



The Manager
Company Announcements
Australian Securities
Exchange Level 5, 20 Bridge
Street
SYDNEY NSW 2000

Dear Sirs,

ASX Code: JAN

FY18 Half Year Results -- Six months trading to 31 December 2017

Sydney, 22nd February 2018 – Janison Education Group Limited today provided its FY18 half-year financial results and operational highlights for the period.

Review of operations

The results presented in these financial statements reflect the operations of Janison Education Group Limited and all subsidiaries (together the “Group”) for the six months from 1 July 2017 to 31 December 2017, and for the prior comparative period (‘pcp’) for the six months from 1 July 2016 to 31 December 2016.

For the half year ended 31 December 2017, the Group delivered strong platform revenue growth of 38% which combined with broadly flat operating expenses to produce an operating profit (Trading EBITDA) figure of \$2.1m, up 29% on the pcp.

Group revenue was \$8.4m for the period, up 16% compared to the pcp. The majority of the Group’s revenue growth during the half year ended 31 December 2017 was driven by growth in annuity platform revenue, generated from the use of the Janison digital assessment and learning platforms. The average platform revenue per customer during the period increased to \$80k from \$60k in the pcp.

Gross profit for the period was \$3.6m, up 12% for the period. This represents a Group gross margin of 43%, compared to 45% in the pcp. Gross margins are affected by mix of revenues and types of customers. Highest margins are generated by mature client platform customers who pay for the use of Janison intellectual property.

As a consequence of the capital raising and reverse acquisition transaction which was completed in December 2017, the Group’s reported net results include \$27.5m of transaction related expenses (\$24.7m non-cash) which is not representative of the ongoing operations of the company.

Growth in Revenue and Trading EBITDA

The Group delivered a positive net operating profit (Trading EBITDA) of \$2.1m for the six months ending 31 December 2017 compared to a Trading EBITDA for the twelve months ending 30 June 2017 of \$3.0m in the prior year financial ending 30 June 2017. This can be shown as follows:

Financial Summary - Prior Full Financial Year				
(A\$000s)	12-mths FY 16	12-mths FY 17	% Growth	6-mths H1 FY 18
Learning Revenue	5,443	6,571	21%	3,421
Assessment Revenue	5,161	7,772	51%	5,000
Group Revenue	10,604	14,343	35%	8,421
Trading EBITDA⁽¹⁾	1,785	2,988	67%	2,064
Operating Cash Flow	2,120	(734)	-\$2.9m	2,520

⁽¹⁾ Trading EBITDA is defined as earnings before interest, income taxes, depreciation, amortisation and non-trading items. The Group's Interim Financial Report includes a reconciliation of net results to Trading EBITDA.

The Group's positive Trading EBITDA is reflected in its positive gross margin and operating cash flow. Importantly, the company finished the reporting period with a strong balance sheet with no debt and \$6.7m in cash.

The growth trends continued when looking at the six months trading when compared to the previous corresponding period. This is as follows:

Financial Summary - FY18 Half-Year Results			
(A\$000s)	6-mths H1 FY 17	6-mths H1 FY 18	% Growth
Platform Revenue	3,803	5,257	+38%
Project Services Revenue	3,487	3,164	-9%
Group Revenue	7,290	8,421	16%
Trading EBITDA⁽¹⁾	1,597	2,064	+29%
Operating Cash Flow	(1,246)	2,520	+\$3.8m

⁽¹⁾ Trading EBITDA is defined as earnings before interest, income taxes, depreciation, amortisation and non-trading items. The Group's Interim Financial Report includes a reconciliation of net results to Trading EBITDA.

Janison's core focus is to build Platform Income to leverage the significant investment in software IP and therefore generate higher margins.

Project Services revenue represents fees paid by new and existing clients for platform implementation and customisation services. These revenues will fluctuate depending on individual customer needs and the services team will shift between client paid work and Janison IP enhancements (including new products) depending on utilisation.

Half Year Highlights

- Record Group Revenue for H1 FY18 of \$8.4m including:
 - \$5.3m of Group Platform up 38% as against the prior year corresponding period;
 - Janison Assessment Platform Revenue up 59% against the pcp;
 - Janison Learning Platform Revenue up 26% against the pcp;

- New blue chip client wins during the period;

- Increase in platform revenue per customer during H1 FY18 to \$80,000 from \$60,000 in the pcp;

- Enhanced leadership capability via successful recruitment of key managers joining the executive team; and

- Investment in new products to target key growth markets for digital assessment (schools, tertiary & accreditation bodies). Future investments will develop new products that will take advantage of artificial intelligence for digital assessment marking and mobile delivery support modules.

Investment in First Class Leadership Team

Janison is pleased to announce it has appointed Derek Welsh as the Chief Commercial Officer. Derek comes from a distinguished career transforming learning most recently as CIO for Angus Knight Group and prior as Executive General Manager for SumTotal. Derek will be responsible for the Group's international business development.

Janison has also recently appointed Sandy MacDonald as the Head of Operations to optimise infrastructure and hosting and Tarhlae Gard as Human Resource Manager who joins the team to focus on people development and engagement.

Additionally, in February 2018, the Group's founder Wayne Houlden will be relocating to London to build out Janison's European presence, leveraging off its existing client relationships and operations in the UK and Europe.

Investment in New Products

Janison's strategy is investing in new product software to meet current and market demands in the education sector.

As described in the Prospectus, the Group is investing some of the proceeds from the ASX listing into new functionality and products that can be taken to market and sold on a software-as-a-service basis.

Some of the new products are focused on the digital testing market and aim to provide solutions for tertiary institutions leveraging Janison's advancements in artificial intelligence marking and mobile delivery platforms.

About Janison Education Group

Janison is an education technology pioneer transforming the way people learn and provides two primary offerings in the education technology industry.

- **Janison Learning** – a leading integrated learning business that is used by large enterprise and government departments to build capability in their people.
- **Janison Assessment** – a leading global platform for the provision of digital exam authoring, testing and marking which is sold to national education departments, tertiary institutions and independent educational institutions.

Contacts

Should investors require further information please contact:

Andrew Whitten
Company Secretary
C/o Whittens & McKeough
Telephone: +61 2 8072 1400