

ASX Announcement
28 September 2020

Q1 Trading Update & 1H Outlook

The Board of **Janison Education Group Limited (ASX:JAN)** ("Janison" or the "Company"), is pleased to release its projected financial results for the **three months ending 30 September 2020 ("Q1 FY21")** and a business update, in advance of its **Annual General Meeting** for shareholders, to be held on Thursday, 1 October at 9am.

Q1 Summary

Q1 FY21 has been a productive quarter for the Company with a number of significant achievements and very pleasing financial results which show strong growth in the three months to 30 September 2020, when compared to the prior corresponding period (pcp) of Q1 FY20. Noteworthy highlights include:

Q1 Highlights

- **+50% growth in Group revenue** on pcp
- **+70% growth in Assessment revenue** on pcp
- **\$1.4m EBITDA**, up approximately **+400%** on Q1 FY20, with positive Assessment EBITDA
- **\$2.0m positive operating cash flow, \$11.8m cash on hand expected at 30 September 2020**
- Successful **delivery of ICAS** first sitting window and **significant improvement in customer experience**. **\$2.7m ICAS revenue in Q1 FY21** with **>\$4m expected full year FY21**
- **+12% revenue growth on pcp in Janison Learning** with 3 x new client wins and further expansion of Centennial College coursework digitisation – now in phase 3

1H Outlook

COVID-dependent, management expect revenues in the coming quarter (Q2 FY21 for the 3 months ending 31 December) to be of a similar amount achieved in Q1, which is expected to then deliver **first half FY21 revenues of \$15m to \$16m, representing +32% to +40% growth on the prior corresponding six months to 31 December**.

To support continued revenue growth and to rapidly scale into its large addressable global market, the business has **invested in Sales and Marketing** during Q1 FY21, increasing spend from 8% to 16% of revenue. This increase in operating expenses brings in targeted resources essential for Janison to:

- Expand existing programs such as the **OECD PISA-for-Schools** assessment, of which there are 80 PISA countries yet to sign on to the Janison Insights assessment platform,
- Acquire new customers through the **D2L Brightspace partnership** - Brightspace and Insights are now fully integrated and Janison assessments has begun to be offered to existing D2L clients,
- Further grow the use of Janison Insights in **higher education** following the success of the university entrance exams in the Czech Republic and University of London exams delivered remotely across 50 countries around world on the Insights platform in Q1 FY21,
- Increase revenue from existing strategic clients; and,
- Leverage Educational Assessments products (**ICAS, JET, REACH and SCOUT**).

In-person exam revenue remains suppressed by COVID-related restrictions into 1H FY21 but management are pivoting its resources in this division to support other areas of the business including remote proctoring and outsourced ICAS delivery as a means of mitigating the impact on revenue.

* * *

For more information, please refer to the investor presentation, also released on the ASX today.

This release has been approved by the board.

For further enquiries, please contact Janison Investor Relations, email: IR@janison.com

About Janison Education Group

Janison, a multi-award-winning Microsoft education partner, successfully delivers online assessment events to millions of candidates in more than 100 countries, for organisations including the British Council, the Organisation for Economic Co-operation and Development (OECD), the Singaporean government, and national and state government departments in Australia.

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

- **Janison Insights** – a leading global platform for the provision of large-scale digital exam authoring, testing and marking, servicing national education departments, tertiary institutions and independent educational bodies.
- **Janison Academy** – a leading integrated learning platform used by large enterprises and government departments to build capability in their people.

Janison also manages the delivery and supervision services for in-person exams for the higher education sector and professional associations across Australia and New Zealand via the acquisition of LTC Testing in April 2019. Janison also recently acquired Educational Assessments – the creator and owner of the elite schools-based ICAS test, amongst other test products such as REACH, JET and SCOUT, from UNSW Global on 31 May 2020.

Forward-looking statements

This announcement contains forward looking statements. All statements that address events or developments that Janison expects or anticipate will or may occur in the future and guidance on financial performance are forward looking statements. These forward-looking statements are based on the Board or management's beliefs and expectations based on information currently available to the Board and management. The Company believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward looking statements which are inherently uncertain. Janison does not undertake any obligation to publicly update or revised any forward-looking statements whether as a result of new information, future events or otherwise except as required by law or the ASX Listing Rules. Forward looking statements are subject to certain risks and uncertainties many of which are outside its control that could cause actual results, events and developments to differ materially from Janison's historical experience, or its present expectations or projections.