



Janison.

JAN.ASX

Janison 1H23 Business Update.

David Caspari
CEO & Managing Director

Stuart Halls
CFO

2 FEBRUARY 2023

Executive Summary 1H23.

Assessments revenue growth +46% vs. 1H22, core Solutions revenue growth +2%, slight decline in overall Solutions revenue due to 2H event timing.

EBITDA growth of +42% vs. 1H22 to \$2.7m driven by improved operational efficiencies and scale benefit.

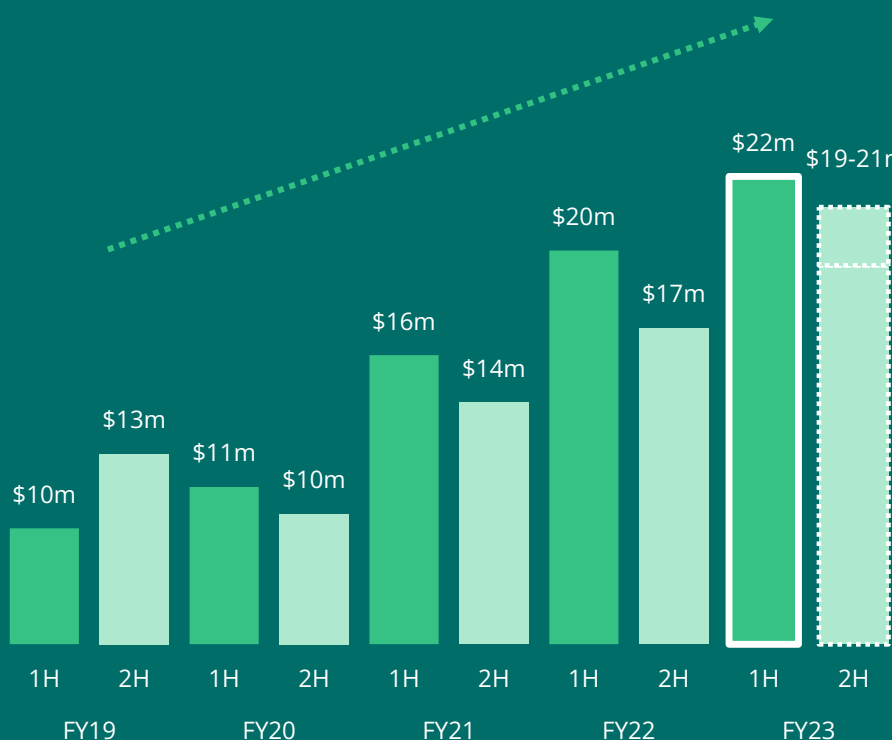
Gross profit up +12% vs. 1H22 to \$14m, gross margin improvement 1ppt vs. FY22 to 65% (up from 34% in FY19).

Significant cost reductions achieved to June 2022.

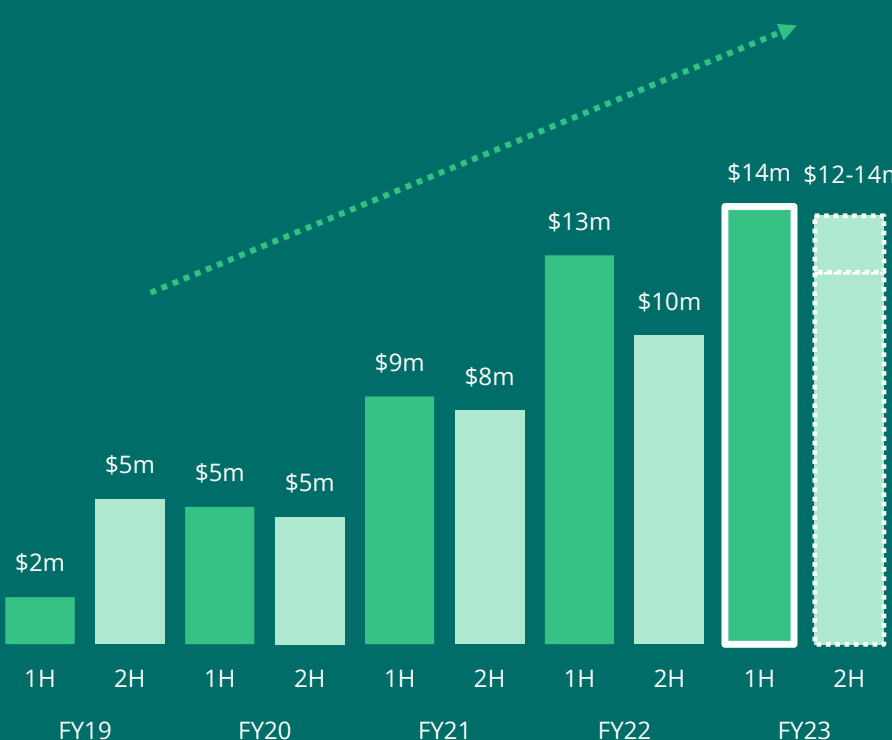
Strong cash balance of \$6M on hand at 31 Dec 2022 with favourable 2H23 receipts¹.

FY23 guidance provided on revenue, margin, EBITDA and cash flow.

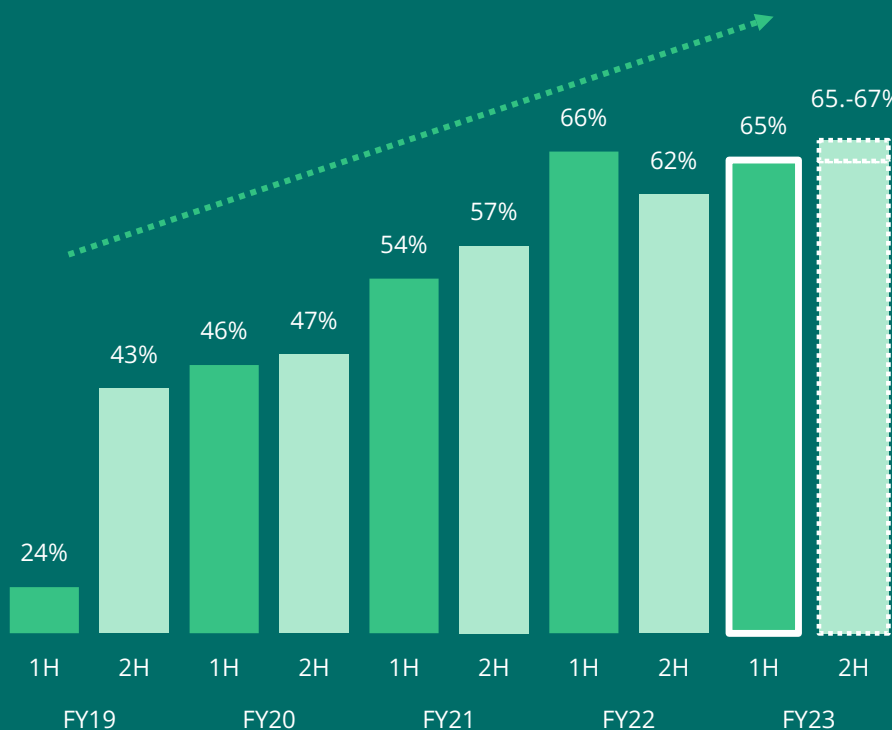
HALF YEAR GROUP REVENUE



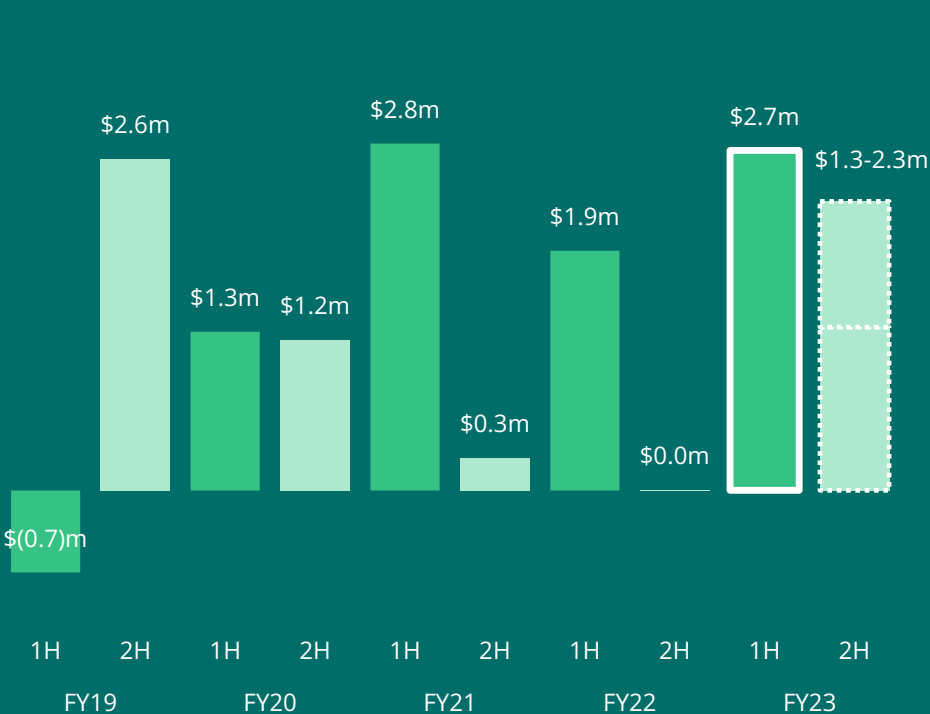
HALF YEAR GROSS PROFIT



HALF YEAR GROSS MARGIN



HALF YEAR EBITDA



¹ \$3m of cash received in January 2023 (2H23) relating to contracts signed in 1H23, not included above. Financials for 1H23 are pre-audit, draft.

Executive Summary 1H23 business highlights.

Solutions

Signed 4 new B2B clients; TCV \$3m+

Extension of Check-in to end-to-end formative assessments for NSW DoE

Expansion of Cambridge Assessment partnership

Assessments

+15% growth in ICAS revenue

Exclusive, multi-year ICAS co-branding partnership signed with prestigious Australian university

AAS growth accelerating

PISA for Schools

India joins PBTS

Harvard Maths Partnership

Decision processes regaining momentum after period of risk aversion

Operations

High employee engagement score (eNPS 47)

Customer Satisfaction score at new highs (CSAT 97.3)

FY23 outlook and guidance.

Management re-affirms medium-term horizon targets in achieving +20% CAGR in revenue for the next 3-5 years and have confidence in achieving FY23 full year analyst consensus.

Management are pleased with the achievements and momentum in FY23:

- For Solutions, organic wins in 1H23, expansion of existing clients, and clients returning to pre-pandemic event dates are all expected to contribute to accelerated 2H growth, aided by more targeted wins in advanced stage pipeline as UK/European expansion gains momentum.
- For PBTS, conversion of pipeline in 2H and gaining momentum in FY24 as decision process gain momentum.
- Maintain flat underlying Opex base for the full year vs FY22
- Deliver positive free cash flow

	1H23 Actual	2H23 Guidance Range	FY23 Total Range	% growth on PY
Revenue	\$22m	\$19m-\$21m	\$41m-\$43m	+13-20%
Gross Profit	\$14m	\$12m-\$14m	\$27m-\$28m	+16-21%
Gross Margin	65%	65-67%	65-66%	+2-3ppts
EBITDA	\$2.7m	\$1.3m-\$2.3m	\$4m-5m	+110-160%

We remain positive on the market landscape amongst schools and accreditation bodies as investment continues into these segments to close the gap in skills and the need for assessment data to improve educational outcomes. institutions are now shifting from 'survival' to 'investment' after a period of risk aversion, which amongst other areas is expected to drive acceleration in PBTS decision making.

Contents.

Business Overview

1H23 Results

1H23 Business Update

Janison Solutions

Janison Assessments

PISA for Schools

Operations



Business Overview.

Janison has two complementary business units.

Solutions

B2B enterprise platform licensing & services

Clients

Recent wins –
past 6 months



IPP Countries

Assessment platform technology
for high stakes, high volume
exams

Exam Services

Learning Platform
(LMS)

Learning Content
Development

Assessments

B2B school & teacher products, B2C parent products

Brands



NSP Schools



K-12 assessments; progression
tests, benchmarking,
competitions & scholarships

K-12 educational assessment
content development

Assessment services
(Item writing, marking)



'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.

A group of people are gathered around a table, looking at a laptop screen. A man with a beard is pointing at the screen. A woman is holding a smartphone. There is a glass of water and a smartphone on the table. The text "1H23 Results." is overlaid on the right side of the image.

1H23 Results.

1H23 delivers revenue & earnings growth.

\$m	1H FY23	1H FY22	+/- % vs PCP
Revenue	22.0	19.5	+13%
Gross Profit	14.4	12.9	+12%
Gross Margin	65%	66%	(1)%
Opex	11.7	11.0	+6%
EBITDA	2.7	1.9	+42%

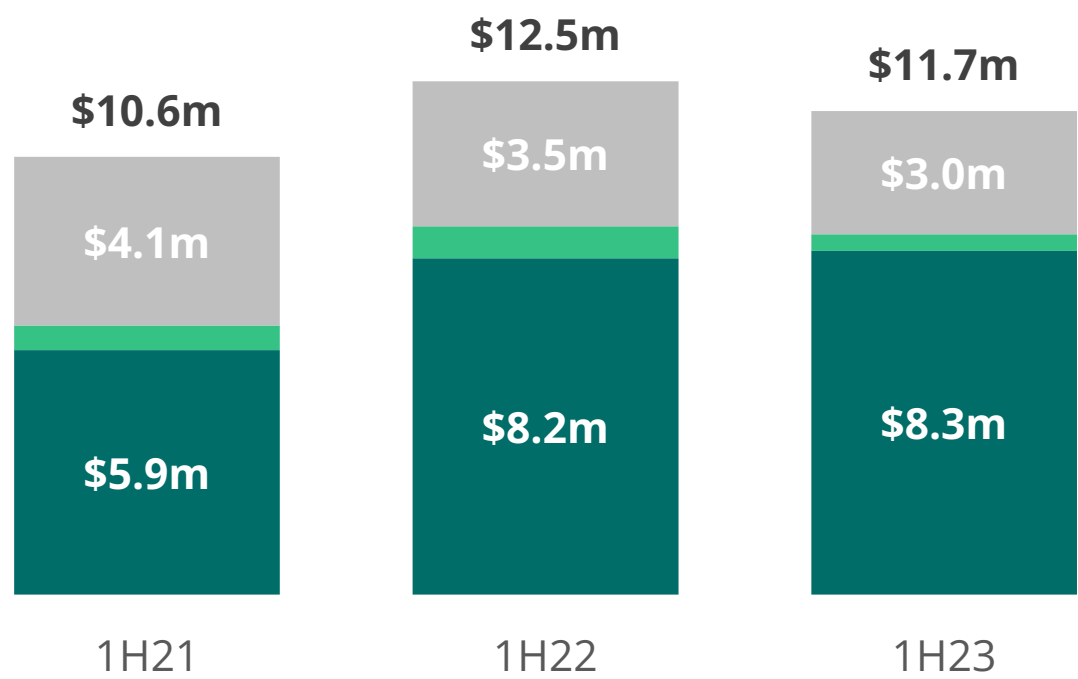
- Revenue growth driven by performance in Janison Assessments (ICAS, AAS, RISE+) and Janison Solutions new client wins and existing customer expansion.
- Client schedules shifting back towards 'pre-pandemic' school calendar phasing, driving shift to greater 2H'23 revenues.
- Gross margin strong driven by platform volumes and new wins in Janison Solutions, in tandem with higher services revenue mix.
- Disciplined cost management in Opex.
- Profitable quarter with \$2.7m EBITDA, +42%.

Business Unit Revenue.

Solutions

B2B enterprise platform licensing & services

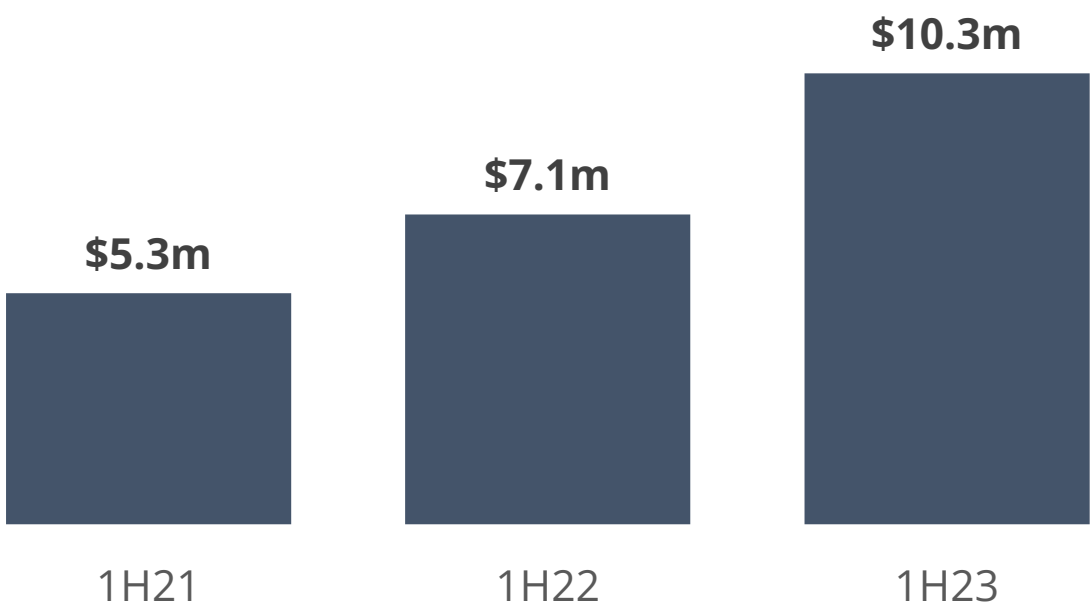
■ Solutions Core ■ PBTS - IPP ■ Solutions Other (Learning, JEM)



6 mths ending 31 Dec (\$m)	1H21	1H22	1H23	1H23 YoY Growth	
Solutions Core	\$5.9m	\$8.2m	\$8.3m	+2%	+\$0.1m
Solutions Core - PBTS IPP	\$0.6m	\$0.8m	\$0.4m	(48)%	\$(0.4)m
Solutions Other	\$4.1m	\$3.5m	\$3.0m	(15)%	\$(0.5)m
Total Solutions Revenue	\$10.6m	\$12.5m	\$11.7m	(6)%	\$(0.8)m

Assessments

B2B school & teacher products, B2C parent products



6 mths ending 31 Dec (\$m)	1H21	1H22	1H23	1H23 YoY Growth	
Organic Revenue	\$5.3m	\$6.2m	\$8.6m	+39%	+\$2.4m
Inorganic Revenue	--	\$0.8m	\$1.6m	+100%	+\$0.8m
Total Assessments Revenue	\$5.3m	\$7.1m	\$10.3m	+46%	+\$3.2m

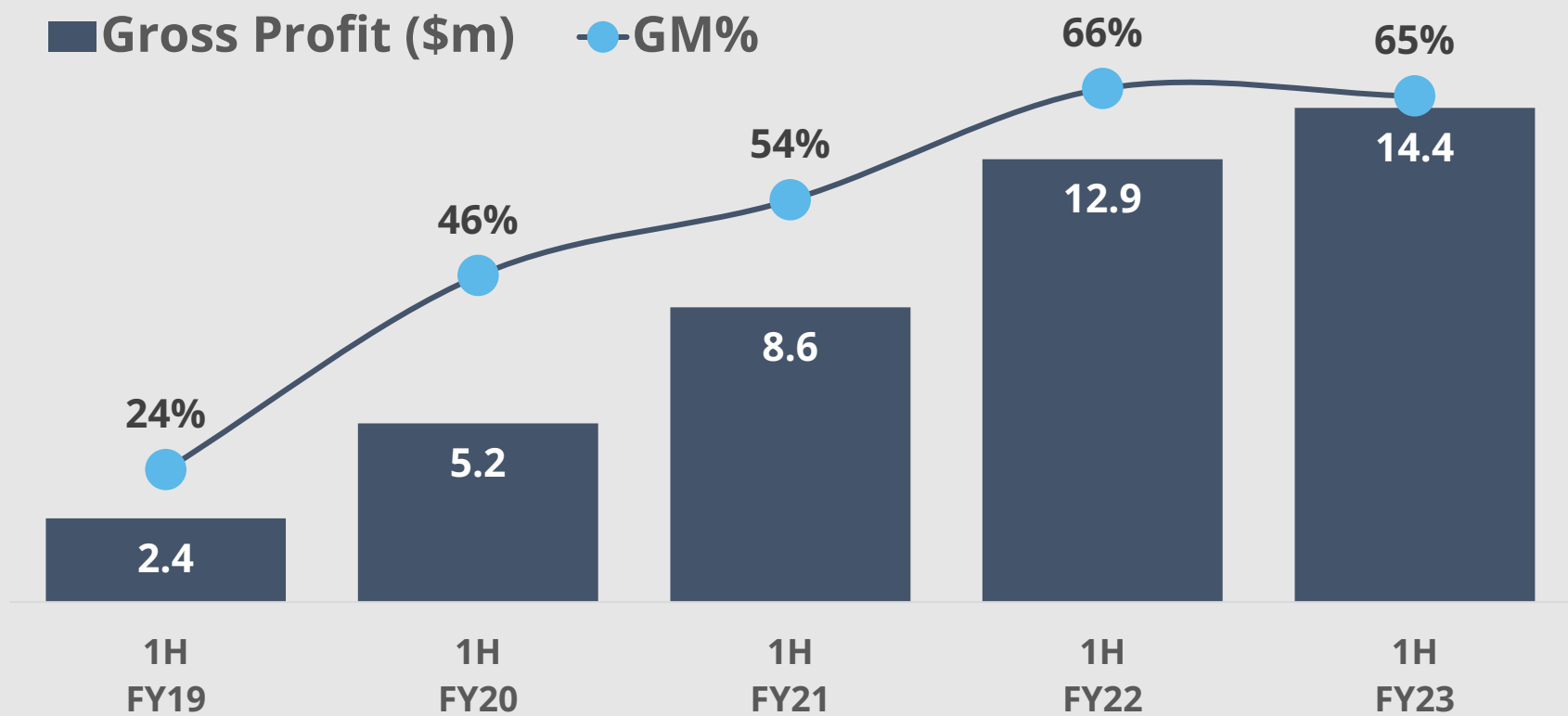
Profit and Costs: +12% improvement in Gross Profit in 1H23.

Gross profit increased in 1H23 as the business scales its Assessment products and adds standard-platform Solutions clients. Margin was impacted by newly-acquired businesses which are transitioning to be digitised.

5% organic Opex reduction in 1H23 vs. 1H22 from synergies and FY22 cost restructure; investments continue in key markets and products.

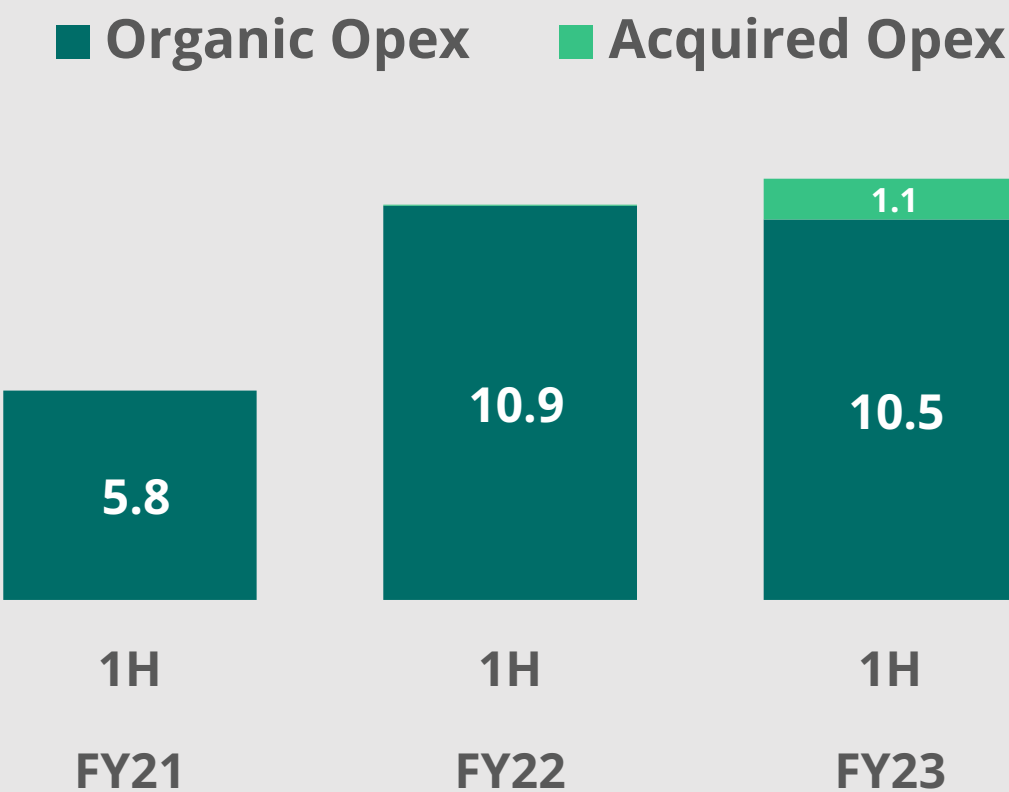
Net cash flow impacted by seasonality, FY22 restructuring cost and timing of large customer receipts received in January 2023. Anticipating larger second half cash flow as a result.

Gross Profit Margin



Opex

(\$m)



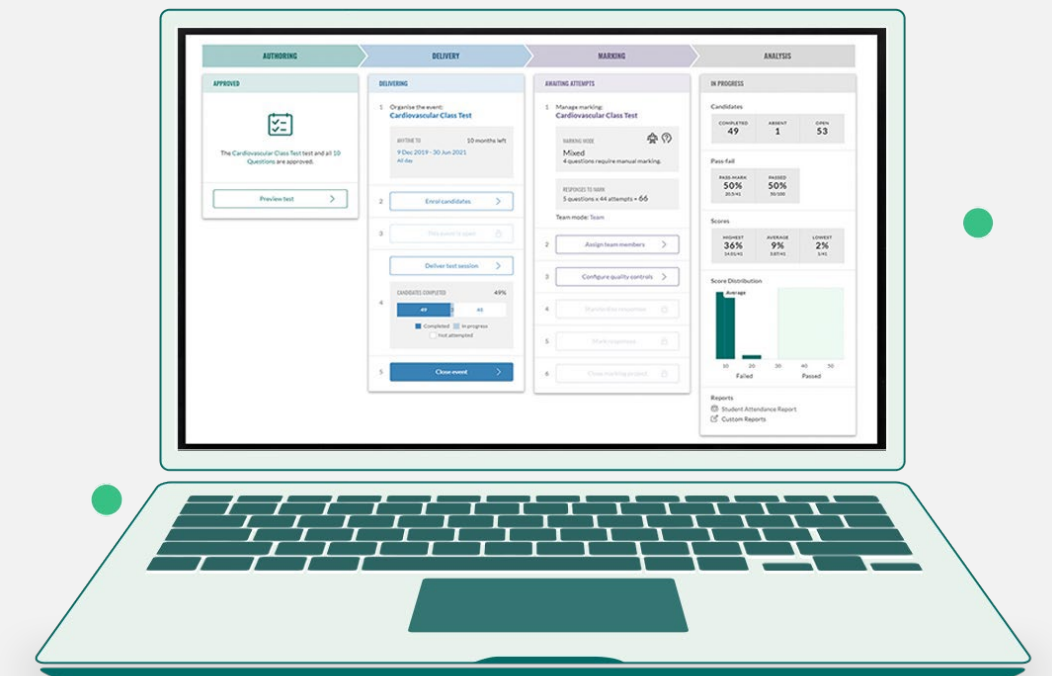
1H23 Business Update.



Solutions: Record new client wins in 1H23.

New platform client wins in 1H23 with Total Contract Value of \$3m+ and proven track record of 'land and expand':

- Cambridge University Press and Assessment – global strategic partnership including Selective High Schools exams won in 1H FY23 and being administered by Janison in 2H FY23.
- Royal Geographical Society – Australian Geography Competition to be delivered in 2H FY23.
- Financial Services Institute ("FINSIA"): won & implemented in 1H23
- Sydney Catholic Schools – religious education assessments: delivered in 1H23



Signed



CAMBRIDGE
UNIVERSITY PRESS
& ASSESSMENT

Signed



Sydney Catholic Schools

Signed



FINANCIAL
SERVICES
INSTITUTE
of Australasia

Signed



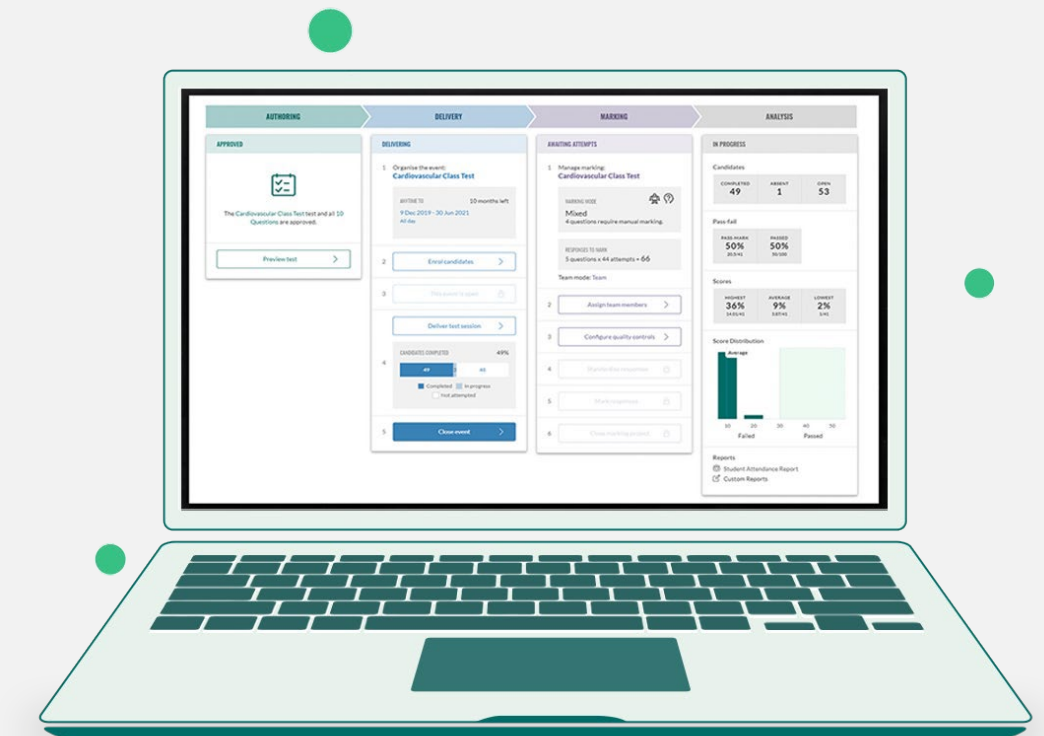
Royal Geographical
Society

Solutions: Check-in assessment wins NSW Premier's award for innovation.

Janison's relationship further strengthens in NSW Dept. of Education

Announcement by NSW Minister for Education Hon Sarah Mitchell:

“Following the success of the Check In assessments, additional on demand, online assessments and improvements to the existing tests are currently in development. The new Check In assessments will expand beyond reading and numeracy to support teachers to implement the new NSW curriculum.”

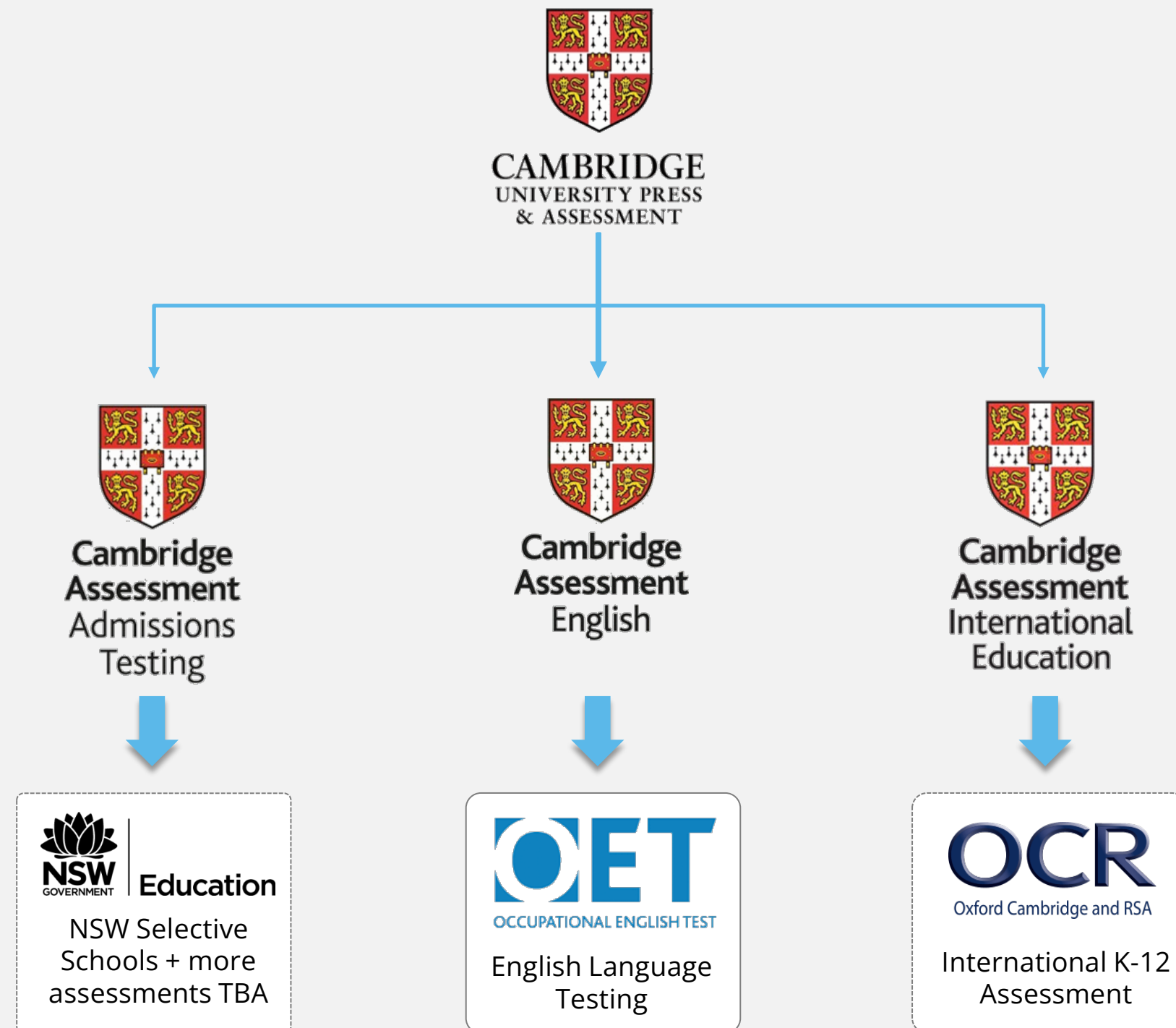


This program of work is to be delivered on Janison Insights digital assessment platform, with pilots beginning in the coming months.

Results from the NSW Government's innovative Check-In assessments have given thousands of teachers the information they need to help students catch up on COVID disruptions during 2020 and 2021.

Expansion of NSW Dept. of Education relationship includes further extension and enhancement of professional learning platform (MyPL)

Solutions: Cambridge partnership now launched across all 3 business units.



- Partnership initiated with Cambridge University Press & Assessment ("CUP&A") in 2020 demonstrated joint capability.
- Proven success with global reach was the catalyst for CUP&A expanding its relationship with Janison, leading to a global MSA signed in 1Q23.
- Secured global (English BU) Occupational English language Test ("OET").
- Secured global (International Education OCR BU) 'GCSE Marked Mock' commenced 29th January 2023; minimum 32,000 tests expected p.a. initially across 8 countries; 24/7 international use of the Janison platform. Further products to be announced.
- Expansion of (Admission Testing BU) NSW Selective Schools program for 2H FY'23 and FY24.

Assessments: New exclusive ICAS partnership signed with prestigious Australian university (TBA).



Return to pre-pandemic schooling and new brand partnership expected to drive ICAS volumes back towards historical levels over the medium-term

ICAS delivered \$6.1m revenue in 1H23, +\$0.8m higher than 1H22.

New exclusive multi-year partnership signed in 1H23 with a Group of Eight Australian university for co-branding of the 2023-24 ICAS competition and national deployment of REACH.

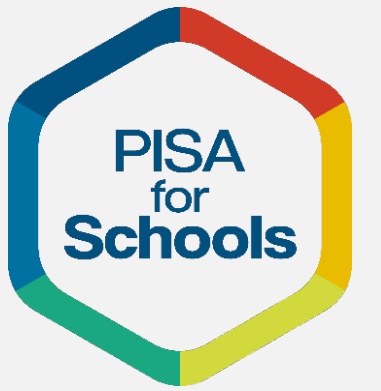
Since acquisition of QATs and AAS (acquired Q2 FY22):

- \$3.6m in revenue in 1H23
 - 10% organic growth
- 10% customers digitised
- \$0.5m cost synergies

RiSE+ parent insights platform launched into product-market fit phase in 1H23.

\$0.1m new, high-margin ARR 1H23 with moderated investment.

PISA for Schools: India joins PBTS. Decision processes are regaining momentum after a period of risk aversion.



National Service Provider (NSP) Update

- ~500 schools signed on for PISA for Schools under the National Service Provider (NSP) program
- NSP agreements extended for 2 years in all 3 regions: UK, Australia & USA until 2025
- New dedicated specialist sales resources recruited within UK and USA

International Platform Provider (IPP) Update

- Janison executing PBTS in India, Indian schools testing in 2023. PBTS now sold into 12 countries.
- New IPP growth slower than anticipated. 2 additional countries expected to sign in FY23, Kazakhstan renewed and grown 200 to 1,000 schools, Brazil grown to 650 schools
- Ministry of Education events in Spain (Sep), Portugal (Oct), and Brazil (Oct) expected to drive additional growth in CY23/24.

Other PISA-Based Test for Schools (PBTS) News

- Harvard University Maths program partnership with Janison
- Cognita Schools Group (37 schools, 11 countries)
- In discussions with OECD to extend existing master agreement and launch other programs
- Various PBTS business development underway across UK, Europe and Asia

Operations: UK & European footprint expanding in 2023.

Market expansion into Janison's key markets – UK and Europe is progressing with targeted, disciplined investments and resources to lay the foundation for future growth.

Janison's presence in the UK dates back to 2010 and includes; British Council - APTIS, IDP, University of London, Office of Immigration and PISA for Schools UK.

Now, anchored on the Cambridge University Press & Assessments contract, Janison is proceeding with targeted investment in the UK and EMEA (marketing, pre-sales and event delivery support) to deliver for existing customers and accelerate growth in Solutions and PISA for Schools via:

- Group Executive for PISA for Schools / Chief Academic Officer relocated to the UK
- Janison Solutions Business Unit Head relocating to the UK, with local recruitment of key roles during 2023
- Specialist sales resources added to key markets - UK and USA
- Enhanced capability to support EMEA region

Executive Summary 1H23 Highlights.



J.

End.