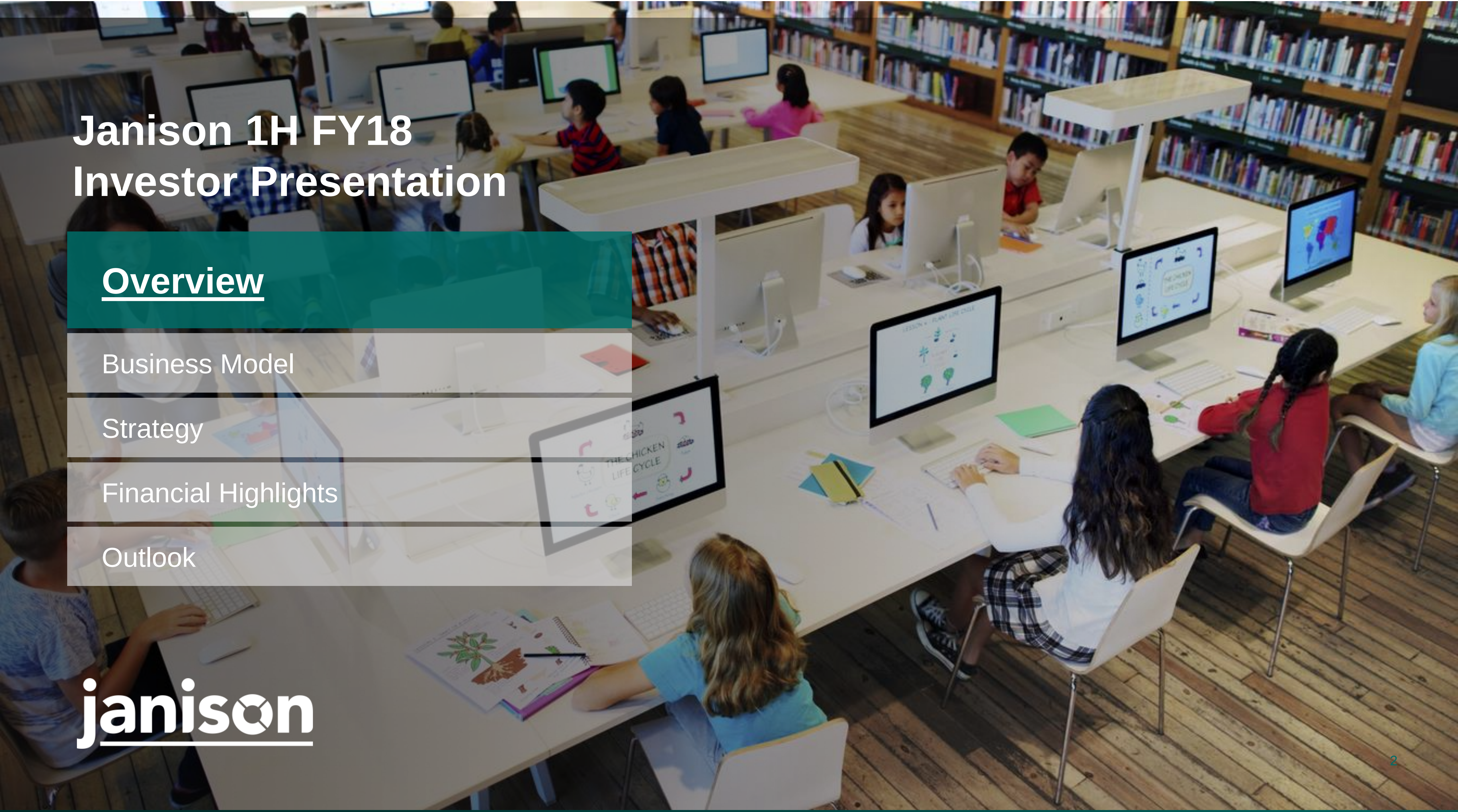
janison

JAN:ASX

1H FY18 Investor Presentation

February 2018



Janison 1H FY18 Investor Presentation

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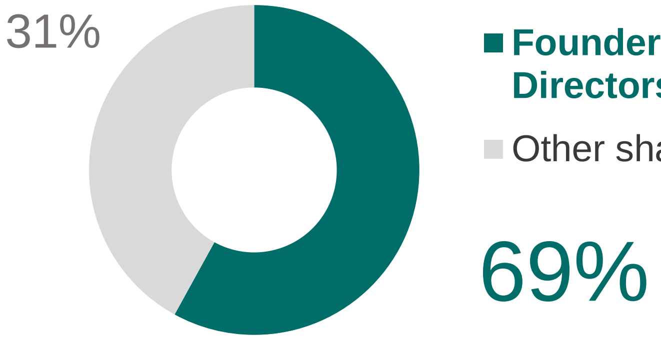
Janison is an education technology pioneer transforming how people learn

- 2018 is the 20th anniversary of the founding of Janison
- Listed on the ASX in December 2017
- Directors (including Founders) own c. 69% of the company
- Janison serves the full education lifecycle: Schools, Tertiary, Workplace
- Growth driven by the accelerating digital disruption of education
- Janison provides Assessment and Learning solutions
- 38% growth in Platform and Content income in 1H FY18 on the p.c.p.
- Innovative education platform for large market opportunity
- International income increased to 22% of Total Income in 1H FY18
- Trading EBITDA in 1H FY18 of $2.1m and cash at 31 Dec 2017 of $6.7m

High growth generates profit and positive operating cash flow



1H FY18 EBITDA

$2.1m

ASX: JAN	
Share price at listing	$0.30
Share price as at 14th Feb 2018	$0.40
Current market cap	$52.4m
Cash as at 31 Dec 2017	$6.7m
Enterprise value	$45.7m
FY17A EBITDA multiple	16.9x
FY17A Revenue multiple	3.2x

Earnings summary (A$m)	FY16A	FY17A	*% growth*	1H FY18
Learning revenue	5.4	6.6	*21%*	3.4
Assessment revenue	5.2	7.8	*51%*	5.0
Group revenue	10.6	14.3	*35%*	8.4
Group Trading EBITDA	**1.8**	**3.0**	*67%*	**2.1**
Operating cash flow	**2.1**	**(0.7)**	*nmf*	**2.5**
Cash in bank	**2.9**	**1.4**	*(52%)*	**6.7**

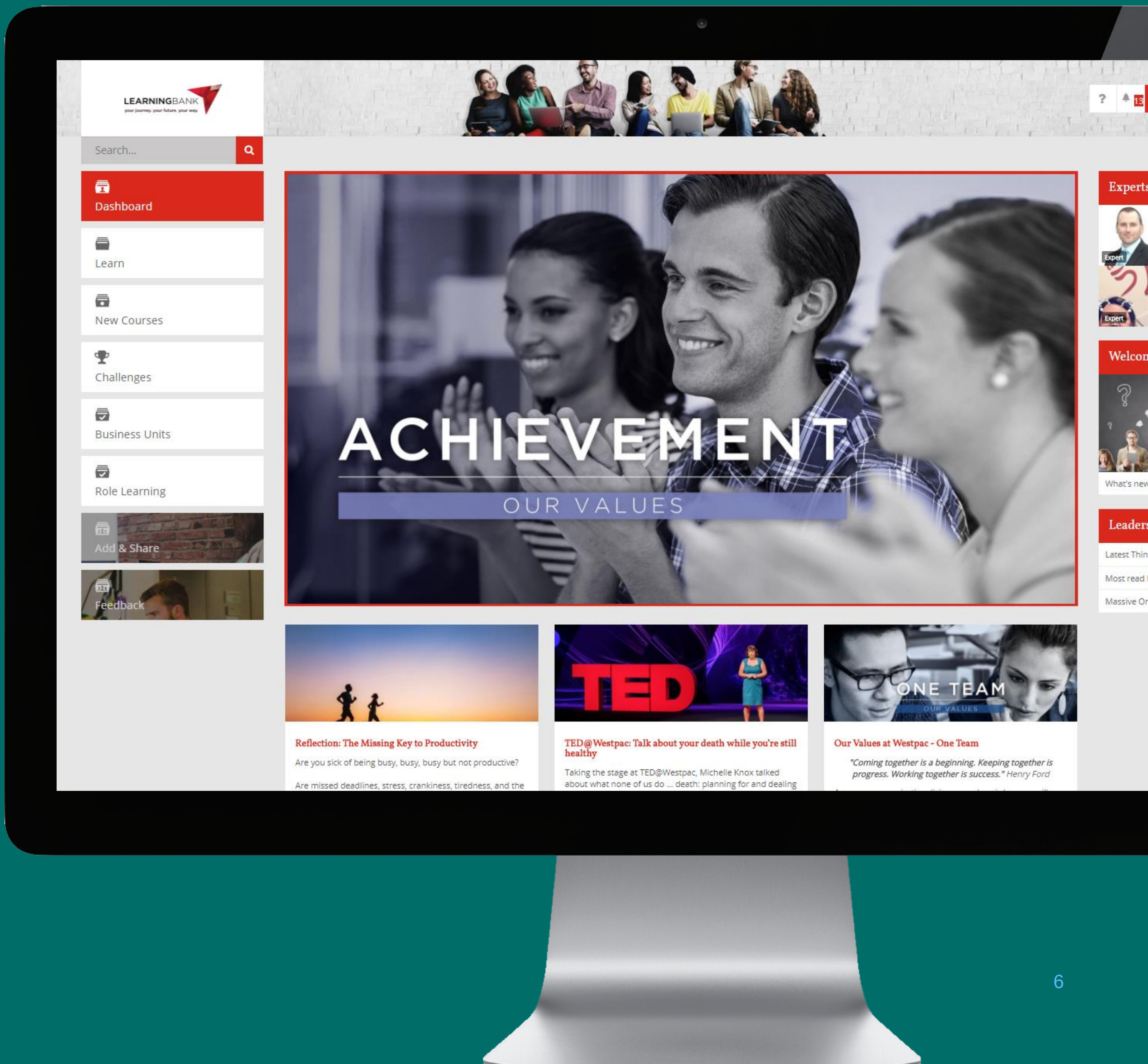
Janison performed strongly in 1H FY18

Platform & Content Growth	Platform & Content Growth	International Income Share
+ 38%	↑ to $5.3m	+ 22%
to $5.3m, from $3.8m in p.c.p.	*from $3.8m in p.c.p.*	*from 6% in p.c.p.*

Average Platform Revenue per Customer	Cash at Bank	Trading EBITDA
↑ to $80k	↑ to $6.7m	↑ to $2.1m
from $60k in p.c.p.	*from $1.4m in p.c.p.*	*from $1.6m in p.c.p.*

Source: Janison Interim Financial Report dated 31 December 2017.

Janison 1H FY18 Investor Presentation



Business model targets Platform and Content income

Revenue component	Description	Revenue mix	1H FY17 %	1H FY18 %
Platform	• Licensing and Hosting income • Income per test • Platform maintenance • Costs include platform hosting expenses and exclude labour	Committed monthly revenue	*46%*	*53%*
Content	• Learning content provided from Janison's online learning library • User pays a subscription fee per user to have access to the content • Costs include third-party licensing fees and exclude labour	Committed monthly revenue	*6%*	*9%*
Services	• Dedicated account team to support the client throughout a standardised five-stage process including account management and help desk support • Costs include direct employee costs required for provision of services	Fees paid per project	*48%*	*38%*

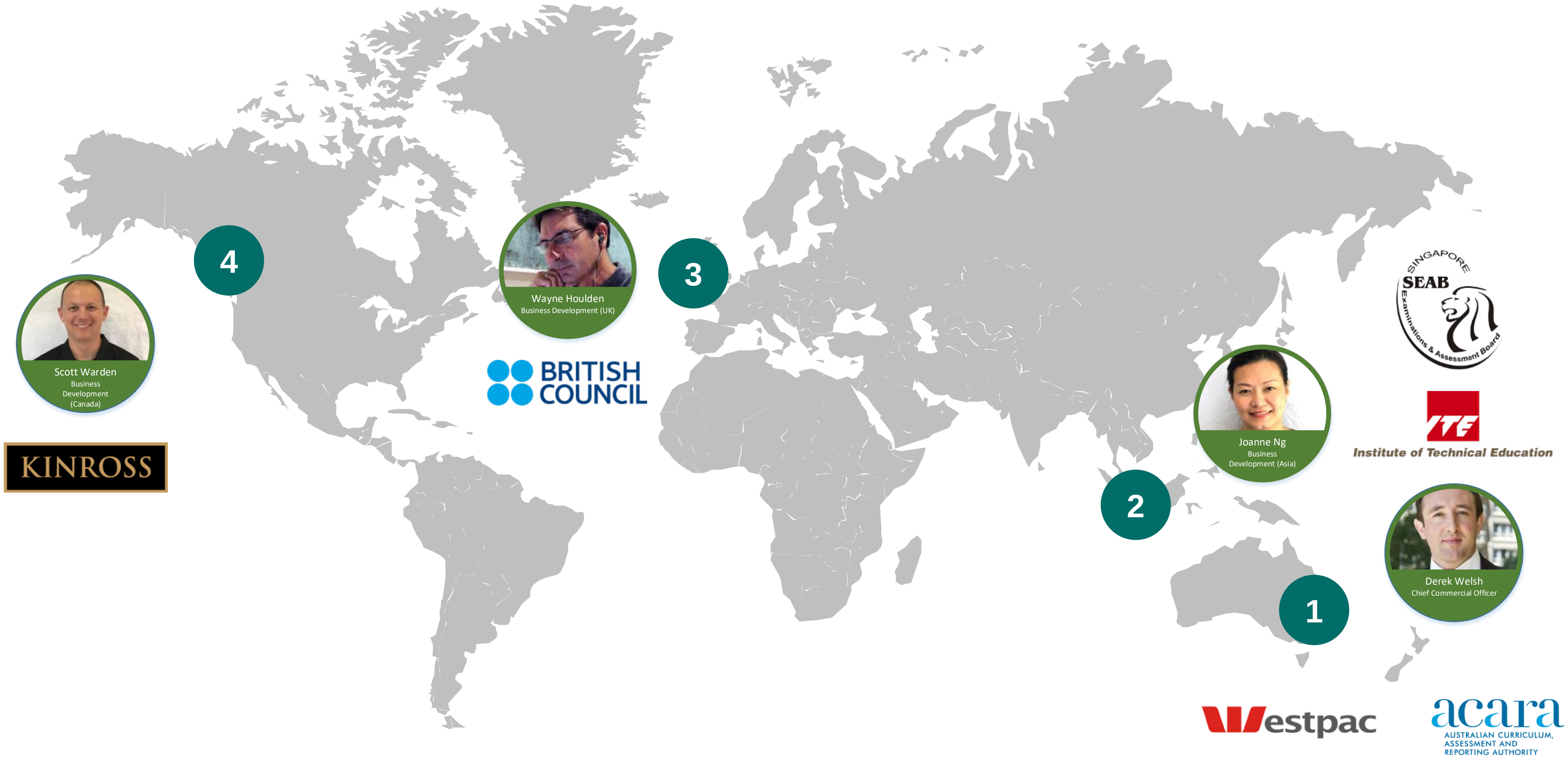
Source: Janison Interim Financial Report dated 31 December 2017.

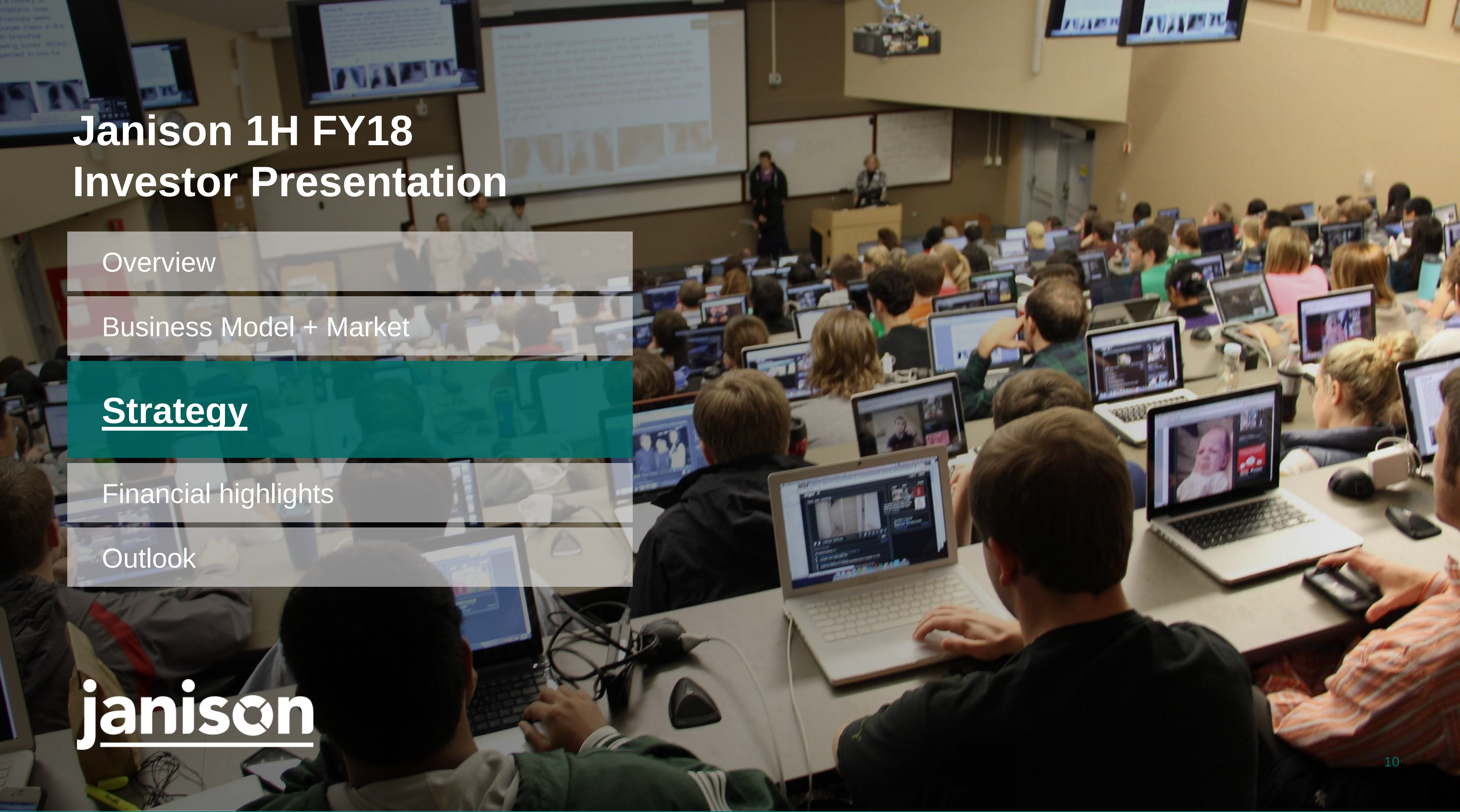
Janison serves three education life stages with two solutions

	Schools	Tertiary	Workplace
Approximate % of Population	20%	5%	50%
Estimated education spend per person per annum	$10,000	$20,000	$2,000
Total estimated market size [1]	**$209bn**	**$124bn**	**$77bn**
Assessment	✓	✓	✓
Learning			✓

(1) Estimated market size for Australia, Singapore, UK and Canada

Business Development is currently focused on four geographic hubs with these flagship example clients





Janison 1H FY18 Investor Presentation

Overview

Business Model + Market

Strategy

Financial highlights

Outlook

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We have an experienced and diverse leadership team

Tom Richardson
Chief Executive Officer
–
Experienced CEO and Industry expert

Founder and CEO of Latitude Learning Academy

Partner at Deloitte

Consultant at Bain
MBA and CPA

Wayne Houlden
Business Development (UK)
–
Recognised industry expert and innovator in Education Technology

Founder of Janison

Deep technical skills

Bachelor of Science and Computing and Grad Diploma in Teaching

Derek Welsh
Chief Commercial Officer
–
Recognised industry expert most recently as CIO for Angus Knight Group and EGM for SumTotal.

Masters from University College Dublin and Bachelor from Trinity College

Damien Irvine
Head of Development
–
24 years in Software Development design and analysis

Experience with Sanofi Aventis, BHP Billiton, QLD rail, Delta Electricity

Scott Warden
Business Development (Canada)
–
Seasoned international executive and Managing Director at Accenture for 18 years

Bachelor of Engineering

Sandy McDonald
Head of Operations
–
Deep infrastructure, operations and security experience

Previously at Wickham Freight Lines, and Converga.

Joanne Ng
Business Development (Asia)
–
Deep industry experience

Senior Director for S&I Systems

Territory Manager for SSA

Account Manager at Oracle

Diane Fuscaldo
Chief Financial Officer
–
Experienced international finance executive

Director for Euro Disney

Senior Manager at PWC

MBA

We have a multi channel growth strategy

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Channels	Segment	Targets	Examples	1H FY18	Change over p.cp.
Account Management Direct Sales Partners & Alliances Microsoft Sales and Marketing Acquisitions	Workplace	Governments & Large Corporates	KINROSS Westpac	$3.9m	24%
	Tertiary	Universities with >20,000 students	ITE Institute of Technical Education Curtin University	$1.0m	973%
	Schools	Assessment Boards and Departments of Education	Singapore SEAB Examinations & Assessment Board acara Australian Curriculum, Assessment and Reporting Authority	$3.5m	(14%)

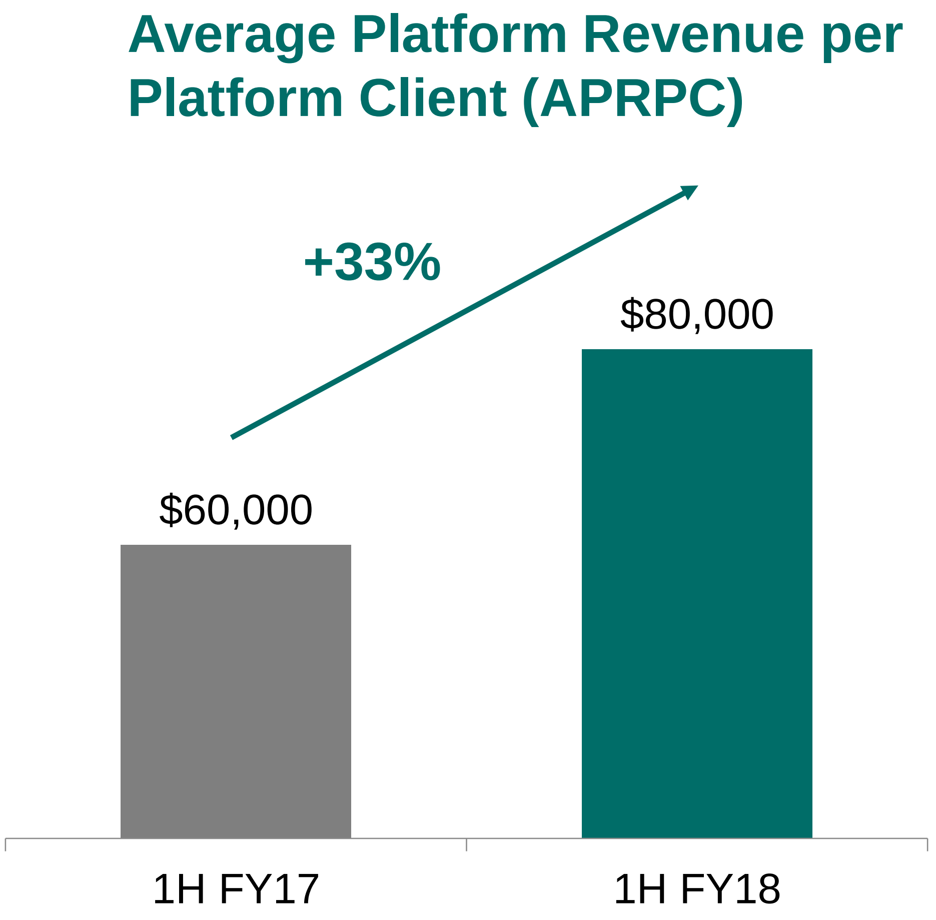
Source: Janison Interim Financial Report dated 31 December 2017.

Services are provided to onboard clients to higher margin recurring Platform and Content income

	1	2	3	4	5
	Phase 1 **Architect**	**Phase 2** **Create**	**Phase 3** **Launch**	**Phase 4** **Engage**	**Phase 5** **Reflect**
Description	Understand business strategy and learning outcomes.	Configure, curate and implement solution.	Test, train and launch to end users.	Support and manage effective deployment.	Analyse outcomes and refine.
Revenue component type	**Services**		**Content** / **Platform**		
Indicative margin	30%		Content: 30-50%	Platform: 70-80%	

Source: Janison analysis

We increase APRPC by successfully retaining and growing clients



Janison is focused on generating higher average revenue per client through a dedicated customer success function.

Source: Janison Interim Financial Report dated 31 December 2017.

Janison 1H FY18 Investor Presentation

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1H FY18 Learning result

6m ended 31 December	1H FY17 $000s	1H FY18 $000s	*% change*
License and hosting	1,835	2,038	*11%*
Content license fees	420	790	*88%*
Platform maintenance fees	133	174	*31%*
Total platform revenue	**2,388**	**3,002**	***26%***
Project services	804	419	*(48%)*
Total operating revenue	**3,192**	**3,421**	***7%***
Platform % of revenue	***75%***	***88%***	

Source: Janison Interim Financial Report dated 31 December 2017.

26%

Growth in Learning platform revenue

88%

Platform revenue as a %
of total Learning revenue

1H FY18 Assessment result

6m ended 31 December	1H FY17 $000s	1H FY18 $000s	*% change*
License and hosting	1,064	1,628	*53%*
Platform maintenance fees	351	627	*79%*
Total platform revenue	**1,415**	**2,255**	***59%***
Project services	2,683	2,745	*2%*
Total operating revenue	**4,098**	**5,000**	***22%***
Platform % of Revenue	***35%***	***45%***	

59%

Growth in Assessment Platform revenue

45%

Platform revenue as a % of total Assessment revenue

Source: Janison Interim Financial Report dated 31 December 2017.

1H FY18 Group result

6m ended 31 December	1H FY17 ($000s)	1H FY18 ($000s)	*% change*
Total platform revenue	3,803	5,257	*38%*
Project services revenue	3,487	3,164	*(9%)*
Total operating revenue	**7,290**	**8,421**	***16%***
Cost of sales	(4,026)	(4,780)	*19%*
Gross profit	**3,264**	**3,641**	***12%***
Gross profit %	45%	43%	
Opex & R&D Credit	(1,667)	(1,577)	*(5%)*
Trading EBITDA [1]	**1,597**	**2,064**	***29%***
Trading EBITDA %	22%	25%	

(1) Before transaction costs, foreign exchange movements. Inclusive of R&D tax credit income of $0.7m.

38%

Increase in Group Platform revenue

$2.1m

1H FY18 EBITDA

Source: Janison Interim Financial Report dated 31 December 2017.

1H FY18 Group cash position

	1H FY18
6m ended 31 December	**Group ($000s)**
Opening cash	**1,358**
Customer receipts	9,331
Payments to suppliers and employees	(7,279)
Income taxes refunded	468
Total cash from operations	**2,520**
Investing activities	(2,656)
Financing activities	5,448
Net change in cash	**5,312**
Closing cash	**6,670**

$2.5m

Positive operating cash flows for 1H FY18

$6.7m

Closing Cash Balance as at 31^{st} December, 2017

Source: Janison Interim Financial Report dated 31 December 2017.

Investment in Platform

We continue to invest in the Platform to ensure we incorporate latest technologies and provide a competitive roadmap of new features. We capitalised $612,000 in H1FY18 representing 50% of our investment in Product Design and Development.

The listing on the ASX provides the opportunity to investment in accordance with our Platform Development strategy.

	H1FY17 $000s	**H1FY18 $000s**	**Variance $000s**	**Variance %**
Product Design and Development	$1,094	$1,219	$124	11%
Percentage of Trading Income	**15%**	**14%**		
Less Capitalised Development	-	($612)	($612)	NM
Product Design & Development Expense	**$1,094**	**$607**	**($488)**	**(45%)**

Source: Janison Interim Financial Report dated 31 December 2017.

Balance Sheet

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Period Ending	30 Jun-17 ($000s)	31 Dec-17 ($000s)
Current assets	5,290	*10,761*
Non current assets	2,108	*3,051*
Total Assets	**7,398**	***13,812***
Current liabilities	4,060	*5,786*
Non current liabilities	2,588	*91*
Total Liabilities	**6,648**	***5,877***
Current Ratio	1.3	*1.9*
Net Assets	**750**	***7,935***

.

Source: Janison Interim Financial Report dated 31 December 2017.

1.9

Current Ratio
(Current assets / Current liabilities)

$7.9m

Net Assets as at 31st December, 2017

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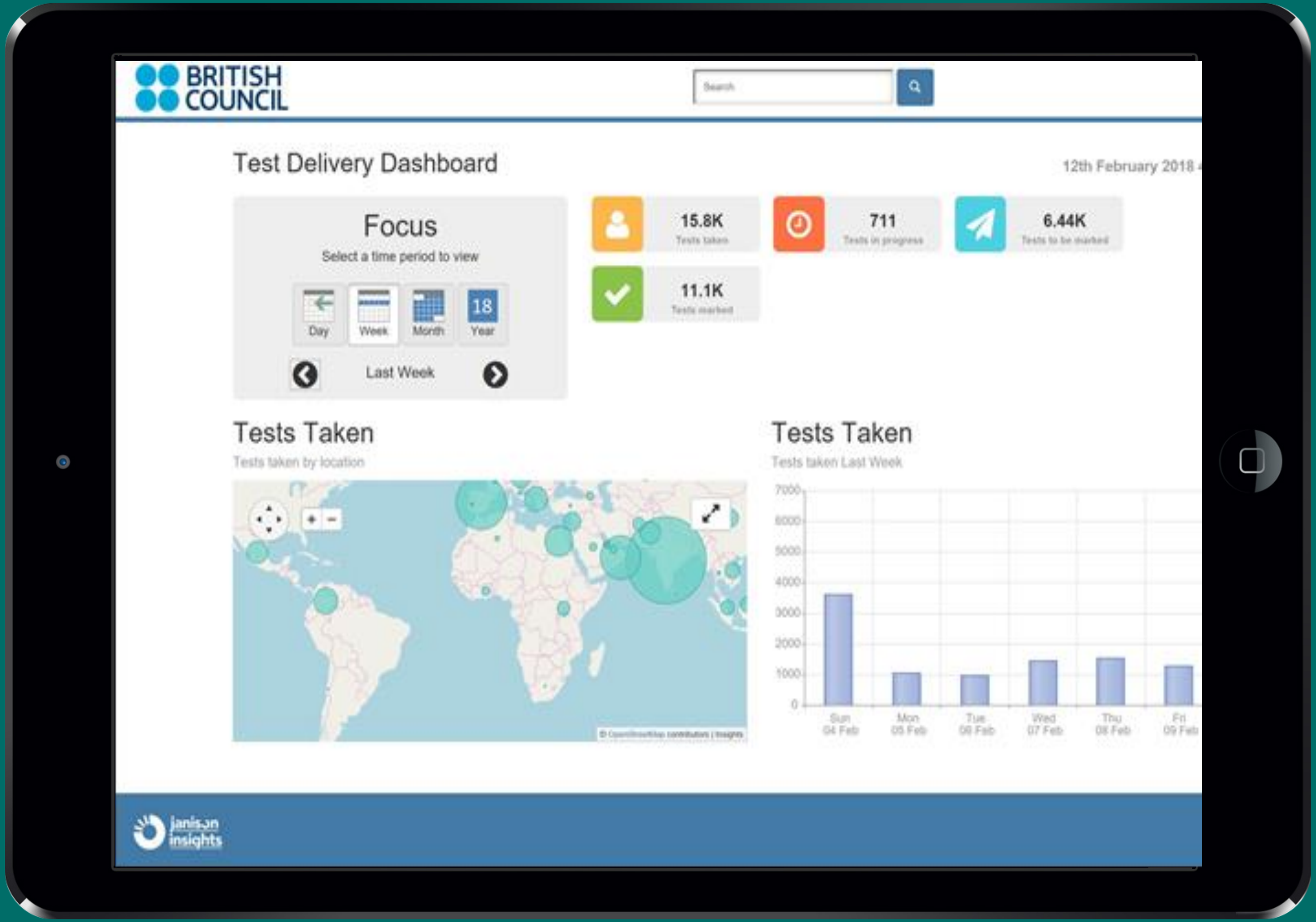

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Outlook

Invest in Business Development	• Appoint a Chief Commercial Officer • Geographic expansion (UK, Canada & Singapore) • Digital marketing to generate leads • Microsoft co-sell and focus on coordinating regional go to market

Invest in Assessment Platform Development	• **Build next generation Platform functionality**
	  • AI and machine learning for predictive learning and automated marking
	  • SNAP – formative assessment platform for Schools
	  • UP – tertiary focused assessment platform

Expand Learning Offerings	• **Focus on rapid expansion in the workplace learning sector**
	  • Bespoke Content development
	  • Off the Shelf compliance courseware
	  • CrossKnowledge Path to Performance

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Total estimated education spend in Schools is ~ $US209B

Schools	Australia	Singapore	UK	Canada
Population (m)	22.9	5.2	64.1	35.2
# of School Aged Students (m)	4.4	1.0	10.5	5.0
% Population Students	19.2%	20.0%	16.4%	14.2%
Education expenditure ($b)	**$36b**	**$8b**	**$119b**	**$46b**
Education expenditure (per Student $US)	$8,251	$8,000	$11,367	$9,256

Source: OECD, January 2018, Janison Analysis

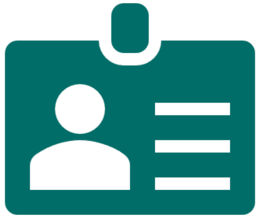
Total estimated education spend in Tertiary is ~ $US124B

Tertiary	Australia	Singapore	UK	Canada
Population (m)	22.9	5.2	64.1	35.2
# of Tertiary Students (m)	1.2	0.3	2.3	1.8
% Population Students	5.2%	5.0%	3.6%	5.1%
Education expenditure ($b)	**$22b**	**$6b**	**$56b**	**$40b**
Education expenditure (per Student ($US)	$18,037	$19,000	$24,541	$22,006

Source: OECD, January 2018, Janison Analysis

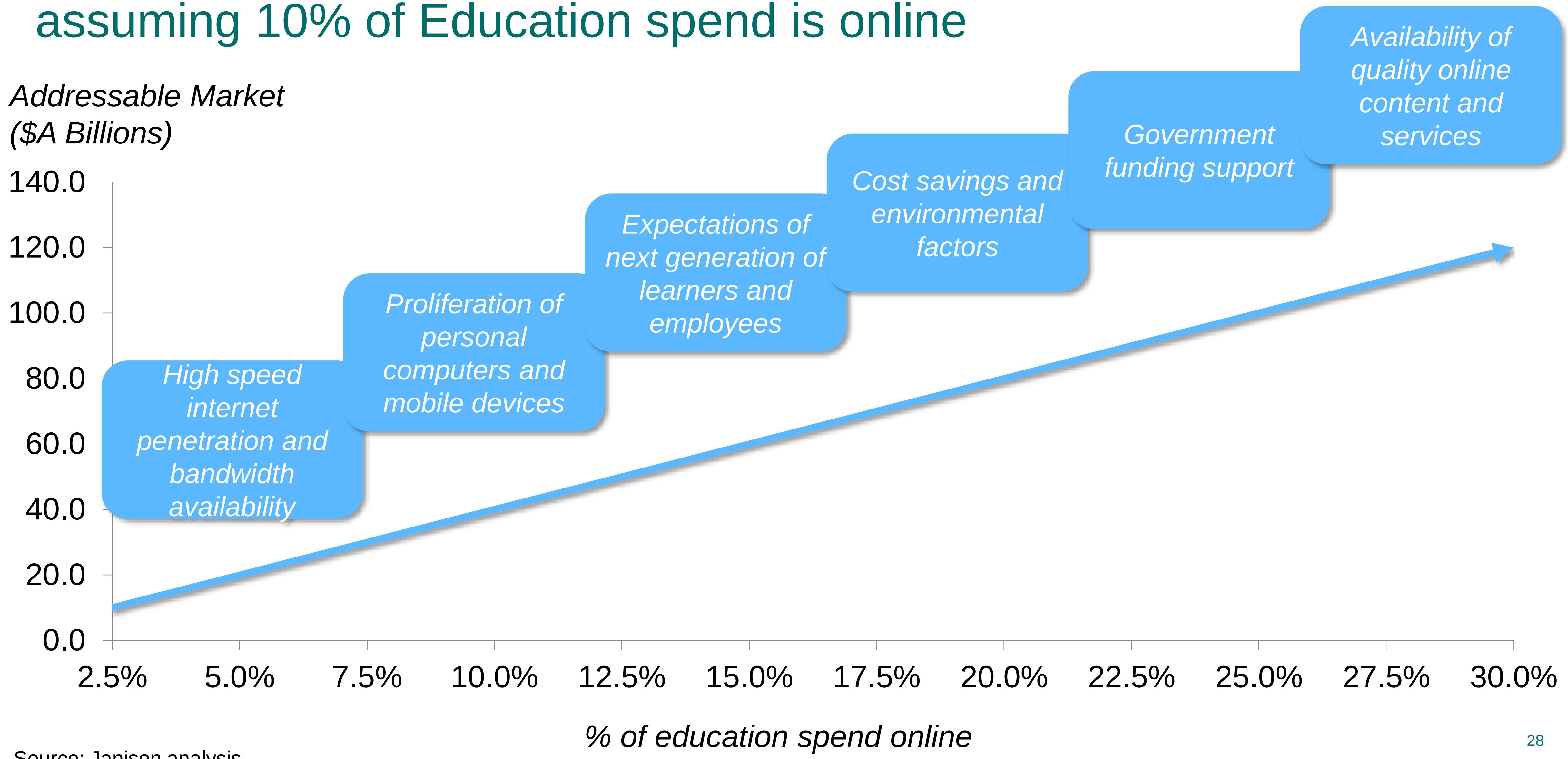
Total estimated education spend in Workplace is ~ $US77B

Workplace	Australia	Singapore	UK	Canada
Population (m)	22.9	5.2	64.1	35.2
# of Employees (m)	11.9	2.6	30.0	18.0
% Population Employed	52.0%	50.0%	46.8%	51.1%
Education expenditure ($b)	**$15b**	**$3b**	**$37b**	**$22b**
Education expenditure ($US per employee)	$1,229	$1,229	$1,229	$1,229



Source: Bersin, Janison Analysis

The total addressable market for Janison is ~$40B assuming 10% of Education spend is online



Source: Janison analysis