

ASX Announcement
21 November 2019

Janison 2019 Annual General Meeting – Chairman's Address

Good Afternoon and welcome to the Janison Education Group Limited Annual General Meeting.

The Non-Executive directors present include Brett Chenoweth, David Willington and myself and joined by teleconference are Wayne Houlden and Allison Doorbar. We are also joined by a number of executives including Tom Richardson, Chief Executive Officer, Derek Walsh, Chief Commercial Officer, Fiona Ward, Head of Learning, George Gorman, recently appointed Chief Technical Officer, Pippa Lennon, Head of People and Culture and Stuart Halls, Chief Financial Officer.

The 2019 financial year was the second year of the company being listed on the stock exchange with further growth of 30%.

The business provides two education technology platforms in this global emerging market. Janison Insights for robust and scalable online assessment solutions primarily for the education sector and Janison Academy which is an online learning offering which integrates platform and content to build skills for government and corporate clients.

This year the company continued its transformation from a regional success story in education technology to a global corporate entity of relevant scale on the ASX. In FY19 we undertook a number of large projects for clients which generated significant services income and as these projects go live we can see the lift in recurring income and margin this year.

Janison is focused on three specific opportunities to deliver long-term growth in recurring platform income and profit margins

- **Schools Assessment** – using Janison Insights to transform pen and paper exams in Schools around the world;
- **Higher Education Assessment** – using Janison Insights to move exams and assessment online in Higher Educations institutions mainly in Australia and the UK;
- **Workplace Learning** – using Janison Academy to transform the way people learn in large organisations.

Credit must be attributed to the entire staff of Janison led by a focused and dedicated executive team on delivering continued growth in 2019 and their dedicated hard work intaking on this growth opportunity. Our ambition is to deliver substantial recurring revenue and earnings growth year on year and we are well positioned to achieve this.

The board thanks all the employees of Janison for working exceptionally hard to deliver robust, secure and scalable products for our valued customers across numerous geographies.

I would also like to thank all our shareholders for their continued support as we grow the business.

I will now handover to Tom Richardson for the CEO presentation then we will return to the formal part of the AGM's various resolutions as set out in the Notice of Annual General Meeting.

-ENDS-



ASX:JAN

2019 AGM Presentation

November 2019



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Our purpose is..

To transform the
way people learn

Our goal is to..



**To power education
outcomes for 25 million
learners by 2025.**

Janison is a global education technology pioneer seizing an immense market opportunity



1 The industry opportunity is immense

2 Annual Recurring Revenue (ARR) is increasing

3 The client base is loyal and expanding

4 There is a clear plan to drive growth

5 The business generates healthy profit margins

We have two products which are transforming the way people learn






Online Assessment platform for digitising pen and paper Exams.



Online Learning platform and content for transforming corporate learning.

We currently generate platform income in these sectors with a  primary focus on those highlighted

| Sector Platform | Schools (K-12) | Higher Education | Workplace |
|---------------------|--|--|--|
| janison insights |     |  CoSECTOR UNIVERSITY OF LONDON |   Transport Roads & Maritime Services |
| janison academy |   |  |  SUNCORP   nab |

Overview

FY19 Results

Q1 FY20

Outlook



In FY19 we achieved normalised Gross Margin¹ of 40% and normalised EBITDA of \$3.3m

FY19 Group Result

| Year ended 30 June | FY18 \$m | FY19 \$m | % change |
|----------------------------------|-------------|-------------|-------------|
| Recurring Revenue | 10.6 | 11.5 | +9% |
| Services Revenue | 6.7 | 11.0 | +64% |
| Group Revenue | 17.3 | 22.5 | +30% |
| Cost of Sales | 10.6 | 13.4 | +26% |
| Gross Profit ¹ | 6.7 | 9.1 | +37% |
| GM % | 39% | 40% | +1 ppt |
| Operating Expenses | 3.5 | 5.9 | +28% |
| EBITDA | 3.2 | 3.3 | +2% |
| EBITDA % | 18% | 14% | |

40%

Normalised Gross Margin

\$3.3m

Normalised EBITDA



¹ Normalised Gross Margin includes non-recurring adjustments as detailed in the Appendix.



Overview

FY19 Results

Q1 FY20

Outlook



In Q1 FY20 we increased Recurring Revenue by 12% on pcp and over 49% in Assessment

Quarterly Recurring Revenue (reported)



In Q1 FY20 we increased Gross Margin to 46% and EBITDA to 6%



Income Statement for the quarter ending 30 September

| (A\$m) | 2018 | 2019 | \$ Growth | % Growth |
|--------------------------|--------------|------------|------------|---------------|
| Recurring Revenue | 2.8 | 3.1 | 0.3 | +12% |
| Project Services Revenue | 2.3 | 2.0 | (0.3) | (15)% |
| Group Revenue | 5.1 | 5.1 | 0.0 | +0% |
| Cost of Sales | 3.7 | 2.7 | (1.0) | (26)% |
| Gross Profit | 1.4 | 2.4 | 1.0 | +69% |
| <i>GM%</i> | <i>27%</i> | <i>46%</i> | | <i>+19pps</i> |
| Operating Expenses | 1.5 | 2.1 | 0.6 | +39% |
| EBITDA | (0.1) | 0.3 | 0.4 | +393% |
| <i>EBITDA %</i> | <i>-2%</i> | <i>6%</i> | | <i>+8pps</i> |

Note: All FY19 figures are preliminary and unaudited.



Overview

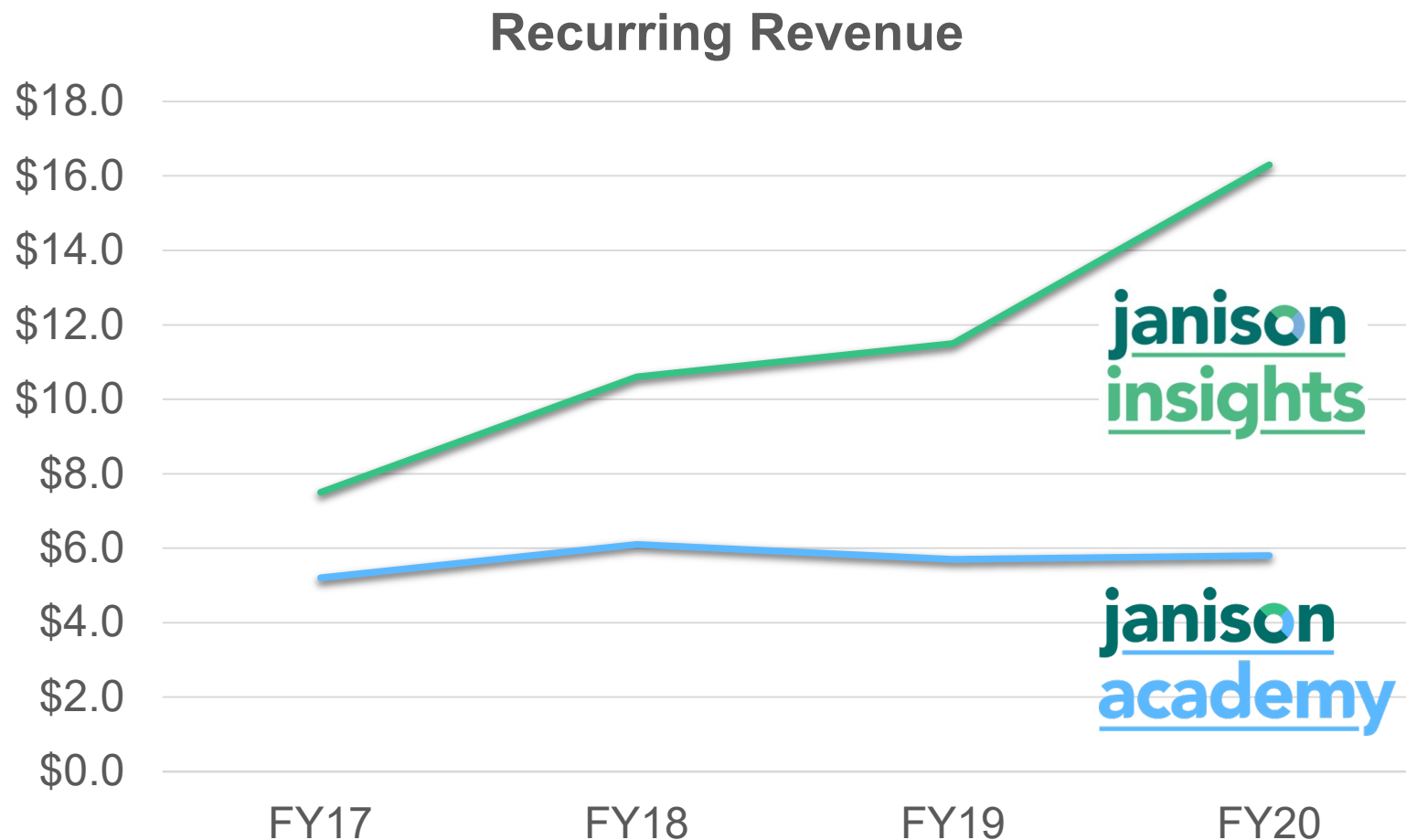
FY19 Results

Q1 FY20

Outlook

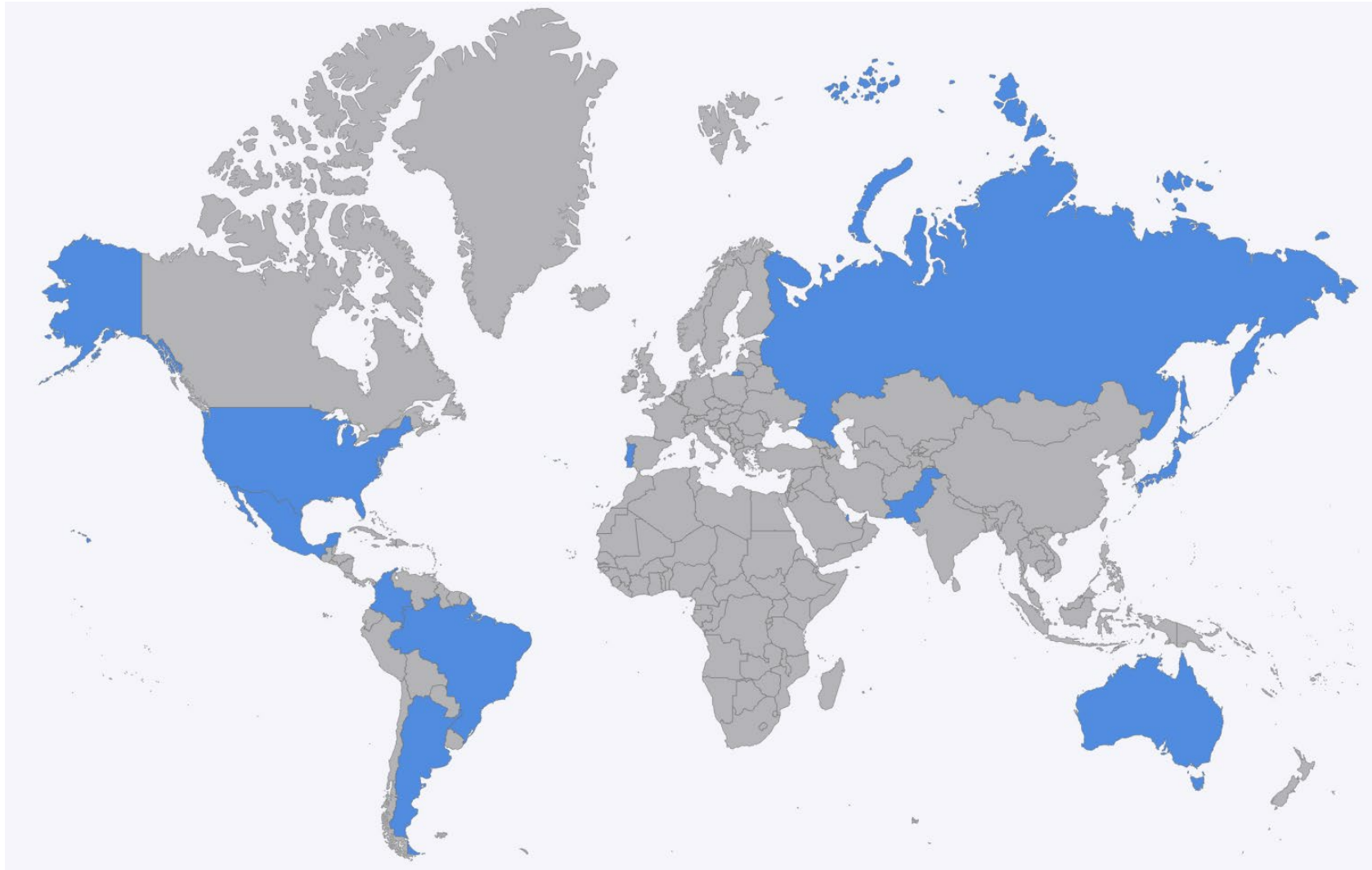


In FY20 we expect to increase Recurring Revenue by over 35% to \$16 million



We plan to provide Janison Insights to Schools in over 10 countries in FY20

janison



We will provide Janison Insights to Universities in FY20 and generate Recurring Revenue

janison



We expect a Gross Margin over 45% and EBITDA of over \$4.0 m in FY20 with positive cash flow and increased free float

>\$4.0m

Operating Cash Flow

48%

Free-float

>45%

Gross Margin

>\$4.0m

EBITDA





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