

ASX Announcement
11th October 2019

Janison & LTC to deliver digital OECD Test for Schools in the USA

Janison Education Group Limited (ASX:JAN) (“**Janison**” or the “**Company**”) is delighted to announce it has reached an agreement with the Organisation of Economic Cooperation and Development (**OECD**) to deliver the PISA-Based Test for Schools (“**PBTS**”) to schools in a third country, the **USA**. This agreement will also leverage LTC’s exam management services to provide online proctoring for its first digital assessment since acquisition.

This announcement follows the previously announced signing with a National Service Provider (NSP) in Brazil on the PBTS platform on 21 June 2019, and more recently, with an NSP in the Russian Federation, on 5 September 2019.

Janison to serve US schools

Following strong demand in previous years for the OECD Test for Schools (as the PBTS is known within the USA) from school networks and school districts across the USA, an agreement has been formed between Janison and the OECD to continue the provision of the PBTS in the USA on the new Janison platform. The agreement has an initial term of two years with Janison as the exclusive provider of the digital assessment platform to power the OECD test, and **LTC** as the **online proctoring service** for remote, digital test delivery.

This agreement provides the first opportunity for Janison to realise one of the key strategic benefits of the LTC acquisition by utilising its extensive assessment experience and global network of invigilators - within a digital setting.

Under the agreement, Janison will be the National Service Provider of the OECD Test for Schools (i.e. the PBTS) and will engage directly with schools and school districts across the USA.

In 2016 there were more than 132,000 schools in the USA¹, of which approximately **32,000** were secondary schools (the OECD test is designed for students 15 years of age) across the public and private sector. Having direct engagement with schools and school districts will enable Janison to offer the assessment directly to schools providing an element of control over the uptake speed and the ability to spread tests evenly across the year.

The **total addressable market** in the USA, should all schools sign up to the OECD test, would be in the region of **US\$160m (A\$235m²)** per annum, assuming revenue of approximately US\$5,000 (A\$7,400) per school, per annum. Janison expects to sign between 50 and 200 schools in year one, at an estimated revenue of US\$0.25m-US\$1m (A\$0.4m-A\$1.5m) per annum initially, with further significant growth expected thereafter as more schools join the program.

Outlook

Janison, in partnership with the OECD, continues to hold further discussions with schools in other countries and is optimistic it will be able to announce more agreements in the coming months.

Background

On 29th April 2019 Janison entered into a partnership agreement with the **OECD** to provide the digital solution for its **PBTS** assessment. The PBTS is a voluntary assessment supporting school improvement efforts and benchmarking, based on the OECD’s Programme for International Student Assessment (PISA).

¹ <https://nces.ed.gov/fastfacts/display.asp?id=84>
² USD conversion at a rate of 1 AUD to USD\$0.68

Like PISA, the PBTS assesses the extent to which 15-year-old students near the end of compulsory education have acquired some of the knowledge and skills essential for full participation in modern societies. The PBTS test may be made available to schools in all countries who participate in the PISA program, of which there were 80 in 2018, as well as other countries who may join in the future.

In general, there are three components of the costs of implementing the PBTS: a) the international costs associated with accessing the PBTS from the OECD; b) the costs of accessing the digital International Platform and c) the domestic costs of coordinating test provision in schools. For the use of Janison's digital platform on which the PBTS assessment is delivered, a minimum of \$100,000 (€60,000) p.a. is charged plus an excess usage over 200 schools. In the USA the pricing model varies from the standard, given Janison's involvement as the national provider, whereby each school is charged \$5,000 USD each, per annum.

The Janison platform

Janison uses its existing 'Insights' platform to provide the PBTS assessment. The platform has required only minor customisations to cater for local languages and new reporting to generate the OECD PBTS results. This is in line with Janison's strategy to productise its existing platform. The PBTS is a standardised test across all countries.

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

About Janison Education Group

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

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

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.