employment and performance hurdles.

Full details can be found on page 52 of the Remuneration Report.

#### Vesting Conditions

- Half of the performance rights will vest upon achieving a market-based target of Total Shareholder Return (TSR) over a 3-year Measurement Period (FY23). The Group has assigned this tranche the following weighted probabilities of the Group achieving a TSR relative to the index TSR:
  - 75% likelihood of achieving the same growth or up to 10% more than the index
  - 80% likelihood of achieving 10% above the index
  - 85% likelihood of achieving greater than 10% above the index TSR
- The second half of the performance rights are conditional upon achieving a performance-based target of average Return on Equity (ROE) for the Measurement Period (FY21-FY23). The Group has assigned this tranche a zero weighted probability of the Group achieving an average ROE.
- Half of the performance rights will vest upon achieving a market-based target of Total Shareholder Return (TSR) over a 3-year Measurement Period (FY22-FY24). The Group has assigned this tranche the following weighted probabilities of the Group achieving a TSR relative to the index TSR:
  - 50% likelihood of achieving the same growth or up to 10% more than the index
  - 40% likelihood of achieving 10% above the index
  - 30% likelihood of achieving greater than 10% above the index TSR
- The second half of the performance rights are conditional upon achieving a performance-based target of average Return on Equity (ROE) for the Measurement Period (FY22-FY24). The Group has assigned this tranche the following weighted probabilities of the Group achieving an average ROE of the following:
  - 5% likelihood of achieving greater than 10% but less than 12.5%
  - 5% likelihood of achieving 12.5%
  - 5% likelihood of achieving greater than 12.5%

## 19.1 Share-based compensation (continued)

5. After the financial year end, the Company issued 940,443 (FY21: Nil) shares to employees of the Group at an exercise price of \$0.47. None of these shares were issued to KMP of the Group. The fair value is measured based upon the 20 day volume weighted average price. These service rights vest every six months over a two year period and are conditional on service as set out in the table below:

Tranche	Measurement Period	Vesting Date
Tranche 1	The period between the date Rights were granted and the following 1 July 2022	1-Jul-22
Tranche 2	The period between the date Rights were granted and 1 January 2023 following the Measurement Period for Tranche 1	1-Jan-23
Tranche 3	The period between the date Rights were granted and 1 July 2023 following the Measurement Period for Tranche 2	1-Jul-23
Tranche 4	The period between the date Rights were granted and 1 January 2024 following the Measurement Period for Tranche 3	1-Jan-24

During the year ended 30 June 2022, share-based compensation was provided to the Chief Financial Officer, senior executives and other employees as follows:

Year ended 30 June	Loan Funded Shares <sup>1</sup>	Performance Rights	Advisor Options & Rights
<b>As of 1 July 2020</b>	<b>6,450,000</b>	<b>7,057,848</b>	<b>120,000</b>
Average exercise price in dollars	\$0.32	Nil	Nil
Units granted during the year	-	4,580,000	-
Units exercised during the year	(2,400,000)	-	(120,000)
Units forfeited during the year	-	(440,000)	-
<b>As of 30 June 2021</b>	<b>4,050,000</b>	<b>11,197,848</b>	<b>-</b>
Average exercise price in dollars	-	Nil	Nil
Units granted during the year	-	719,175	-
Units exercised during the year	(1,500,000)	-	-
Units forfeited during the year	(600,000)	(893,333)	-
<b>As of 30 June 2022</b>	<b>1,950,000</b>	<b>11,023,690</b>	<b>-</b>

<sup>1</sup> Loan funded shares accounted as share capital.

Weighted average life of: loan funded shares = 1.1 years, performance rights = 14.3 years.

## Note 20: Contingent Liabilities

Other than the deferred consideration arising from business combinations (refer to note 34), there are no other contingent liabilities at 30 June 2022. (FY21: Nil).

## Note 21: Key Management Personnel Disclosures

The following individuals were key management personnel of Janison Education Group during the financial year 2022:

<b>Mike Hill</b>	Non-executive Chairman
<b>Wayne Houlden</b>	Vice Chair and Non-executive Director
<b>Brett Chenoweth</b>	Non-executive Director
<b>David Willington</b>	Non-executive Director (resigned 24 September 2021)
<b>Allison Doorbar</b>	Non-executive Director
<b>Vicki Aristidopoulos</b>	Non-executive Director (appointed 11 November 2021)
<b>Kathleen Bailey-Lord</b>	Non-executive Director (appointed on 23 February 2022)
<b>David Caspari</b>	Chief Executive Officer and Managing Director
<b>Stuart Halls</b>	Chief Financial Officer

The aggregate compensation made to key management personnel during the financial year 2022 is set out below:

<b>Year ended 30 June</b>	<b>2022 (\$'000s)</b>	<b>2021 (\$'000s)</b>
Short-term employee benefits	1,233	1,348
Share-based payments	119	220
<b>Total compensation</b>	<b>1,352</b>	<b>1,568</b>

Detailed disclosures relating to the key management personnel can be found in the Remuneration Report section of the Directors' Report.

## Note 22: Related Party Transactions

There were no related party transactions during the financial year ending 30 June 2022.

## Note 23: Provisions

<b>Year ended 30 June</b>	<b>2022 (\$'000s)</b>	<b>2021 (\$'000s)</b>
Restructuring provision	467	-
Current make good provision	58	-
Non-current make good provision	199	230
<b>Total provisions</b>	<b>724</b>	<b>230</b>

## Note 24: Lease Assets and Liabilities

<b>Right-of-use Assets</b>	<b>2022</b>	<b>2021</b>
<b>Year ended 30 June</b>	<b>(\$'000s)</b>	<b>(\$'000s)</b>
Balance at 1 July	3,128	2,163
New lease	491	1,905
Depreciation	(990)	(940)
<b>Closing net book value</b>	<b>2,629</b>	<b>3,128</b>
Carrying amount of lease assets, by class of underlying asset:		
<b>Office premises</b>	<b>2,629</b>	<b>3,128</b>
<b>Lease Liabilities</b>	<b>2022</b>	<b>2021</b>
<b>Year ended 30 June</b>	<b>(\$'000s)</b>	<b>(\$'000s)</b>
Balance at 1 July	3,404	2,272
New lease	496	1,788
Interest	140	154
Principal repayments	(1,116)	(810)
<b>Closing net book value</b>	<b>2,924</b>	<b>3,404</b>
Current	940	865
Non-current <sup>1</sup>	1,984	2,538
<b>Total</b>	<b>2,924</b>	<b>3,404</b>
<b>Provision for Make Good</b>	<b>2022</b>	<b>2021</b>
<b>Year ended 30 June</b>	<b>(\$'000s)</b>	<b>(\$'000s)</b>
Opening balance	230	110
New lease	27	120
<b>Closing balance</b>	<b>257</b>	<b>230</b>

<sup>1</sup>Includes option to extend the Coffs Harbour lease for a further 7 years

The above liabilities related to leases for office premises located at 394A Harbour Drive, Coffs Harbour NSW, Wentworth Park Sporting Complex, Level 3 Wentworth Park Rd, Glebe NSW, Level 9, 1 Chandos Street, St Leonards and Level 1, 80 Bay Street, Ultimo, Sydney NSW.

## Note 25: Financial Risk Management

The total for each category of financial instruments, measured in accordance with AASB 9 Financial instruments as detailed in the accounting policies to these financial statements, are as follows:

Year ended 30 June 2022	Interest Rate	Floating Interest (\$'000s)	Fixed Interest (\$'000s)	Non-interest Bearing (\$'000s)	2022 Total (\$'000s)
Cash and cash equivalents	0.01%	11,768	-	52	11,820
Trade and other receivables	-	-	-	5,658	5,658
<b>Total financial assets</b>	-	<b>11,768</b>	-	<b>5,710</b>	<b>17,478</b>
Trade and other payables	-	-	-	(3,917)	(3,917)
Lease liabilities	4.38%	-	(2,924)	-	(2,924)
Other liabilities	-	-	-	(1,561)	(1,561)
<b>Total financial liabilities</b>	-	-	<b>(2,924)</b>	<b>(5,478)</b>	<b>(8,402)</b>
<b>Net financial assets</b>	-	<b>11,768</b>	<b>(2,924)</b>	<b>232</b>	<b>9,076</b>

The Group's activities expose it to several financial risks as described above. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group. To date, the Group has not had the need to utilise derivative financial instruments such as foreign exchange contracts or interest rate swaps to manage any risk exposures identified.

Other liabilities consists of deferred consideration, which is based on revenue achieved for FY22 and budgeted revenue for FY23. Refer to note 34 for business combination disclosure. The fair values of the deferred consideration have been determined based on present values and is expected to be settled as of August 2023.

Year ended 30 June 2021	Interest Rate	Floating Interest (\$'000s)	Fixed Interest (\$'000s)	Non-interest Bearing (\$'000s)	2021 Total (\$'000s)
Cash and cash equivalents	0.01%	23,110	-	36	23,146
Trade and other receivables	-	-	-	5,039	5,039
<b>Total financial assets</b>	-	<b>23,110</b>	-	<b>5,075</b>	<b>28,185</b>
Trade and other payables	-	-	-	(3,155)	(3,155)
Lease liabilities	4.38%	-	(3,403)	-	(3,403)
<b>Total financial liabilities</b>	-	-	<b>(3,403)</b>	<b>(3,155)</b>	<b>(6,558)</b>
<b>Net financial assets</b>	-	<b>23,110</b>	<b>(3,403)</b>	<b>1,920</b>	<b>21,627</b>

The fair value of financial assets and liabilities equate to their carrying value.

### 25.1 Credit risk

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the table above.

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Credit risk related to balances with banks and other financial institutions is managed by management in accordance with approved Board policy.



## 25.2 Trade and Other Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

During FY22, the number of Group clients increased by 1,896 as a result of two business acquisitions. The three largest clients in FY22 represent 31% of the total revenue.

Trade and other receivables (refer to Note 10) that are neither past due nor impaired are considered to be of high credit quality:

As at 30 June	2022 (\$'000s)	2021 (\$'000s)
Australia	3,921	4,504
United Kingdom	634	76
Singapore	321	147
New Zealand	48	48
Other	734	264
<b>Total</b>	<b>5,658</b>	<b>5,039</b>

## 25.3 Market risk

### Foreign exchange risk

The Group is exposed to material foreign exchange risk due to debtors with overseas clients and customers as presented in the table above. The Group also incurs expenses and regularly purchases services denominated in US dollars, Singaporean dollars and New Zealand dollars.

As at 30 June 2022 the Group held USD \$5 thousand, EUR \$22 thousand, NZD \$8 thousand in a multi-currency account, and SGD \$433 thousand in a Singaporean dollar bank account.

## 25.4 Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet the Group's expected financial commitments in a timely and cost effective manner.

The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions

The material liquidity risk for the Group is the ability to raise equity or debt financing in the future.

## 25.4 Liquidity risk

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- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions

The material liquidity risk for the Group is the ability to raise equity or debt financing in the future.

As of 30 June 2022, Financial Liabilities and their maturities were as follows:

Year ended 30 June 2022	Rate*	1 year or less	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	-	3,917	-	-	3,917
<b>Non-interest bearing:</b>	-	<b>3,917</b>	-	-	<b>3,917</b>
Lease liabilities	4.38%	940	1,449	535	2,924
Other liabilities	-	652	909	-	1,561
<b>Total interest bearing</b>	-	<b>1,592</b>	<b>2,358</b>	<b>535</b>	<b>4,485</b>
<b>Total non-derivatives</b>	-	<b>5,509</b>	<b>2,358</b>	<b>535</b>	<b>8,402</b>

Other liabilities consists of deferred consideration, which is based on the revenue achieved for FY22 and budgeted revenue targets for FY23. Refer to note 34 for business combination disclosure. The fair values of the deferred consideration has been determined based on present values and is expected to be fully settled as of July 2023.

Year ended 30 June 2021	Rate*	1 year or less	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	-	3,155	-	-	3,155
<b>Non-interest bearing:</b>	-	<b>3,155</b>	-	-	<b>3,155</b>
Lease liabilities	4.38%	865	1,588	950	3,404
<b>Total interest bearing</b>	-	<b>865</b>	<b>1,588</b>	<b>950</b>	<b>3,404</b>
<b>Total non-derivatives</b>	-	<b>4,020</b>	<b>1,588</b>	<b>950</b>	<b>6,558</b>

\* Weighted Average interest Rate.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## 25.5 Interest rate risk

The Group's main interest rate risk arises from cash and cash equivalents. The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates and the effective weighted average interest rates on financial liabilities is not material.

## Note 26: Parent Entity Disclosures

The parent entity has no contingent liabilities nor has it entered into guarantees with subsidiaries.

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Loss for the period	(2,689)	(932)
Other comprehensive income	-	-
<b>Total comprehensive loss for the period</b>	<b>(2,689)</b>	<b>(932)</b>
<b>Adjusted for:</b>		
Current assets	158	14,390
Non-current assets	55,700	28,081
<b>Total assets</b>	<b>55,858</b>	<b>42,471</b>
Current liabilities	300	1,853
Non-current liabilities	10,734	-
<b>Total liabilities</b>	<b>11,034</b>	<b>1,853</b>
<b>Total net assets</b>	<b>44,824</b>	<b>40,618</b>
Share capital	105,755	99,818
Reserves	3,634	2,676
Accumulated losses	(64,565)	(61,876)
<b>Total equity</b>	<b>44,824</b>	<b>40,618</b>

The parent company had no guarantees, contingent liabilities or commitments other than what was disclosed in other parts of this financial statements.

## Note 27: Interests in Subsidiaries

The consolidated financial statements include the financial statements of Janison Education Group Limited and the subsidiaries listed in the following table:

	Country of incorporation	2022 %	2021 %
Janison Solutions Pty Ltd	Australia	100	100
LTC Language & Testing Pty Ltd	Australia	100	100
LTC Hold Co Pty Ltd	Australia	100	100
Academic Assessment Services Pty Ltd	Australia	100	-
Janison Education Inc	United States of America	100	-
Janison Asia Pte Ltd <sup>1</sup>	Singapore	50	50
Janison Solutions NZ (Branch)	New Zealand	100	-

<sup>1</sup> Janison Solutions Pty Ltd has a beneficial 100% interest in Janison Asia Pte Ltd therefore no minority interest existed as of 30 June 2022 or 2021.

### Parent Entity

Janison Education Group Limited is the ultimate Australian parent entity and the ultimate parent of the Group.

## Note 28: Auditor's Remuneration

Stantons International performed the audit of the financial statements for the years ended 30 June 2022 and 2021. Remuneration paid or to be paid to the Company's auditors with respect to FY22 audit and review of the financial statements was \$83 thousand (\$78 thousand in FY21).

## Note 29: Contract Liabilities

Prepaid exams and license fees of \$5.7million at 30 June 2022.

Most of these exams are scheduled to take place between late August and early September 2022 and license fees will be recognised within one year.

## Note 30: Reconciliation of Net Loss To Operating Cash Flows

The following table reconciles cash flow from operations as reported on the Statement of Cash Flows to the Net Loss.

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
<b>Net loss after tax</b>	<b>(9,125)</b>	<b>(3,249)</b>
Depreciation and amortisation	9,511	5,179
Loss on disposal of plant and equipment	-	63
Salary-sacrificed shares	-	310
Non-cash share-based compensation	958	313
Allowance for expected credit loss	42	-
Interest – leases	140	154
Amortisation of right of use assets	990	940
<b>Total operating items not requiring cash outlays</b>	<b>11,641</b>	<b>6,959</b>
Trade receivables and other	111	(817)
Work in progress	555	(831)
Pre-paid expenses	814	(446)
Trade and other payables	(4)	676
Employee entitlements	(195)	1,304
Income in advance	(1,279)	1,901
Provisions	467	-
Income tax payable	21	(367)
Deferred tax	(1,579)	(768)
Effects of foreign exchange	(3)	56
<b>Changes in working capital items</b>	<b>(1,092)</b>	<b>708</b>
<b>Net cash provided by operating activities</b>	<b>1,424</b>	<b>4,419</b>

In the financial year 2021, non cash financing of \$310 thousand in shares were issued under the employees' salary-sacrificed share plan.

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Cash and cash equivalents	11,820	23,146

The Company has a \$1 million bank over-draft facility with National Australia Bank that bears interest at a variable rate when drawn. Subsequent to year end, this over-draft facility has been extended to \$2 million.

## Note 31: Earnings Per Share

Year ended 30 June	2022 (\$'000s)	2021 (\$'000s)
Loss after income tax	(9,125)	(3,249)
	Number '000	Number '000
Weighted average number of ordinary shares used in calculating basic earnings per share	232,738	210,382
	Cents	Cents
Basic loss per share	(3.92)	(1.54)

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 32: 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 33: COVID-19

The Group has not benefited from any government support as a result of COVID-19 during the period ended 30 June 2022.

As at 30 June 2021, the group received \$1.64 million under the Australian Federal Government's JobKeeper scheme and \$150 thousand under the Australian Federal Government's Cash Flow Boost Scheme.

## Note 34: Business Combinations

### Acquisition of Quality Assessment Tasks

On 19 October 2021, the Group, acquired 100% of the business assets in Quality Assessment Tasks ("QATs"). QATs develops and sells assessment and non-assessment tasks (case studies, practical assignments) to schools across Australia for secondary school students (Year 11 and 12). The assets were acquired for a total cash consideration of \$2 million, consisting of an initial cash payment of \$1,250 thousand and deferred consideration of \$750 thousand. The deferred payment is contingent upon achieving an agreed FY22 revenue target as a result the liability has been adjusted to \$652 thousand at 30 June 2022. The assets acquired comprised intangible copyright of \$1,860 thousand and debtors of \$6 thousand.

### Acquisition of Academic Assessment Services

On 29 November 2021, the Group acquired 100% of the shares in Academic Assessment Services Pty Ltd ("AAS"). AAS is the largest independent schools' assessment business in Australia. Details of the fair value of identifiable assets acquired, liabilities assumed and intangibles are set out below. The identification and fair value measurement of the assets and liabilities acquired are provisional and amendments may be made to these figures up to 12 months following the date of acquisition if new information is obtained about facts and circumstances that existed at acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

	(\$'000s)
Cash and cash equivalents	881
Trade receivables	358
Other current assets	407
Fixed assets	1
Right of Use asset	326
Intangible assets	19,204 <sup>1</sup>
Trade and other payables	(1,087)
Employee entitlements	(415)
Lease liability	(335)
Deferred tax liability	(3,070)
<b>Fair value of net assets acquired</b>	<b>16,270</b>
Total consideration paid and payable	16,270
Less fair value of net identifiable assets acquired	(16,270)
<b>Goodwill</b>	<b>-</b>

<sup>1</sup>The acquired intangible assets include client relationships and test item intangibles which form the basis of the strategic rationale for the acquisition.

### Consideration

Total deemed consideration is \$17 million, which comprises an initial consideration of \$6 million paid in cash and \$3 million paid in ordinary shares. Further contingent consideration is payable of \$8 million, based on completion of the FY22 and FY23 financial year, comprising \$1 million in cash and \$7 million in ordinary shares subject to certain financial criteria being achieved. At 30 June 2022, the contingent consideration of \$8 million has been discounted to the present value, \$7.3 million.

The contingent consideration is payable on the following conditions:

- Minimum operating revenue target of \$11m in FY22 and FY23 combined.
- Operating revenue targets measured and paid on completion of FY23
- Earnout consideration adjusted up by \$0.50 for every \$1.00 of operating revenue above the \$11 million target and down by \$1.00 for every dollar below.

The full amount has been accrued at 30 June 2022, based on revenue achieved in FY22 and outlook for FY23. The group incurred acquisition related costs of \$245 thousand to external service providers which are recorded within acquisition expenses.



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# Directors' Declaration.

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

1. In the directors' opinion:

- a) the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporate Regulations 2001 and other mandatory professional reporting requirements;
  - i. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1.2 to the financial statements; and
  - ii. the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Chairman and Director

Dated: 22 August 2022



# Auditor's Independence Declaration.



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22 August 2022

Board of Directors  
Janison Education Group Limited  
Level 5, 126 Philip Street  
Sydney NSW 2000

Dear Directors

**RE: JANISON EDUCATION 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 Limited.

As Audit Director for the audit of the financial statements of Janison Education Limited for the year ended 30 June 2022, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(An Authorised Audit Company)**

**Samir Tirodkar**  
Director



*Liability limited by a scheme approved under Professional Standards Legislation*

Stantons is a member of the Russell Bedford International network of firms

# Independent Auditor's Report



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JANISON EDUCATION LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Janison Education Limited ("the Company"), and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**Key Audit Matters**

We have determined the matter described below to be Key Audit Matter to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
-------------------	---

**Carrying Value of Intangible Assets**

As at 30 June 2022, Intangible Assets totalled \$40,702,000 (refer to Note 13 of the financial report).

The carrying value of Intangible Assets is a key audit matter due to:

- The significance of the Intangible Assets representing 58% of total assets;
- The necessity to assess management's application of the requirements of the accounting standards, in light of any indicators of impairment that may be present; and
- The assessment of significant judgements made by management in relation to the internally generated assets.

Inter alia, our audit procedures included the following:

- i. We evaluated the Group's accounting policy and compliance with AASB 138 (Intangible Assets);
- ii. Vouched a sample of the expenses capitalised to supporting documentation and ensured appropriate to capitalise;
- iii. Requested the Group complete an impairment review in line with AASB 138 and Impairment of Assets (AASB 136), reviewed their assumptions for reasonableness and satisfied ourselves that no impairment was necessary; and
- iv. Reviewed the disclosures included in the annual report.



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Key Audit Matters	How the matter was addressed in the audit
-------------------	---

**Revenue Recognition**

Revenue recognition is a key audit matter due to the material amounts and significant audit effort required by us.

These included, to address the unique circumstances of the individualised contract arrangements the Group enters into and the complexities associated with unbundling single service contracts with a customer for multiple services, and to consider the significance of the Group's judgements relating to the point in time at which revenue is recorded, in particular those relating to the satisfaction of performance obligations and transfer of control of assets.

We focused on these sales as a key audit matter due to these conditions leading to increased risk of incorrect revenue recognition.

Inter alia, our audit procedures included the following:

- i. We assessed the Group's revenue recognition policies against the requirements of AASB 15 (Revenue from Contracts with Customers);
- ii. We tested a sample of significant customer contracts and read the terms and conditions of sale to understand the features distinguishing the revenue elements vis. performance obligations and revenue recognition,
- iii. We obtained management's written assessments and discussed with management the compliance with the performance obligations and revenue recognition within these significant contracts, including the accounting for accrued and deferred revenue.

Key Audit Matters	How the matter was addressed in the audit
-------------------	---

**Business Combination – Acquisition of Academic Assessment Services Pty Ltd.**

During the year, the Company acquired 100% issued capital Academic Assessment Services Pty Ltd

The acquisition has been disclosed in Note 34 to the financial report and was considered a key audit matter due to:

- The significance of the transaction (\$17 million net asset acquisition); and
- The judgement required in the application of AASB 3 Business Combinations ("AASB 3").

AASB 3 required the Group to determine, if the transaction is an asset acquisition or a business combination and the fair value of considerations transferred and the identifiable assets and liabilities acquired as part of the acquisition.

Inter alia, our audit procedures included the following:

- i. Examining the contract for the acquisition of Academic Assessment Services Pty Ltd;
- ii. Reviewing and assessing the determination made by the Group whether the transaction is an asset acquisition or a business combination;
- iii. Assessing the fair value of consideration paid for the acquisition of Academic Assessment Services Pty Ltd;
- iv. Examining the net assets of Academic Assessment Services Pty Ltd as at the date of acquisition; and
- v. Considering the adequacy of the financial report disclosures contained in Note 34 in relation to AASB 3.



**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the



## Stantons

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on the Remuneration Report**

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 46 to 61 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Janison Education Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### **STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**

**(Trading as Stantons International)**

**(An Authorised Audit Company)**

**Samir Tirodkar**

Director

West Perth, Western Australia

22 August 2022



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# Additional Information.

## Number of Holders

### As at 15 August 2022

Number of holders of equity securities – ordinary shares:  
236,540,488 fully paid ordinary shares held by 6,641 individual shareholders.

### Unquoted Securities

There are nine holders of 11,023,689 performance rights.

## Distribution of Fully Paid Ordinary Shareholders

Range	No. of Holders of Fully Paid ordinary Shares	No. of Holders of Options	No. of Holders of Performance Rights
1 – 1,000	1,835	-	-
1,001 – 5,000	2,737	-	-
5,001 – 10,000	965	-	-
10,001 – 100,000	1,004	-	-
100,001 – 9,999,999,999	100	-	9
<b>Total</b>	<b>6,641</b>	<b>-</b>	<b>9</b>

There are 2,091 shareholders with a less than marketable parcel.

## Substantial Holders

Name	Shares	% of Issued Capital
DIPTOE PTY LTD	33,033,708	13.97
TENTICKLES PTY LTD	33,033,708	13.97
J P MORGAN NOMINEES AUSTRALIA	24,986,614	10.56
NATIONAL NOMINEES LIMITED	23,686,138	10.01
HSBC CUSTODY NOMINEES	21,929,376	9.27
CITICORP NOMINEES PTY LIMITED	15,653,898	6.62



## Top 20 Holders

As at 15 August 2022

Rank	Name	15 August 22	% of Issued Capital
1	DIPTOE PTY LTD	33,033,708	13.97
1	TENTICKLES PTY LTD	33,033,708	13.97
2	J P MORGAN NOMINEES AUSTRALIA	24,986,614	10.56
3	NATIONAL NOMINEES LIMITED	23,686,138	10.01
4	HSBC CUSTODY NOMINEES	21,929,376	9.27
5	CITICORP NOMINEES PTY LIMITED	15,653,898	6.62
6	BNP PARIBAS NOMS PTY LTD	4,147,641	1.75
7	BNP PARIBAS NOMINEES PTY LTD	2,555,614	1.08
8	WAYNE HOULDEN	2,243,960	0.95
9	ROBERT PETER ALLWELL	1,565,477	0.66
10	BNP PARIBAS NOMINEES PTY LTD	1,410,255	0.60
11	GANG – GANG PTY LTD	1,300,000	0.55
12	MR DAVID KYFFIN WILLINGTON	1,200,000	0.51
13	JARUMITO PTY LTD	1,158,524	0.49
14	BREBEC PTY LTD	1,063,614	0.45
15	LENROC INVESTMENTS PTY LIMITED	1,050,000	0.44
16	INDCORP CONSULTING GROUP PTY	900,000	0.38
17	DMX CAPITAL PARTNERS LIMITED	613,100	0.26
18	MR WILLIAM JOHN LAUKKA &	600,000	0.25
19	MS ALLISON DOORBAR	546,176	0.23
20	O'DWYER TECHNOLOGY TRAINING	525,000	0.22
	<b>Total</b>	<b>173,202,803</b>	<b>73.22</b>
	<b>Balance of register</b>	<b>63,337,685</b>	<b>26.78</b>
	<b>Grand total</b>	<b>236,540,488</b>	<b>100.00</b>

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# Corporate Directory.

## COMPANY

Janison Education Group Limited

## ASX CODE

JAN

## REGISTERED OFFICE

Automic Group  
Level 5, 126-130 Phillip Street  
Sydney NSW 2000

## TELEPHONE

+61 2 6652 9850

## WEBSITE

[www.janison.com](http://www.janison.com)

## SHARE REGISTRY

Automic Registry Services  
Level 5, 126-130 Phillip 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 Caspari**, Managing Director and Chief Executive Officer  
**Ms Allison Doorbar**, Non-Executive Director  
**Ms Kathleen Bailey-Lord**, Non-Executive Director  
**Ms Vicki Aristidopoulos**, Non-Executive Director

## COMPANY SECRETARY

Ms Maggie Niewidok

## AUDITOR

Stantons International Audit & Consulting Pty Ltd  
Level 36, Gateway, 1 Macquarie Place, Sydney, NSW 2000

## CORPORATE GOVERNANCE

[www.janison.com/investors/](http://www.janison.com/investors/)

## ANNUAL GENERAL MEETING

Janison will hold its 2022 Annual General Meeting virtually at 4pm, 27 October 2022.



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Janison.

80 Bay Street  
Ultimo, NSW 2007  
Australia

Tel. 02 6652 9850

[janison.com](http://janison.com)