Janison.

Annual Report 2021

FY21 Highlights

6.5M+

Assessments delivered in FY21 across 117 countries

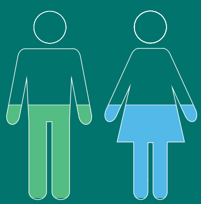
ICAS growth ahead of target

290,000+

ASSESSMENTS DELIVERED IN 1H21

Janison accredited as National Service Provider of PISA for Schools in the UK, Australia and USA

Gender Diversity



50% 50%

$30M

OPERATING REVENUE

+38%

$23M

ANNUALISED RECURRING REVENUE

+75%

$18.3M ASSESSMENT ARR

55%

GROSS PROFIT MARGIN

+9PPS

$23M

CASH ON HAND

+109%

$3M

EBITDA

+21%

Contents

Janison Overview

Our purpose is to unlock the potential in every learner.

Our team of dedicated educators, technologists and change agents empower teachers, students, professional accreditation bodies and governments to achieve meaningful educational outcomes by measuring knowledge and progress.

Janison's assessment platform and products provide key insights through real-time analytics designed to inform targeted teaching and data-driven intervention strategies.

Founded 20 years ago, we are an award-winning Australian owned, publicly listed edtech pioneer delivering more than 27 million assessments since inception in over 117 countries.

Our technology supports our 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 solutions offers life-changing opportunities in education and work.

Janison has an exclusive knowledge partnership with the Organisation for Economic Co-operation and Development (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 globally. Janison powers the test in currently 15 countries including Australia, the UK and the US.

Janison also proudly delivers ICAS Assessments, a suite of school tests including the renowned ICAS competition. The tests give an independent, objective, and contemporary perspective on curriculum-based skills. ICAS Assessments delivers powerful data to enable schools to make key teaching decisions as well as inspire students to stretch themselves.

We continue to forge a reputation for forward-thinking, robust solutions and surpass expectations in the digital transformation of assessments. It's a journey we're dedicated to taking.

Janison's platform customers and products

ICAS assessments

PISA for Schools

BRITISH COUNCIL

Cambridge Assessment

CHARTERED ACCOUNTANTS AUSTRALIA + NEW ZEALAND

idp

NAPLAN NATIONAL ASSESSMENT PROGRAM Literacy and Numeracy

NSW GOVERNMENT Education

UNIVERSITY OF LONDON WORLDWIDE

SEAB

Westpac

Janison's statistics

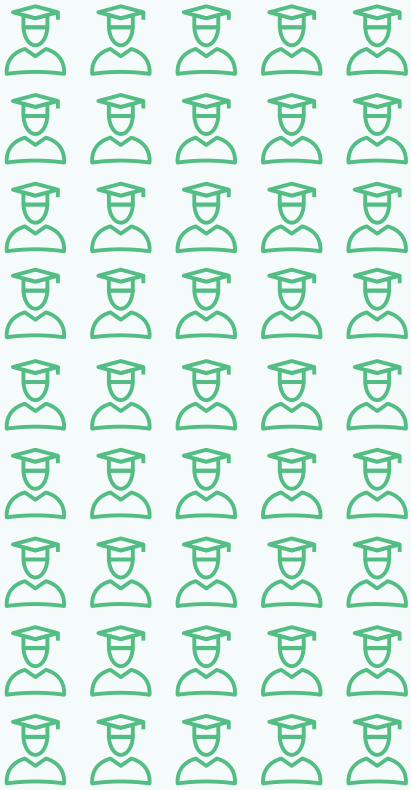
Janison is a global market leader in digital assessments and testing

117+

COUNTRIES

>200K

REMOTE PROCTORED EXAMS



4.5M+

STUDENTS

6.5M+

DIGITAL ASSESSMENTS

160

EMPLOYEES

What makes Janison unique

Purpose-led

Janison is driven by its purpose to unlock the potential in every learner via the digital transformation of assessment.

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, 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.

Social impact

Clients and educators transitioning from managing paper exams to the streamlined processes of Janison's online assessment platform benefit from substantial time and cost savings, as well as reducing their impact on the environment through paperless exams and transportation miles.

Our founding ethos is to enable equitable access to education for all, giving learners a fair and consistent experience whether they are in the heart of a city or in one of the world's most remote locations.

Proven track record of technology at scale

From the earliest days of the internet, we've been achieving world-firsts in education technology at scale.

We're trusted by educators and governments to deliver over 6.5 million online assessments across 117+ countries annually.

Janison is the technology powering NAPLAN Online - the annual Australian school assessment and the world's largest digital assessment. In 2021 Janison's platform supported 900,000 students with 197,000 concurrent users processing 32,000 transactions per second.

Strong relationships with 100% retention

Our happy customers keep coming back for more. 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 for our assessment platform clients to date.

Australian born. Global presence

Janison is an Australian-owned, ASX-listed education technology pioneer whose team of experts and developers innovate online assessment and learning solutions for forward-thinking corporations, governments, and education bodies around the world.

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 schools, principals and teachers – making student testing experiences positive, and delivering insightful, relevant data to enable real classroom impact.

Agile products

Janison's product suite brings powerful benefits to a breadth of exacting and industry-specific assessment scenarios within Schools, Higher Education, Government and Enterprise. What's more, our solutions are highly configurable and can tailor to almost any exam context.

Unparalleled functionality

Our technology experts have a track record of anticipating what tools educators will need next, creating forward-looking functionality and features to enhance and streamline assessment workflows and deliver deep data.

Our people

An exceptional leadership team, each with a proven track record in building and scaling companies.

Supported by a team of approximately 200 people, headquartered in Sydney, Janison is comprised of one third educators, one third technologists and one third corporate experts.

Wayne Houlden

Founder and Vice Chairman

David Caspari

Chief Executive Officer

> Just as Janison the company is unique and exceptional at what it does, its people and the bonds between them are unique and exceptional, too. Breaking new ground in our industry means that we attract a kaleidoscope of personalities, as quirky brilliance takes many forms. No matter your story it's a work culture that authentically embraces your uniqueness and nurtures your honesty and ideas.
>
> – David Caspari, CEO

Stuart Halls

Chief Financial Officer

Amy Barouch

Group Executive,
Educational Assessments

Derek Welsh

Chief Operating Officer

Sara Ratner

Group Executive
PISA for Schools

Tom Rustowski

Chief Revenue Officer

Denise Hanlon

Chief People Officer

George Gorman

Chief Technology Officer

Rebecca Niemiec

Head of Customer &
Event Support

Matt Wolf

Head of Product

Global view

We operate in a global market for digital assessments. The addressable market includes schools, governments, accreditation bodies and higher education institutions.

Spending on EdTech and digital expenditure is expected to grow by 2.5x between 2019 and 2025 to reach a total market size of $550 billion. This represents approximately 5.5% of the total spend on education globally. Schools, universities and colleges are still at the early stages of their digital adoption journey.

As a result of COVID-19, the estimated market size for EdTech has expanded by a further $85 billion in the past year. The short-term increase in spending through COVID is expected to remain in the long term as education departments uplift infrastructure capability to provide the devices and networking standards required for digital adoption.

Janison's addressable marketplace consists of two distinct channels:

- Direct to consumer - either student or parent
- B2B/B2G - Schools, professional accreditation bodies, state & national education departments globally.

Janison specialises in high-stakes high-volume digital assessment platforms for which there are few competitors able to offer comparable levels of scale, reliability, and exam integrity with demonstrated success with governments and esteemed education institutions.

Janison's assessment products include ICAS which has been celebrating academic performance for 40 years this year, and PISA for Schools which is developed and backed by the OECD and being rolled out exclusively on the Janison platform around the globe.

America

3%

Janison began delivering online assessments in the US in 2020 when it became accredited by the OECD as the National Service Provider of PISA for Schools in the region. It is also the exclusive platform provider of the assessment in Brazil.

EMEA

10%

Janison has expanded into the EMEA region through a number of new European customers and expansion of its PISA for Schools digital assessment.

Asia

10%

In FY21 Janison delivered its flagship ICAS assessment to schools across a number of Asian countries including Malaysia, Singapore, Hong Kong and the Philippines. The global application of this assessment and its digital delivery enables a vast addressable market for this product.

Australia & NZ

77%

At home, Janison saw substantial growth in revenue from the delivery of ICAS and other online assessment platform clients, despite the impact of COVID-19 on traditional in-person exam delivery services.

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.

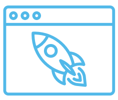
1998

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

1999

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.

2005



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.

2010

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.

2011

10,000

100,000 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.

2016

Our online assessment platform continues to deliver successes and transformative education insights for government department clients. We rename it Janison Insights.

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 dropouts.

2017

Janison lists on the Australian Stock Exchange (ASX) with a market capitalisation of approximately $60 million. It follows a successful $10 million capital raising to fund our global growth initiatives.

2018

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 per cent of the 668,529 individual tests are completed successfully online, and with no slowdowns – earning international attention for Janison.

2019

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

2020

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.

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

Acquisition of 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.

2021

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.

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.

Our purpose

To unlock the potential in every learner.

Janison was founded by a teacher who had 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 consequences – including access to the most effective possible pathway through schooling and beyond. Through our technology, we equip educators with the tools and data to enable this level of impact on every learner.

Janison's 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.

Focused growth drivers

Janison's FY25 horizon growth model is supported by three major drivers, these include:

PISA for Schools

Exclusive partnership with the OECD to deliver across 90+ countries, large total addressable market (TAM) and cross-sell opportunities.

ICAS Assessments

A suite of esteemed school assessments with a 40-year history, sold to 50% of all Australian schools and 15 countries since inception, with global application.

Janison Insights, online assessment platform

Increasing scale benefits, high-margin and ARR from platform customer acquisition and expansion.

Product innovation and acquisitions will provide additional assessment products and revenue for an additional layer of revenue growth into FY25.

> **94% of exam bodies say candidates' academic performance improved after online assessment technologies were incorporated into the educational system**

Janison's response to COVID-19

> In 2020, 1.5 billion students in 188 countries were locked out of their schools causing massive disruption to their learning. – Andreas Schleicher, OECD.

Business continuity

When Australia's pandemic response and lockdowns began in early 2020, we had already been leading the way in remote-working practices and our products live entirely in the cloud, which means they are protected from the physical effects and can run autonomously.

All of this means that we were and still can seamlessly transition to fully remote working for all staff and remain online for all customers across 117+ countries around the world.

Delivering the ICAS 2020 event beyond expectations

Our commitment to safeguarding equitable access to education was a key driver behind our decision to extend the ICAS assessment window in 2020.

The extension allowed school children in locked-down states to still participate in this annual milestone competition.

ICAS 2020 delivered beyond expectations, 290,000 tests administered and a 98% improvement in customer satisfaction with seamless test event delivery.

Our enhanced offering: remote online proctoring

To ensure education continuity amongst our clients, Janison delivered a remote proctoring solution, Janison Remote in FY21.

This allowed exams to continue to run in the safety of students' homes across the Czech Republic and high-stakes exams to run remotely for the University of London.

Our hybrid services meant that almost one million school students were able to sit their assessments online and continue their education.

> Through COVID-19 we successfully developed products and acquired new customers to help our business grow and provide teachers with valuable insights into the learning lost amongst students. Government funding made it possible for us to retain all of our people in meaningful employment and endure an incredibly difficult time for our exam management division. – David Caspari, Janison CEO.

> The response from schools to the Check-in package has been fantastic. Feedback from the assessment tool will contribute to the NSW Government's curriculum overhaul, which will see a renewed focus on literacy and numeracy." – The NSW Minister for Education, Sarah Mitchell.

Curtailing Schools' lost learning with a flagship diagnostic assessment

In partnership with NSW Department of Education, we authored and delivered the Check-in assessment to pinpoint learning loss amongst children during school closures.

318,000 tests were completed and we delivered results data into teachers' hands within 48 hours, allowing for immediate teaching interventions. The NSW Teachers Federation union called Check-in an "enlightened approach to assessment", and in early 2021 the Grattan Institute publicly praised the results as the best quality post-COVID schools' dataset to date.

Evaluating the schools' impact of COVID-19 internationally

With our project to deliver the PISA for Schools test in several countries already well underway with the OECD since 2019, in 2020, Janison established a PISA for Schools Sales and Operational team to bolster further international roll-out.

This included delivery of an additional Global Crises Module questionnaire, which uses OECD measurement tools to allow schools to assess the impact of the pandemic on several detailed aspects of their students' learning, including emotional impacts.

Safeguarding our people's wellbeing

Janison strengthened its commitment to the wellbeing of our people throughout the logistical and business challenges of COVID-19 in FY21.

During the rolling lockdowns, nationwide uncertainty, and personal challenges, we ensured there was a continuous two-way communication with our staff, and offered flexible working options, additional days off including RUOK Day Off', care packages, home office support and resources to support our employees' mental and physical health.

Janison's impact on soci environment

"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.

Potential

- Janison's founding ethos is to enable learners to realise their full potential.
- Our software 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 offer learners of all accessibility needs the same opportunities as their counterparts.
- Our technology helps teachers focus their attention, skills, and limited time on what matters most; their students. The branch-testing feature within our assessment platform provides greater depth of results and our reporting is comprehensive and fast-putting rich actionable insights into the hands of educators to develop targeted interventions.

"It is draining. Exhausting. Time consuming. The work never stops."– The Conversation in Aug 2020.

Time

- In Australia every year approximately 10 million teaching hours are consumed in 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.

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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 between markers and administrators.
- We believe we can significantly reduce 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 Janision's assessment platform without the need to print or ship bundles of paper- saving trees, fossil fuels and preserving the environment.

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 Australian communities 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.

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

Governance

Risk Management

We approach risk management as a continual process. We actively manage risks with a carefully constructed view on an appropriate tolerance level for each of the different 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 to feel safe within.

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

Cyber Security and Data Protection are a significant focus and investment for us in a world where 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.

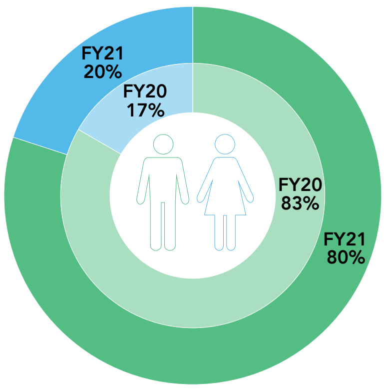
Cyber resilience is the ability to prepare for, respond to, and recover from cyber-attacks. Cyber resilience helps an organisation protect against cyber risks, defend against and limit the severity of attacks, and ensure its continued survival despite an attack.

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 Governments 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.

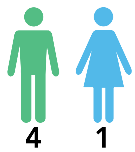
Board

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 composition and performance takes place regularly. Full board biographies can be found on page 40 of this report.

Board Diversity



53
Average age



Average tenure (yrs)
3.6

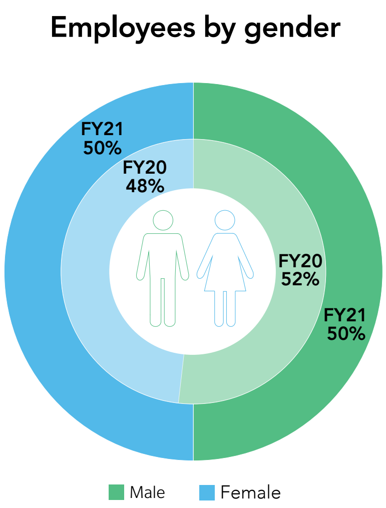
Board Skills Matrix

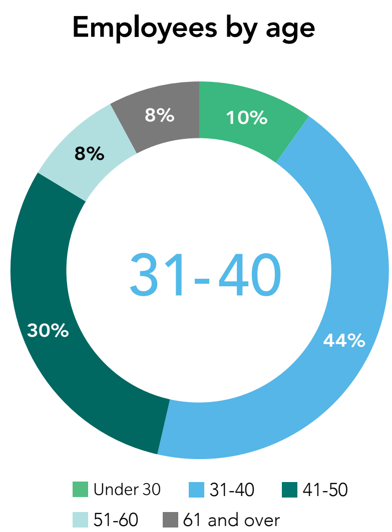
Diversity

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 FY21 we are pleased to have achieved equal balance in one of these key areas - gender diversity.

At 30 June 2021 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 40% 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.





Chairman's review

In FY21 educators have been forced to rapidly transition to digital technologies. We believe this transformation, and the benefits it brings, are here to stay.

Dear Shareholders,

Significant changes have taken place in the way education is delivered and assessed globally over the past year. Schools, parents, accreditation bodies and educators of all types have adapted to digital technologies more rapidly than ever before to maintain the necessary level of teaching and assessment among students. Born of technology and the thirst for knowledge, Janison has supported educators as they tackle these changes, as well as capture the benefits of delivering online assessments.

The COVID-19 pandemic has impacted students around the world - both academically and mentally, because of distance learning and isolation from teachers and fellow students. As the Chair of Janison, I am comforted in the knowledge our suite of products and comprehensive reporting tools have helped educators identify students most in need of assistance and understand what interventions are required. This is particularly important when the students most affected are often those less affluent, or less advantaged, than others. Helping every learner realise their potential is our purpose, with a strong emphasis on 'every' as the operative word.

Janison's suite of products and comprehensive reporting tools have helped educators identify students most in need of assistance.

In supporting learners and educators around the world, Janison has grown immensely during the financial year FY21. Most notably is the growth in Janison's digital assessment platform, and the associated services to support remote exam delivery. Educators around the globe relied upon Janison to help administer more than 6.5 million assessments in over 117 countries from any location including the home.

Looking ahead

Looking into the future, we see education, and assessments, continue to be digitised as the need for business, and learning, continuity within these uncertain times prevail, but also as educators begin to experience the incredible benefits achievable with online assessments and the rich insights they can provide.

Together with our partner, the OECD, Janison is expanding its footprint with the digital delivery of PISA for Schools – a one of a kind assessment built by the OECD on the main PISA study scales. The online assessment provides exceptional global benchmarking data on both cognitive and emotional topics to help provide invaluable insights to schools around the globe who are grappling with understanding student performance particularly over the past year. We are confident demand for this product will only increase further into next year and beyond.

Capital raise

Our confidence was echoed by our shareholders in June and July 2021 when Janison completed a very successful and heavily oversubscribed placement and share purchase plan (SPP) raising A$18 million before fees.

This new capital provides Janison with the ability to accelerate its growth objectives and provide the financial flexibility to pursue strategic investments including the ongoing innovation to retain a market-leading position for high-scale, high-stakes digital assessments.

In FY21 and continuing into next year we will also invest in enhancing our security features to ensure our customers continue to have peace of mind and trust Janison to safeguard their data and deliver highly secure digital exams.

ESG

As we scale and mature as a business, our focus has turned to the impact Janison makes on the world in which we do business. This work encompasses the lives of our learners, the broader environment, and our community. Earlier in this report I am pleased to present our inaugural statement of social and environmental impact outlining the difference Janison is making through the products and services it provides. We also begin to report on some of the key governance topics critical to maintaining the business' success.

We will continue to enhance our reporting on corporate governance and our commitment to excellence in execution.

Diversity and inclusion

We strive to acknowledge and appreciate all forms of diversity at Janison and we actively celebrate diversity. We believe in doing so we provide the psychological safety every person deserves at work. When people feel genuinely welcomed and supported, we believe it creates the optimal environment for individuals and teams to thrive and perform at their peak. During the year we have implemented a number of cultural events to celebrate diversity and worked closely with Janison's executive leaders to embed this philosophy into our day-to-day operations.

Summary

In conclusion, FY21 was a fantastic year for Janison and I could not be more proud of our people, our leaders, directors and everyone involved in making this year such a huge success for our customers and our shareholders. Despite the challenges brought on by the pandemic, we managed to navigate carefully and execute our plans flawlessly.

The digital transformation taking place locally and across the world is providing Janison with an immense opportunity to support educators as they emerge post-pandemic with the tools to help learners realise their potential.

Thank you to our customers, partners and shareholders for supporting Janison throughout the year and we look forward to our continued success.

Sincerely,

Mike Hill
Chairman

CEO's review

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

Dear Shareholders,

It is my pleasure to present Janison's operational and financial results for FY21. It has been a very successful year, one which I am proud to have led, along with the support of an amazing team.

Janison's purpose is to unlock the potential in every learner. The team at Janison are passionate about empowering teachers, students and governments to achieve better educational outcomes using our digital assessment platform and assessment products.

In an environment where current assessment practices are not fully preparing students for the next century of work, our assessments are authentic, provide greater student insights, and give more reliable data within a faster timeframe; and our tech platform supports a commitment to equity and accessibility for all. Notably, 94% of exam bodies say candidates' academic performance improved after online assessment technologies were incorporated into the educational system.

From regional NSW to an ASX-listed company headquartered in Sydney, Janison is a trusted edtech partner of governments, schools, accreditors and educators around the world. We are an Aussie success story, now thriving on the global stage by delivering more than 6.5 million best-in-class assessments annually.

I look forward to helping more schools, parents and education departments unlock the potential in every learner next year and beyond.

Financial Performance

I am encouraged by key financial performance indicators, most notably;

- +38% Revenue growth vs. prior corresponding period (pcp)
- +117% Assessment ARR growth vs. pcp
- +55% gross profit margin (+9% YoY) vs. pcp
- $23m cash on hand (+109% YoY)
- +21% EBITDA growth vs. pcp

Of particular note is the acceleration of our Assessments ARR, with growth +117% vs. pcp. This growth is heavily weighted towards new clients/products delivered on our standardised assessment platform - Janison Insights. This sales mix and the efficiency it brings is the key driver of FY21 margin expansion. The financial performance and trends demonstrate sound execution of our strategy as we orient towards a product focused SaaS platform business.

Acceleration of PISA for Schools

Our 5-year exclusive agreement with the OECD in the global rollout of PISA Based Test for Schools (PBTS) continues to flourish, and is a showcase of Janison's aspiration and purpose. In FY21 we more than doubled the number of countries enrolled in PBTS to 15. With a strong focus on equity and real world learning, our technology enables it 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 COVID-19, with rolling school closures, we were delighted to be able to continue to deliver PBTS across the globe, including in Russia where we delivered it in 1,750 schools across 6 time zones. We have bolstered our PBTS capabilities, including the scaling of an OECD PISA for Schools team, and we anticipate these investments will result in us rolling out the program in further countries in FY22. As we had foreshadowed at our mid-year update, as the National Service Provider (NSP) in 6 counties we will take greater responsibility for in-country rollout of the full suite of capabilities that enable the delivery of this exciting program (materially expanding Janison's addressable opportunity).

Acceleration of ICAS Assessments Products

Despite the impact of COVID-19, the ICAS competition and REACH progression test in 2020 exceeded our most optimistic ambitions, delivering $5m+ revenue. Critically, with 300,000+ tests administered across 2,500+ schools, we saw a 98% improvement in customer satisfaction as

+38%
REVENUE GROWTH

+117%
ASSESSMENT ARR GROWTH

+55%
GROSS PROFIT MARGIN

$23M
CASH ON HAND

+21%
EBITDA GROWTH ON FY20

a result of market-leading products combined with seamless test or assessment event delivery.

With the successful rebrand of this business to ICAS Assessments in 2H FY21, a range of product enhancements, and a refreshed and enhanced marketing and sales campaign, we are well-placed in our ICAS 2021 plans.

Insights Assessment Platform

We are proud to have supported universities, governments, schools and educators through COVID-19 on our highly configurable, standardised Insights assessment platform.

A key indicator of momentum in our assessments business is the number of tests and candidates. With successful NAPLAN Online delivery in 2H, as well as other successful global events, Janison delivered more than 6.5m+ tests for the full financial year, well ahead of management expectations of 5m+.

A significant highlight is the partnership with the Department of Education (DoE) in New South Wales for the 'Check-In' program where Janison's assessment platform, 'Janison Insights' assisted schools in identifying learning gaps for nearly 650k+ school children across NSW who had their schooling disrupted by the global pandemic. The assessment drew widespread praise, including from Minister for Education Sarah Mitchell who commented, "The response from schools to the Check-in package has been fantastic." COVID-19 permitting, the Check-In program will be expanded for 2021.

Other customer highlights include the delivery of the first cohort of assessments for Chartered Accountants ANZ (a $5m+ TCV new logo customer in FY21), global examination events for SCIO in the Czech Republic, and the University of London.

Operational Highlights

FY21 has proven to be a successful year operationally.

Through the COVID-19 pandemic we have invested to set ourself up for accelerated global scaling. We recruited significant new talent into the business, accelerated the development of our platform with enhanced features and functionality, completed a rebrand of the company, and have been rapidly maturing our processes, systems, tools and operations. We are now well placed for growth, at a time when there has been a step change in the recognition that digital assessments will empower teachers and students to achieve better outcomes, enabled by our assessment content and platform. Key highlights include;

- Completion of the acquisition of UNSW Global's Educational Assessments business (ICAS), and full integration of Janison Examination Management (JEM, formerly known as LTC).
- Opening of a new Sydney Headquarters in the education precinct of Ultimo.
- 100% customer retention of Assessment platform clients
- The expansion of our Sales and Marketing capability (lifting the investment from 8% of Revenue to 16% of Revenue through FY'21) balanced between both share of wallet expansion in existing customers, as well as new customer acquisition.
- The implementation of a Global Events and Customer Support Capability.

Our People

In the past 12 months, we further invested in reinforcing and developing our culture, culminating in the launch of re-imagined Janison values for the beginning of FY22. Our culture truly demonstrates authenticity, psychological safety, a willingness to 'own it and find a way', 'realise potential, and 'act sustainably', and represents something that's unique to Janison. Our recruitment demonstrates a commitment to diversity and inclusion, with an approximate gender balance in FY21 recruitment, as well as complete gender balance in the Janison Extended Leadership Team (XLT).

We were also excited to be able to have strengthened our leadership team with the appointment of Tom Rustowski (Chief Revenue Officer), Denise Hanlon (Chief People Officer) and the promotion of Rebecca Niemiec (Head of Global Events and Customer Service) to the Executive Leadership Team.

We are optimistic about FY22 and thank our valued customers for their trust, our partners for their collaboration, and our people 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 hope you are able to join us for our Annual General Meeting. At our meeting we will provide further insights and outline a few of the new initiatives we have in FY22, so I do hope you can join us for the event. As a team, we are excited about our year ahead, and thank our shareholders for their continued support.

Regards,

David Caspari

David Caspari

Chief Executive Officer

> Through COVID-19, with rolling school closures, we were proud to be able to continue to deliver PBTS across the globe, including in Russia where we delivered in 1,750 schools across 6 time zones.

Directors' Report

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	2021 ($'000s)	2020 ($'000s)	Change
Platform revenue	22,237	14,014	59%
Services revenue	7,974	7,868	1%
Total operating revenue	**30,211**	**21,882**	**38%**
Cost of sales	13,528	11,846	14%
Gross Profit	**16,683**	**10,036**	**66%**
Gross Profit %	*55%*	*46%*	*9 pps*
Operating expenses	13,836	7,881	76%
R&D tax incentive credit income	(171)	(338)	(51%)
EBITDA	**3,018**	**2,494**	**21%**
EBITDA %	*10%*	*11%*	*1 ppt*
Non-operating expenses	740	1,285	(57)%
Depreciation and amortisation	6,119	3,607	(69%)
Financial expense	158	131	21%
Loss before income taxes	**(3,999)**	**(2,529)**	**58%**
Income tax benefit	(750)	(357)	110%
Net Loss	**(3,249)**	**(2,172)**	**49%**
Adjusted Net Loss (adjusted for acquired amortisation)	**(1,511)**	**(430)**	**251%**

In FY21, Janison delivered its strongest year on record with 38% year-on-year growth in Group revenue, surpassing $30 million in total operating revenue for the first time in its history. This represents a compound annual growth rate (CAGR) of 20% for the past 4 years.

The growth in revenue in FY21 was fueled by successful execution on the following three strategic growth drivers:

1. PISA for Schools

In FY21, Janison entered eight new countries to reach a total of 15 countries now in an arrangement with Janison to deliver the PISA for Schools online assessment. The roll-out of this assessment will continue globally with the support of Janison's partner, the OECD. Included in the eight new countries signed on during FY21 is Australia where Janison was able to secure over 200 schools to sit the assessment – representing almost 10% of all secondary schools. Also included in the new country list is China, where Janison is partnering with a non-profit organisation to roll out the assessment to a large addressable market. In FY21 Janison recorded over $1.6 million in revenue from PISA for Schools, with an ARR of approximately $2.6m in June 2021.

2. ICAS

In June 2020, Janison acquired the Educational Assessments business from the University of New South Wales Global (UNSWG). The purchase included a suite of four highly regarded school assessment products including the very well-established competition, ICAS, which consists of 6 subjects and is sat across all school year groups from 2-12. For most of the past 40 years ICAS has been sat on average 1 million times each year in almost 15 countries in a paper-based exam format. Volumes fell in 2019 when UNSWG transitioned to a digital format exam delivery, and when COVID-19 surfaced in 2020 volumes fell even further. Janison took ownership in June 2020 at the low point and has since set about improving the customer experience and marketing efforts to deliver an exceptional result in 1H21, surpassing management's internal expectations and lifting customer satisfaction from -58 to+1 NPS post Janison's first delivery of the exam. In FY21 Janison recorded over $6 million from the entire product suite and associated services.

3. Assessment Platform

The third strategic pillar of Janison's growth strategy is to increase the number and size of platform clients running on the standardised Janison assessment platform. In FY21 Janison invested the capital raised in April 2020 to build a strong sales and account management team to support this growth and was successful in acquiring six new assessment platform clients which combined delivered over $1.2 million in new revenue, and expanded share of wallet for its existing clients by 69% from approximately $8 million of revenue in FY20 to approximately $13.5 million revenue in FY21.

Gross Profit Margin

In FY21 Janison delivered an improvement in Gross Profit from approximately $10.0 million in FY20 to $16.7 million, an increase of 66% on the prior financial year. Gross profit margin rose from 46% of revenue in FY20 to 55% in FY21 – an increase of nine percentage points. This represents the highest margin in Janison's history and is a continued step closer to traditional SaaS margins as a result of an improved customer and product mix. Over the past two years Janison has driven the business toward standard assessment platform clients and products (as outlined above in the three strategic growth drivers - which has delivered scale benefits), and away from the legacy of developing bespoke assessment software for large strategic clients (which often involved multi-year complex projects at low margins). In FY22 Janison intends to continue the acquisition of standard assessment platform clients and further expand the number of schools and parents purchasing its school assessment products – ICAS and PISA for Schools, and in doing so continue to gain from the scale benefits arising from this improved customer and product mix.

Opex

Operating expenses increased by approximately $6.0 million in FY21 as a result of:

- The acquisition of Educational Assessments (ICAS) from the University of NSW Global in June 2020
- Expansion of the Sales and Account Management teams to support growth in Assessment platform, ICAS and PBTS deploying funds raised in accordance with the April 2020 capital raise
- Increased Marketing spend to support ICAS Assessments to parents and schools
- Expanded leadership team with the introduction of a new Head of Product, Head of People & Culture, Chief Revenue Officer, Group Executive – PISA for Schools, and Group Executive - Schools
- General and administrative expenses associated with the business expansion and increased headcount including the new office facility in Ultimo, Sydney.

Depreciation and Amortisation

Depreciation and amortisation increased in FY21 as a result of the addition of a new leased premises in Sydney and higher lease depreciation expense at Wentworth Park (approximately $0.7 million depreciation). The remaining increase was due to an increase in capitalised product development costs.

Government Support – JobKeeper and Cash Flow Boost

During the year to 30 June 2021, Janison's exam management business (previously known as "LTC") was severely impacted as a result of the downturn in Australian higher education. Divisional revenue in LTC was approximately $1.2 million in FY21 compared to approximately $3.9 million in the prior year FY20 which was also impacted by COVID-19 in the final quarter of the financial year.

For the period from July to April the Group received approximately $1.64 million through the government's JobKeeper program. Of the total amount received, approximately $1.01 million was paid to eligible employees of the Group to offset cost of sales and the remaining amount was used to subsidise the personnel costs under general and administration within the Group.

In the first quarter of FY21, the Group was also eligible for the full entitlement of the Australian Taxation Office Cash Flow Boost program and received a second instalment of $50 thousand for each of its three legal entities within the Group.

Principal Activities

The Group operates within the education technology sector with a specific focus on digital assessments for schools, accreditation bodies and higher education. Principal activities include the provision of Software-as-a-Service, professional services for implementation, configuration, test development, exam management and software development.

Capital Raising and Acquisitions

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 will be 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.

On 21 July 2021 Janison completed a subsequent 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.

FY 2020

On 24 April 2020 Janison completed a capital raise of $7 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 $0.25 per Share and 28 million new, fully paid ordinary shares were issued. The funds will be used to invest in sales and marketing execution to support a number of international growth opportunities; platform development to target additional market segments, and inorganic opportunities.

On 31 May 2020, Janison Solutions Pty Ltd, acquired 100% of the business assets of Educational Assessments ("EA"). EA was a division of UNSW Global Pty Ltd (a wholly owned subsidiary of the University of New South Wales (UNSW)). The assets were acquired for a total deemed consideration of approximately $721 thousand, consisting of a cash payment of $1.00 and assumed employee entitlement liabilities of approximately $721 thousand as a result of the transfer of 32 employees.

EA's flagship formative assessment product, ICAS, is a recognised international elite competition which is held in 15 countries including Australia, New Zealand, Singapore, Malaysia, Indonesia, Greater China, South Africa and India. Its other products include JET, a curriculum-linked assessment, REACH, a multi-layered reporting platform for schools, and a placement test, SCOUT.

Employees

Year ended 30 June	2021 (FTEs)	2020 (FTEs)	Change
Full Time Employees	128	106	21%
Part Time Employees (Full Time Equivalent)	17	18	(6)%
Casuals (Full Time Equivalent)	4	21	(81)%
Total full time equivalent (FTE) employees	**149**	**145**	**3%**

The number of full-time employees increased by 21% at 30 June 2021 from 106 to 128 primarily as a result of the deployment of funds raised in April 2020 to invest in expanding key sales and operational teams in order to scale up the business and support growth in the three strategic pillars of ICAS, PBTS and the Assessment platform.

Due to the impact of COVID-19 on Janison's exam management business, the number of casuals employed fell substantially with the FTE amount decreasing more than 80% from 21 to 4.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	2021 ($'000s)	2020 ($'000s)	Change
EBITDA	**3,018**	**2,494**	**21%**
Non-operating expenses	**740**	**1,284**	**(43)%**
Share-based compensation	313	412	(24)%
Foreign currency losses	57	154	(64)%
Executive search fees	-	134	-
Acquisition costs	-	264	-
Loss on disposal of assets	64	-	-
Other[1]	306	320	(4)%
Depreciation and amortisation	**6,119**	**3,607**	**69%**
Office and computer equipment	134	88	52%
Leasehold improvements	47	50	(6)%
Product development	3,260	1,462	122%
Acquired intangibles	1,738	1,741	(1)%
Right of use asset[2]	940	266	253%
Financial expense	**158**	**131**	**21%**
Income tax benefit	(750)	(357)	110%
Net Loss	**(3,249)**	**(2,172)**	**49%**
Underlying Net Loss (adjusted for acquired amortisation)	**(1,511)**	**(430)**	**251%**

1 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. In FY20 'Other' non-operating expenses included costs associated with the impact of COVID-19 including employment legal advice and internal costs.

2 Right of use asset (lease depreciation) expense increased in FY21 as a result of a new head office lease agreement in Ultimo, Sydney. Prior to this lease, the head office staff occupied a shared work facility on a month-to-month rental, the cost of which was classified as rental expense under operating expenses.

Operating Revenue

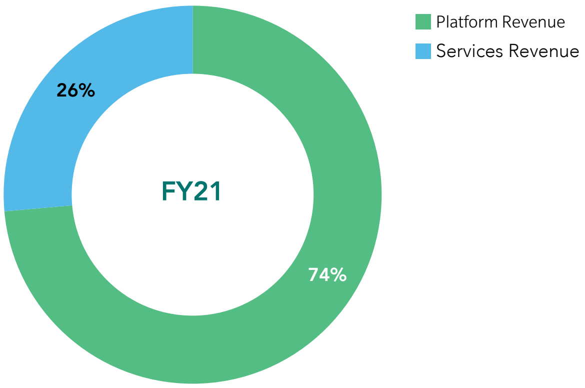
Platform revenue consists of:

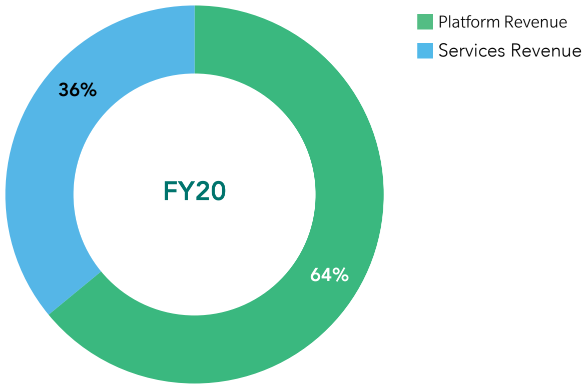
- Licence, hosting and support for the use of Janison's platform, products and for the external hosting of software and data remote proctoring. Products include ICAS Assessments and PISA for Schools.
- Content licence revenue for the use of content produced either in-house by Janison or by a third-party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





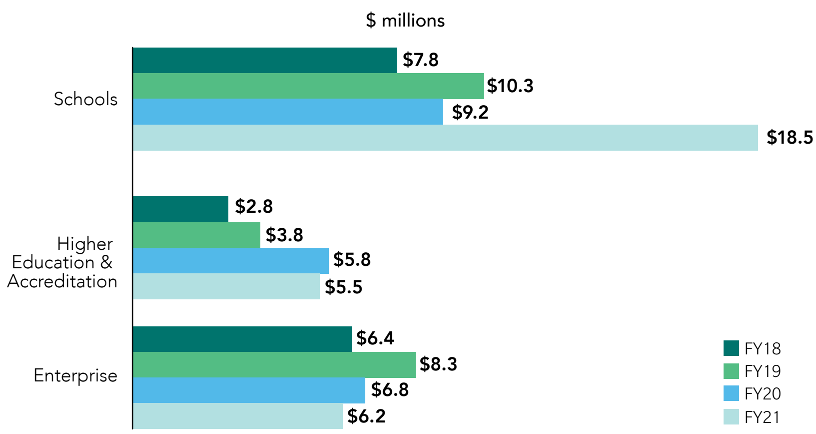
Growth in Platform revenue in FY21 was driven by:

- Expansion of existing assessment platform clients
- Acquisition of new assessment platform clients
- Acquisition and of new assessment products and growth of customers (ICAS Assessments & PISA for Schools).

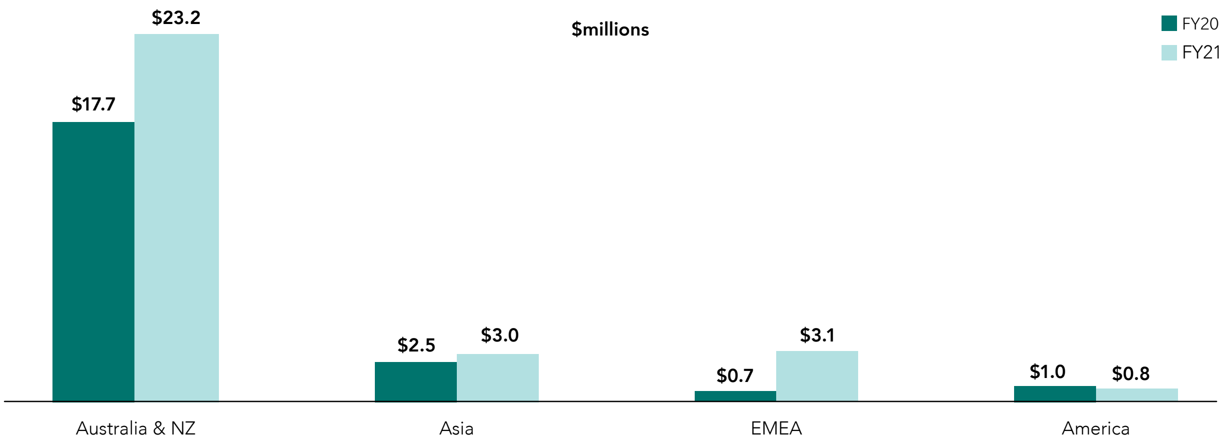
As Janison's revenue mix continues toward a higher proportion of platform revenue and a lower proportion of services revenue the Group's consolidated gross profit margins have increased reflecting the differential in profit margins from each revenue type and the scale benefits of increasing the amount of customers licensing Janison's standardised assessment platform and products.

Operating Revenue by Market Sector

The acquisition of ICAS Assessments and the rapid growth of PISA for Schools has contributed to the material increase in revenue from the Schools sector. Janison's platform and service delivery have been developed over many years around schools and parents as the key customer and continues to expand the number and size of clients in this sector.



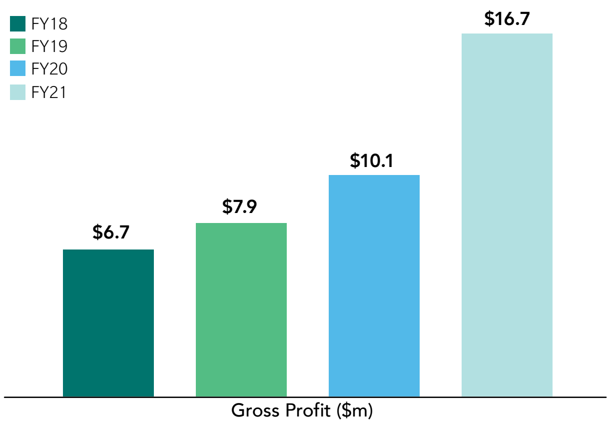
Operating Revenue by Geography

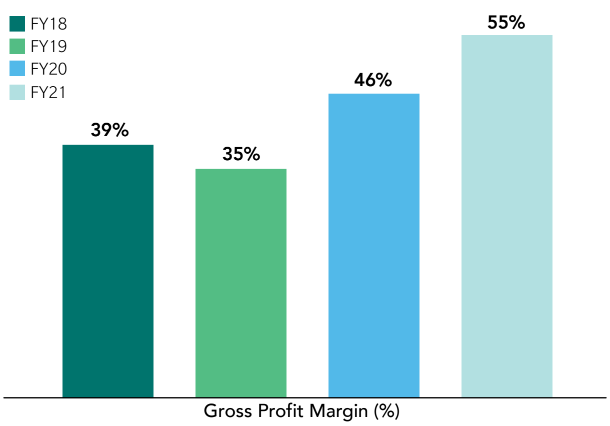


In FY21 all geographies expanded with the exception of America which remained relatively flat as a result of the impact experienced by the pandemic with forced school closures across the country. Whilst most regions, and the Group as a whole, grew total operating revenue, Janison increased the proportion of revenue originating from outside Australia and New Zealand in FY21. Expansion through European customers such as the University of London, SCIO in the Czech Republic and the PISA for Schools partnership with the OECD assisted in growing Janison's share of revenue from EMEA and Asia. A portion of capital raise in June and July 2021 will fund further expansion in these regions.

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 costs, third- party content licensing fees and software subscription fees. In FY21, the growth of platform revenue saw a reduction in cost of sales through lower personnel costs and optimised hosting costs. This resulted in another significant increase in Gross Profit and Gross Profit Margin of 66% and 9 percentage points respectively. In FY20 Gross Profit margin increased 11 percentage points on the prior year FY19.





Cash Flows

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

Year ended 30 June	2021 ($'000s)	2020 ($'000s)	Change
Receipts from customers	34,025	29,444	16%
Payments to suppliers and employees	(29,187)	(21,905)	34%
Income taxes refunded	(168)	(296)	(41)%
Other (Interest paid / received, and grant income)	(251)	280	-
Total cash flows from operating activities	**4,419**	**7,523**	**(41)%**
Investing activities	(6,398)	(4,815)	33%
Acquisitions	(65)	(3,521)	(98)%
Effect of exchange rate changes	(56)	(160)	(63)%
Financing activities	14,138	6,055	134%
Net change in cash	**12,038**	**5,082**	**137%**
Closing cash at end of year	**23,146**	**11,108**	**108%**
Free Cash Flow / (Outflows)[1]	**(1,979)**	**2,708**	**(173)%**

[1] Free Cash Flow is defined as Total cash flows from operating activities less expenditure on Investing activities

Segment Information

Operating revenues are recorded to a segment depending on the platform and products sold. Cost of sales includes the same components as the consolidated financial statements (personnel costs, hosting expenses and third-party content licences). Costs that can be directly attributed to a segment are recorded to that segment. Cost of sales and expenses that cannot be directly attributed to a segment are allocated on the basis of either revenue, labour or hosting costs.

Assessment

Year ended 30 June	2021 ($'000s)	2020 ($'000s)	Change
Platform revenue	17,881	9,421	90%
Services revenue	6,184	5,152	20%
Total segment revenue	**24,065**	**14,573**	**65%**
Cost of sales	11,309	8,585	32%
Segment gross profit	**12,756**	**5,987**	**113%**
Gross profit percentage of assessment segment revenue	*53%*	*41%*	*12 ppts*
Operating expense	10,932	5,320	105%
Segment EBITDA	**1,824**	**667**	**173%**
EBITDA percentage of assessment segment revenue	8%	5%	3 pps
Number of assessment platform customers during period [1]	32,960	12	-
Average assessment platform revenue per customer	$543	$785,000	-
Number of total customers during period [1]	**32,988**	**42**	**-**
Average total revenue per customer	$730	$255,000	-

Assessment

[1] Janison's customer base increased significantly in FY21 with the acquisition of the Educational Assessments business and the sale of its school assessment products (namely, ICAS and REACH) which are sold directly to schools and parents via an online e-commerce portal.

The significant increase in platform revenue reflects:

- The successful launch of ICAS for the first time under Janison's ownership since the acquisition of the business in June 2020 from the University of NSW Global.
- The expansion of PISA for Schools across new countries including the expansion of revenue from within existing countries such as Russia which extended beyond the 200 schools provided for within the fixed IPP fee of Eur 60,000. Any excess schools above 200 incurs an additional platform licence fee.
- Expansion of existing assessment clients
- Acquisition of new assessment platform clients

Revenue mix weighted more towards platform licence fees has generated a higher gross profit margin due to the favourable margins achieved on platform sales and the scale benefits of delivering on a standardised assessment platform. This is in addition to cost optimisation projects delivered in FY21.

Learning

Year ended 30 June	2021 ($'000s)	2020 ($'000s)	Change
Platform revenue	4,358	4,593	(5)%
Services revenue	1,788	2,717	(34)%
Total segment revenue	**6,146**	**7,310**	**(16)%**
Cost of sales	2,219	3,261	(32)%
Segment gross profit	**3,927**	**4,049**	**(3)%**
Gross profit percentage of learning segment revenue	*64%*	*55%*	*9ppt*
Operating expense	2,733	2,223	23%
Segment EBITDA	**1,194**	**1,826**	**(35)%**
EBITDA percentage of learning segment revenue	19%	25%	(6) pps
Number of learning platform customers during period	52	47	11%
Average learning platform revenue per customer (thousands)	$84	$98	(28)%
Number of total customers during period	**61**	**56**	**9%**
Average total revenue per customer (thousands)	$101	$131	23%

Learning

The Learning segment for the year ended 30 June 2021 saw a contraction in revenue of approximately $1.16m or 16%. The majority of this loss ($0.96m) was a result of once-off revenue in the prior financial in the area of custom learning content development – classified as Services revenue above.

Net client retention was positive at 109% for the year FY21 as a number of new platform and content development clients were acquired in the final quarter. Any contracts signed during the financial year with a term which extends beyond 30 June 2021 will only have a portion of their total annual revenue recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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
Mr Wayne Houlden	Non-Executive Vice Chairman
Ms Allison Doorbar	Non-Executive Director

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)

Pacific Knowledge Systems Limited (ASX:PKS)
(Non-executive Chairman)

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

Gratifii Limited (ASX:GTI)
(Non-executive Director)

Former Directorships in the Last Three Years

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

LiveTiles Limited (ASX:LVT) (Non-executive Director, resigned on 5 September 2018)

LawFinance Limited (ASX:LAW) (Non-executive Director, resigned on 27 November 2018)

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 the Advisory Board of HRL Morrison & Co. and he is an Independent Board Director of Vodafone New Zealand and NSW Land Registry. 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)

Former Directorships in the Last Three Years

Acrow Formwork and Construction Limited (ASX:ACF)
(Non- Executive Director, resigned 27 March 2019)

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.

David Willington

Experience and Expertise

David has over 25 years' experience in corporate finance and investment banking, and during his career has primarily advised companies in the technology, media and telecommunications industry.

David is the Co-founder of Bombora Investment Management. Previously, David was a Partner at Deloitte Corporate Finance and prior to that was an investment banker with NM Rothschild and Citi.

David has a Bachelor of Commerce, is a member of the Institute of Chartered Accountants in Australia and is a Fellow of the Financial Services Institute of Australia.

Other Current Directorships

None

Former Directorships in the Last Three Years

None

Special Responsibilities

Member Audit & Risk Committee

Interests in Shares and Options

- 892,181 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.

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.

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

- 67,111,376 fully paid ordinary shares
- 1,200,000 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.

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

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 Placement in June 2021 at $0.82 per Share and approximately 3.7 million new fully paid ordinary shares were issued.

On 24 July 2021, Janison agreed to enter into a deed of release to settle an outstanding payment for services with Skillsoft Asia Pacific Pty Ltd for the sum of approximately $300,000. The amount has been provided for in full and has been recorded in the FY21 Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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):

	Board Meetings		Audit & Risk Committee Meetings		Remuneration & Nomination Meetings	
Name	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Michael Hill	14	13	4	2	5	4
Brett Chenoweth	14	12	-	-	5	5
David Willington	14	13	4	4	-	-
Wayne Houlden	14	14	4	3	5	5
Allison Doorbar	14	13	-	-	5	3

All other business was conducted via circular resolution.

Equity Instruments

As at the date of signing this report, there were 4,050,000 loan funded shares (accounted as share capital) and 11,197,848 unissued ordinary shares which are exercisable as follows:

Date of Grant	Security	Number	Date of Expiry	Conversion Price $
21-Dec-17	Loan Funded Shares	3,000,000	14-Dec-22	$0.30
14-Nov-18	Loan Funded Shares	600,000	14-Nov-23	$0.45
3-Dec-18	Loan Funded Shares	150,000	3-Dec-23	$0.45
19-Dec-18	Loan Funded Shares	300,000	19-Dec-23	$0.45
14-Apr-20	Performance Rights	700,000	14-Apr-22	nil
14-Apr-20	Performance Rights	6,357,848	30-Jun-35	nil
6-Nov-20	Performance Rights	3,260,000	30-Jun-35	nil
17-May-21	Performance Rights	880,000	30-Jun-35	nil
TOTAL		**15,247,848**		

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 $109 thousand (2020: $65 thousand).

Auditor's independence

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 103 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 2021 (2020: 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 23 August 2021 released to the ASX and posted on the Company's website: www.janison.com/investors.

Mike Hill

Chairman

Remuneration Report

Contents

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 2021 ("FY21").

This was a challenging year for the team who worked incredibly hard to navigate uncertain and frequently changing times. Lockdowns and school closures around the world required the team to act swiftly to find a way of meeting the assessment needs of our customers and their students. More importantly, the team were able to do so in a sustainable way for the wellbeing of everyone involved.

The team delivered on, and in some cases, exceeded their metrics this year, as the financial results demonstrate:

- Revenue growing 38% year on year
- Gross profit margin lifting by 9 points
- EBITDA increasing by 21%; and,
- Strong cash reserves of $23 million, no debt.

Throughout the year the business also released news of a number of significant announcements:

- Accreditation from the OECD to be the National Service Provider of PISA for Schools in Australia, the UK and an extension in the USA, and a rapid go-to-market approach in Australia securing almost 10% of the eligible market within a matter of weeks.
- Successful launch of the ICAS assessment, beating internal estimates.
- Delivery of a new school assessment ('Check-In') to assist the NSW Department of Education during COVID-19.

The market responded well to this and to how the business has simplified its strategy to focus on growing school assessment revenue. In FY21 the Janison share price rose by 170% which was 147% greater than the increase of the ASX All Ordinaries Index. Janison's market capitalisation increased from $69 million to $204 million over the course of FY21 as a result.

COVID-19

We began the financial year with several financial initiatives in place which were designed to strengthen the business for the unpredictability it faced, brought on by the pandemic. Included in these were:

- Temporary salary-sacrifice share scheme for all employees
- Freeze on company-wide remuneration reviews
- Reduction in discretionary spending and rents
- Delayed hiring for new roles
- Temporary reduction in director fees

I am encouraged by the overwhelming support received from staff and suppliers in enacting these changes which enabled the business to start the financial year with a stronger balance sheet and a more resilient P&L.

ESOP and Group STIP

During FY21 the Remuneration and Nomination Committee worked closely with management and its advisors to design and implement two new reward and recognition programs which materially improve Janison's position as an employer in the market and thereby assist in attracting and retaining great talent within the business.

The first is an Employee Share Ownership Plan (ESOP) which allows all employees to participate in a rolling annual salary-sacrifice scheme with a matching share component for those that remain with the business throughout the full financial year. Full details can be found later in this report.

The second initiative is a structured short-term incentive (STI) plan open to all eligible staff which is tied directly to individual performance against annual employee scorecards, company values and non-financial KPIs. The implementation of this plan further strengthens and provides a financial incentive to Janison's already well-established execution framework which has underpinned the successful results achieved this financial year.

Despite the challenging circumstances this year, the Remuneration and Nomination Committee is very pleased with the performance of the team and the business. The committee is confident in the appropriateness of the remuneration structures and practices currently in place which provide a strong connection between performance and reward, and a solid foundation for Janison's continued growth.

Brett Chenoweth
Chair of the Remuneration and Nomination Committee

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 FY21

- **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,
  - Member 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.
- **Mr David Willington**
  - Independent Non-executive Director since 15 September 2017,
  - Member of the Audit and Risk Committee since 15 December 2017
- **Ms Allison Doorbar**
  - Independent Non-executive Director since 20 June 2018,
  - Member of the Remuneration and Nominations Committee since 24 July 2018

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

- **Mr David Caspari**
  - Chief Executive Officer (CEO) since 14 April 2020
- **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 FY21, 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 FY21, the outcomes of which are presented in this report:

- Revenue increased +38% on FY20 to a total Group revenue of $30.2 million.
- Headcount of full-time employees increased by +21% from 106 to 128 at 30 June 2021 with the establishment of several new targeted roles in Sales, Account Management and Customer Support to increase the resources associated with the strategic growth of the Group.

- Janison continued its international expansion with the addition of seven new countries on to the PISA for Schools program in FY21, and two new national service provider accreditations where Janison assumes full-service delivery responsibility in those regions.
- The Company successfully raised $18 million from a private placement of $15m in June 2021 and a Share Purchase Plan of $3m in July 2021 (both before costs). Cash reserves at the end of FY21 were approximately $23 million with no debt.
- As at 30 June 2021, being the end of the reporting period, the market capitalisation was $204m - a 195% increase in market value and a 170% increase in share price since 30 June 2020.

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, and
- 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/.

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, and
- 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 and any applicable fringe benefits tax (FBT)),
- 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).


Photo by: Jerry Wong on Unsplash

Short Term Incentive Plan (STIP) details	
Aspect	**Plan, offers and comments**
Purpose	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.
Measurement Period	The Group's financial year (12 months).
Award Opportunities	In FY21 the CEO and CFO were offered an opportunity of up to 40% and 30% of their Base Package respectively.
Performance Assessment	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. For FY21, 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.
Award/Payment	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)
Cessation of Employment During a Measurement Period	In the event of a termination of employment, the following applies to STI opportunities for the financial year: • If the participant is not employed on the date of payment, all award opportunities are forfeited unless otherwise determined by the Board, • If the termination is due to dismissal for cause, all award opportunities are forfeited, • 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, • 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.
Change of Control	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.
Fraud, Gross Misconduct etc.	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**
Purpose	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: • to enable the Company to compete effectively for the calibre of talent required for it to be successful, and • facilitating variable remuneration cost outcomes so that in periods of poor performance the cost is reduced Non-executive Directors are excluded from participation
Form of Equity	The current plan includes the ability to grant: • 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. • No dividends accrue to unvested Rights, and no voting rights are attached.
Amount Payable for Grants	No amount is payable by participants for grants of Performance Rights.
Plan Limit	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.
Grant Values	FY21 invitations • On 6 November 2020, Stuart Halls was issued 900,000 Performance Rights. • No other LTI allocations were issued to KMP in FY21.
Exercise of Grants	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.
Measurement Period	Performance Rights granted have a Measurement Period of 3 years that applies prior to vesting. Performance Rights grants are intended to be made annually.

Long Term Incentive Plan (LTIP) Performance Rights	
Aspect	**Plan, offers and comments**
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.

Long Term Incentive Plan (LTIP) Performance Rights	
Aspect	**Plan, offers and comments**
Term	The Term of Rights in each Tranche will be 15 years unless otherwise determined by the Board and specified in an Invitation
Cessation of Employment	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.
Change of Control of the Company (CoC)	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).
Fraudulent or Dishonest Actions	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**
Purpose	The ESOP's purpose is to attract and retain permanent employees.
Period	The Company's financial year (12 months).
Award Opportunities	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.
Award/Payment	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.
Cessation of Employment During a Measurement Period	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.
Change of Control	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.
Fraud, Gross Misconduct etc.	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 FY20, and which will apply to FY21 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.

6. FY21 Performance

6.1 Group Performance

The following outlines the performance of the Group over the FY21 period in accordance with the requirements of the Corporations Act.

(A$ millions unless otherwise stated)	FY18	FY19	FY20	FY21
Revenue	$17.3	$22.5	$21.9	$30.2
Annualised Recurring Revenue	$11.3	$13.1	$12.9	$22.4
Gross Margin	39%	35%	46%	55%
Share Price ($)	$0.44	$0.29	$0.33	$0.89
Total Shareholder Return	+10%	(34)%	+14%	+170%
ASX All Ordinaries Shareholder Return	+9%	+7%	(8)%	+23%

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.

The major strategic achievements and other activities that created shareholder value during the reporting period include the following notable events:

- OECD / PISA for Schools - receiving accreditation to be the National Service Provider (NSP) in the UK and Australia - both large addressable markets, and having secured 200 new schools in Australia within the first few months
- Further global expansion of the PISA for Schools program as International Platform Provider (IPP)
- A successful first delivery of the ICAS competition in 1HFY21 since the acquisition in June 2020
- The accelerated adoption of digital assessments globally as a result of the COVID-19 pandemic has created greater need for products and services provided by Janison
- Increased awareness within the investor community through targeted communications
- New client wins on Janison's standardised assessment platform

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, and
- 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 FY21, in light of the performance during the year:

		FY21 KPI Summary				Award Outcomes FY21 Paid in FY22
Name	Position	KPI Summary	Target Award $	Achievement %	$ Awarded	Total STI Award $
David Caspari	Chief Executive Officer	See below	$138,438	100%	$138,438	$138,438
Stuart Halls	Chief Financial Officer	See below	$85,344	100%	$85,344	$85,344

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 FY21, 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 FY21 STI metrics were linked to the Group's financial measures.
- 20% of the FY21 STI metrics were linked to non-financial measures related to the retention, development and performance of staff during FY21.
- 20% of the FY21 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) FY21.

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 of the Group over the financial year:

Name	Instrument	Balance Beginning of Year 30-Jun-20	Granted FY21 Date Granted	Granted FY21 Granted Number	Forfeited Number	Vested Number	Purchased Number	Balance End of Year Number	Escrowed Number
David Caspari	Performance Rights [1]	7,057,848	-	-	-	-	-	7,057,848	-
Stuart Halls	Ordinary Shares	-	-	-	-	-	91,295	91,295	-
	Loan Funded Shares	150,000	-	-	-	-	-	150,000	-
	Performance Rights	-	6-Nov-20	900,000	-	-	-	900,000	-
TOTAL		**7,207,848**		**900,000**	**-**	**-**	**91,295**	**8,199,143**	**-**

[1] In order to comply with ASX guidance, the Stretch target number of rights are disclosed above. In the prior period, the number of rights disclosed was the expected grant. No new instruments were issued to Mr Caspari during the year.

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 30-Jun-20	Granted FY21 Date Granted	Granted FY21 Granted Number	Forfeited Number	Vested Number	Purchased Number	Balance End of Year Number	Escrowed Number
Wayne Houlden	Ordinary Shares	67,067,416	-	-	-	-	43,960	67,111,376	-
	Loan Funded Shares	1,200,000	-	-	-	-	-	1,200,000	-
Mike Hill	Loan Funded Shares	600,000	-	-	-	-	-	600,000	-
	Ordinary Shares	1,806,475	-	-	-	-	76,375	1,882,850	-
Brett Chenoweth	Loan Funded Shares	600,000	-	-	-	-	-	600,000	-
	Ordinary Shares	1,484,875	-	-	-	-	22,462	1,507,337	-
David Willington	Loan Funded Shares	600,000	-	-	-	-	-	600,000	-
	Ordinary Shares	816,667	-	-	-	-	75,514	892,181	-
Allison Doorbar	Loan Funded Shares	600,000	-	-	-	-	-	600,000	-
	Ordinary Shares	500,000	-	-	-	-	22,462	522,462	-
TOTAL		**75,275,433**	**-**	**-**	**-**	**-**	**240,773**	**75,516,206**	**-**

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 FY21	Max Value to be Expensed in Future Years	Min Value to be Expensed in Future Years
David Caspari	Chief Executive Officer	Performance Rights	620,008	189,646	1,074,799	152,911
Stuart Halls	Chief Financial Officer	Loan Funded Shares	28,057	5,845	-	-
		Performance Rights	183,150	24,050	240,500	74,000
TOTAL PERFORMANCE RIGHTS			**1,310,196**	**213,696**	**1,315,299**	**226,911**
TOTAL LOAN FUNDED SHARES			**495,345**	**5,845**	**-**	**-**

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 2021 and 2020, prepared according to statutory disclosure requirements of the Corporations Act:

			Base Package					STI [1]		LTI [2]		
Name	Role	Year	Salary $	Super Contribution $	Other Benefits $ [3]	Amount $	% of TRP	Amount $	% of TRP	Amount $	% of TRP	Total Package $ (TRP)
Wayne Houlden [4]	Executive Director	2021	-	-	-	-	-	-	-	-	-	-
		2020	136,986	13,014	72,902	222,902	83%	-	-	46,249	17%	269,151
David Caspari	CEO	2021	346,250	21,694	-	367,944	53%	138,438	20%	189,646	27%	696,028
		2020	72,330	5,251	-	77,580	51%	28,636	19%	46,979	31%	153,195
Stuart Halls	CFO	2021	284,480	21,694	-	306,174	73%	85,344	20%	29,895	7%	421,413
		2020	283,733	21,003	-	304,736	86%	50,673	14%	765	-	356,174
TOTAL		**2021**	**630,730**	**43,388**	**-**	**674,118**	**65%**	**223,782**	**18%**	**219,542**	**17%**	**1,117,441**
TOTAL		**2020**	**493,049**	**39,267**	**72,902**	**605,218**	**77%**	**79,309**	**11%**	**93,993**	**13%**	**778,520**

1 The STI value reported in this table is the STI to be paid during FY22, being the award earned during FY21.

2 The LTI value reported in this table is the amortised accounting charge of all grants that had 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).

3 Included in "Other Benefits" is Living Away from Home Allowances.

4 Appointed Vice Chair and a Non-executive Director on 2 July 2020

8.2 NED Remuneration

Remuneration received by non-executive directors of Janison Education Group during the financial years ended 30 June 2021 and 2020 is disclosed below:

Name	Role	Year	Board Fees $	Committee Fee $	Superannuation $	Equity Grant $	Total $
Mike Hill	Non Executive Chairman	2021	82,192	-	7,808	-	90,000
		2020	82,192	-	7,808	23,125	113,125
Wayne Houlden[1]	Non Executive Vice Chairman	2021	136,986	-	13,014	-	150,000
		2020	-	-	-	-	-
Brett Chenoweth	Non Executive Director	2021	69,996	-	-	-	69,996
		2020	69,996	-	-	23,125	93,121
David Willington	Non Executive Director	2021	63,927	-	6,073	-	70,000
		2020	63,927	-	6,073	23,125	93,125
Allison Doorbar	Non Executive Director	2021	69,996	-	-	-	69,996
		2020	76,996	-	-	53,644	130,640
TOTAL		**2021**	**423,097**	**-**	**26,895**	**-**	**449,992**
TOTAL		**2020**	**293,111**	**-**	**13,881**	**123,019**	**430,011**

[1] Appointed Vice Chair and a Non-executive Director on 2 July 2020

9. Employment Terms for KMP

9.1 Service Agreements

A summary of contract terms in relation to executive KMP as at the end of FY21 is presented below noting that under the FY21 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.

		Period of Notice		Base Package including Super			STI Opportunity			LTI Opportunity			
Name	Position Held	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	Total Remuneration Package at Target Performance
David Caspari [1]	CEO	3 mths	3 mths	402,836	24%	24%	152,000	9%	-	280%	1,127,046	67%	1,681,882
Stuart Halls	CFO	3 mths	3 mths	307,316	53%	53%	85,344	15%	-	60%	183,150	32%	575,810
TOTAL				**710,152**	**31%**	**33%**	**237,344**	**11%**	**0%**	**184%**	**1,310,196**	**58%**	**2,257,692**

1 In order to comply with ASX guidance, the Stretch target number of rights are disclosed above in the Target LTI Amount. In the prior period, the number of rights disclosed was the expected grant. No new instruments were issued to Mr Caspari during the year.

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), and
  - 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.

Financial Statements

Photo by Christoph Theisinger on Unsplash

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 June	Note	2021 ($'000s)	2020 ($'000s)
Platform revenue		22,237	14,014
Services revenue		7,974	7,868
Total operating revenue	**3**	**30,211**	**21,882**
Cost of sales	4	13,528	11,846
Gross profit		**16,683**	**10,036**
Product development labour costs		-	494
General and administrative expenses	5	8,871	6,034
Business development expenses		5,233	1,655
Other operating income and expenses, net	6	(268)	(303)
Research and development tax credit income		(171)	(338)
Total operating expenses		**13,665**	**7,543**
Acquisition expenses		-	264
Share-based compensation	5	313	412
Depreciation and amortisation	7	6,119	3,607
Net financial expense	8	158	131
Other non-operating expenses		370	454
Foreign exchange gains and losses		57	154
Loss before income tax		**(3,999)**	**(2,529)**
Income tax benefit	9	750	357
Net loss		**(3,249)**	**(2,172)**
Other comprehensive income		-	-
Foreign currency translation, net of income tax		(1)	(5)
Total Comprehensive Loss		**(3,250)**	**(2,177)**
Basic loss per share (cents)	*29*	*(1.54)*	*(1.21)*

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

Consolidated Statement of Financial Position

As at 30 June	Note	2021 ($'000s)	2020 ($'000s)
Assets			
Cash and cash equivalents	29	23,146	11,108
Trade and other receivables	10	5,039	4,421
Work in progress	11	1,034	240
Prepaid expenses		1,345	900
Total current assets		**30,564**	**16,668**
Work in process	11	38	-
Plant and other equipment	12	758	675
Intangible assets	13	21,156	20,083
Right of use asset	23	3,128	2,163
Deferred tax asset	9	6,794	5,983
Other non-current assets		199	-
Total non-current assets		**32,073**	**28,905**
Total Assets		**62,637**	**45,573**
Liabilities			
Trade and other payables	14	3,155	2,579
Employee entitlements	15	3,265	1,930
Lease liabilities	23	865	248
Contract liabilities	28	6,498	4,597
Income tax payable	9	6	337
Total current liabilities		**13,789**	**9,692**
Employee entitlements	15	139	171
Lease liabilities	23	2,538	2,023
Provision for make good	23	230	110
Deferred tax liability	9	1,486	1,636
Total non-current liabilities		**4,393**	**3,940**
Total Liabilities		**18,182**	**13,633**
Net Assets		**44,455**	**31,941**
Equity			
Share capital	18	71,794	56,343
Reserves	19	2,594	2,282
Accumulated losses		(29,933)	(26,684)
Total Equity		**44,455**	**31,941**

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

Consolidated Statement of Cash Flows

Year ended 30 June	Note	2021 ($'000s)	2020 ($'000s)
Receipts from customers		34,025	29,444
Payments to suppliers and employees		(29,187)	(21,905)
Interest paid and received, net		(4)	(23)
Income taxes refunded		(168)	(296)
Other	6	(247)	303
Net cash flows from operating activities	**29**	**4,419**	**7,523**
Acquisition transaction costs		(65)	(264)
External product development	12	(832)	(305)
Internal product development	12	(5,135)	(4,351)
LTC deferred consideration		-	(3,256)
Proceeds from the sale of plant and equipment		7	(12)
Purchase of plant and equipment	11	(438)	(147)
Net cash used in investing activities		**(6,463)**	**(8,335)**
Proceeds from capital raising, net of costs	17	14,948	6,680
Repayment of lease liabilities		(810)	(625)
Net cash from financing activities		**14,138**	**6,055**
Effect of exchange rate changes		(56)	(160)
Net change in cash and cash equivalents		**12,038**	**5,082**
Cash and cash equivalents at the beginning of period		**11,108**	**6,025**
Cash and cash equivalents at the end of period		**23,146**	**11,108**

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

Consolidated Statement of Changes in Equity

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

Year ended 30 June	Share Capital ($'000s)	Accumulated Losses ($'000s)	Reserves ($'000s)	Total Equity ($'000s)
Balance at 1 July 2019	**47,549**	**(24,291)**	**1,949**	**25,207**
Adjustment for AASB 16	-	(221)	-	(221)
Restated balance at 1 July 2019	**47,549**	**(24,512)**	**1,949**	**24,986**
Net loss	-	(2,172)	-	(2,172)
Other comprehensive loss	-	-	(5)	(5)
Total comprehensive loss	**-**	**(2,172)**	**(5)**	**(2,177)**
Contributions of capital - net of costs	8,794	-	-	8,794
Share-based payments - directors and executives	-	-	337	337
Total transactions with owners	**8,794**	**-**	**337**	**9,132**
Balance at 30 June 2020	**56,343**	**(26,684)**	**2,282**	**31,941**

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

Notes to Financial Statements

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).

The Group's principal activities include the licence, hosting and support of online student assessments and e-learning software for schools, higher education and corporations. Since 1 April 2019, with the purchase of LTC, the Group provides in-person and remote online exam management services. From 31 May 2020, with the purchase of Educational Assessments (EA) from UNSW Global Pty Ltd, Janison now owns and licences a series of school assessment products including; ICAS, JET, SCOUT and REACH, as well as having the capability to sell direct to schools and to design and produce assessment content (exams).

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 2021 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	Diminishing Value	4 to 5 years
Office Furnishings & Equipment	Diminishing Value	4 to 15 years
Leasehold Improvements	Straight-Line	15 years
Purchased Intangibles	Straight-Line	1-5 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 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) **Learning 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.

From 1 June 2020 with the acquisition of EA 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**
Research and development tax incentive credit income is recognised when the Group is entitled to the incentive. The amount is recorded as Other Income in the period in which the related research and development costs were incurred. 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) and the ATO Cash Boost income are recognised at the point when the Group is notified of successful application.

1.3.8 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 2021 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.

1.3.9 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.

1.3.10 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.

1.3.11 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.

Government grants – JobKeeper grants are recognised when the Group is entitled to the incentive. The amount is recorded as a credit against the cost of employment in both Cost of Sales and in General and Administrative costs. The amount recorded in each of these expense categories in the Statement of Comprehensive Income is determined by the amount of eligible employees in each for the period in which the Group is entitled to receive the incentive payments. During the year ended 30 June 2021 the Group received $1.64 million of which $1.01 million and $0.63 million and were recorded to offset Cost of Sales and General & Administrative costs respectively.

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.

1.3.12 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.

Initial adoption of AASB 2020-04: COVID-19-Related Rent Concession

AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

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).

The Group's activities are organised into two operating segments: the Assessment Segment and the Learning Segment. The Assessment Segment implements and operates 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 in Australia and around the globe.

The Learning Segment operates a learning management platform that manages the content and learning programs for major corporate and government clients, as well as providing content development services.

2.1. Segment Contribution

Year ended 30 June 2021	Assessment ($'000s)	Learning ($'000s)	Total ($'000s)
Platform revenue	17,881	4,358	22,239
Service revenue	6,184	1,788	7,972
Total segment revenue	**24,065**	**6,146**	**30,211**
Cost of sales	11,309	2,219	13,528
Segment gross profit	**12,756**	**3,927**	**16,683**
Operating expenses	10,932	2,733	13,665
Segment EBITDA	**1,824**	**1,194**	**3,018**
Revenue recognised at a point in time	**8,734**	**2,451**	**11,185**
Revenue recognised over time	**15,331**	**3,695**	**19,026**

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

Year ended 30 June 2020	Assessment ($'000s)	Learning ($'000s)	Total ($'000s)
Platform revenue	9,421	4,593	14,014
Service revenue	5,152	2,717	7,868
Total platform revenue	**14,573**	**7,310**	**21,882**
Cost of sales	8,585	3,261	11,846
Segment gross profit	**5,987**	**4,049**	**10,036**
Operating expenses	5,320	2,223	7,542
Segment EBITDA	**667**	**1,826**	**2,494**
Revenue recognised at a point in time	**3,860**	**-**	**3,860**
Revenue recognised over time	**10,712**	**7,310**	**18,022**

2.2 Reconciliation from Segment Contribution to Net Loss after Tax

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Assessment	1,824	667
Learning	1,194	1,826
Segment EBITDA	**3,018**	**2,494**
Acquisition costs	-	264
Share-based compensation	313	412
Depreciation and amortisation	6,119	3,607
Net financial expense	158	131
Other non-operating expenses	370	454
Foreign exchange losses	57	154
Income tax benefit	(750)	(357)
Net loss after tax	**(3,249)**	**(2,172)**

2.3 Revenue by Market Sector

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Schools	18,596	9,107
Higher Education	5,457	6,067
Workplace	6,158	6,708
Total operating revenue	**30,211**	**21,882**

2.4 Revenue by Geographic Location

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Australia and New Zealand	23,267	18,406
Asia	2,963	1,519
Rest of the world	3,981	1,957
Total operating revenue	**30,211**	**21,882**

Note 3: Consolidated Trading Revenue

The Group's revenue by component are presented below:

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Licence and hosting revenue	21,573	13,217
Content licence revenue	664	797
Total platform revenue	**22,237**	**14,014**
Services revenue	7,974	7,868
Total operating revenue	**30,211**	**21,882**

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, customer training activities and exam management.

Note 4: Cost of Sales

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Personnel costs	4,391	3,666
Third party contractors	3,451	3,724
Total direct labour	**7,842**	**7,389**
Hosting and software costs	4,453	3,311
Exam management costs	873	662
Content licence fees	360	484
Total cost of sales	**13,528**	**11,846**

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

Note 5: General and Administrative Expenses

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Personnel costs	6,466	3,357
Share-based compensation	313	412
Unallocated employee costs	314	580
Office facility expenses	238	345
Travel	173	353
Software licences	302	234
Professional services	589	633
Telecommunications	139	107
Other	650	424
General and administrative expenses	**9,184**	**6,446**
Less: Share-based compensation classified as non-trading	313	412
Total general and administrative expenses	**8,871**	**6,034**

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 Australian state payroll taxes, staff training and other employee related expenses not allocated by department.

In FY21 the group received a total of $1.64 million in JobKeeper payments, $0.63 million has been incorporated into the personnel costs within general and administrative expenses. The Group received its final JobKeeper payment in March 2021.

Note 6: Other Operating Income and Expenses, Net

Other operating income and expenses includes grant income.

In FY21, the Group received $100 thousand for Export Market Development Grant (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	2021 ($'000s)	2020 ($'000s)
Office and other equipment	134	88
Leasehold improvements	47	50
Capitalised platform development costs	3,260	1,462
Amortisation of acquired IP	1,738	1,741
Right of use asset amortisation	940	266
Depreciation and amortisation expense	**6,119**	**3,607**

Note 8: Net Financial Expense

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Interest income	(9)	-
Interest expense	13	24
Interest expense - lease liabilities	154	107
Net financial expense	**158**	**131**

Note 9: Income Taxes

All calculations are subject to review by the Australian Taxation Office upon filing of the financial year 2021 tax return.

9.1 Components of Income Tax Benefit

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Current tax (benefit) / expense	(10)	350
Deferred tax benefit	(740)	(707)
Income tax benefit	**(750)**	**(357)**

9.2 Reconciliation of Prima Facie Tax Expense to Income Tax Expense

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Loss before income tax	(3,999)	(2,529)
Tax rate	26.0%	27.5%
Prima facie tax benefit	**(1,040)**	**(695)**
Adjusted for:		
Non-deductible research and development expenditure	(411)	241
Recognition of deferred tax on intangible assets	-	36
Share-based payment expense	81	129
Non-assessable government grants	(83)	(134)
Non-deductible expenditure	6	54
Revaluation of deferred tax asset due to reduction in tax rate/temporary timing differences	356	-
Prior year adjustments	352	-
Other	(23)	-
Income tax benefit	**(762)**	**(369)**
Income tax - foreign subsidiary	12	12
Total income tax benefit	**(750)**	**(357)**

9.3 Deferred Tax Asset and Liability

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Intellectual property valuation difference	3,026	3,483
Employee entitlements accrual	955	699
Leasehold improvements	12	60
Carried forward tax credits and offsets	1,236	519
Leases	126	60
Foreign exchange gains	4	9
Provisions and accruals	1,146	855
Capital raising and acquisition transaction costs	308	295
Other	(19)	3
Net deferred tax asset	**6,794**	**5,983**
Deferred tax liability	1,486	1,636
Net deferred tax liability	**1,486**	**1,636**

9.4 Income Tax Payable

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Income tax payable - estimated current tax	720	337
Income tax credit - R&D estimate	(720)	-
Income tax payable - foreign subsidiary	6	-
Income tax payable	**6**	**337**

Note 10: Trade and Other Receivables

As at 30 June	2021 ($'000s)	2020 ($'000s)
Trade receivables	3,928	2,916
Contract assets	1,058	982
Other receivables	53	523
Trade and other receivables	**5,039**	**4,421**

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 bad debt provisions, at the reporting date is:

As at 30 June	2021 ($'000s)	2020 ($'000s)
Current	3,249	2,653
Under 30 days	279	100
30-60 days	290	134
60-90 days	110	-
More than 90 days	-	28
Total trade receivables	**3,928**	**2,916**

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 2020 ($'000s)	Net measurement of loss allowance ($'000s)	Amounts written off ($'000s)	Closing balance 2021 ($'000s)
Lifetime Expected Credit Loss: Credit Impaired				
Current trade receivables	175	(162)	-	13
Total	**175**	**(162)**	**-**	**13**

Year ended 30 June	Opening balance 2019 ($'000s)	Net measurement of loss allowance ($'000s)	Amounts written off ($'000s)	Closing balance 2020 ($'000s)
Lifetime Expected Credit Loss: Credit Impaired				
Current trade receivables	5	170	-	175
Total	**5**	**170**	**-**	**175**

Note 11: Work In Progress

Work in progress are costs accumulated for the preparation of ICAS, SCOUT 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	2020 ($'000s)	Additions ($'000s)	Deductions ($'000s)	2021 ($'000s)
Historical cost	974	337	(502)	809
Accumulated depreciation	(623)	(37)	342	(318)
Total office and computer equipment	**351**	**300**	**(160)**	**491**
Historical cost	703	-	-	703
Accumulated depreciation	(402)	(47)	-	(449)
Total leasehold improvements	**301**	**(47)**	**-**	**254**
Historical cost	30	-	(13)	17
Accumulated depreciation	(7)	(4)	7	(4)
Total motor vehicles	**23**	**(4)**	**(6)**	**13**
Total plant and other equipment	**675**	**250**	**(166)**	**758**

Note 13: Intangible Assets

As at 30 June	2020 ($'000s)	Additions ($'000s)	Deductions ($'000s)	2021 ($'000s)
Historical cost	9,487	5,906	-	15,393
Accumulated amortisation	(1,773)	(3,157)	-	(4,930)
Total capitalised software costs	**7,714**	**2,749**	**-**	**10,463**
Historical cost	8,437	62	-	8,498
Accumulated amortisation	(2,078)	(1,738)	-	(3,816)
Total other intangibles	**6,358**	**(1,677)**	**-**	**4,682**
Historical cost	6,011	-	-	6,011
Accumulated amortisation	-	-	-	-
Total goodwill	**6,011**	**-**	**-**	**6,011**
Total intangible assets	**20,083**	**1,072**	**-**	**21,156**

During the financial year, the Group capitalised $5.9 million of platform development costs relating to new features to be included in future versions of the Assessment and Learning platforms. Once in use these assets will be amortised over a three-year period.

Other intangibles include identifiable intangibles related to:

- 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	2021 ($'000s)	2020 ($'000s)
CGU1: Assessment	19,301	6,412
CGU2: Learning	1,855	2,040
CGU3: LTC	-	11,632
Total	**21,156**	**20,083**

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 the estimated growth rates stated below. Pre-tax discount rate: (10% was used for both FY2020 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. During the financial year 2021, Janison Exam Management (JEM, formerly known as LTC) and each of the various elements comprising the business (e.g. network of invigilation staff, network of venues, exam management process IP and client relationships) were fully integrated into the Janison Assessment business in the delivery of digitial in-person and remote assessments for Assessment clients and products. As such, the assets of the JEM business are embedded in the delivery and support of the Janison Assessment division revenue and therefore the JEM CGU value has been aggregated with the Assessment CGU for impairment testing.

For the financial year ended 30 June 2021, 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 54% or the growth rate falls by 24% the Assessment CGU would be impaired. Should the discount rate increase to 59% or the growth rate fall by 17%, the Learning CGU would be impaired.

Note 14: Trade and Other Payables

As at 30 June	2021 ($'000s)	2020 ($'000s)
Trade payables	308	925
Employee related and withholdings payable	670	965
Sundry accrued expenses	2,177	690
Trade and other payables	**3,155**	**2,579**

The Company has a $1 million bank over-draft facility with National Australia Bank that bears interest at a variable rate when drawn.

Note 15: Employee Entitlements

As at 30 June	2021 ($'000s)	2020 ($'000s)
Current employee entitlements provision	3,265	1,930
Non-current employee entitlements provision	139	171

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 2021 (FY20: nil).

Note 18: Share Capital

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

Details	Date	Share Capital ($'000s)	No. of shares
Balance	**30 June 2019**	**47,549**	**168,752,042**
Employee options exercised	23 July 2019	-	6,667
Employee options exercised	6 September 2019	-	633,336
Performance rights vesting - Board	6 September 2019	-	4,500,000
Advisor and employee rights vesting	6 September 2019	-	770,000
Issue of new loan funded shares to KMP	6 September 2019	-	150,000
Issue of Earn-Out equity to LTC vendor	16 September 2019	2,033	6,694,076
Transaction costs for issue of LTC vendor earn out	17 September 2019	(9)	-
Employee options exercised	31 October 2019	-	40,000
Employee options exercised	13 December 2019	-	93,334
Employee options exercised	20 December 2019	-	13,334
Capital raise	1 May 2020	7,000	28,000,000
Capital raise - transaction costs	1 May 2020	(211)	-
Capital raise - listing costs	4 May 2020	(18)	-
Balance	**30 June 2020**	**56,343**	**209,652,789**
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)	-
Balance	**30 June 2021**	**71,794**	**228,948,297**

18.1 Capital Raising

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 will be 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.

Subsequent to the year end, on 21 July 2021 Janison completed a subsequent 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.

FY2020

On 24 April 2020 Janison completed a capital raise of $7 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 $0.25 per Share and 28 million new, fully paid ordinary shares were issued. The funds will be used to invest in sales and marketing execution to support a number of international growth opportunities; platform development to target additional market segments, and inorganic opportunities.

On 31 May 2020, Janison Solutions Pty Ltd, acquired 100% of the business assets of Educational Assessments ("EA"). EA was a division of UNSW Global Pty Ltd (a wholly owned subsidiary of the University of New South Wales (UNSW)). The assets were acquired for a total deemed consideration of approximately $721 thousand, consisting of a cash payment of $1.00 and assumed employee entitlement liabilities of approximately $721 thousand as a result of the transfer of 32 employees.

EA's flagship formative assessment product, ICAS, is a recognised international elite competition which is held in 15 countries including Australia, New Zealand, Singapore, Malaysia, Indonesia, Greater China, South Africa and India. Its other products include JET, a curriculum-linked assessment, REACH, a multi-layered reporting platform for schools, and a placement test, SCOUT.

Note 19: Reserves

The table below details the movements in reserves for the two years ended 30 June 2020 and 2021:

		Reserves	
Details	**Date**	**($'000s)**	**No. of units**
Balance	**30 June 2019**	**1,949**	**12,936,676**
Employee options exercised	23 July 2019	-	(6,667)
Employee options exercised	6 September 2019	-	(633,336)
Performance rights vesting - Board	6 September 2019	-	(4,500,000)
Advisor and employee rights vesting	6 September 2019	-	(770,000)
Employee options exercised	31 October 2019	-	(40,000)
Employee options exercised	13 December 2019	-	(93,334)
Employee options exercised	20 December 2019	-	(173,339)
Issue of loan funded shares	Various	304	-
Performance rights granted[1]	Various	47	7,057,848
Performance rights forfeited	Various	(13)	(150,000)
Foreign currency translation	-	(5)	-
Balance	**30 June 2020**	**2,282**	**13,627,848**
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)
Balance	**30 June 2021**	**2,594**	**11,197,848**

[1] In order to comply with ASX guidance, the Stretch target number of rights are disclosed above in the Target LTI Amount. In the prior period, the number of rights disclosed was the expected grant. No new instruments were issued to Mr Caspari during the year.

19.1. Share-based compensation

During the year ended 30 June 2021, share-based compensation was provided to the Chief Executive Officer and other senior executives as follows:

Date Issued	No. of Performance Rights	Share Price on Date of Issue	Vesting Condition	Volatility	Value $
14-Apr-2020	700,000	$0.29	1	NA	112,970
14-Apr-2020	6,357,848	$0.29	2,3	NA	507,038
6-Nov-2020	3,260,000	$0.37	2,3	NA	1,206,200
17-May-2021	880,000	$0.75	2,3	NA	660,000
Total	**11,197,848**				**2,486,208**

Performance Rights were issued to the CEO and 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 price 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.

The first parcel of rights (700,000) expires if unvested two years from the date of appointment of the CEO on 14 April 2022. The second, third and fourth parcels of rights expire if unvested at the end of the three year measurement period.

The value of these rights will be expensed to share-based entitlements expense over the vesting period of 24 months and 36 months respectively, or the actual vesting period, whichever is shorter.

Vesting Conditions

1. 700,000 rights will vest if the Company share price reaches $1.00 within 24 months of the appointment of the CEO. A probability of 56% has been applied to this condition. These rights will expire on 14 April 2022.
2. Half of the performance rights will vest upon achieving a market-based target of Total Shareholder Return (TSR) over a 3-year Measurement Period (FY21-FY23). The Group has assigned this tranche the following weighted probabilities of the Group achieving a TSR relative to the index TSR:

   - 40% likelihood of achieving the same growth or up to 10% more than the index
   - 30% likelihood of achieving 10% above the index
   - 20% likelihood of achieving greater than 10% above the index TSR
3. 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 the following weighted probabilities of the Group achieving an average ROE of the following:

   - 25% likelihood of achieving greater than 10% but less than 12.5%
   - 10% likelihood of achieving 12.5%
   - 5% likelihood of achieving greater than 12.5%

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

Note 19: Reserves (continued)

19.1. Share-based compensation (continued)

During the year ended 30 June 2020, share-based compensation was provided to the Chief Executive Officer as follows:

To support the business through COVID-19, the Group introduced a salary-sacrifice Employee Share Ownership Plan for its employees and non-executive directors providing the ability to exchange cash remuneration for fully-paid ordinary shares in the Company at a 10% discount to the 20-day volume weighted average price each month. The plan ran for 6 months from 1 April to 30 September 2020.

On 27 October 2020, 1,002,825 new fully paid shares were issued to the participating employees and non-executive directors for the total amount sacrificed of $310 thousand, at prices ranging between $0.26 and $0.35.

Year ended 30 June	Loan Funded Shares[1]	Performance Rights	Nil Priced Options	Advisor Options & Rights
As of 1 July 2019	**6,450,000**	**5,300,000**	**843,340**	**240,000**
Average exercise price in dollars	$0.32	Nil	Nil	Nil
Units granted during the year	-	7,057,848	-	-
Units exercised during the year	-	(5,150,000)	(816,671)	(120,000)
Units forfeited during the year	-	(150,000)	(26,669)	-
As of 30 June 2020	**6,450,000**	**7,057,848**	**-**	**120,000**
Average exercise price in dollars	$0.32	Nil	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)	-	-
As of 30 June 2021	**4,050,000**	**11,197,848**	**-**	**-**

[1] Loan funded shares accounted as share capital.

Weighted average life of: loan funded shares = 1.6 years, performance rights = 13.2 years.

Note 20: Contingent Liabilities

There are no contingent liabilities as of 30 June 2021.

Note 21: Key Management Personnel Disclosures

The following individuals were key management personnel of Janison Education Group during the financial year 2021:

Mike Hill	Non-executive Chairman
Brett Chenoweth	Non-executive Director
David Willington	Non-executive Director
Allison Doorbar	Non-executive Director
David Caspari	Chief Executive Officer
Wayne Houlden	Vice Chair and Non-executive Director (appointed on 2 July 2020)
Stuart Halls	Chief Financial Officer

The aggregate compensation made to key management personnel during the financial year 2021 is set out below:

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Short-term employee benefits	1,348	1,419
Share-based payments	220	310
Total compensation	**1,567**	**1,728**

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

On 15 September 2011, the Group entered into a 5 year lease for its Coffs Harbour office facility with Houlden Properties, Ltd., owned by Wayne and Jacquie Houlden, (Wayne Houlden is a current executive Director). The lease was renewed in 2016 for an additional 7-year period with an option to renew for a further 7 year period. During financial year 2021, the Group paid $202 thousand, ($216 thousand in financial year 2020) as rent under the terms of the contract. The rental fees under the contract were established on the basis of a rental appraisal.

On 22 June 2021 the property was sold and is no longer owned by the related party.

Note 23: Lease Assets and Liabilities

Right-of-use Assets Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Balance at 1 July	2,163	2,429
New lease	1,905	-
Depreciation	(940)	(266)
Closing net book value	**3,128**	**2,163**
Carrying amount of lease assets, by class of underlying asset:		
Office premises	**3,128**	**2,163**

Lease Liabilities Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Balance at 1 July	2,272	2,790
New lease	1,788	-
Interest	154	107
Principal repayments	(810)	(625)
Closing net book value	**3,404**	**2,272**
Current	65	248
Non-current[1]	2,538	2,023
Total	**3,404**	**2,272**

Provision for Make Good Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Opening balance	110	110
New lease	120	-
Closing balance	**230**	**110**

[1] 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 and Level 1, 80 Bay Street, Ultimo, Sydney NSW, which the Company entered into a lease agreement for the head office on 15 July 2020. The lease commenced on 20 July 2020 and will terminate on 30 January 2024. Initial rent for year 1 is $542,290 + GST with a 3% CPI each year thereafter and a provision for make good of $120,294.

Note 24: Financial Risk Management

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
Total financial assets		**23,110**	**-**	**5,075**	**28,185**
Trade and other payables		-	-	(3,155)	(3,155)
Lease liabilities	4.38%	-	(3,403)	-	(3,403)
Total financial liabilities		**-**	**(3,403)**	**(3,155)**	**(6,558)**
Net financial assets		**23,110**	**(3,403)**	**1,920**	**21,627**

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.

The totals 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 per the table above.

Year ended 30 June 2020	Interest Rate	Floating Interest ($'000s)	Fixed Interest ($'000s)	Non-interest Bearing ($'000s)	2020 Total ($'000s)
Cash and cash equivalents	0.25%	11,108	-	-	11,108
Trade and other receivables		-	-	4,421	4,421
Total financial assets		**11,108**	**-**	**4,421**	**15,529**
Trade and other payables		-	-	(2,579)	(2,579)
Lease liabilities	4.38%	-	(2,271)	-	(2,271)
Total financial liabilities			**(2,271)**	**(2,579)**	**(4,850)**
Net financial assets		**11,108**	**(2,271)**	**1,842**	**10,679**

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

24.1. 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.

24.2. 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 FY21, the number of Group clients increased by 880 as a result, customer concentration has improved. The three largest clients in FY21 represent 33% 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	2021 ($'000s)	2020 ($'000s)
Australia	4,504	3,143
United Kingdom	76	118
Singapore	147	792
New Zealand	48	38
Other	264	330
Total	**5,039**	**4,421**

24.3. 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 2021 the Group held USD 11 thousand and NZD 25 thousand in a multi-currency account, and SGD 293 thousand in a Singaporean dollar bank account.

24.4. 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. As of 30 June 2021, Financial Liabilities and their maturities were as follows:

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
Non-interest bearing:		**3,155**	**-**	**-**	**3,155**
Lease liabilities	4.38%	865	1,588	950	3,404
Total interest bearing:		**865**	**1,588**	**950**	**3,404**
Total non-derivatives		**4,020**	**1,588**	**950**	**6,558**

Year ended 30 June 2020	Rate*	1 year or less	Between 2 and 5 years	Over 5 years	Total
Trade and other payables		2,579	-	-	2,579
Non-interest bearing:		**2,579**	**-**	**-**	**2,579**
Lease liabilities	4.38%	365	736	1,171	2,271
Total interest bearing:		**365**	**736**	1,171	**2,271**
Total non-derivatives		**2,944**	**736**	**1,171**	**4,850**

* Weighted Average interest Rate.

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

24.5. 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 25: Parent Entity Disclosures

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

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Loss for the period	(932)	(1,278)
Other comprehensive income	-	-
Total comprehensive loss for the period	**(932)**	**(1,278)**
Adjusted for:		
Current assets	14,390	5,255
Non-current assets	28,081	22,404
Total assets	**42,471**	**27,659**
Liabilities	1,853	1,874
Total liabilities	**1,853**	**1,874**
Total net assets of the parent entity	**40,618**	**25,786**
Share capital	99,818	84,367
Reserves	2,676	2,363
Accumulated losses	(61,876)	(60,945)
Total equity	**40,618**	**25,786**

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

Note 26: Interests in Subsidiaries

Janison Education Group Limited is the legal head of the consolidated group. Janison Education Group Limited owns 100% of Janison Solutions Pty Ltd, LTC Hold Co Pty Ltd and LTC Language & Testing Consultants Pty Ltd.

Janison Solutions Pty Ltd has a 50% equity interest in Janison Asia Pte. Ltd incorporated in Singapore. Janison Solutions has a beneficial 100% interest in the subsidiary therefore no minority interest existed as of 30 June 2021 or 2020.

Note 27: Auditor's Remuneration

Stantons International performed the audit of the financial statements for the years ended 30 June 2021 and 2020. Remuneration paid or to be paid to the Company's auditors with respect to FY21 audit and review of the financial statements was $78 thousand ($70 thousand in FY20).

Note 28: Contract Liabilities

Contract liabilities substantially increased between FY20 and FY21. Prepaid exams of $6.5 million at June 30 2021. Most of these exams are scheduled to take place between late August and early September 2021.

Note 29: 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	2021 ($'000s)	2020 ($'000s)
Net loss after tax	**(3,249)**	**(2,172)**
Depreciation and amortisation	5,179	3,234
Losses on disposal of plant and equipment	63	12
Non-cash deferred tax benefit	-	(1,003)
Cash-based transaction costs reported as investing activities	-	264
Salary-sacrificed shares	310	-
Non-cash share-based compensation	313	337
Interest - leases	154	107
Amortisation of right of use assets	940	266
Total operating items not requiring cash outlays	**6,959**	**3,293**
Trade receivables and other	(817)	2,686
Work in progress	(831)	240
Pre-paid expenses	(446)	(507)
Trade and other payables	676	(65)
Employee entitlements accrual	1,304	1,003
Income in advance	1,901	2,878
Income tax payable	(367)	12
Deferred tax	(768)	-
Effects of foreign exchange	56	155
Changes in working capital items	**708**	**6,404**
Net cash provided by operating activities	**4,419**	**7,523**

Non-cash financing and investing activities: during the year the Company issued $310 thousand in shares under the employees' salary-sacrificed share plan. In the financial year 2020, $2.033 million in shares were issued as part of the acquisition of LTC.

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Cash and cash equivalents	23,146	11,108

Note 30: Earnings Per Share

Year ended 30 June	2021 ($'000s)	2020 ($'000s)
Loss after income tax	**(3,249)**	**(2,172)**
	Number '000	Number '000
Weighted average number of ordinary shares used in calculating basic earnings per share	**210,382**	**179,836**
	Cents	Cents
Basic loss per share	**(1.54)**	**(1.21)**

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 31: Events after the Reporting Date

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 Placement in June 2021 at $0.82 per share and approximately 3.7 million new fully paid ordinary shares were issued.

On 24 July 2021, Janison agreed to enter into a deed of release to settle an outstanding payment for services with Skillsoft Asia Pacific Pty Ltd for the sum of approximately $300,000. The amount has been provided for in full and has been recorded in the FY21 Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Apart from the aforementioned, there have been no other significant events between the balance sheet date and the date these financial statements were authorised for issue.

Note 32: COVID-19

The Group has benefited from the following significant government support packages as a result of COVID-19 during the period:

JobKeeper Scheme

Due to the impact of COVID-19 on the Group's turnover, government subsidies of $1.64 million (2020: $874 thousand) were received under the Australian Federal Government's JobKeeper scheme. The Group became eligible for the Scheme from its inception in March 2020 up to 31 March 2021. The amounts were paid to employees in line with government's objectives of helping businesses to continue paying employees to keep them in their jobs so that businesses can re-start when business conditions improve. The Group has booked receipts for Jobkeeper by offsetting wages in cost of sales and operating expenses.

Cash Flow Boost Scheme

Due to the impact of COVID-19 Group received government subsidies of $150,000 (2020: $150,000) were received under the Australian Federal Government's Cash Flow Boost scheme. The Group has booked receipts for Cash Flow Boost scheme in other income.

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 2021 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: 23 August 2021

Auditor's Independence Declaration

Stantons

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

23 August 2021

Board of Directors
Janison Education Group Limited
c/-Automic Registry Services
Level 5, 126 Phillip St,
Sydney, NSW 2000

Dear Directors

RE: JANISON EDUCATION GROUP 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 Group Limited.

As Audit Director for the audit of the financial statements of Janison Education Group Limited for the year ended 30 June 2021, 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

Russell Bedford

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Independent Auditor's Report

Stantons

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Janison Education Group Limited the Company and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, 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 2021 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.

Stantons

Key Audit Matters

We have determined the matters 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 2021, Intangible Assets totalled \$21,156,000 (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 34% 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.

Stantons

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.

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 2021 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.

Stantons

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 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.

Stantons

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 2021.

In our opinion, the Remuneration Report of Janison Education Group Limited for the year ended 30 June 2021 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)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director
West Perth, Western Australia
23 August 2021

Additional Information

Number of Holders

As at 16 August 2021

Number of holders of equity securities - ordinary shares:
232,606,642 fully paid ordinary shares held by 2,404 individual shareholders.

Unquoted Securities

There is nine holders of 11,197,848 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	396	-	-
1,001 - 5,000	889	-	-
5,001 - 10,000	426	-	-
10,001 - 100,000	598	-	-
100,001 - 9,999,999,999	95	-	9
Total	**2,404**	**-**	**9**
Unmarketable Parcels	*228*	-	-

Substantial Holders

Name	Shares	% of Issued Capital
NATIONAL NOMINEES LIMITED	42,560,933	18.30
TENTICKLES PTY LTD	33,033,708	14.20
DIPTOE PTY LTD	33,033,708	14.20
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	32,694,923	14.06
JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,760,141	8.07
BNP PARIBAS NOMS PTY LTD <DRP>	7,262,534	3.12

Top 20 Holders

As at 16 August 2021

Rank	Name	16 August 21	% of Issued Capital
1	NATIONAL NOMINEES LIMITED	42,560,933	18.30
2	TENTICKLES PTY LTD	33,033,708	14.20
2	DIPTOE PTY LTD	33,033,708	14.20
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	32,694,923	14.06
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,760,141	8.07
5	BNP PARIBAS NOMS PTY LTD <DRP>	7,262,534	3.12
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,516,923	1.08
7	WAYNE HOULDEN	2,242,960	0.96
8	BREBEC PTY LTD	2,667,437	0.92
9	SIMON ROTHERY	1,600,000	0.69
10	HSBC CUSTODY (AUSTRALIA) NOMINEES LIMITED	1,544,855	0.66
11	MR DAVID KYFFIN WILLINGTON	1,492,181	0.64
12	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,325,059	0.57
13	GANG - GANG PTY LTD	1,300,000	0.56
14	3RD WAVE INVESTORS PTY LTD	1,250,000	0.54
15	JARUMITO PTY LIMITED	1,158,524	0.50
16	LENROC INVESTMENTS PTY LIMITED	1,150,000	0.49
17	MS ALLISON DOORBAR	1,146,176	0.49
18	DIXSON TRUST PTY LTD	1,023,714	0.44
19	INDCORP CONSULTING GROUP PTY LIMITED	1,000,000	0.43
20	SANDHURST TRUSTEES LTD	917,184	0.39
	Total	**189,145,574**	**81.32**
	Balance of register	**44,378,252**	**18.68**
	Grand total	**232,606,642**	**100.00**

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

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 Willington, Non-Executive Director
Ms Allison Doorbar, Non-Executive Director

COMPANY SECRETARY

Ms Maggie Niewidok

AUDITOR

Stantons International Audit & Consulting Pty Ltd
6 Middlemiss Street, Lavender Bay, Sydney NSW 2060

CORPORATE GOVERNANCE

www.janison.com/investors/

ANNUAL GENERAL MEETING

Janison will hold its 2021 Annual General Meeting virtually at 4pm, 21 October 2021.

Janison.

80 Bay Street
Ultimo, NSW 2007
Australia

Tel. : 02 6652 9850

janison.com.au