

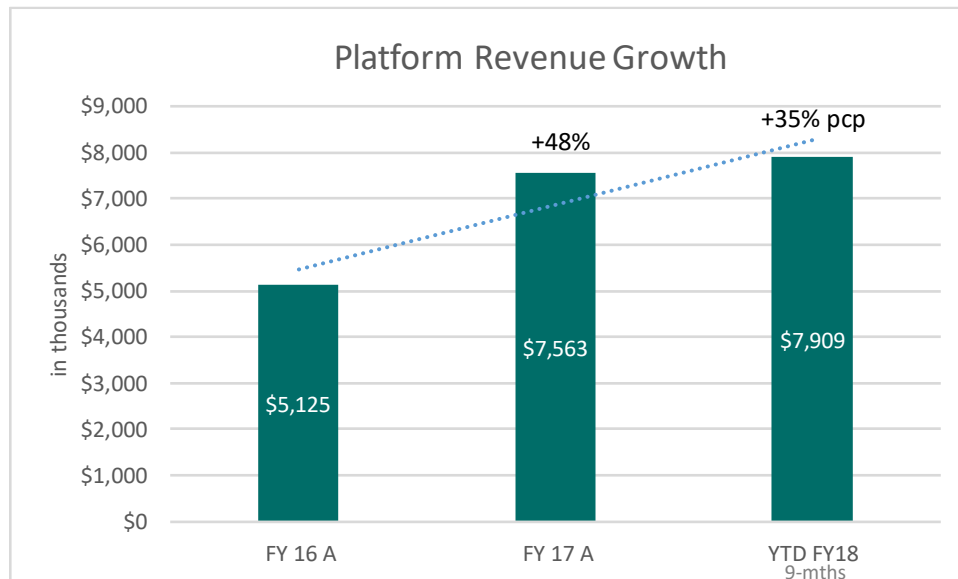
Commentary for the Quarter Ending 31 March 2018

Janison Education Group Limited (ASX: JAN), the education technology pioneer transforming the way people learn, today announces its Q3 cash flow statement (Appendix 4C) for the financial year 2018 ("FY18") and a trading update for the financial year-to-date.

Trading Highlights

- ✓ YTD Platform Revenue growth of +35% from the pcp.
- ✓ YTD Trading EBITDA of \$2.8m up +18% from the pcp.
- ✓ Continued focus on delivery of projects for large Assessment clients, including preparing for the NAPLAN event scheduled in May 2018 which will involve over 200,000 students using our assessment platform to sit their exams.
- ✓ Continued investment in new products and enhancements to the existing product primarily focused on adding features and functionality to the assessment platform.
- ✓ Sales this quarter focused on existing Australian and international customers.
- ✓ Recruiting and on-boarding key leaders to drive the Business Development function was a key focus during the quarter.
- ✓ In April, the Group announced the acquisition of an award-winning learning content business, Ascender Learning, to complement the integrated learning solution for large enterprise companies.

During the Group's first full financial quarter since its recent reorganisation and capital raising, growth in platform revenue continues to show strong growth against the prior year for both the quarter (+29%) and YTD (+35%). Management plans to continue to invest in platform enhancements and new products with the objective of maintaining strong platform revenue growth.

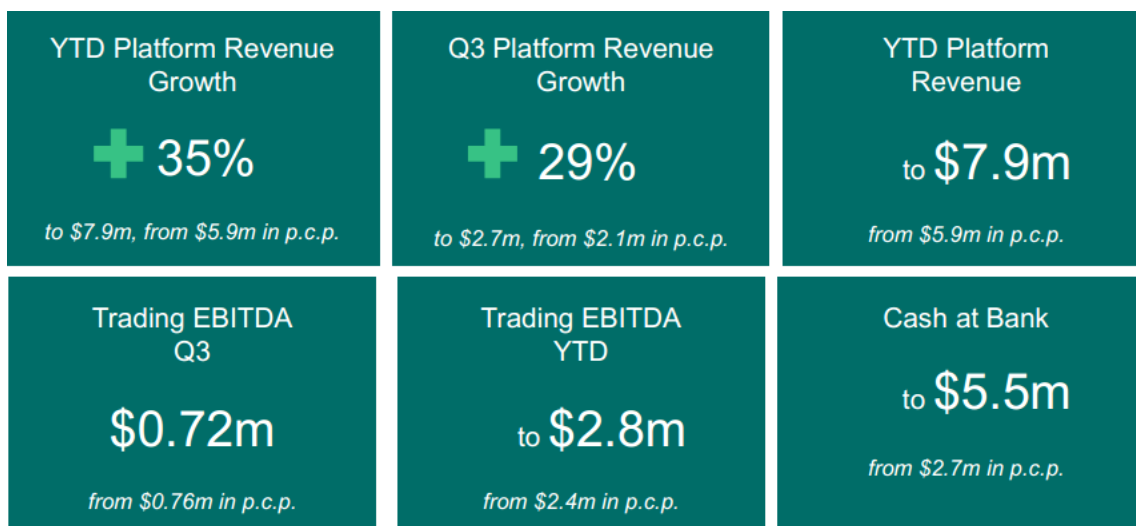


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Financial Update (quarterly and YTD figures are unaudited):

Total revenue for the nine months YTD was \$12.5m with Platform Revenue continuing to grow strongly to \$7.9m YTD. The Group invested in building additional product functionality in Q3 and will continue to do so into Q4 and FY19, in line with the use of funds statements issued in conjunction with the recent capital raising.

In Q3, Trading EBITDA generated after new investment was \$0.72m and Trading EBITDA YTD was \$2.8m.



Financial Summary - Prior Full Financial Year and FY18 YTD				
(A\$000s)	12-mths FY 17	9-mths YTD FY17	9-mths YTD FY18	Growth
Learning Revenue	6,571	4,855	5,294	9%
Assessment Revenue	7,772	6,190	7,254	17%
Group Revenue	14,343	11,045	12,548	14%
Trading EBITDA⁽¹⁾	2,988	2,361	2,785	18%
Operating Cash Flow	(734)	181	1,920	+\$1.7m

(1) Trading EBITDA is defined as earnings before interest, income taxes, depreciation, amortisation and non-trading items. The Group's Interim Financial Report for H1 2018 provides a description of the non-trading items.

The Group's positive YTD Trading EBITDA reflects healthy gross margin and positive operating cash flow. Thanks to the Group's history of positive operating cash flows and the recent capital raising (December 2017), Janison's balance sheet is strong with no debt and \$5.5m in cash. We are investing cash in our product by building specific functionality for the purposes of generating long-term platform income.

Financial Summary - FY18-3rd Quarter and YTD as of 31 Mar 2018						
(A\$000s)	3-mths Q3 FY 17	3-mths Q3 FY 18	Growth	9-mths YTD FY17	9-mths YTD FY18	Growth
Platform Revenue (2)	2,051	2,651	29%	5,854	7,909	35%
Project Services Revenue	1,705	1,475	-13%	5,191	4,639	-11%
Group Revenue	3,756	4,126	10%	11,045	12,548	14%
Trading EBITDA(1)	764	717	-6%	2,361	2,785	18%
Operating Cash Flow	1,365	(600)	-\$2.0m	181	1,920	+\$1.7m

(2) Platform revenue includes license and hosting fees, content license fees and platform maintenance fees.

Cash Flow Update

Operating cash flow for the March quarter was negative \$600k reflecting changes in working capital, including increased accounts receivable related to projects in process and increased supplier payments.

The company's working capital fluctuates between quarters depending on the timing of milestone payments received from customers on software development projects combined with relatively large annual or quarterly payments to suppliers of content licenses and hosting services.

Q3 cash receipts from customers totalled \$3.6m. From quarter to quarter some large milestone payments for software development project services can occur for large assessment clients depending on the status of the build project or in some circumstances large learning clients' platform fees change payment timing profile.

YTD operating cash flows for the nine-months ended 31 March 2018 totalled \$1.9m compared to \$181k in the pcp reflecting higher cash receipts from customers partially offset by higher payments to suppliers and staff.

YTD cash flows used in investing activities totalled \$3.2m and included primarily investment in new product software intellectual property, and the payment of \$2.6m of transaction costs related to the December 2017 Janison ASX listing.

YTD cash flows generated by financing activities totalled \$5.4m and included the positive impact of the successful capital raising of \$9.3m of new capital (net of issuance costs), offset by the repayment of shareholder loans and the payment of a dividend early in the financial year to the vendor prior to listing.

The Group's cash balance as of 31 March 2018 remains healthy at \$5.5m compared to a balance of \$1.4m as of the beginning of the financial year.

Estimated cash outflows for the June 2018 quarter reflect a continuation of the Group's business plan to invest in business development personnel and platform improvements to drive future growth. Section 9 of Appendix 4c does not allow for an estimate of customer receipts for Q4 and as such have not been stated.

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.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Janison Education Group

ABN

90091302975

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year-to-date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,584	13,164
1.2 Payments for		
(a) research and development	(398)	(1,005)
(b) product manufacturing and operating costs	(1,347)	(3,121)
(c) advertising and marketing	(33)	(120)
(d) leased assets	(59)	(242)
(e) staff costs	(2,095)	(6,194)
(f) administration and corporate costs	(366)	(1,120)
1.3 Dividends received (see note 3)	-	
1.4 Interest received	9	25
1.5 Interest and other costs of finance paid	-	(82)
1.6 Income taxes paid	-	468
1.7 Government grants and tax incentives	100	100
1.8 Other (provide details if material)	5	47
1.9 Net cash from / (used in) operating activities	(600)	1,920

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(36)
(b) businesses (see item 10)	(423)	(2,586)
(c) investments	-	
(d) intellectual property	(301)	(913)
(e) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year-to-date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	153
	(b) businesses (see item 10)		-
	(c) investments		-
	(d) intellectual property		-
	(e) other non-current assets		-
2.3	Cash flows from loans to other entities		-
2.4	Dividends received (see note 3)		-
2.5	Other- <i>Termination of Term Deposit</i>	150	147
2.6	Net cash from / (used in) investing activities	(579)	(3,235)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	10,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(657)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(2,895)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	(1,000)
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	5,448

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	6,670	1,358
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(600)	1,920
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(579)	(3,235)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,448

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Consolidated statement of cash flows		Current quarter \$A'000	Year-to-date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	5,491	5,491

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	5,491	6,670
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,491	6,670

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

(183)

-

Details of Item 6.1:

Board of director salaries \$146k

Office lease payments made to Exec Board Member \$54k.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

54

-

Details of Item 7.1:

Office lease payments made to Exec Board Member \$54k.

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other Bank Overdraft Facility (unsecured)	750	-0-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	325
9.2 Product manufacturing and operating costs	1,400
9.3 Advertising and marketing	47
9.4 Leased assets	75
9.5 Staff costs	2,300
9.6 Administration and corporate costs	380
9.7 Other (provide details if material)	0
9.8 Total estimated cash outflows	4,527
Note: Item 9. Above excludes cash inflows, including cash receipts from customers estimated for next quarter.	

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	NA	NA
10.2 Place of incorporation or registration	NA	NA
10.3 Consideration for acquisition or disposal	(423)	NA
10.4 Total net assets	NA	NA
10.5 Nature of business	NA	NA

Details of Item 10.3:

Payment of transaction costs related to acquisition and reverse take-over of HJB Limited

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2018

Company secretary

Print name: Andrew Whitten

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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