

ASX Announcement

24 November 2021

Janison acquires the largest independent schools' assessment business in Australia

Janison Education Group Limited (ASX:JAN) ("Janison" or the "Company"), is pleased to announce it has entered into a binding agreement to acquire 100% of the shares in **Academic Assessment Services Pty Ltd ("AAS")** for an upfront consideration of \$9 million and an Earnout of approximately \$8 million. The acquisition is expected to complete on or around 25 November 2021.

Key Highlights

- Solidifies Janison as the leading commercial provider in the Australian schools assessment market.
- AAS is a fast-growing, highly profitable and complimentary business.
- Provides a suite of premium K-12 assessment content of approximately 15,000 test items that augments and extends Janison's existing libraries.
- Complimentary client base, providing opportunities to extend Janison exam management services and cross-sell other products.
- Digitisation of analogue exams through Janison's leading proprietary technology to add substantial scale and commercial growth benefits.
- Provides additional test planning & management technology capabilities to Janison's platform.
- Attractive acquisition multiples of approximately 1.8x FY22 revenue and 6.7x FY22 EBITDA¹.

Transaction Overview

Janison has reached an agreement to acquire **Academic Assessment Services Pty Ltd ("AAS")** the leading Australian provider of premium school assessments for school years 2-12 in mathematics, reading, writing, spelling and general ability. AAS provides educational tests and testing services to over 210 of the top 1,200 independent schools in Australia. Headquartered in Sydney, and operating for over 47 years, AAS has developed a well-regarded suite of school assessments and an impeccable brand in the market. AAS grew its revenue by approximately +29% in FY21 through growth in customer acquisition, despite COVID-19 headwinds.

Strategic Rationale

The acquisition of AAS further enhances Janison's suite of premium school assessments which will integrate into Janison's existing Schools division alongside its other highly regarded assessment

¹ Based on upfront and deferred consideration only (3.4x forecast FY22 revenue and 11.3x forecast FY22 EBITDA including Earnout consideration).

products; ICAS, Reach, QATs and PISA for Schools. The AAS product strengthens Janison's product portfolio with its range of formative assessments, scholarship tests, career assessments, an ATAR indicator engine, and powerful reporting tools. AAS also comes with world-class talent in many areas including psychometrics and data analysis to further broaden Janison's assessment production team.

Transaction Structure & Consideration

Upon completion, Janison will pay \$9 million in upfront consideration consisting of \$6 million paid in cash and \$3 million paid in ordinary shares ("Upfront Consideration"). An additional \$8 million may be payable on the completion of the FY23 financial year comprising \$1 million in cash and \$7 million in ordinary shares subject to certain financial criteria being achieved ("Earnout Consideration"). The total consideration payable, assuming the Earnout Consideration is paid and not adjusted, is \$17 million ("Total Consideration"). The cash consideration will be funded from Janison's cash balance.

The Earnout Consideration is payable on the following conditions:

- Minimum operating revenue target of \$11 million in FY22 & FY23 combined.
- Operating revenue targets measured and paid on completion of FY23.
- Earnout Consideration adjusted up \$0.50 for every \$1.00 of operating revenue above the \$11 million target and down by \$1.00 for every dollar below.

Shares issued as part of the Upfront Consideration and Earnout Consideration will be escrowed for six months from the date of issue with controlled sell-down requirements. Shares are to be issued utilising the Company's existing capacity under ASX Listing Rule 7.1.

Upfront and Earnout equity payable in ordinary shares will be issued at the lower of the 10-day VWAP at completion, date of announcement, or date of FY23 earnings results.

Completion of the acquisition is expected to occur by 25th November 2021.

Janison has not forecasted synergies at this point, however it does expect to realise them post-completion.

-ENDS-

This announcement has been authorised for release by the Board.

For further information, please contact Stuart Halls at: IR@janison.com

About Janison

Janison is transforming education through technology to unlock the potential in every learner. Our team empowers teachers, students, accreditation bodies and governments to achieve meaningful educational outcomes by measuring knowledge and progress. Founded 20 years ago, we are an Australian owned edtech pioneer delivering more than 6.5 million assessments annually in over 117 countries. Our technology supports our commitment to equity and accessibility for all.

ICAS Assessments – a range of world-class school assessment products including the ICAS competition, Reach, Jet, Scout and QATs, all developed in-house by world-leading test and item developers.

PISA for Schools – an exclusive agreement to deliver PISA for Schools globally with the OECD. It provides educators with the best available evidence drawn from best available data sets to inform best practice in schools. It's unique and the gold standard in international assessments for global benchmarking. Blending cognitive and social emotional skills unlike any other assessment globally.

Assessment Platform, Janison Insights – a market-leading full-suite standardised assessment platform for high-stakes and high-scale online exams with the capability to author, test, mark and provide insightful analysis. The platform is used by millions of students globally across 120 countries in schools and professional accreditation bodies such as the Chartered Accountants ANZ. The platform includes remote proctoring capability allowing educators to deliver exams in a remote setting with the confidence and exam integrity required for high-stakes assessments.

Professional Services – Janison provides world-class professional services to assist clients in onboarding their assessments and students on to the Janison assessment platform. Janison also offers a range of assessment services including content and test development, exam management, and event delivery support for customers globally.

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