janison

2019 ANNUAL REPORT

CORPORATE DIRECTORY

COMPANY
Janison Education Group Limited

ASX CODE
JAN

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Level 5, 126 Philip Street
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BOARD OF DIRECTORS
Mr Mike Hill, Non-Executive Chairman
Mr Brett Chenoweth, Non-Executive Director
Mr David Willington, Non-Executive Director
Ms Allison Doorbar, Non-Executive Director
Mr Tom Richardson, CEO and Managing Director
Mr Wayne Houlden, Commercial Director

COMPANY SECRETARY
Mr Andrew Whitten

AUDITOR
Stantons International Audit & Consulting Pty Ltd
Level 2, 22 Pitt Street
Sydney NSW 2000

CORPORATE GOVERNANCE
www.janison.com/investors/

ANNUAL GENERAL MEETING
Janison will hold its 2019 Annual General Meeting at
Level 5,126 Phillip Street, Sydney NSW 2000
at 4pm, 21 November 2019.

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Our purpose is to transform how people learn

WE HAVE FOUR KEY PRIORITIES TO RAPIDLY GROW THE BUSINESS

1. **NURTURE** existing clients
2. **BUILD** innovative world class products
3. **TARGET** high growth segments
4. **INTENSIFY** our sales and marketing spend

www.janison.com

Chairman's Letter

DEAR SHAREHOLDERS

Janison develops education technology that transforms the way people learn. A true pioneer in delivering innovative learning and assessment solutions, Janison has enjoyed another year of success, penetrating key areas of the education market.

The group continues to deliver timely solutions that meet the growing demand for quality, reliable online assessment. The world-wide appetite for such technology is increasing as student numbers rise, and more and more schools and higher education institutions phase out pen-and-paper assessments and transition to online testing.

Meanwhile, as configurable, enterprise-grade online learning technology builds the skills of the future, the Janison Academy platform is successfully gaining global market share in the education technology sector.

In FY19, Janison grew its total revenue by 30% to exceed $22 million and increase its penetration of the key sectors in the expanding education market, with schools (K-12) revenue increasing by 44% and higher education by 45%.

We are pleased to announce that the established leadership team has successfully transformed Janison into a product-focused business in the past 12 months, increasing Annualised Recurring Revenue (ARR) by 12% in FY19. As a product business with Software-as-a-Service (SaaS)-based recurring revenue, high customer retention, increasing gross margins, low capital to scale and global market opportunity, we see this revenue growth as the key indicator of success and ultimate driver of value of the business.

The team is delivering on its plan to nurture existing clients by retaining 97.5% in FY19, increasing Average Revenue per Customer (ARPC) and driving an increase in customer lifetime value.

In FY19, Janison also successfully acquired and integrated the Language and Testing Consultants ("LTC") business and we are optimistic about our plan to help digitise the 57 clients newly acquired as a result of this move, in the coming years.

Overall, the client base for the group is now less concentrated and less dependent on the success of a handful of clients.

During the past 12 months, Janison has welcomed more world-class talent to the company and bolstered its quality leadership team based in Sydney.

Internationally, Janison continued its expansion in FY19 with 20% of all revenue derived from international clients and the signing of an agreement with the Organisation for Economic Cooperation and Development (OECD) to become the exclusive provider of the PISA-based test for schools. The most recent announcement includes the signing of an agreement to deliver this digital assessment to schools in Brazil, with many more countries expected to follow this year and throughout FY20.

Janison has focused on two market segments in which to expand: for Assessment, on

schools (K-12) using Janison Insights; and for Learning, on corporations using Janison Academy for the workplace. The business plan is to deepen the penetration of these two segments whilst targeting growth in adjacent areas.

We are surrounded by expansion opportunities for the Janison Insights platform. Firstly, on the back of the acquisition of LTC, we plan to accelerate our efforts to expand online assessment into the higher education and workplace sectors. Secondly, as customers increasingly move from using traditional testing methods to online assessment, our longer-term plan is to work with them and their data to evaluate their education systems, including organisational best practice and teaching/assessment efficiencies.

With our powerful combined suite of digital assessment, data capture and efficiency reporting offerings, we plan to continue to transform the way teachers, faculty and administrators learn in schools and higher education, using the Janison Academy platform.

Having enjoyed a full year EBITDA run rate at June 2019 of $4 million, Janison generates sufficient free cash flow to fund organic growth but is also considering selective acquisitions aligned with these growth priorities.

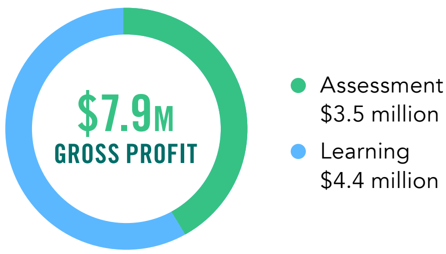
On behalf of the Board, we would like to thank all our stakeholders for believing in Janison's ability to deliver strong recurring revenue growth rates. We remain committed to the growth strategy and expect continued success in this immense global market.

I would also like to thank all Janison staff for their hard work and fantastic achievements throughout the year, and look forward to an exciting 2020 and beyond for the company.

Sincerely,

Mike Hill
Chairman

GROSS PROFIT BY SEGMENT



TOTAL GROSS PROFIT

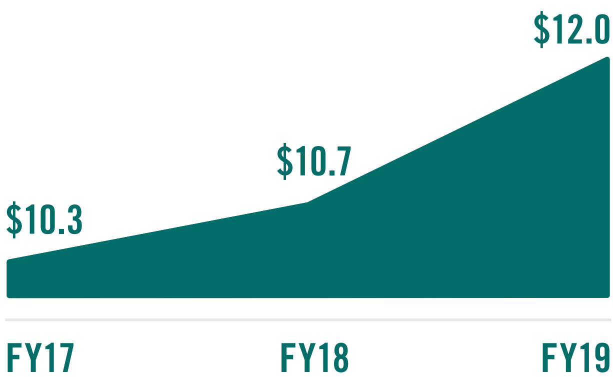
$millions

TOTAL OPERATING REVENUE

$millions

TOTAL ANNUALISED RECURRING REVENUE

$millions



CEO's Letter

AT JANISON OUR PURPOSE IS TO TRANSFORM HOW PEOPLE LEARN. OUR GROWTH IS FUELLED BY FOCUSING ON THE DIGITISATION OF EDUCATION AND A SHIFT TO PRODUCTISATION.

The global education market continues to grow. By 2025, half a billion more students are expected to be in schools and universities, and the education spend per student is increasing year on year.

Digital spend in this industry is currently only 2.6% of the total spend. As this rises amid increasing broadband and mobile device penetration, the global education technology market is expected to double to $340billion by 2025.

Our plan over the past two years has been to establish Janison as a trusted guide to the leading clients in this market thereby capturing our share of this growth and building a solid foundation for future sustainable recurring revenue and profits.

We are pleased to report that in FY19 Janison grew revenue 30% to exceed $22 million and increase its penetration of the three key sectors in the expanding education market.

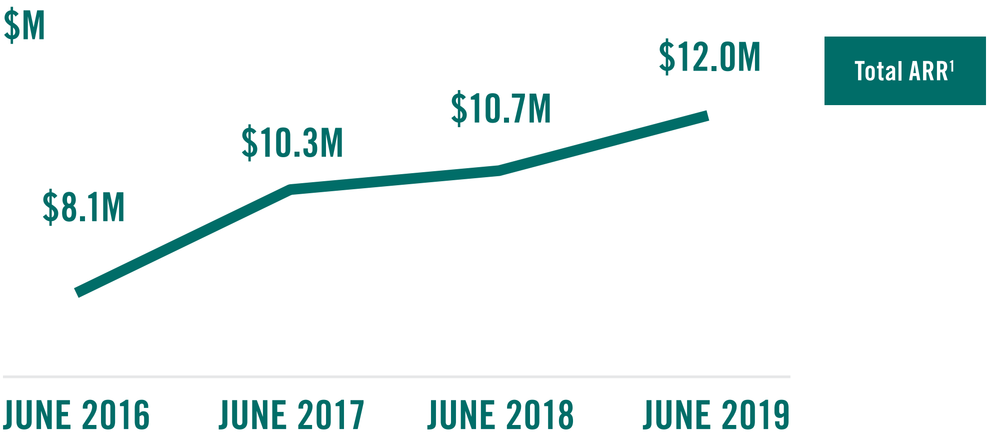
Operating Revenue by Market Sector

Year ending 30 June	2019	2018	Change
Schools (K-12)	$9.3m	$6.5m	+44%
Higher Education	$3.5m	$2.4m	+45%
Workplace	$9.7m	$8.4m	+15%
Total operating revenue	**$22.5m**	**$17.3m**	**+30%**

We have now transformed the business from one which delivered customised software development projects, to one which predominantly sells out-of-the-box configurable products that generate higher-value annual recurring revenue streams.

By selling our Assessment platform (Janison Insights) and our Learning platform (Janison Academy) to all three sectors we have increased Annualised Recurring Revenue (ARR) from $8.1million in FY16 to $12.0million in FY19.

ANNUALISED RECURRING REVENUE



1 "Total ARR" includes all contracted platform and content revenue, it excludes one-off revenue such as Project Services and exam management revenue.

In accordance with our plan to nurture existing clients we retained 97.5% of our customers in FY19 and increased our underlying Average Revenue per Customer (ARPC) to $247,000[1]. We also welcomed another 57 customers during the year. This decreased customer concentration thereby mitigating a risk previously identified in the prospectus.

THE FOUR GROWTH PRIORITIES

1. **Nurture** existing clients
2. **Build** innovative world class products
3. **Target** high growth segments
4. **Intensify** our sales and marketing spend

In FY19 we successfully acquired and integrated the Language and Testing Consultants ("LTC") business with a plan to digitise its offering using Janison's proprietary Digital Transformation Roadmap.

We also continued to attract world-class talent to the business and established our leadership team based in the Sydney head office.

We forged ahead with our international expansion in FY19 by signing an agreement with the OECD to become the exclusive provider of the PISA-based test for schools internationally. This partnership began in April 2019 with the signing of an agreement to deliver the digital assessment to schools in Brazil with many more countries expected to follow throughout FY20. During FY19, revenue originating from international clients represented 20% of total revenue.

To supplement our core business of Assessment in schools and Learning in the workplace, we are focused on these additional target growth segments in FY20:

1. **Build on the success of Janison's assessment software (Janison Insights) in schools and our acquisition of LTC to expand online assessment of skills and knowledge into the global higher education and workplace sectors.**

2. **Use data science and the assessment data collected through Janison Insights to evaluate education systems, including institutions and teaching practices, and to answer critical questions to inform the transformation agenda.**

3. **Transfer the way teachers, faculty and administrators learn and train in the schools and higher education sectors to our Learning Experience Platform (Janison Academy)**

The full year EBITDA run rate at June 2019 was $4m and we are now generating sufficient free cash flow to fund our own organic growth and continue to invest in SaaS based products in our target sectors.

We are excited about the year ahead and thank our valued clients for their trust, our partners for their collaboration, and our staff, contractors 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 would like to thank our investors for their support as we continue on our mission to transform the way people learn.

Tom Richardson
Chief Executive Officer

1 Underlying ARPC refers to the average revenue per client for the Janison Assessment and Learning business, excluding the impact of LTC which was acquired on 1 April 2019.

Board of Directors

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 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.

BRETT CHENOWETH

Experience and Expertise

Brett brings a wealth of major international experience across media, technology, entertainment, investment and telecommunications. Brett is Chairman of Madman Entertainment, Chairman of The Advisory Board of HRL Morrison & Co., a Founder of the Bombora Group, an Independent Board Director at Surfing Australia, Chairman of Canberra Data Centres (CDC) and Chairman of Creative Enterprises Australia (CEA). 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 investment firm The Silverfern Group, Telecom New Zealand, Publishing & Broadcasting Limited, ecorp, ninemsn and Village Roadshow.

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.

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.

TOM RICHARDSON

Experience and Expertise

Tom has successfully led the growth of Janison for the past 4 years and has over 15 years of experience in the online learning industry. He was the founder of the Deloitte Leadership Academy and the CEO of Latitude Learning Academy before joining Janison in 2015. Tom was a Partner at Deloitte for over 10 years focused specifically on digital disruption, innovation and business growth. He was a consultant for two years at Bain International and a manager at Arthur Andersen advising Australia's leading organisations on performance improvement. Tom also spent two years with investment banks in London working for Merrill Lynch, Salomon Brothers and Rothchilds. Tom has a Bachelor of Business, a Master of Business Administration (MBA) from the Australian Graduate School of Management and is a Certified Practicing Accountant and a member of the Australian institute of Company Directors (AICD).

WAYNE HOULDEN

Experience and Expertise

Wayne founded Janison in 1998. Wayne is seen as a market shaper 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 helping Janison to grow as an international education platform used by many countries for strategic assessment projects. He is working actively with many of Janison's international partners to achieve this goal.

Wayne has a truly global vision for the Business and has strong relationships in the education technology industry around the world. 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 the University of New South Wales and a Diploma of Teaching from Sydney University of Technology.

2019
FINANCIAL REPORT

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Directors' Report

The following commentary should be read in conjunction with the Yearly financial statements and the related notes in this report. Some sections of this commentary include Non-International Financial Reporting Standards (IFRS) financial measures as the Company 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	2019 ($'000s)	2018 ($'000s)	Change
Recurring revenue	11,533	10,616	9%
Exam management revenue	2,523	-	NM
Project services	8,440	6,689	26%
Total operating revenues	**22,496**	**17,305**	**30%**
Cost of sales	14,608	10,625	37%
Gross Profit	**7,887**	**6,680**	**18%**
Gross Profit %	*35%*	*39%*	*(3.5) ppt*
Operating expense	6,975	4,899	42%
R&D tax incentive credit income	(1,075)	(1,397)	(23)%
Trading EBITDA	**1,987**	**3,177**	**(37)%**
Trading EBITDA %	*9%*	*18%*	*(9.5) ppt*
Non-operating expense	1,756	23,893	(93)%
EBITDA	**231**	**(20,716)**	**(101)%**
Depreciation and amortisation	963	324	197%
Financial (revenue) / expense	(100)	42	(336)%
Loss before Income Tax	**(632)**	**(21,083)**	**(97)%**
Income tax	650	795	(18)%
Net Loss	**(1,283)**	**(21,878)**	**(94)%**

The growth in operating revenues during the year ended 30 June 2019 was driven by a 9% increase in recurring revenue assisted by the growth in large, existing assessment clients such as UNSW Global and the Department of Education. Operating revenue was also driven higher in FY19 by a 26% growth in project services revenue as a result of large development projects for new clients such as Roads and Maritime Services NSW to build its new Driver Knowledge Test, and significant development work for the Singapore Examinations and Assessment Board (SEAB).

Gross profit was 35% of total revenue for the current period compared to 39% in the prior year reflecting higher hosting costs during the period and a higher mix of services and implementation revenue versus platform revenue as Janison invested in its product for greater future recurring revenue.

Trading EBITDA (a non-IFRS measure) decreased 37% when compared to the prior corresponding year reflecting the Group's strategy to:

- accelerate the development of new products including Janison Insights for higher education institutions;
- support the implementation phase of a number of new customer contracts to deliver significant recurring platform revenue in FY20 and beyond; and,
- enhance the executive leadership team and expand sales and marketing.

Directors' Report

The board believes this a worthwhile investment to allow the Group to penetrate its key market sectors, identified previously, ahead of its competition.

In FY18, non-trading, transaction expenses of $23.3m relating to the Janison Solutions acquisition and capital raising significantly impacted the net result for that period. As a result, the net loss for the year ended 30 June 2018 was $21.9 million.

PRINCIPAL ACTIVITIES

The Group operates within the education technology sector. Principal activities include software development and the provision of Software-as-a-Service.

CAPITAL RAISING AND ACQUISITIONS

In October 2018 the Group completed a $5m (before costs) capital raising via a share placement with new and existing institutional shareholders and sophisticated investors. As a result 12.275m new, fully-paid ordinary shares were issued at $0.40 per share. The proceeds of the capital raise were invested in the Group's products and to support future growth in the higher education sector.

In addition, the Group's current year results include the impact of the 23 April 2018 purchase, from Ascender Learn Pty Ltd, assets and liabilities related to a bespoke e-learning content generation business unit for $272,000 which now forms part of the Group's Learning segment. The revenues generated from this acquisition to-date are project services and relate to the creation of custom content for any major Australian corporate or financial institution. This acquisition is part of Janison's strategy to provide a complete integrated learning solution for Australia's leading companies.

In March 2019 the Group completed a $6m (before costs) capital raising via a share placement with new and existing institutional shareholders and sophisticated investors. As a result, approximately 18.2m new, fully-paid ordinary shares were issued at $0.33 per share. The proceeds of the capital raise were used to assist with the funding of the acquisition of LTC Holdco Pty Ltd.

On 1 April 2019, the Group acquired 100% of the shares in LTC Holdco Pty Ltd (the parent company of Language and Testing Consultants Pty Ltd) for a consideration of $4.5m in the form of cash, a working capital adjustment of $484,767, $2.0m paid in the form of fully-paid ordinary shares in the Group's shares, a deferred consideration of $1.5m to be paid on the 1 year anniversary of completion, and an earn-out payment of 5.715 times the FY19 adjusted EBITDA for LTC in excess of $1.65 million– payable as to 50% in cash and 50% in the Group's shares. All shares issued as consideration carry a 12 month escrow period from the date of issue.

LTC is Australia's largest examination services business and facilitates outsourced, end-to-end exam management services on behalf of large universities, colleges, and professional certification bodies. The acquisition of LTC represents a significant move in Janison's strategic expansion into the assessment market. It provides an opportunity for Janison to transition LTC's clients from traditional paper-based examinations to the Janison digital assessment platform – Janison Insights. The current year results for the Group include the impact of this acquisition for the period from 1 April 2019 to 30 June 2019.

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 tax expense to net results.

Year ended 30 June	2019 ($'000s)	2018 ($'000s)	Change
Net Loss	**(1,283)**	**(21,878)**	**(94)%**
Add back: net interest (revenue) / expense	(100)	42	(338)%
Add back: depreciation and amortisation	963	324	197%
Add back: income tax expense	650	795	(18)%
EBITDA	**231**	**(20,717)**	**(101)%**
Percentage of operating revenue	*1%*	*NM*	*NM*

NM stands for not meaningful

Trading EBITDA excluding the impact of non-trading items is also provided as we believe it provides readers with relevant information to analyse trends in the Group's financial results.

Year ended 30 June	2019 ($'000s)	2018 ($'000s)	Change
EBITDA	**231**	**(20,717)**	**(101)%**
Add back: transaction costs	51	23,312	(100)%
Add back: non-cash share-based compensation	1,292	560	131%
Add back: other non-operating costs	413	22	1822%
Trading EBITDA	**1,987**	**3,177**	**(37)%**
Percentage of operating revenue	*9%*	*18%*	*(9.5) ppt*

OPERATING REVENUE

- Licence and hosting revenue consists of recurring revenue for the right to use the Janison platform.
- Content licence revenue consists of recurring revenue for the right to use third-party content distributed via Janison's learning platform or customers' proprietary learning platforms.
- Platform maintenance revenue represents recurring revenue for platform maintenance and support services over a specific period of time (usually one year).
- Exam management revenue consists of revenue to facilitate and supervise in-person examination events. This is a new revenue component introduced with the acquisition of LTC in April 2019.
- Project services revenue consists of platform customisation, implementation, configuration, and customer staff training activities.

Directors' Report

OPERATING REVENUE BY COMPONENT

Year ended 30 June	2019 ($'000s)	2018 ($'000s)	Change
Licence and hosting revenue	8,853	7,481	18%
Content revenue	1,129	1,577	(28)%
Platform maintenance revenue	1,551	1,558	0%
Total recurring revenue	**11,533**	**10,616**	**9%**
Exam management revenue	2,523	-	NM
Project services revenue	8,440	6,689	26%
Total Operating Revenue	**22,496**	**17,305**	**30%**
Number of recurring revenue customers during period	*69*	*71*	
Average recurring revenue per customer (thousands)	*$167*	*$150*	
Number of total customers during period	*81*[(1)]	*86*	
Average total revenue per customer (thousands)	*$247*[(1)]	*$201*	

(1) Total 2019 customer numbers and revenue per customer figures have been normalised to allow for a consistent comparison with the prior year. The figures in the table above exclude all revenue and customers from the LTC acquisition.

OPERATING REVENUE BY MARKET SECTOR

Year ended 30 June	2019 ($'000s)	2018 ($'000s)	Change
Schools (K-12)	9,314	6,487	44%
Higher Education	3,517	2,425	45%
Workplace	9,665	8,393	15%
Total Operating Revenue	**22,496**	**17,305**	**30%**

Revenue reported by Market Sector reflects a significant increase in revenue generated across all market sectors. The growth in the Higher Education sector was assisted by the acquisition of LTC in April 2019.

OPERATING REVENUE BY GEOGRAPHY

Year ended 30 June	2019 ($'000s)	2018 ($'000s)	Change
Australia and New Zealand	18,014	13,348	35%
Asia	3,154	2,484	27%
Rest of World	1,328	1,473	(10)%
Total Operating Revenue	**22,496**	**17,305**	**30%**
International revenue as percentage of total	*20%*	*23%*	*(2.9) ppt*

ppt stands for percentage point

International revenue as a percentage of total revenue decreased from 23% in the prior year to 20% for the year ended 30 June

2019, largely due to the acquisition of LTC with a dominant Australian and New Zealand client base. The Group's strategy to expand into international markets has taken a large step forward with the partnership agreement (signed April 2019) between Janison and the Organisation for Economic Co-operation and Development (OECD) to provide its PISA-based test for schools (PBTS) to schools globally.

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, including customer support. Cost of sales also includes hosting and third-party content licensing fees. Cost of sales excludes depreciation, amortisation and overheads which are reported as operating expenses on the Statement of Profit or Loss.

Year ended 30 June	2019 ($'000s)	2018 ($'000s)	Change
Total operating revenue	22,496	17,305	30%
Cost of sales	14,608	10,625	37%
Gross profit	**7,887**	**6,680**	**18%**
Percentage of operating revenue	*35%*	*39%*	*(3.5) ppt*

EMPLOYEES

Year ended 30 June	2019	2018	Change
Total full-time equivalent (FTE) employees	131	85	54%

The number of FTE employees increased at 30 June 2019 primarily as a result of the April 2019 acquisition of LTC, an exam management business (with 9 permanent staff and a casual base of up to 500 - an average of 32 FTE casuals was calculated and included in the 2019 FTE count above). 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.

CASH FLOWS

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

Year ended 30 June	2019 ($'000s)	2018 ($'000s)	Change
Receipts from customers	21,647	16,561	31%
Payments to suppliers and employees	(21,781)	(16,245)	34%
Income taxes refunded	238	468	(54)%
Other (Interest (paid) / received, and grant income)	167	58	188%
Total cash flows from operating activities	**270**	**842**	**(68)%**
Investing activities	(8,269)	(4,029)	105%
Effect of exchange rate changes	(41)	-	NM
Financing activities	10,445	5,448	92%
Net change in cash	**2,406**	**2,261**	**6%**
Closing cash at end of year	**6,025**	**3,619**	**66%**

Directors' Report

Cash flows used in investing activities totaled $8.3 million for the year ended 30 June 2019, including $5.0 million of net cash outflows to complete the purchase of LTC. Investing activities also related to software design and development costs which increased to $3.2 million from $1.6 million in the prior year as a result of the Group's investment in product development.

Cash provided by financing activities during the year ended 30 June 2019 was approximately $10.5 million reflecting the net proceeds from two capital raising transactions completed in October 2018 and March 2019.

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	2019 ($'000s)	2018 ($'000s)	Change
Licence and hosting revenue	4,678	3,318	41%
Platform maintenance revenue	1,122	1,185	(5)%
Total recurring revenue	**5,800**	**4,503**	**29%**
Exam management revenue	2,523	-	NM
Project services revenue	5,660	5,200	9%
Total segment revenue	**13,983**	**9,703**	**44%**
Cost of sales	10,504	7,437	41%
Segment gross profit	**3,479**	**2,266**	**54%**
Gross profit percentage of assessment segment revenue	25%	23%	1.5 ppt
Operating expense	4,148	2,468	68%
Segment trading EBITDA	**(669)**	**(202)**	**232%**
EBITDA percentage of assessment segment revenue	(5)%	(2)%	(2.7) ppt
Number of Assessment recurring revenue customers during period	*10*	*9*	*1*
Average Assessment recurring revenue per customer (thousands)	*$580*	*$500*	*$80*
Number of total customers during period	*10*	*10*	*0*
Average total revenue per customer (thousands)	*$1,146*	*$970*	*$176*

The number of customers and revenue per customer figures in the table above all exclude the acquisition of LTC customers and revenue.

Assessment

The significant increase in platform revenue reflects the progression of clients such as UNSW and RMS from the build and configuration stage of these contracts to the operational licensing phase during the year ended 30 June 2019.

Gross Profit for the year ended 30 June 2019 was $3.5million, while Trading EBITDA was negative $669 thousand. Both metrics are in-line with management expectations given the assessment product, Insights, is still in the early stages of its commercial life cycle.

LEARNING

Year ended 30 June	2019 ($'000s)	2018 ($'000s)	Change
Licence and hosting revenue	4,175	4,163	-
Content licence revenue	1,129	1,577	(28)%
Platform maintenance revenue	429	373	15%
Total recurring revenue	**5,733**	**6,113**	**(6)%**
Project services revenue	2,780	1,489	87%
Total segment revenue	**8,513**	**7,602**	**12%**
Cost of sales	4,105	3,189	29%
Segment gross profit	**4,409**	**4,413**	**(0)%**
Gross profit percentage of learning segment revenue	52%	58%	(6.3) ppt
Operating expense	1,752	1,034	69%
Segment trading EBITDA	**2,657**	**3,379**	**(21)%**
EBITDA percentage of learning segment revenue	31%	44%	(13.2) ppt
Number of Learning recurring customers during period	*59*	*62*	*(3)*
Average Learning recurring revenue per customer (thousands)	*$97*	*$99*	*$(1)*
Number of total customers during period	*71*	*76*	*(5)*
Average total revenue per customer (thousands)	*$120*	*$100*	*$20*

Learning

Segment revenue for the year ended 30 June 2019 grew by 12% overall reflecting an 87% increase in project service revenues mainly driven by an increase in content development revenue and a decrease of 6% in recurring revenue.

Gross Margin as a percentage of operating revenue was 52% and Trading EBITDA as a percentage of operating revenue was 31% for the year ended 30 June 2019.

DIVIDENDS

No dividend has been declared for the financial year ended 30 June 2019 (2018: $1.0 million paid to former shareholders of Janison Solutions Pty Ltd).

Directors' Report

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 Tom Richardson	Executive Director and CEO
Mr Wayne Houlden	Executive Director
Ms Allison Doorbar	Non Executive Director

INFORMATION ON THE DIRECTORS

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 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

AHAlife Holdings Limited (ASX:AHL) (Non-executive Chairman)

Acrow Formwork and Construction Limited (ASX:ACF) (Non-Executive Director)

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

Former Directorships in the Last Three Years

Rhipe Limited (ASX:RHP) (Non-executive Chairman, resigned 26 March 2019)

LiveTiles Limited (ASX:LVT) (Non-Executive Director, resigned on 5 September 2017)

JustKapital Limited (ASX:JKL) (Non-Executive Director, resigned on 27 November 2017)

Prime Media Group Limited (Non-Executive Director, resigned on 22 August 2016)

Special Responsibilities

Chairperson

Chairperson Audit and Risk Committee

Member Remuneration and Nominations Committee

Interests in Shares and Options

- 1,306,475 fully paid ordinary shares (590,737 escrowed),
- 600,000 loan-funded shares funded by way of a 5-year limited recourse, non-interest bearing loan from the Company. The vesting subject to continuous employment and when the 5-day VWAP of the Company's shares exceeds $0.60 for more than 30 days.
- 500,000 performance rights to receive one fully paid share. Rights vested in August 2019 but are yet to be converted to ordinary shares as at the date of this report.
- 105,000 unlisted and unvested options exercisable at $0.3333 per option, expires on 8 October 2019.

Brett Chenoweth

Experience and Expertise

Brett brings a wealth of major international experience across media, technology, entertainment, investment and telecommunications. Brett is Chairman of Madman Entertainment, Chairman of The Advisory Board of HRL Morrison & Co., a Founder of the Bombora Group, an Independent Board Director at Surfing Australia, Chairman of Canberra Data Centres (CDC) and Chairman of Creative Enterprises Australia (CEA). 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 investment firm The Silverfern Group, Telecom New Zealand, Publishing & Broadcasting Limited, ecorp, ninemsn and Village Roadshow.

Other Current Directorships

None

Former Directorships in the Last Three Years

Acrow Formwork and Construction Limited (ASX:ACF) (Non-Executive Director, resigned 27 March 2018)

Special Responsibilities

Chairperson Remuneration and Nominations Committee

Interests in Shares and Options

- 984,875 fully paid ordinary shares (467,437 escrowed),
- 600,000 loan-funded shares funded by way of a 5-year limited recourse, non-interest bearing loan from the Company. The vesting subject to continuous employment and when the 5-day VWAP of the Company's shares exceeds $0.60 for more than 30 days.
- 500,000 performance rights to receive one fully paid share. Rights vested in August 2019 but are yet to be converted to ordinary shares as at the date of this report.
- 105,000 unlisted and unvested options exercisable at

0.3333 per option, expires 8 October 2019.

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

Vamp Pty Limited (Chairman)

Former Directorships in the Last Three Years

None

Special Responsibilities

Member Audit & Risk Committee

Interests in Shares and Options

- 316,667 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 subject to continuous employment and when the 5-day VWAP of the Company's shares exceeds $0.60 for more than 30 days.
- 500,000 performance rights to receive one fully paid share. Rights vested in August 2019 but are yet to be converted to ordinary shares as at the date of this report.

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

EduWorld Pty Ltd (Executive Director)

23A Pty Ltd (Executive Director)

Former Directorships in the Last Three Years

None.

Special Responsibilities

Member Remuneration and Nominations Committee

Interests in Shares and Options

- 600,000 loan-funded shares funded by way of a 5-year limited recourse, non-interest bearing loan from the Company. The vesting subject to continuous employment and when the 5-day VWAP of the Company's shares exceeds $0.60 for more than 30 days.
- 500,000 performance rights to receive one fully paid share. Rights vested in August 2019 but are yet to be converted to ordinary shares as at the date of this report.

Tom Richardson

Experience and Expertise

Tom has successfully led the growth of Janison for the past 3 years and has over 15 years of experience in the online learning industry.

He was the founder of the Deloitte Leadership Academy and the CEO of Latitude Learning Academy before joining Janison in 2015. Tom was a Partner at Deloitte for over 10 years focused specifically on digital disruption, innovation and business growth.

He was a consultant for 5 years at Bain International and a manager at Arthur Andersen advising Australia's leading organisations on performance improvement. Tom also spent two years with Investment Banks in London working for Merrill Lynch, Salomon Brothers and Rothschilds.

Tom has a Bachelor of Business, a Master of Business Administration (MBA) from the Australian Graduate School of Management, is a Certified Practicing Accountant and a member of the Australian Institute of Company Directors (AICD).

Other Current Directorships

LTC Language and Testing Consultants Pty Ltd (Executive Director since 1 April 2019).

Former Directorships in the Last Three Years

None.

Special Responsibilities

CEO and Managing Director

Interests in Shares and Options

- 15,599,251 fully paid ordinary shares (7,799,625 escrowed)
- 2,400,000 loan-funded shares funded by way of a 5-year limited recourse, non-interest bearing loan from the Company. The vesting subject to continuous employment and when the 5-day VWAP of the Company's shares exceeds $0.60 for more than 30 days.

Directors' Report

- 2,000,000 performance rights to receive one fully paid share. Rights vested in August 2019 but are yet to be converted to ordinary shares as at the date of this report.

Wayne Houlden

Experience and Expertise

Wayne founded Janison in 1998. Wayne is seen as a market shaper 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 helping Janison to grow as an international education platform used by many countries for strategic assessment projects. He is working actively with many of Janison's international partners to achieve this goal.

Wayne has a truly global vision for the Business and has strong relationships in the education technology industry around the world. 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

- 66,067,416 fully paid ordinary shares (33,033,708 escrowed)
- 1,200,000 loan-funded shares funded by way of a 5-year limited recourse, non-interest bearing loan from the Company. The vesting subject to continuous employment and when the 5-day VWAP of the Company's shares exceeds $0.60 for more than 30 days.
- 1,000,000 performance rights to receive one fully paid share. Rights vested in August 2019 but are yet to be converted to ordinary shares as at the date of this report.

Company Secretary

Andrew Whitten holds the position of Company Secretary.

Experience and Expertise

Andrew is an admitted solicitor and an Executive Director of Automic Group of Companies, Australia's only professional service provider that delivers a complete and integrated ecosystem of Registry, Company Secretarial, Legal, CFO and Accounting services.

Andrew is currently the company secretary for a number of publicly listed companies. He has been involved in numerous corporate and investment transactions including IPOs on the ASX and NSX, corporate reconstructions, reverse mergers and takeovers for two decades.

Andrew holds a Bachelor of Arts (Economics, UNSW); Master of Law and Legal Practice (Corporate Finance and Securities Law, UTS); Graduate Diploma in Applied Corporate Governance from the Governance Institute and is an elected Associate of that institute.

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):

	Full Directors Meetings		Audit/Risk		Remuneration & Nominations	
Name of Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Michael Hill, Chairman	8	8	2	2	1	1
Brett Chenoweth	8	8	–	–	1	1
David Willington	8	8	2	2	–	–
Tom Richardson	8	8	–	–	–	–
Wayne Houlden	8	8	2	2	1	1
Allison Doorbar	8	8	–	–	–	–

All other business was conducted via circular resolution.

Equity Instruments

As at the date of signing this report, there were 13,440,840 unissued ordinary shares in the following equity instruments which are exercisable as follows:

Date of Grant	Security	Number	Date of Expiry	Conversion Price $
8-Oct-14	Options	607,500	8-Oct-19	$0.33
15-Dec-17	Advisor Options & Rights	240,000	15-Dec-20	$0.30
15-Dec-17	Employee Options	843,340	21-Dec-19	nil
21-Dec-17	Loan Funded Shares	5,400,000	14-Dec-22	$0.30
21-Dec-17	Performance Rights	4,500,000	15-Dec-19	nil
14-Nov-18	Loan Funded Shares	600,000	14-Nov-23	$0.45
14-Nov-18	Performance Rights	500,000	11-Mar-21	nil
3-Dec-18	Loan Funded Shares	150,000	3-Dec-23	$0.45
3-Dec-18	Performance Rights	150,000	11-Mar-21	nil
19-Dec-18	Loan Funded Shares	300,000	19-Dec-23	$0.45
19-Dec-18	Performance Rights	150,000	11-Mar-21	nil
TOTAL		**13,440,840**		

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 $71 thousand (2018: $50 thousand).

Auditor Independence

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 69 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 2019 financial year (2018: $29,143).

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence has not been compromised.

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 15 August 2019 released to the ASX and posted on the Company's website: www.janison.com/investors.

Mike Hill
Chairman

Remuneration Report

1 Scope of the Remuneration Report and Individuals Classed as KMP

The Remuneration Report sets out the prescribed key management personnel (KMP) remuneration information and details of Janison Education Group Limited in accordance with section 300A of the Corporations Act 2001 (the Act) and associated regulations, including policies, procedures, governance, and factual practices as required.

In accordance with the Act, this report covers the Remuneration of KMP legally appointed in the Company (the listed entity).

Janison Education Group Limited (the "Group" or the "Company") has decided to set out such further information as shareholders may require for them to obtain an accurate and complete understanding of the Company's approach to the remuneration of Key Management Personnel (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 FY 2019

- 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 2017),
  - Member of the Remuneration Committee since (15 December 2017),
  - Member of the Risk Committee since (15 December 2017),
  - Member of the Nomination Committee since (15 December 2017),
- Mr Brett Chenoweth, independent non-executive director since (7 July 2014),
  - Member of the Remuneration Committee since (15 December 2017),
  - Member of the Nomination Committee since (15 December 2017),
- Mr David Willington, independent non-executive director since (15 September 2017),
  - Member of the Audit Committee since (15 December 2017),
  - Member of the 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 Tom Richardson, Chief Executive Officer & Managing Director (CEO) since 1 July 2015,
- Mr Wayne Houlden, Executive Director since 25 January 2000,
- Ms Diane Fuscaldo, Chief Financial Officer (CFO) since 15 December 2017, resigned 12 April 2019,
- Mr Stuart Halls, Chief Financial Officer (CFO) since 3 December 2018.

2 Context of Remuneration for FY19

2.1 Relevant Context for Remuneration Governance during FY19

The KMP remuneration structures that appear in this report are required to reflect the arrangements applicable to Financial Year 2019, however, 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 Education.

The following outlines important context for the decisions that were made in relation to remuneration for/during Financial Year 2019, the outcomes of which are presented in this report.

- As at the 30 June 2019, being the end of the reporting period, the market capitalisation was $48.1m, an 18% increase on the previous year, indicating the market is recognising the value of the Company business model, and the ability of the KMP to deliver the strategy,
- The Company is focused on delivering the prospectus commitments to increase value for all shareholders and implementing the strategy as communicated including:
  - Investments in sales, marketing and business development resources to drive growth,
  - Delivering on existing high-profile customer projects critical to the Group's reputation and growth strategy,
  - Implementation of the Group's product roadmap via investments in developing new features and projects that can be marketed to new and existing customers,
  - Establishing a meaningful presence internationally with the goal to increase the proportion of the Group's revenues coming from international customers,
  - Targeted acquisitions to acquire complementary businesses with a focus on securing new clients.

3 Overview of Remuneration Governance Framework & Strategy

3.1 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 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/.

3.2 Remuneration Committee Charter

The Remuneration Committee Charter (the Charter) governs the operation of the Remuneration 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 Company 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.

3.3 Executive Remuneration Policy

The Company's executive remuneration policy may be summarised as follows:

- Remuneration for senior executives should be composed of:
  - 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,
- Which is partly at-risk; an opportunity for the Company to pay less than the planned remuneration when performance expectations have not been met,
- Which is partly an incentive to reward executives for meeting or exceeding expectations,
- Which considers outcomes of the short term, via the Short Term Incentive (STI) or Bonus opportunity which provides a reward for performance against annual objectives, and
- Which considers long-term outcomes, via the Long Term Incentive (LTI) which provides an equity-based reward for performance against indicators of shareholder benefit or value creation, over a multi-year period,
  - In total the sum of the elements will constitute a total remuneration package (TRP).
- Both internal relativities and external market factors should be considered,
- Total remuneration packages (TRPs, which include Base Package and incentives) should be structured with reference to market practices, the practices of competitors for talent, and the circumstances of the Company at the time.

Changes to fixed remuneration resulting from annual reviews should generally be determined in relation to:

- external benchmarking, and/or market movements,
- whether current remuneration for the incumbent is above or below the policy midpoint/benchmark – those below the midpoint will tend to receive higher increases,
- the competence of the incumbent in fulfilling their role which determines their positioning within the policy range – higher calibre incumbents are intended to be positioned higher in the range, and
- any changes to internal relativities related to role/organisation design that have occurred since the previous review.

3.4 Short Term Incentive/Bonus Policy

The short term incentive policy of the Company is that an annual component of executive remuneration should be:

Remuneration Report

- at-risk, which allows the Company to vary the cost of employing executives, to align with individual and Company performance, which incentivise our performance targets,
- paid in cash and deferral do not apply since there is a separate component of remuneration (the LTI) which is intended to address long term outcomes, and which is weighted sufficiently to ensure that the risk of short-termism is appropriately managed, and
- Short-term awards are linked to the main drivers of value creation at the group, business unit or individual level, as may be appropriate to the role and subject to Board discretion.

Non-executive directors are excluded from participation.

A termination of employment will trigger a forfeiture of some or all unearned STI entitlements 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.

3.5 Long Term Incentive Policy

The Board has designed the long-term incentive policy of the Company such that executive remuneration is:

- at-risk, producing down-side remuneration outcomes for executives when expectations are not met,
- linked to equity in the Company to ensure that the interests of executives are aligned with those of shareholders,
- appropriately configured to offset the risk of short-termism that can arise due to short term incentives, and
- targeted around expectations but inclusive of opportunities to earn additional remuneration when expectations are exceeded.
- The LTI is based on Performance Rights or Options (which may include share purchase loan plan arrangements – LFSP),
- 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.

3.6 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 may be summarised as follows:

- Remuneration may be composed of:
  - Board fees,
  - Committee fees,
  - Superannuation,
  - Other benefits, and
  - Equity (if appropriate at the time, such as in the lead-up to the RTO).
- 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 calibre of NEDs,
- Remuneration should be reviewed annually,
- Committee fees may be used to recognise additional contributions to the work of the Board by members of committees in circumstances that the workload of the Board is not equally shared,
- The Board 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.

3.7 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").

3.8 Variable Executive Remuneration – The Short Term Incentive Bonus Plan of Janison Education Group

Short Term Incentive Plan (STIP)	
Aspect	**Plan, Offers and Comments**
Purpose	The short term incentive bonus plan'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 Company's financial year (12 months).
Award Opportunities	The CEO was offered an opportunity of up to $150,000 or approximately 43% of Base Package. Other Senior Executives who are KMP were offered an opportunity of between 20% and 30% of their Base Package.
Performance Assessment	Around the beginning of each year the Board sets the conditions that will be assessed under the executive STI, in consultation with the CEO. Performance assessments relate to the business plans, budgets and strategic priorities identified in respect of a given year. The awards are driven by financial outcomes, and take into account individual contributions. For FY19 short-term incentive awards were based on a number of measures including EBITDA, revenue growth and engagement. The outcome for these measures has yet to be agreed as at the date of this report.
Award/Payment	Assessments and award determinations are performed following the end of the Measurement Period and the auditing of Company accounts. Awards will generally be paid in cash within a reasonable period of time following the end of the Measurement Period. They are to be paid through payroll with PAYG tax and superannuation remitted as appropriate. Short-term incentive deferral into equity does not apply to the STI plan since the LTI is of a sufficiently high weighting and structured to mitigate short-termism.
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 due to dismissal for cause, all award opportunities are forfeited unless otherwise determined by the Board, • 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 elapsed, 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, defalcation or gross misconduct in relation to the Company then all entitlements in relation to the Measurement Period will be forfeited by that participant.

Remuneration Report

3.9 Variable Executive Remuneration – Long Term Incentive Plan (LTIP)

Long Term Incentive Plan (LTIP) Performance Rights, Options and Loan Funded Share Plan (LFSP)	
Aspect	**Plan, Offers and Comments**
Purpose	The long term incentive plan's primary 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 key executives and directors, and maintains a stable leadership team by helping retain key talent. These objectives aim to be achieved by a series of equity-based remuneration opportunities that reward participants for their performance during a multi-year period. Other purposes of the LTI program include: • to assist key management personnel and others selected by the Board to become Shareholders, • to provide a component of remuneration to enable the Company to compete effectively for the calibre of talent required for it to be successful and to help retain employees, thereby minimising turnover and stabilising the workforce, and • facilitating variable remuneration cost outcomes so that in periods of poor performance the cost is lesser (applies to non-market measures under AASB2). Currently the Company operates Performance Rights, Options and Loan Funded Shares Plans for the purposes of the LTIP.
Form of Equity	The current plan includes the ability to grant the following to Eligible Employees which includes Directors, employees and service providers or advisors as nominated by the Board: • Performance Rights, which are subject to performance related vesting conditions, and which may be settled upon exercise by new issues or on market purchase of ordinary fully paid Shares, • Share Purchase Loans, whereby the Company provides a limited-recourse, interest free loan to Participants to acquire fully paid ordinary shares, with an associated obligation to repay the lesser of the loan amount and the value of the Shares at the end of the term of the loan. This functions effectively the same as an Option, however participants hold Shares at an earlier stage, and • Options which are subject to an exercise price, creating an incentive to increase Share price and grow shareholder value. The Options may be settled as "Cashless Exercise" in which case on exercise of the Options the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the Exercise Price otherwise payable in relation to the Options and the then market value of the Plan Shares as at the time of the exercise. Options may also be subject to performance related vesting conditions. No dividends accrue to unvested Rights or Options, and no voting rights are attached, however dividends do accrue to LFSP Shares (along with voting entitlements) which must be put towards repayment of the Loan if any amount is outstanding.
Amount Payable for Grants	The target or expected value of grants of equity is included in assessments of remuneration benchmarking and policy positioning. No amount is payable by participants for grants of Performance Rights or Options. An Acquisition Price will apply in respect of grants of LFSP Shares (with an accompanying loan) and may also apply to grants of Share Awards, which may or may not have Vesting Conditions. Any loan must be repaid prior to the end of the Loan Term, up to the Market Value of the Loan Funded Shares (limited-recourse).

Long Term Incentive Plan (LTIP) Performance Rights, Options and Loan Funded Share Plan (LFSP)	
Aspect	**Plan, Offers and Comments**
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 10% of the total Issued Capital of the Company at the date of any proposed new Awards.
Grant Values	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. The Board determines the amount to be offered to each Participant with consideration of market competitive remuneration packages, and the quantum and mix of other remuneration elements intended to be available to the Participant. **FY19 Invitations** In July 2018, Allison Doorbar was invited to participate in a grant of LTI as follows: • a grant of 600,000 Loan Funded Shares with a performance hurdle of 5-day VWAP to exceed 90 cents for more than 30 consecutive days. • a grant of 500,000 subject to a vesting condition as described below. In December 2018, the Chief Financial Officer was invited to participate in a grant LTI as follows: • a grant of 150,000 Loan Funded Shares with a performance hurdle of 5-day VWAP to exceed 90 cents for more than 30 consecutive days. • a grant of 150,000 Performance Rights, subject to a vesting condition as described below. The Board has discretion to set the terms and conditions of offers each year. **Comments** The performance hurdles were selected because they were linked to delivery of the prospectus (Performance Rights) and wealth creation for shareholders, which were the long term objectives that the Board views as most critical for the KMP to focus on at the time of the grant. Note: The assumptions used to determine the market value of FY19 invitations can be found in the notes to the financial statements.
Exercise of Grants	LFSP Shares do not require exercise, as they are issued/transferred to the Participant up-front, however they may not be dealt with until the performance and vesting conditions are met, and are subject to repayment of any outstanding loan amount at the time of the disposal or the elapsing of the Term of the loan. Performance Rights will be automatically exercised on the date of the Vesting Notification which will be issued if, and when, the performance conditions and hurdles are met. Participants will be required to submit an Exercise Notice in respect of Options, in order to convert them to Shares, as well as the payment of the Exercise Price in respect of each Option exercised. All Employee Options have vested as at the date of this report.

Remuneration Report

Long Term Incentive Plan (LTIP) Performance Rights, Options and Loan Funded Share Plan (LFSP)	
Aspect	**Plan, Offers and Comments**
Disposal Restrictions etc.	Performance Rights and options granted under the Plan may not be assigned, transferred, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless the consent of the Board is obtained, or due to the force of law in the case of the death of a Participant. The Board has discretion to determine the disposal restrictions attaching to Shares.
Cessation of Employment	In the event of cessation of employment in the circumstances of a "Bad Leaver" (resignation or termination for cause), all unvested entitlements will be forfeited. In other circumstances, the treatment of unvested awards will be dealt with as determined by the Board.
Change of Control of the Company (CoC)	If in the opinion of the Board a change of control event has occurred, or is likely to occur; a) Performance Rights granted will vest to the extent that the performance period has elapsed, and to the extent performance conditions have been met (may involve a pro-rata calculation), with the remainder lapsing, b) Options may be subject to accelerated vesting in the sole discretion of the Board, and c) Share Awards or Loan Funded Shares which do not vest will automatically be surrendered by the Participant, and any that do not lapse and which are subject to an outstanding loan will be subject to the requirement of the loan being repaid by the date of the CoC.
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.

5.1 Performance Outcomes for FY19 Including STI and LTI

The following outlines the performance of the Company over the FY19 period in accordance with the requirements of the Corporations Act.

						Short Term Change in Shareholder Value Over 1 Year	
FY End Date	Revenue ($m)	Loss After Tax ($m)	Share Price	Change in Share Price	Dividends	Amount $	%
30-Jun-19	22.5	(1.3)	0.29	(0.17)	-	7.4	18%
30-Jun-18	17.3	(21.9)	0.46	0.16	-	22.0	56%

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 introductory sections of this report include an outline of the major strategic achievements and other activities that created shareholder value during the reporting period.

5.2 Links Between Performance and Reward Including STI and LTI Determinations

The remuneration of executive KMP is intended to be 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.

If it is agreed by the remuneration committee that an STI is achieved in relation to the FY19 period then it will be paid within a reasonable period after the end of the period (i.e. during FY20). The awards outlined below are considered appropriate by the Board, under the STI scheme in place for FY19, in light of the performance during the year:

		FY19 KPI Summary				Award Outcomes FY19 Paid in FY20
Name	**Position**	**KPI Summary**	**Target Award $**	**Achievement %**	**$ Awarded**	**Total STI Award $**
Tom Richardson	Chief Executive Officer	Trading EBITDA	100,000	30%	30,000	30,000
Diane Fuscaldo	Chief Financial Officer	Trading EBITDA	32,850	Nil	Nil	Nil
Stuart Halls	Chief Financial Officer	Trading EBITDA	56,000	54%	30,000	30,000

Although the Group Trading EBITDA Margin is a fixed result, common to all Participants, the Board also considers individual role performance factors and therefore each Participant will receive a differing percentage of their Target award due to this factor.

Following the end of the Measurement Period (the financial year), the Company accounts were audited and reports on the Company's activities during the year were prepared for the Board. The Board then assessed the extent to which operating profitability expectations had been met or exceeded in relation to the Company and each role, to calculate the total award payable.

The Board takes the view that revenue, profit and strategy implementation aligned with the prospectus are the main drivers of value creation for shareholders at this time.

During the reporting period, all Employee Options vested on 21 December 2018.

During the reporting period grants of equity were made in relation to long-term incentive arrangements as part of remuneration for FY19, but did not vest due to the presence of the vesting conditions and hurdles that are yet to be fulfilled. The plans and terms of the grants are described elsewhere in this report.

In relation to the completed reporting period for FY19, no grants of equity vested, i.e. there has been no vesting during FY19 in relation to hurdles/conditions fulfilled during FY19.

5.3 Links Between Company Strategy and Remuneration

The Company intends to attract the superior talent required to successfully implement the Company's strategies at a reasonable and appropriately variable cost by:

- positioning Base Packages (the fixed element) around relevant market data benchmarks when they are undertaken,
- supplementing the Base Package with at-risk remuneration and incentives that motivate executive focus on:
  - short to mid-term objectives linked to the strategy via annual performance assessments, and
  - long term value creation for shareholders by linking a material component of remuneration to those factors that shareholders have expressed should be the long term focus of executives and the Board, such as share price appreciation.

To the extent appropriate, the Company links strategic implementation and measures of success of the strategy, directly to incentives in the way that performance is assessed.

Remuneration Report

6 Changes in KMP Held Equity

The following table outlines the changes in the amount of equity held by executives of Janison Education over the financial year:

Name	Instrument	Balance Beginning of Year 30-Jun-18	Granted FY19		Forfeited Number	Vested Number*	Purchased Number	Balance End of Year Number	Escrowed Number
			Date Granted	Number					
Tom Richardson	Ordinary Shares	15,599,251	-	-	-	-	-	15,599,251	7,799,625
	Loan Funded Shares	2,400,000	-	-	-	-	-	2,400,000	-
	Performance Rights	2,000,000	-	-	-	2,000,000	-	2,000,000	-
Wayne Houlden	Ordinary Shares	66,067,416	-	-	-	-	-	66,067,416	33,033,708
	Loan Funded Shares	1,200,000	-	-	-	-	-	1,200,000	-
	Performance Rights	1,000,000	-	-	-	1,000,000	-	1,000,000	-
Diane Fuscaldo [1]	Options	33,333	-	-	-	-	-	33,333	-
	Gift Shares	3,333	-	-	-	-	-	3,333	-
	Ordinary Shares [3]	15,000	-	-	-	-	-	15,000	-
Stuart Halls [2]	Loan Funded Shares	-	3-Dec-18	150,000	-	-	-	150,000	-
	Performance Rights	-	3-Dec-18	150,000	-	-	-	150,000	-
TOTAL		**88,318,333**		**300,000**	**-**	**3,000,000**	**-**	**88,618,333**	**40,833,333**

*All vested performance rights above had not yet been converted to ordinary shares as at the date of this report.

1 Resigned 12 April 2019

2 Appointed 3 December 2018

3 Shares do not have any vesting conditions

The following table outlines the changes in the amount of equity held by non-executive directors of Janison Education over the financial year:

Name	Instrument	Balance Beginning of Year 30-Jun-18	Granted FY19		Forfeited Number	Vested Number [1]	Purchased Number	Balance End of Year Number	Escrowed Number
			Date Granted	Number					
Mike Hill	Loan Funded Shares	600,000	-	-	-	-	-	600,000	-
	Performance Rights	500,000	-	-	-	500,000	-	500,000	-
	Ordinary Shares [2]	1,181,475	-	-	-	-	125,000	1,306,475	590,737
	Options	105,000	-	-	-	-	-	105,000	-
Brett Chenoweth	Loan Funded Shares	600,000	-	-	-	-	-	600,000	-
	Performance Rights	500,000	-	-	-	500,000	-	500,000	-
	Ordinary Shares [2]	934,875	-	-	-	-	50,000	984,875	467,437
	Options	105,000	-	-	-	-	-	105,000	-
David Willington	Loan Funded Shares	600,000	-	-	-	-	-	600,000	-
	Performance Rights	500,000	-	-	-	500,000	-	500,000	-
	Ordinary Shares [2]	266,667	-	-	-	-	50,000	316,667	-
Allison Doorbar	Loan Funded Shares	-	11-Mar-19	600,000	-	-	-	600,000	-
	Performance Rights	-	11-Mar-19	500,000	-	500,000	-	500,000	-
TOTAL		**5,893,017**		**1,100,000**	**-**	**2,000,000**	**225,000**	**7,218,017**	**1,058,174**

1 All performances rights are vested at the reporting date but not yet converted to ordinary shares

2 Shares do not have any vesting conditions

Remuneration Report

The following table outlines the value of equity granted to executives and NEDs in respect of Janison Education during the 2018 and 2019 financial years:

Name	Role	Tranche	Total Value at Grant $	Value Expensed in FY19	Max Value to be Expensed in Future Years	Min Value to be Expensed in Future Years
Tom Richardson	Chief Executive Officer and Managing Director	Loan Funded Shares	288,000	141,114	60,696	60,696
		Performance Rights	420,000	254,416	31,802	31,802
Wayne Houlden	Executive Director	Loan Funded Shares	144,000	70,557	30,348	30,348
		Performance Rights	210,000	127,208	15,901	15,901
Diane Fuscaldo [1]	Chief Financial Officer	Options	5,562	4,438	-	-
		Gift Shares	1,000	-	-	-
Stuart Halls [2]	Chief Financial Officer	Loan Funded Shares	28,057	8,183	19,874	19,874
		Performance Rights	36,000	13,263	22,737	22,737
Mike Hill	Non Executive Chairman	Loan Funded Shares	72,000	35,279	15,174	15,174
		Performance Rights	105,000	63,604	7,951	7,951
		Ordinary Shares	100,000	-	-	-
Brett Chenoweth	Non Executive Director	Loan Funded Shares	72,000	35,279	15,174	15,174
		Performance Rights	105,000	63,604	7,951	7,951
		Ordinary Shares	96,863	-	-	-
David Willington	Non Executive Director	Loan Funded Shares	72,000	35,279	15,174	15,174
		Performance Rights	105,000	63,604	7,951	7,951
Allison Doorbar	Non Executive Director	Loan Funded Shares	107,288	53,644	53,644	53,644
		Performance Rights	124,500	124,500	-	-
TOTAL			**2,092,270**	**1,093,973**	**304,376**	**304,376**

1 Resigned 12 April 2019

2 Appointed 3 December 2018

Note: The assumptions used to value equity grants can be found in the Notes to the financial statements.

7 NED Fee Policy Rates for FY19, and Fee Limit

Non-executive director fees are managed within the current annual fees limit (AFL or fee pool) of $500,000 which was approved by shareholders as part of the constitution of the Company during the RTO. The NED fee policy rates for the main Board that were applicable as at the end of FY19, and which will apply to FY20 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. The foregoing fee rates ignore the value of equity granted to NEDs, and such grants. It was deemed appropriate to grant equity to NEDs on similar terms to executives, as part of the RTO process, and to ensure that all KMP had aligned interests linked to the delivery of the prospectus.

8 Remuneration Records for FY19 – Statutory Disclosures

8.1 Senior Executive Remuneration

The following table outlines the remuneration received by Senior Executives of Janison Education during the financial year ended 30 June 2019, prepared according to statutory disclosure requirements of the Corporations Act:

			Base Package					STI [1]		LTI [2]		Total Package (TRP)
Name	Role	Year	Salary $	Super Contribution $	Other Benefits $ [3]	Amount $	% of TRP	Amount $	% of TRP	Amount $	% of TRP	$
Tom Richardson	CEO	2019	339,677	20,531	-	360,208	46%	30,000	4%	395,531	50%	785,739
		2018	187,558	11,170	17,766	216,494	44%	77,500	16%	194,532	40%	488,526
Wayne Houlden	Executive Director	2019	151,986	14,439	77,495	243,920	55%	-	-	197,765	45%	441,685
		2018	89,597	8,226	50,001	147,824	60%		-	97,266	40%	245,090
Diane Fuscaldo [4]	CFO	2019	155,669	15,326	17,654	188,649	98%	-	-	4,438	2%	193,087
		2018	80,769	7,673	-	88,442	66%	38,325	29%	6,562	5%	133,329
Stuart Halls [5]	CFO	2019	161,538	11,931	-	173,469	77%	30,000	13%	21,446	10%	224,916
		2018	-	-	-	-	-	-	-	-	-	-
TOTAL		**2019**	**808,871**	**62,227**	**95,149**	**966,247**	**59%**	**60,000**	**4%**	**619,180**	**38%**	**1,645,427**
TOTAL		**2018**	**357,924**	**27,069**	**67,767**	**452,760**	**52%**	**115,825**	**13%**	**298,360**	**34%**	**866,945**

1 The FY19 STI value reported in this table is the STI to be paid during FY20, being the award earned during FY19.

2 The LTI value reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Where a market-based measure of performance is 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 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" are: Living Away from Home Allowances and termination payments including accrued leave balances.

4 Resigned 12 April 2019

5 Appointed 3 Dec 2018

Remuneration Report

8.2 NED Remuneration

Remuneration received by non-executive directors of Janison Education Group during the financial year ended 30 June 2019 and 2018 is disclosed below:

Name	Role(s)	Year	Board Fees $	Committee Fees $	Super-annuation $	Equity Grant $	Total $
Mike Hill	Non Executive Chairman	2019	82,192	-	7,808	98,883	188,883
		2018	47,945	-	4,555	148,633	201,133
Brett Chenoweth	Non Executive Director	2019	70,237	-	-	98,883	169,120
		2018	40,833	-	-	145,496	186,329
David Willington	Non Executive Director	2019	63,927	-	6,073	98,883	168,883
		2018	37,291	-	3,543	48,633	89,467
Allison Doorbar [1]	Non Executive Director	2019	77,496	-	-	178,144	255,640
		2018	-	-	-	-	-
TOTAL		**2019**	**293,852**	**-**	**13,881**	**474,792**	**782,525**
TOTAL		**2018**	**126,069**	**-**	**8,098**	**342,762**	**476,929**

1 Includes additional consulting services of $7,500 plus GST for a Company strategy planning session conducted during FY19. Refer to Note 21 for information on Related Party Transactions.

9 Employment Terms for Key Management Personnel

9.1 Service Agreements

A summary of contract terms in relation to executive KMP as at the end of FY 2019 is presented below noting that under the FY19 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			Total
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	Remuneration Package at Target Performance
Tom Richardson	CEO	3 mths	3 mths	350,000	30%	29%	100,000	9%	0%	202%	708,000	61%	1,158,000
Wayne Houlden	Executive Director	3 mths	3 mths	150,000	30%	-	-	-	-	236%	354,000	70%	504,000
Diane Fuscaldo	CFO [1]	4 weeks	4 weeks	164,250	83%	20%	32,850	17%	-	-	-	-	197,100
Stuart Halls	CFO [2]	3 mths	3 mths	280,000	83%	20%	56,000	17%	-	-	-	-	336,000
TOTAL				**944,250**	**43%**	**20%**	**188,850**	**9%**	**-**	**112%**	**1,062,000**	**48%**	**2,195,100**

1 Resigned 12 April 2019

2 Appointed 3 Dec 2018

Note:

- Employing company is Janison Education Group Limited, except Diane Fuscaldo and 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 150% of the target STI opportunity.
- During FY19, Wayne Houlden was located in London on behalf of the Company. To cover the higher cost of living in London, the Company agreed to increase Wayne Houlden's remuneration above his contracted rate by $12,190 monthly to include additional base salary and a monthly living away from home allowance. The above listed contractual base package remuneration, excludes these additional amounts.
- Base package includes an entitlement of five weeks annual leave per year of service and the compulsory supperannuation contributions as per the Superannuation Guarantee.

Remuneration Report

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.

10 Other Remuneration Related Matters

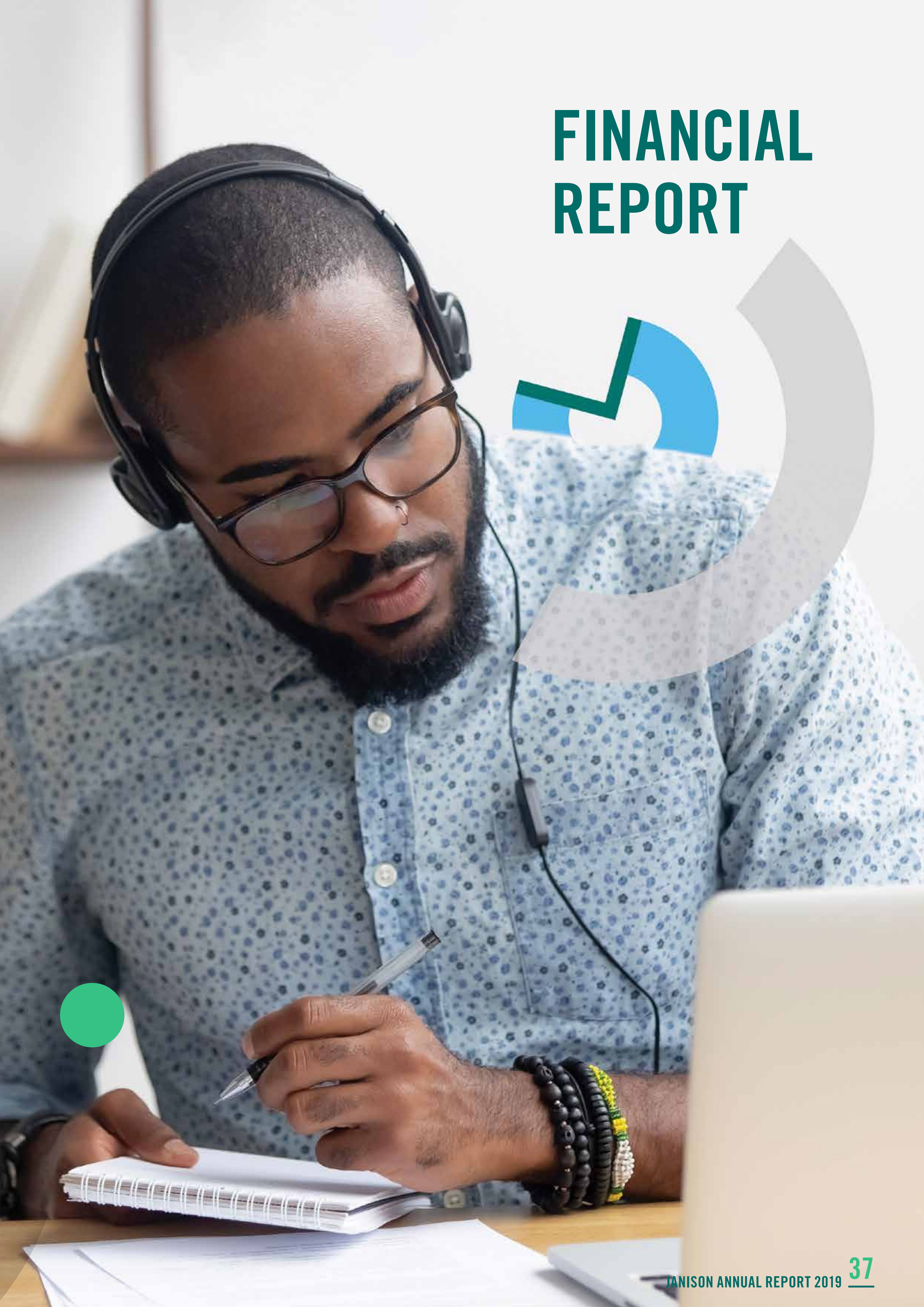
The following outlines other remuneration related matters that may be of interest to stakeholders, in the interests of transparency and disclosure:

- Other than in the case of grants of Loan Funded Shares, there were no loans to Directors or other KMP at any time during the reporting period,
- Other related party transactions involving Wayne Houlden and Tom Richardson are described in notes to the Consolidated Financial Statements. There were no relevant material transactions involving KMP other than compensation and transactions concerning shares, performance rights and options etc. as discussed in this report.

11 External Remuneration Consultant Advice

During the reporting period, the Board did not engage any external remuneration consultant (ERC) to provide KMP remuneration recommendations.

FINANCIAL REPORT



Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June	Notes	2019 ($'000s)	2018 ($'000s)
Platform revenue		11,533	10,616
Exam management revenue		2,523	-
Project services revenue		8,440	6,689
Total operating revenue	3	**22,496**	**17,305**
Cost of sales	4	14,608	10,625
Gross Profit		**7,887**	**6,680**
Product development labour costs		526	1,079
General and administrative	5	5,215	3,399
Other operating income and expenses, net	6	(67)	(83)
Business development expenses		1,302	504
Total operating expenses		**6,975**	**4,899**
Research and development tax credit income		(1,075)	(1,397)
Capital raising and acquisition expenses	7	51	23,312
Share-based compensation	5	1,292	560
Depreciation and amortisation	8	963	324
Net financial (revenue) / expense	9	(100)	42
Other non operating expenses		368	-
Foreign exchange gains and losses		46	22
Loss before income tax		**(632)**	**(21,083)**
Income tax expense	10	650	795
Net Loss		**(1,283)**	**(21,878)**
Other comprehensive Income		-	-
Foreign currency translation, net of income tax		9	2
Total Comprehensive Loss		**(1,274)**	**(21,876)**
Basic loss per share (cents)	29	*(0.88)*	*(25.08)*

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June	Notes	2019 ($'000s)	2018 ($'000s)
Assets			
Cash and cash equivalents		6,025	3,619
Trade and other receivables	11	7,347	5,059
Prepaid expenses		629	648
Total current assets		**14,001**	**9,327**
Plant and equipment	12	633	557
Intangible assets	13	18,448	2,495
Deferred tax asset	10	5,402	5,146
Total non-current assets		**24,482**	**8,197**
Total Assets		**38,483**	**17,524**
Liabilities			
Trade and other payables	14	7,616	1,851
Employee entitlements current	15	1,271	940
Income in advance		1,719	1,917
Income Tax Payable	10	525	-
Total current liabilities		**11,131**	**4,708**
Employee entitlements non-current	15	107	71
Deferred Tax Liability	10	2,038	-
Total non-current liabilities		**2,145**	**71**
Total Liabilities		**13,276**	**4,779**
Net assets		**25,207**	**12,745**
Equities			
Share capital	18	47,549	35,104
Reserves	18	1,949	649
Accumulated losses		(24,291)	(23,008)
Total Equity		**25,207**	**12,745**

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

Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June	Notes	2019 ($'000s)	2018 ($'000s)
Receipts from customers		21,647	16,561
Payments to suppliers and employees		(21,781)	(16,245)
Interest paid and received, net		100	(42)
Income taxes refunded		238	468
Other	6	67	100
Net cash flows from operating activities	28	**270**	**842**
Acquisition consideration paid to Janison shareholders, net		-	(1,304)
Acquisition transaction costs	7	(51)	(1,282)
Purchase of Ascender		-	(99)
Purchase of LTC	22	(4,985)	-
Investment in internally generated software	13	(3,153)	(1,570)
Proceeds from the sale of plant and equipment		-	153
Purchase of plant and equipment	12	(80)	(74)
Proceeds from term deposit		-	147
Proceeds from sale of marketable securities			**-**
Net cash used in investing activities		(8,269)	(4,029)
Proceeds from capital raising ($11 million), net of costs	18	10,445	9,343
Repayment of shareholder loans	16	-	(2,500)
Net repayments on financing obligation		-	(395)
Dividends paid	17	-	(1,000)
Net cash from financing activities		**10,445**	**5,448**
Effect of exchange rate changes		(41)	**-**
Net change in cash and cash equivalents		**2,406**	**2,261**
Cash and cash equivalents at the beginning of the year		**3,619**	**1,358**
Cash and cash equivalents at the end of the year		**6,025**	**3,619**

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 2018	**35,104**	**(23,008)**	**649**	**12,745**
Net loss	-	(1,283)	-	(1,283)
Other comprehensive income	-	-	9	9
Total comprehensive loss	**-**	**(1,283)**	**9**	**(1,274)**
Issue of shares	12,445	-	-	12,445
Share-based payments-other	-	-	1,187	1,187
Share-based payments-employee share options	-	-	104	107
Total transactions with owners	**12,445**	**-**	**1,292**	**13,739**
Balance at 30 June 2019	**47,549**	**(24,291)**	**1,949**	**25,207**

Year ended 30 June	Share Capital ($'000s)	Accumulated Losses ($'000s)	Reserves ($'000s)	Total Equity ($'000s)
Balance at 1 July 2017	880	(130)	-	750
Net Loss	-	(21,878)	-	(21,878)
Other comprehensive income	-	-	2	2
Total comprehensive loss	**-**	**(21,878)**	**2**	**(21,876)**
Issue of shares	34,224	-	-	34,224
Share-based payments-advisers rights and options	-	-	38	38
Share-based payments-Directors	-	-	438	438
Share-based payments-employee share options	-	-	171	171
Dividends paid	-	(1,000)	-	(1,000)
Total transactions with owners	**34,224**	**(1,000)**	**647**	**33,871**
Balance at 30 June 2018	**35,104**	**(23,008)**	**649**	**12,745**

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 software development, hosting and licensing of e-learning and student assessment software platforms for schools, institutes of higher learning and corporations, and as at April 1 2019, with the purchase of LTC, the Group also provides exam management services. A description of the Group's operations is provided in the Director's Report, which is not part of the financial statements.

1.2 Capital Raising and Acquisition

In October 2018 the Group completed a $5m (before costs) capital raising via a share placement with new and existing institutional shareholders and sophisticated investors. As a result, 12.275m new, fully-paid ordinary shares were issued at $0.40 per share. The proceeds of the capital raise were invested in the Group's products and to support future growth in the higher education sector.

On 1 April 2019 the Group completed the acquisition of LTC Hold Co Pty Limited and its subsidiary. The acquisition has been accounted for under AASB 3 (Business Combinations) as a business combination. As required under AASB 3, management fair valued the assets and liabilities acquired. As a result of this process a fair value of $7.8m has been ascribed to the client relationships acquired. The booking of the $7.8m in client relationships resulted in a deferred tax liability which will unwind in line with the life of client relationships. The expected life of these assets/liabilities is five years.

AASB 3 allows a measurement period after a business combination to provide the acquirer a reasonable time to obtain the information necessary to identify and measure all of the various components of the business combinations as of the acquisition date. The period cannot exceed one year.

To assist with the funding of this acquisition, the Group undertook a capital raising of $6m (before costs) in March 2019. The capital raising took place via a share placement with new and existing institutional shareholders and sophisticated investors. As a result, approximately 18.2m new, fully-paid ordinary shares were issued at $0.33 per share.

1.3 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 2019 and the results of all subsidiaries with the exception of LTC for which the results are incorporated into the Group from 1 April 2019.

For the year ended 30 June 2018, the consolidated group comprises Janison for the full year and Janison Education Group from 15 December 2017 to 30 June 2018.

1.4 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.

1.4.1 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.

1.4.2 Fixed Assets

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

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.

1.4.3 Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

1.4.4 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.

Notes to Financial Statements

1.4.5 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 1.4.4.

1.4.6 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.

1.4.7 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.

1.4.8 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 licenced 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. The is a new revenue type introduced by the purchase of the LTC business. 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) **Income in Advance**
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 Income in Advance.

f) **Earned and Unbilled Revenue**
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 Regional Jobs Grants are recognised at the point when the Group is notified of successful application.

1.4.9 Borrowing Costs

Borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

1.4.10 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 Australian Taxation Office. 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.

1.4.11 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.

Notes to Financial Statements

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.

Provisions – Long service leave – As discussed in Note 1.4.6, 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.

1.4.12 New Accounting Standards Not Yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2019, and have not been applied in preparing these financial statements.

None of these are expected to have a significant effect on the Group's financial statements:

- AASB 16 Leases, which becomes mandatory for the Group's 2020 financial statements. This standard will ultimately result in a portion of the Group's operating leases to be accounted for on the balance sheet as a "right to use asset" and "lease liability" upon adoption of the standard on 1 July 2019. The standard will also result in reclassification of operating lease expense into depreciation and finance expenses, and a reclassification of certain cash flows from operating into financing activities.

Estimated impact of AASB 16 on the Group (or Company) when the standard is applied

Due to the adoption of AASB 16, the Group's (or Company's) EBITDA will improve, while its interest and Amortisation (Depreciation) expense will increase. This is due to the change in the accounting for expenses of leases that were classified as operating leases under AASB 117. The current liabilities will increase which could reduce the net working capital of the Group

At the 30 June 2019 the Group expects the following impact if the standard was adopted

Statement of Financial Position	
The right of Lease Asset	$614,078
Lease Liability – Current	$142,610
Lease Liability – Non Current	$582,610
Retained Earnings	$111,325

The Group expects the impact to reduce profit before tax for 30 June 2019 of $6,544 and that operating cashflows will increase by $215,334.

The Group does not plan to early adopt the above named standard.

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 2019	Assessment ($'000s)	Learning ($'000s)	Total ($'000s)
Licence and hosting revenue	4,678	4,175	8,853
Platform maintenance revenue	1,122	429	1,551
Content licence revenue	-	1,129	1,129
Total recurring revenue	**5,800**	**5,733**	**11,533**
Exam management revenue	2,523	-	2,523
Project services revenue	5,660	2,780	8,440
Total segment revenue	**13,983**	**8,513**	**22,496**
Cost of sales	10,504	4,105	14,608
Segment gross profit	**3,479**	**4,409**	**7,887**
Operating expense	4,148	1,752	5,900
Segment trading EBITDA	**(669)**	**2,657**	**1,987**

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

Year ended 30 June 2018	Assessment ($'000s)	Learning ($'000s)	Total ($'000s)
Licence and hosting revenue	3,318	4,163	7,481
Platform maintenance revenue	1,185	373	1,558
Content licence revenue	-	1,577	1,577
Total recurring revenue	**4,503**	**6,113**	**10,616**
Project services revenue	5,200	1,489	6,689
Total segment revenue	**9,703**	**7,602**	**17,304**
Cost of sales	7,437	3,189	10,625
Segment gross profit	**2,266**	**4,413**	**6,679**
Operating expense	2,468	1,034	3,502
Segment trading EBITDA	**(202)**	**3,379**	**3,177**

Notes to Financial Statements

2.2 Reconciliation from Segment Contribution to Net Loss after Tax

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Assessment	(669)	(202)
Learning	2,657	3,379
Segment Trading EBITDA	**1,987**	**3,177**
Capital raising and acquisition costs	51	23,312
Share-based compensation	1,292	560
Foreign exchange losses	46	22
Other non current expense	368	0
Net interest expense	(100)	42
Depreciation and amortisation	963	324
Income tax expense	650	795
Net Loss after tax	**(1,283)**	**(21,878)**

2.3 Revenue by Market Sector

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Schools (K-12)	9,314	6,487
Higher Education	3,517	2,425
Workplace	9,665	8,393
Total operating revenue	**22,496**	**17,305**

2.4 Revenue by Geographic Location

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Australia and New Zealand	18,014	13,348
Asia	3,154	2,484
Rest of World	1,328	1,473
Total operating revenue	**22,496**	**17,305**

NOTE 3: CONSOLIDATED TRADING REVENUE

The Group's revenues by component are presented below:

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Licence and hosting revenue	8,853	7,481
Platform maintenance revenue	1,551	1,558
Content licence revenue	1,129	1,577
Total recurring revenue	**11,533**	**10,616**
Exam management revenue	2,523	-
Project services revenue	8,440	6,689
Total operating revenue	**22,496**	**17,305**

Platform revenue includes three components:

- Licence and hosting revenue comprises recurring revenue for the right to use the platform,
- Platform maintenance revenue represents recurring 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.

Exam management revenue comprises revenue for the facilitation and supervision of examination events. This is a new revenue component introduced with the acquisition of LTC in April 2019.

Project services revenue includes revenues generated by platform customisation, implementation, configuration and customer training activities.

NOTE 4: COST OF SALES

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Personnel costs	5,698	4,612
Third party contractors	5,300	3,446
Total direct labour	**10,997**	**8,058**
Hosting costs	2,522	1,649
Exam management costs	323	-
Content licence fees	767	918
Total cost of sales	**14,608**	**10,625**

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.

Notes to Financial Statements

NOTE 5: GENERAL AND ADMINISTRATIVE EXPENSES

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Personnel costs	1,894	1,185
Personnel costs-share based compensation	1,292	611
Unallocated employee costs	757	542
Office facility expenses	662	427
Travel	568	579
Software licences	433	214
Professional services	594	226
Telecommunications	73	66
Other	234	109
General and administrative expenses	**6,506**	**3,959**
Less: Share-based compensation classified as non-trading	1,292	560
Total general and administrative expenses	**5,215**	**3,399**

Personnel costs include the salaries, benefits and bonuses of the Group's board, human resources and finance functions. Unallocated employee costs include primarily Australian state payroll tax levies, staff training and other employee related expenses not allocated by department.

NOTE 6: OTHER OPERATING INCOME AND EXPENSE, NET

Other operating income and expense is comprised of grant income.

In 2019, the Group received $67 thousand for Export Market Development Grant (EMDG) from the Australian government.

During financial year 2018, the group received a $100 thousand grant from the government of NSW under a jobs grant program.

Gains and losses on the sale or disposal of plant and equipment has been reclassified in 2019 annual report to other non-operating expense. (2018: $17 thousand)

NOTE 7: CAPITAL RAISING AND ACQUISITION EXPENSES

The expenses associated with completing the Capital Raising and Acquisition Transaction described in Note 1.2 are summarised below:

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Legal fees	14	532
Consulting fees	37	548
Accounting and expert reports	-	163
Other	-	39
Total Transaction costs	**51**	**1,282**
Deemed consideration to Janison shareholders, net of fair value of acquired assets	-	25,841
Conversion shares to HJB shareholders	-	315
Share-based payments to employees and advisors	-	104
Total Share-based acquisition expenses	**-**	**26,260**
Deferred taxation (benefit)/cost	**-**	**(4,230)**
Total capital raising and acquisition expenses	**51**	**23,312**

NOTE 8: DEPRECIATION AND AMORTISATION EXPENSE

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Office and computer equipment	93	61
Leasehold improvements	46	49
Intangible assets	824	214
Depreciation and amortisation expense	**963**	**324**

NOTE 9: NET FINANCIAL (REVENUE) / EXPENSE

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Interest expense	-	83
Interest income	(100)	(40)
Net financial (revenue) / expense	**(100)**	**42**

Notes to Financial Statements

NOTE 10: INCOME TAXES

All calculations are subject to review by the ATO upon filing of the financial year 2019 tax return.

10.1 Components of Income Tax Expense

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Current tax expense	(86)	1,444
Deferred tax expense / (benefit)	737	(648)
Income Tax Expense	**650**	**795**

10.2 Reconciliation of Prima Facie Tax Expense to Income Tax Expense

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Profit (loss) before income tax	(632)	(21,083)
Tax rate	27.5%	30.0%
Prima facie tax (expense) benefit	**(174)**	**(6,325)**
Adjusted for:		
Non-deductible research and development expenditure	483	532
Revaluation of deferred tax asset due to reduction in tax rate/Temporary timing differences	429	-
Over-provision of prior year taxes	(78)	-
Franking credit offset	(30)	-
Non-deductible acquisition costs	-	6,578
Permanent timing difference	-	11
Income tax expense	**630**	**795**
Income tax - foreign subsidiary	20	-
Total Income Tax Expense	**650**	**795**

10.3 Deferred Tax Assets and Liabilities

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Intellectual property valuation difference	3,638	4,138
Employee entitlements accrual	411	477
Leasehold improvements amortisation	60	56
Capital raising and acquisition transaction costs	331	465
Non-refundable R&D tax credit / franking credit offset	883	-
Other	79	10
Deferred Tax Asset	**5,402**	**5,146**
Client relationships acquired	2,038	-
Deferred Tax Liability	**2,038**	**-**

10.4 Income Tax (Payable) / Refund Receivable

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Income tax refund receivable - estimated R&D credit	-	1,397
Income tax - foreign subsidiary	(20)	-
Income tax payable - estimated current tax*	(504)	(1,444)
Franking deficit tax refund receivable against future tax profits	-	178
Income Tax (payable) refund receivable	**(525)**	**131**

* The income tax payable is the amount owed by LTC at the time of acquisition.

In 2018 the income tax receivable was recorded within Trade and other receivables.

NOTE 11: TRADE AND OTHER RECEIVABLES

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Trade receivables	4,304	2,367
Unbilled project revenue accruals	3,043	2,562
Income tax refund receivable (refer to Note 10.4)	-	131
Trade and other receivables	**7,347**	**5,059**

Unbilled project revenue 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:

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Current*	3,151	1,699
Under 30 days	198	320
30-60 days	565	210
60-90 days	69	42
More than 90 days**	321	97
Total trade receivables	**4,304**	**2,367**

*LTC peak period of operations spans May and June which saw an increase in trade receivables of $1.6 million.

** Amounts of more than 90 days contains a long-standing client who has agreed to a repayment plan with the Group.

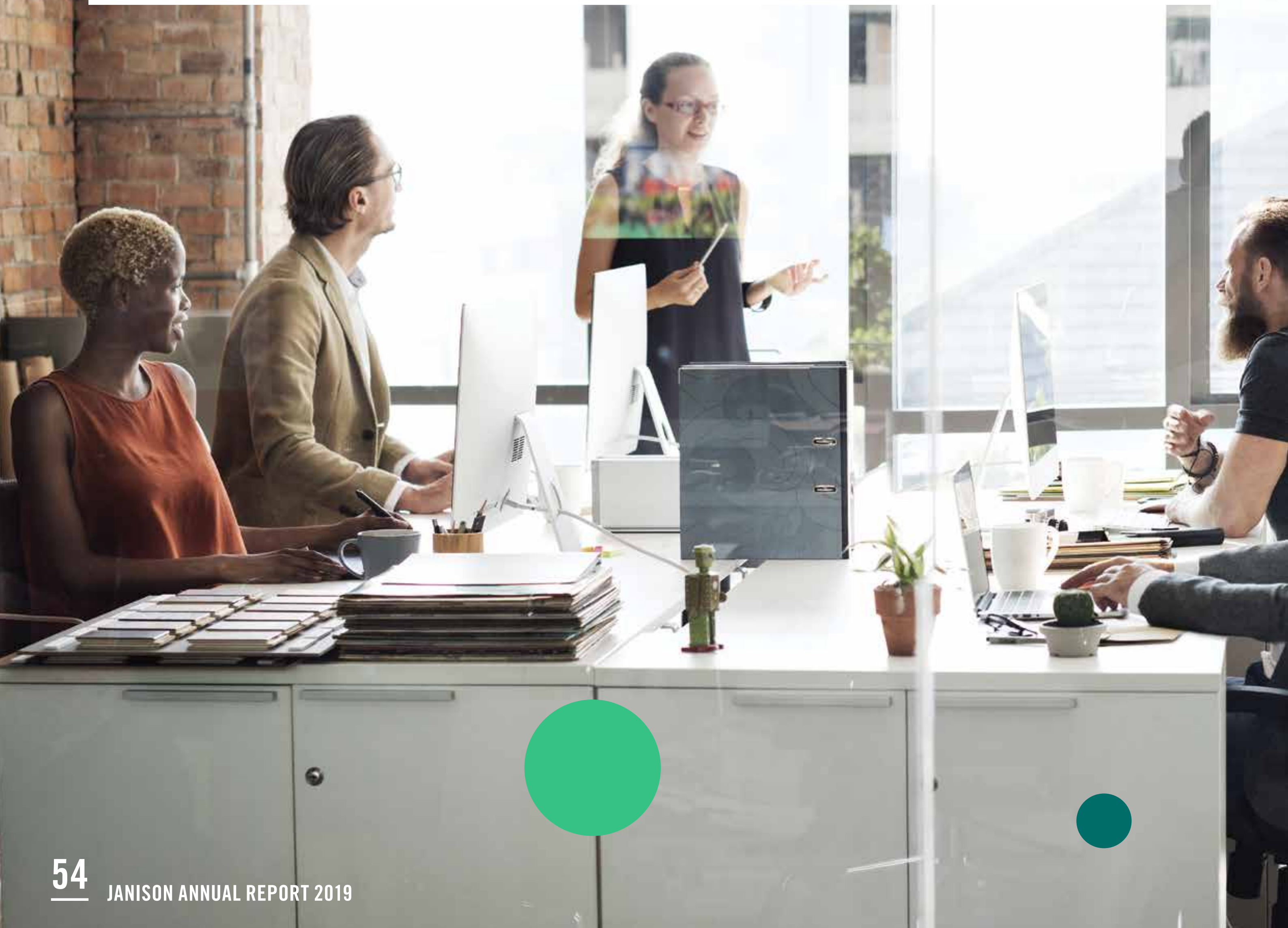
As at 30 June 2019 $1,153 thousand of the above trade receivables were past due but not impaired.

The directors believe that the above stated balances are fully recoverable.

Notes to Financial Statements

NOTE 12: PLANT AND OTHER EQUIPMENT

Year ended 30 June	2018 ($'000s)	Additions ($'000s)	Deductions ($'000s)	2019 ($'000s)
Historical cost	548	80	(115)	514
Assets acquired as part of business combination (Note 22)	-	131	-	131
Accumulated depreciation	(386)	(91)	106	(371)
Total Computer and Office Equipment	**162**	**120**	**(9)**	**274**
Historical cost	701	-	-	701
Accumulated depreciation	(306)	(46)	-	(352)
Total Leasehold Improvements	**395**	**(46)**	**-**	**349**
Historical cost	-	13	-	13
Accumulated depreciation	-	(2)	-	(2)
Total Motor Vehicles	**-**	**11**	**-**	**11**
Total plant and equipment	**557**	**85**	**(9)**	**633**



Notes to Financial Statements

NOTE 13: INTANGIBLE ASSETS

The roll-forward of intangible asset balances is presented below for the year ended 30 June 2019:

Year ended 30 June	2018 ($'000s)	Additions ($'000s)	Deductions ($'000s)	2019 ($'000s)
Historical cost	1,858	3,379	-	5,237
Accumulated depreciation	(73)	(239)	-	(312)
Total Capitalised Software Costs	**1,785**	**3,140**	**-**	**4,925**
Historical cost / acquired as part of business combination	882	7,800	-	8,681
Accumulated depreciation	(402)	(585)	-	(987)
Total Other Intangibles	**480**	**7,215**	**-**	**7,694**
Historical cost	230	5,599	-	5,829
Impairment	-	-	-	
Total Goodwill	**230**	**5,599**	**-**	**5,829**
Total intangible assets	**2,495**	**15,954**	**-**	**18,448**

During financial year 2019, the Group capitalised $3.4 million of software 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 the purchase of Latitude Learning Academy in financial year 2016 in the amount of $650 thousand and purchased intellectual property acquired as a result of the purchase of the Ascender content generation business as well as client relationships acquired when LTC was purchased in April 2019 (see Note 22).

Impairment testing for intangible assets

Intangible assets have been allocated to the following cash-generating units ('CGUs'):

Year ended 30 June	2018 ($'000s)	2019 ($'000s)
CGU1: Assessment	1,523	4,199
CGU2: Learning	972	1,240
CGU3: LTC	-	13,009
Total intangible assets	**2,495**	**18,448**

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%.

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. Terminal growth rate at 3%.

For the financial year ended 30 June 2019, 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. 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 24% or the growth rate falls by 10% the Assessment intangible assets would be impaired. Should the discount rate increase to 144% or the growth rate fall by 20%, the Learning intangible assets would be impaired. If the discount rate increases to 19% or the growth rates fall by 11%, the LTC client relationships will be impaired.

NOTE 14: TRADE AND OTHER PAYABLES

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Trade payables	587	1,003
Employee related and withholdings payable	1,156	617
Sundry accrued expenses*	5,873	231
Trade payables and other accruals	**7,616**	**1,851**

*LTC acquisition payable - see note 22

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 ACCRUAL

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Current employee leave entitlements accrual	1,271	940
Non-Current employee leave entitlements accrual	107	71

NOTE 16: SHAREHOLDER LOANS

There are currently no outstanding shareholder loans, prior to the RTO in the 30 June 2018 financial year the company repaid all outstanding shareholder loans to the value of $2.5million.

NOTE 17: DIVIDENDS

There were no dividends paid in the year ended 30 June 2019, prior to the RTO in the 30 June 2018 financial year the company paid a dividend of $1million.

Notes to Financial Statements

NOTE 18: SHARE CAPITAL AND RESERVES

The table below details the movements in share capital and reserves for the two years ended 30 June 2019:

		Share Capital		Reserves	
Details	**Date**	**($'000s)**	**No. Shares**	**($'000s)**	**No. Units**
Balance	**1 July 2017**	**880**	**89**	**-**	**-**
Elimination of shares upon acquisition		-	(89)	-	-
Share-based Acquisition payment		24,500	81,666,667	-	-
Share Conversion (3 JAN for 100 HJB)		-	9,356,304	-	-
Conversion Offer to HJB shareholders		315	1,050,001	-	-
Capital Raising		9,343	33,333,333	-	-
Employee Gift Offer Shares		66	219,978	-	-
Loan Funded Shares		-	5,400,000	175	5,400,000
Performance Rights		-	-	263	4,500,000
Nil Priced Options		-	-	171	946,676
Advisor Options and Rights		-	-	38	240,000
Foreign Currency Translation		-	-	2	-
Balance	**1 July 2018**	**35,104**	**131,026,283**	**649**	**11,086,676**
Capital raise: placement	4 October 2018	4,910	12,275,000	-	-
Share issue transaction costs, net of tax	4 October 2018	(231)	-	-	-
New shares issued to advisors & directors	13 December 2018	90	225,000	-	-
New shares issued to employees and advisors	Various	-	900,000	-	-
Employee options exercised	11 March 2019	-	36,668	-	-
Capital raise: placement	29 March 2019	6,000	18,181,818	-	-
Share issue transaction costs, net of tax	29 March 2019	(324)	-	-	-
Share based acquisition payment for LTC	1 April 2019	2,000	6,060,606	-	-
Employee options exercised	3 June 2019	-	46,667	-	-
Loan Funded Shares	Various	-	-	393	1,050,000
Performance Rights	Various	-	-	794	800,000
Nil Priced Options	-	-	-	104	-
Foreign Currency Translation	-	-	-	9	-
Balance	**30 June 2019**	**47,549**	**168,752,042**	**1,949**	**11,386,676**

1 Reserves as at 30 June 2019 contains $1,941 thousand in share based premium reserves and $9 thousand in foreign currency translation reserve.

18.1 Capital Raising and Acquisition transaction

In October 2018 the Group completed a $5m (before costs) capital raising via a share placement with new and existing institutional shareholders and sophisticated investors. As a result, 12.275m new, fully-paid ordinary shares were issued at $0.40 per share. The proceeds of the capital raise were invested in the Group's products and to support future growth in the higher education sector.

On 1 April 2019 the Group completed the acquisition of LTC Hold Co Pty Limited and its subsidiary. The acquisition has been accounted for under AASB 3 (Business Combinations) as a business combination. As required under AASB 3, management fair valued the assets and liabilities acquired. As a result of this process a fair value of $7.8m has been ascribed to the client relationships acquired. The booking of the $7.8m in client relationships resulted a deferred tax liability which will unwind in line with the life of client relationships. The expected life of these assets is five years.

AASB 3 allows a measurement period after a business combination to provide the acquirer a reasonable time to obtain the information necessary to identify and measure all of the various components of the business combinations as of the acquisition date. The period cannot exceed one year.

To assist with the funding of this acquisition, the Group undertook a capital raising of $6m (before costs) in March 2019. The capital raising took place via a share placement with new and existing institutional shareholders and sophisticated investors. As a result, approximately 18.2m new, fully-paid ordinary shares were issued at $0.33 per share.

18.2 Share-based compensation

During the year ended 30 June 2019, share-based compensation was provided to Board members and employees as follows:

Loan Funded Shares are fully paid ordinary shares of the Group issued to board members and employees. The shares are funded by way of a 5-year limited recourse, non-interest bearing loan from the Group. The shares are also subject to continuous employment and a performance hurdle defined as the point at which the 5-day Volume Weighted Average Price (VWAP) of the Group's shares exceeds the amounts set out below for more than 30 days. The values ascribed below will be recorded to share-based entitlements expense over 24 months or the actual vesting period, whichever is shorter.

Date Issued	No. of Loan Funded Shares	Subscription Price Per Share	5-day VWAP Performance Hurdle	Expected Volatility	Expected Dividend Yield	Risk Free Interest Rate	Value
14-Nov-18	600,000	$0.45	$0.90	52%	-	2.34%	$107,288
19-Dec-18	300,000	$0.45	$0.60	57%	-	2.08%	$55,939
3-Dec-18	150,000	$0.45	$0.90	56%	-	2.27%	$28,057
Total	**1,050,000**						**$191,284**

Performance Rights were issued to the Group's board members and employees under a long-term incentive plan. 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 market price of the shares on the date of grant is set out below. The performance rights are subject to continuous employment and performance hurdles. The rights expire if unvested two years from the date of grant. The value of the rights will be expensed to share-based entitlements expense over the 24 months vesting period or the actual vesting period, whichever is shorter.

Date Issued	No. of Performance Rights	Share Price on Date of Issue	Probability	Volatility	Value
14-Nov-18*	500,000	$0.42	60%	NA	$124,500
19-Dec-18*	150,000	$0.41	60%	NA	$36,450
3-Dec-18**	150,000	$0.40	60%	NA	$36,000
Total	**800,000**		**60%**	**NA**	**$196,950**

*Vesting condition: Operational EBITDA for the Group exceeding the Board approved budget by 10% for the year ended 30 June 2019. These performance rights vested in August 2019 but are yet to be converted to ordinary shares at the date of this report.

**Vesting condition: Operational EBITDA for the Group exceeding the Board approved budget by 10% for the year ended 30 June 2020.

Notes to Financial Statements

During the year ended 30 June 2018, share-based compensation was provided to Board members, employees and advisors as follows:

- **Loan Funded Shares** are fully paid ordinary shares of the Group issued to executive board members. The subscription price was $0.30 (share price on date of grant) and was funded by way of a 5-year limited recourse, non-interest bearing loan from the Group. The shares are subject to continuous employment and a performance hurdle defined as the point at which the 5-day Volume Weighted Average Price (VWAP) of the Group's shares exceeds $0.60 for more than 30 days. The shares have been valued at $629 thousand and will be recorded to share-based entitlements expense over 24 months or the actual vesting period, whichever is shorter.

- **Performance Rights** were issued to the Group's board members under a long-term incentive plan. 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 market price of the shares on the date of grant was $0.30. The performance rights are subject to continuous employment and performance hurdles. The rights expire if unvested two years from the date of grant. The rights are valued at $945 thousand and will be expensed over to share-based entitlements expense over the 24 months vesting period or the actual vesting period, whichever is shorter.

- **Nil Priced Options** were issued to employees. The nil priced options were issued with a grant and exercise price of nil. The share price on the date of grant was $0.30. The options are subject to continuous employment and vest on 21 December 2018. If unexercised one year from the vesting date, the options expire. The options are valued at $312 thousand and will be amortised over the 12-month vesting period.

- **Advisor Options and Rights** – Advisor options give the holder the right to subscribe for one share per option held. The options have an exercise price of $0.30 per option (share price on the date of grant) and expire 3-years from the date of grant if unvested or unexercised. The options are subject to a performance hurdle defined as the point at which the 5-day VWAP of the Group's shares exceeds $0.60 for more than 30 days.

Each advisor right represents the right to receive one fully paid share upon vesting. The grant price and exercise price for the rights issued was nil. The advisor performance rights are subject to performance hurdles. The rights expire if unvested two years from the date of grant.

The model inputs for the securities granted during the year ended 30 June 2018 included:

Expected price volatility:	*75%*
Expected dividend yield	-
Risk free interest rate	*1.94%*

Year ended 30 June	Loan Funded Shares	Performance Rights	Nil Priced Options	Advisor Options & Rights
As of 1 July 2017	**-**	**-**	**-**	**-**
Average exercise price in dollars	$0.30	Nil	Nil	$0.30
Units granted during the year	5,400,000	4,500,000	1,040,010	240,000
Units exercised during the year	-	-	-	-
Units forfeited during the year	-	-	(93,334)	-
As of 1 July 2018	**5,400,000**	**4,500,000**	**946,676**	**240,000**
Average exercise price in dollars	$0.32	Nil	Nil	Nil
Units granted during the year	1,050,000	800,000	-	-
Units exercised during the year	-	5,150,000	103,336	-
Units forfeited during the year	-	-	-	-
As of 30 June 2019	**6,450,000**	**150,000**	**946,676**	**240,000**

Weighted average life of: loan funded shares = 3.59 years, Performance Rights = 0.65 years, Nil Priced Options = 1.48 years, Advisor Options and Rights = 1.46 years.

NOTE 19: CONTINGENT LIABILITIES

There are no contingent liabilities as of 30 June 2019.

NOTE 20: KEY MANAGEMENT PERSONNEL DISCLOSURES

The following individuals were key management personnel of Janison Education Group during Financial Year 2019:

Mike Hill	Non-executive Chairman
Brett Chenoweth	Non-executive Director
David Willington	Non-executive Director
Allison Doorbar	Non-executive Director
Tom Richardson	Chief Executive Officer and Managing Director
Wayne Houlden	Commercial and Executive Director
Diane Fuscaldo	Chief Financial Officer (Resigned 12 April 2019)
Stuart Halls	Chief Financial Officer (Appointed 3 December 2018)

The aggregate compensation made to key management personnel during Financial Year 2019 is set out below:

Year ended 30 June	2019 ($'000s)	2018[(1)] ($'000s)
Short-term employee benefits	1,334	968
Share-based payments	1,094	637
Total compensation	**2,361**	**1,605**

(1) Includes amounts paid prior to RTO which are excluded from the remuneration report.

Detailed disclosures relating to the key management personnel can be found in the Remuneration Report section of the Director's Report.

NOTE 21: RELATED PARTY TRANSACTIONS

On 15 September 2011, the Company 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 2019, the Company paid $233 thousand, ($220 thousand in financial year 2018) as rent under the terms of the contract. The rental fees under the contract were established on the basis of a rental appraisal.

The Company sources content to service some of its Learning Division customers from Execast Pty. Ltd., a company wholly owned by Thomas Richardson, the Company's CEO and executive director.

During financial year 2019, the Company incurred $40 thousand in licence fees to Execast Pty. Ltd for content ($69 thousand in financial year 2018).

The Group engages with the company EduWorld Pty Ltd, owned by Allison Doorbar, a Non-Executive Director of the Company, for consulting and strategic services. During the financial year 2019, the Company incurred $5,500 in consulting services from EduWorld Pty Ltd (nil in financial year 2018).

Notes to Financial Statements

NOTE 22: ACQUISITIONS

On 1 April 2019, Janison Education Group Limited, acquired 100% of the ordinary shares of LTC Holdco Pty Ltd (the parent entity of Language and Testing Consultants Pty Ltd "LTC") for the total consideration of $11,890,767. LTC is an exams management business providing invigilation services to Australian and international universities and professional associations.

AASB 3 Business Combinations allows a measurement period for business combinations to provide the acquirer a reasonable time to obtain the information necessary to identify and measure all the various components of the business combination as of acquisition date. As at the 30 June 2019 the acquisition accounting for the earn out element of the total consideration remains provisional.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	129
Trade receivables	1,257
Other assets	118
Property Plant and Equipment	140
Client Relationships	7,800
Trade and other payables	(502)
Deferred Tax Liability	(2,145)
Net assets acquired	**6,797**
Goodwill	5,094
Acquisition-date fair value of the total consideration transferred	**11,891**

Representing:	$'000
Cash paid to vendor	4,985
Shares of the Group issued to vendor	2,000
Deferred payment	1,575
Estimated Earn-out payment	3,331
Total	**11,891**

Acquisition costs expensed to profit or loss	*51*

Cash used to acquire business, net of cash acquired:	$'000
Acquisition-date fair value of the total consideration transferred	11,891
Less: shares issued by the Group as part of consideration	(2,000)
Less: deferred and earn out consideration	(4,906)
Net cash used	**4,985**

NOTE 23: LEASE COMMITMENTS

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Within one year	440	208
One to five years	710	832
After five years	-	-
Total lease commitments	**1,150**	**1,040**

As of June 2019 the above commitments related to leases for buildings located at 394A Harbour Drive, Coffs Harbour NSW 2450, and Wentworth Park Sporting Complex, Level 3 Wentworth Park Rd, Glebe NSW 2037.

NOTE 24: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to several financial risks as described below. 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 139 Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

Year ended 30 June	Interest Rate	Floating Interest ($'000s)	Fixed Interest ($'000s)	Non-interest Bearing ($'000s)	2019 Total ($'000s)
Cash and cash equivalents	1.5%	6,025	-	-	6,025
Trade and other receivables		-	-	7,347	7,347
Pre-paid expenses		-	-	629	629
Total Financial Assets		**6,025**	**-**	**7,975**	**14,001**
Trade and other accruals		-	(1,500)	(6,116)	(7,616)
Total Financial Liabilities		**-**	**(1,500)**	**(6,116)**	**(7,616)**
Net Financial Assets		**6,025**	**(1,500)**	**1,860**	**6,385**

Year ended 30 June	Interest Rate	Floating Interest ($'000s)	Fixed Interest ($'000s)	Non-interest Bearing ($'000s)	2018 Total ($'000s)
Cash and cash equivalents	1.1%	3,466	-	153	3,619
Trade and other receivables		-	-	5,059	5,059
Pre-paid expenses		-	-	648	648
Total Financial Assets		**3,466**	**-**	**5,860**	**9,326**
Trade and other accruals		-	-	(1,851)	(1,851)
Total Financial Liabilities		**-**	**-**	**(1,851)**	**(1,851)**
Net Financial Assets		**3,466**	**-**	**4,009**	**7,475**

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

Notes to Financial Statements

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. Refer to the table below for the concentration of revenue.

During FY19, the number of Group clients increased by 52 as a result, customer concentration has improved. The three largest clients in FY19 represent 31% of the total revenue (when annualising LTC revenue).

Trade and other receivables (refer to Note 11) that are neither past due nor impaired are considered to be of high credit quality:

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Australia	4,723	2,911
United Kingdom	105	157
Singapore	1,917	1,918
New Zealand	158	63
Other	444	10
Total	**7,347**	**5,059**

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 of 30 June 2019, the Group had $272 thousand dollars outstanding in trade payables denominated in US dollars.

As at 30 June 2019 the Group held $1,194 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 2019, Financial Liabilities and their maturities were as follows:

Year ended 30 June 2019	Rate*	1 year or less	Between 2 and 5 years	Total
Trade and other payables	-	7,816[1]	-	7,816
Other liabilities	-	-	-	-
Non-Interest Bearing:	**-**	**7,816**	**-**	**7,816**
Loan and borrowings	-	-	-	-
Total Interest Bearing:	**-**	**-**	**-**	**-**
Total Non-Derivatives	**-**	**7,816**	**-**	**7,816**

(1) Includes a deferred consideration and earn out payable for the purchase of LTC of $5 million.

Year ended 30 June 2018	Rate*	1 year or less	Between 2 and 5 years	Total
Trade and other payables	-	1,851	-	1,851
Other liabilities	-	-	-	-
Non-Interest Bearing:	**-**	**1,851**	**-**	**1,851**
Loans and borrowings	-	-	-	-
Total Interest Bearing:	**-**	**-**	**-**	**-**
Total Non-Derivatives	**-**	**1,851**	**-**	**1,851**

* 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.

Notes to Financial Statements

NOTE 25: PARENT ENTITY DISCLOSURES

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

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Result of parent entity	-	-
Loss for the year	(2,267)	(28,737)
Total Comprehensive Loss for the year	(2,267)	(28,737)
Adjusted for:		
Current Assets	2,746	1,914
Non current Assets	22,357	4,590
Total Assets	**25,103**	**6,504**
Current liabilities	7,214	85
Total Liabilities	**7,214**	**85**
Total net assets of the parent entity	**17,889**	**6,419**
Share capital	75,573	63,128
Reserves	2,026	734
Accumulated losses	(59,710)	(57,443)
Total Equity	**17,889**	**6,419**

The parent company had no guarantees, contingent liabilities or commitments other than what was disclosed in Notes 19 and 23.

NOTE 26: INTERESTS IN SUBSIDIARIES

Janison Education Group Limited is the legal head of the consolidated group. Janison Education Group owns 100% of Janison Solutions Pty Ltd, LTC Holdco 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 2019 or 2018.

NOTE 27: AUDITOR'S REMUNERATION

Stantons International performed the audit of the financial statements for the years ended 30 June 2019 and 2018. Remuneration paid or to be paid to the Company's auditors with respect to the Financial Year 2019 audit and review of the financial statements was $73 thousand ($66 thousand in Financial Year 2018). Remuneration for non-audit services with respect to Financial Year 2019 was Nil ($29,143 in Financial Year 2018).

NOTE 28: RECONCILIATION OF NET (LOSS) INCOME TO OPERATING CASH FLOWS

The following table reconciles cash flow from Operations as reported on the Statement of Cash Flows to the Net Income (Loss):

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Net loss after tax	(1,283)	(21,878)
Depreciation and amortisation	963	324
Losses on disposal of plant and equipment	9	17
Non-cash deferred tax benefit	-	26,260
Capital raisings	-	(4,230)
Cash-based transaction costs reported as investing activities	51	1,282
Non-cash share-based compensation post-acquisition	1,292	611
Total operating items not requiring cash outlays	**2,315**	**24,265**
Trade receivables and other	(650)	(1,874)
Pre-paid expenses	196	(170)
Trade payables and accruals	(14)	1,015
Employee entitlements accrual	71	23
Income in advance	(198)	84
Deferred tax	(363)	(648)
Income tax	151	-
Other	46	27
Changes in working capital items	**(762)**	**(1,543)**
Net cash provided by operating activities	**270**	**842**

Non-cash financing and investing activities: during the year the Company issued $2.0 million in shares as part of the acquisition of LTC.

NOTE 29: EARNINGS PER SHARE

Year ended 30 June	2019 ($'000s)	2018 ($'000s)
Loss after income tax	(1,283)	(21,878)
	Number '000s	**Number '000s**
Weighted average number of ordinary shares used in calculating basic loss per share	146,252	87,245
	Cents	**Cents**
Basic loss per share	(0.88)	(25.08)

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 30: EVENTS AFTER THE REPORTING DATE

There have been no significant events between the balance sheet date and the date these financial statements were authorised for issue.

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 1.3 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 2019 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

Tom Richardson
Chief Executive Officer and Director

Dated: 22 August 2019

Auditor's Independence Declaration

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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Australia

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West Perth WA 6005
Australia

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Sydney, NSW 2000

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

22 August 2019

Board of Directors
Janison Education Group Limited
C/ Level 5,126 Philip Street
Sydney NSW 2000

Dear Directors

RE: JANISON EDUCTION 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 2019, 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
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

Independent Auditor's Report

Stantons International Audit and Consulting Pty Ltd
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Chartered Accountants and Consultants

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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 2019, 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 2019 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.

Key Audit Matters

We have determined the matters described below to be Key Audit Matters 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 2019, Intangible Assets totalled \$18,448,000 (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 48% 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.

Independent Auditor's Report

Stantons International

Key Audit Matters	How the matter was addressed in the audit
Business Combination – Acquisition of LTC Holdco Pty Ltd. During the year, the Company acquired 100% of the issued capital of LTC Hold Co Pty Ltd which holds a 100% interest in LTC Language & Testing Consultants Pty Limited. The acquisition has been disclosed in Note 22 to the financial report and was considered a key audit matter due to: • The significance of the transaction; and • The judgement required in the application of the Accounting Standard AASB 3 Business Combinations ("AASB 3"). AASB 3 Business Combinations required the Group to determine, if the transaction is an asset acquisition or a business combination and the fair value of considerations transferred and the identifiable assets and liabilities acquired as part of the acquisition.	Inter alia, our audit procedures included the following: i. Examining the contract for the acquisition of LTC Hold Co Pty Ltd; ii. Reviewing and assessing the determination made by the Group as to whether the transaction is an asset acquisition or a business combination; iii. Assessing the fair value of consideration paid for the acquisition of LTC Hold Co Pty Ltd; iv. Assessing the fair value of the net assets acquired of LTC Hold Co Pty Ltd (including subsidiary LTC Language & Testing Consultants Pty Limited) as at the date of acquisition together with the resultant goodwill; and v. Considering the adequacy of the financial report disclosures contained in Note 22 in relation to AASB 3.
Taxation At 30 June 2019 the Group had Deferred tax assets of \$5.4m and Deferred tax liabilities of \$2m. These are significant balances. This area is a key audit matter due to the inherent subjectivity that is involved in the Group making judgements in relation to the ultimate recovery of deferred tax assets.	Inter alia, our audit procedures included the following: i. Discussion with the Group's tax advisors and review of the Group's taxation schedules; ii. Ensuring that Deferred Tax liability arising from the recent business combination accounted for correctly. iii. Reviewed the Group's compliance with AASB 112 (Income Taxes) including an assessment of the recovery of the deferred tax assets; and iv. We reviewed the disclosures included in the annual report and whether they were appropriate.

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. 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 revenue items 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 policy against the requirements of AASB 15 (Revenue from Contracts with Customers) which the Group has early adopted in prior years; 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 the management about the compliance of the performance obligations and revenue recognition within these significant contracts including 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 2019, 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.

Independent Auditor's Report

Stantons International

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 International

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 36 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Janison Education Group Limited for the year ended 30 June 2019 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

Samir Tirodkar
Director
West Perth, Western Australia
22 August 2019

Additional Information

NUMBER OF HOLDERS

As at 14 August 2019

Number of Holders of Equity Securities - Ordinary Shares: 131,026,290 fully paid ordinary shares held by 701 individual shareholders.

Unquoted Securities

There are 64 holders of 1,570,840 unquoted options.

There are 9 holders of 5,450,000 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	206	-	-
1,001 - 5,000	147	-	-
5,001 - 10,000	59	35	-
10,001 - 100,000	262	23	-
100,001 - 9,999,999,999	68	5	8
Total	**742**	**63**	**8**
Unmarketable Parcels	*224*	-	-

SUBSTANTIAL HOLDERS

Name	Shares	% of Issued Capital
DIPTOE PTY LTD	33,033,708	19.57
TENTICKLES PTY LTD	33,033,708	19.57
NATIONAL NOMINEES LIMITED	25,266,115	14.97
BNP PARIBAS NOMS PTY LTD	14,346,720	8.50
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,438,571	5.00

Additional Information

TOP 20 HOLDERS

As at 14 August 2019

Rank	Name	14 Aug 19	% of Issued Capital
1	DIPTOE PTY LTD	33,033,708	19.57
1	TENTICKLES PTY LTD	33,033,708	19.57
2	NATIONAL NOMINEES LIMITED	25,266,115	14.97
3	BNP PARIBAS NOMS PTY LTD <DRP>	14,346,720	8.50
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,438,571	5.00
5	LENROC INVESTMENTS PTY LIMITED <RICHARDSON FAMILY A/C>	6,338,952	3.76
6	LENROC INVESTMENTS PTY LIMITED <THE RICHARDSON FAMILY A/C>	6,338,951	3.76
7	CASSOWARY NO1 PTY LTD <TEXTBOOK UNIT A/C>	5,943,614	3.52
8	THOMAS RICHARDSON	2,400,000	1.42
9	BREBEC PTY LTD <CHENOWETH FAMILY A/C>	1,584,875	0.94
10	GINGA PTY LTD <T G KLINGER SUPER FUND A/C>	1,556,060	0.92
11	LENROC INVESTMENTS PTY LIMITED <JAKATO SUPER FUND A/C>	1,460,674	0.87
11	LENROC INVESTMENTS PTY LIMITED <THE JAKATO SUPERANNUATION FUND A/C>	1,460,674	0.87
12	WAYNE HOULDEN	1,200,000	0.71
13	BNP PARIBAS NOMINEES PTY LTD <IOOF INSMT MGMT LTD DRP>	950,000	0.56
14	JARUMITO PTY LIMITED <THE JARUMITO FAMILY A/C>	866,762	0.51
15	DAVID WILLINGTON	600,000	0.36
15	MR WILLIAM JOHN LAUKKA & MRS ELIZABETH ANNE LAUKKA <LAUKKA FAMILY S/F A/C/>	600,000	0.36
15	MS ALLISON DOORBAR	600,000	0.36
16	MR WILLIAM JOHN LAUKKA & MRS ELIZABETH ANNE LAUKKA <LAUKKA INVESTMENT A/C>	577,397	0.34
17	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	512,204	0.30
18	DMX CAPITAL PARTNERS LIMITED	487,689	0.29
19	UNITED EQUITY PARTNERS PTY LTD <POLYCORP FAMILY A/C>	458,630	0.27
20	HOLLOWAY COVE PTY LTD <HOLLOWAY COVE S/F A/C>	450,000	0.27
	Total	**148,505,304**	**88.00**
	Balance of Register	**20,253,412**	**12.00**
	Grand total	**168,758,716**	**100.00**

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