

Schrole™

Global HR SaaS for teachers
and educational organisations

Investor Presentation
March 2021



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Schrole[™]

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TRANSITION TO GLOBAL HR SAAS FOR TEACHERS AND EDUCATIONAL ORGANISATIONS

- During 2HCY2021, SCL will transition from online international school recruitment services to a fully integrated Global HR SaaS platform for teachers and educational organisations
- SchroleHR SaaS platform will combine recruitment, background checks, onboarding, relief teacher management, and professional development for schools, with a growing share of international schools segment, traction within domestic schools and scalable across enterprise level and government sectors



STRONG OUTLOOK WITH NEAR-TERM CATALYSTS

- Revenue +8% in CY2020 (despite Covid), ARR USD3.2m
- From 1 July 2021, termination of International School Services (ISS) partnership to increase margins and Schrole direct sales staff able to sell directly into Europe & South America (previously restricted by ISS sales arrangement)
- During 2HCY2021, launch global HR SaaS product suite and Faria-Schrole combined marketing to Faria's ~10,000 school customers



BLUE-CHIP CLIENTS

- Global schools networks include Nord Anglia Education, Cognita and GEMS Education
- International Schools including International School of Brussels, International School of Bangkok, Singapore American School, Chinese International School HK
- Enterprise level clients including BHP, Rio Tinto and Fortescue



LARGE ADDRESSABLE MARKETS

- SCL provides recruitment services to ~352 (~3%) international schools. Number of international schools has grown 10x in 20 years, from 2,584 schools in 2000, to ~12,000, a compound annual growth rate of 8%
- Target USD2.6 bn international schools Human Resources expenditure.
- Other growth options include 180,000 domestic schools worldwide, enterprise and government



SIGNIFICANT CROSS-SELL POTENTIAL THROUGH FARIA PARTNERSHIP

- New product launches and margin expansion provide visible pathway to materially increasing target contract value for all Schrole clients
- Targeting Faria's existing ~3,000 international schools (~25% share) with this increased target contract value is an immediate opportunity.
- ISHCMC is illustrative of potential across SCL customer base, with contract upsell from AUD20,000 to AUD154,000



GROWING LATENT VALUE OF SCHROLE COMMUNITY

- Schrole Community, comprising all customers and platform users, increased by ~9% to 172,225 in the half year to March 2021, increasing global network effects, driving cross-sell, up-sell and increased monetisation of the full HR life cycle

During 2HCY2021, Schrole will transition to full Global HR SaaS for Teachers and Educational Organisations.



GLOBAL

SCL has 352 international school clients across ~100 countries, and will be targeting Faria's 10,000+ schools



HUMAN RESOURCES

Schrole HR SaaS will provide staff recruitment (Connect), background checks (Verify), onboarding, teacher appraisal and ongoing management (Engage), professional development (Develop), casual hiring (Cover)



SAAS



TEACHERS

~140,000 candidates



EDUCATIONAL ORGANISATIONS

~352 international school clients
520 school clients in Australia and internationally

SaaS provides staff recruitment, checks, management, training, casual hiring, with high penetration of international schools, scalable across multiple sectors



- Recruitment platform for international schools, first developed in 2013
- Subscription model, with annual fees from USD5,300 to USD15,000, and 352 global school clients
- From 1 July 2021, visible margin upside, as 50% revenue sharing with ISS ends on new sales and new distribution partnership with Faria commences
- Previously ISS-Schrole Advantage



- Background checks for international schools.
- Transaction revenue, average USD2,500 p.a. per school.



- Staff on/off boarding, and contract management
- Subscription model



- Registered Training Organisation providing training and leadership qualifications with the Diploma of Leadership and Management customized for education and scalable across multiple sectors
- Blue-chip clients in Western Australian resources & government sectors
- 2 inaugural education clients in China and Vietnam. ISHCMC paying USD100,000
- Previously Schrole ETAS



- **Relief teacher app**, reducing time to fill relief teacher vacancies from hours to ~3 minutes with pre-qualified candidates.
- Scalable across any other sector for casual hiring
- **Average AUD1,200 p.a. fees**

Schrole's initial growth was through global and international schools networks
Enterprise level clients and Government are a significant growth option, with multiple adjacent industry expansion opportunities

GLOBAL SCHOOL NETWORKS

Nord Anglia
Education

67,000 students
73 schools
30 countries

COGNITA

55,000 students
7,500 employees
83 schools
11 countries



119,000 students
7,500 employees
44 schools
9 countries

INTERNATIONAL SCHOOLS



1,400 students

北京顺义国际学校
INTERNATIONAL SCHOOL OF BEIJING

1,700 students



International School Bangkok

1,900 students

ENTERPRISE LEVEL AND GOVERNMENT

BHP

- BHP Group Limited (ASX: BHP), an Australian Stock Exchange listed company with a market capitalisation of AUD140.2 billion
- World-leading resources company
- ~80,000 employees and contractors, primarily in Australia and the Americas

RioTinto

- Rio Tinto Iron Ore (RTIO), a subsidiary of Rio Tinto Limited (ASX: RIO), an Australian Stock Exchange listed company with a market capitalisation of AUD42.5 billion
- World's second largest metals and mining corporation
- ~45,000 employees worldwide.



- Fortescue Metal Group (ASX: FMG), an Australian Stock Exchange listed company with a market capitalisation of AUD62.6 billion
- 4th largest iron ore producer in the world, after BHP, Rio Tinto and Vale
- ~11,000 employees

The individual agreements with these groups are not considered material but it is considered significant that these enterprise level clients are using SCL services

Immediate opportunity to increase revenue from international schools segment by targeting cross-sell to Faria's existing clients and upselling SCL products to existing clients.

Other growth options include 180,000 domestic schools, enterprise and government.

~12,000 International Schools

- **Number of international schools has grown 10x in 20 years**, growing from 2,584 school in 2000, to ~12,000, a compound annual growth rate of 8%(source: [ISC research](#))
- Internal estimates of USD2.6 bn international schools Human Resources expenditure (source: SCL)
- SCL provides recruitment services to ~352 (3%) international schools.
- Targeting Faria's existing ~3,000 schools (~25% share), with up to AUD30,000 contract value, is an immediate opportunity.

180,000 Domestic Schools

- 180,000 domestic schools globally (source: multiple) geographically segmented:
 - 98,000 USA
 - 32,000 UK
 - 25,000 Sth Africa
 - 15,000 CAN
 - 9,500 ANZ
- SCL currently has ~200 Schrole Cover subscribers in W.A., 2% of ANZ market
- Faria currently has ~8,000 or 4% USA schools

Enterprise Level and Government

- Clients of Schrole Develop include BHP, Rio Tinto, FMG and government departments. (See [ASX release](#) and [here](#)).
- Schrole Develop full international school launch in 2HCY2020.
- Schrole Develop is a Registered Training Organisation that provides Training and Assessment and Leadership and Management qualifications
- Training is fully scalable online and contextualised to specific industry segments.
- International School of Ho Chi Minh City provides case study of increase in contract value from AUD20,000 to AUD153,000

Leveraged to Covid-19 recovery, rising ARR of USD3.2m

CHART 1: Rising revenue and gross margins

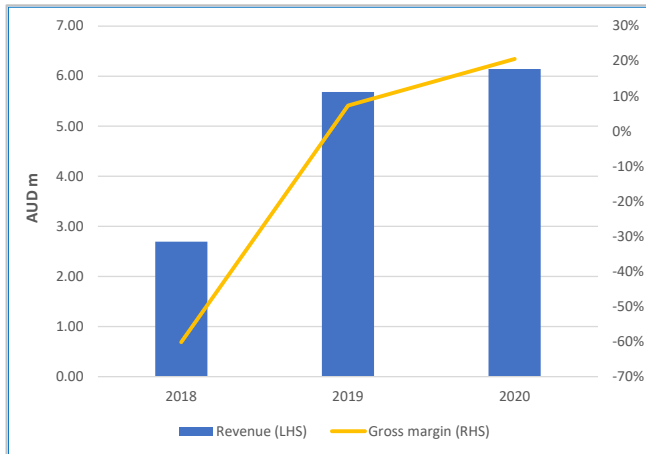


CHART 2: Annual cash receipts

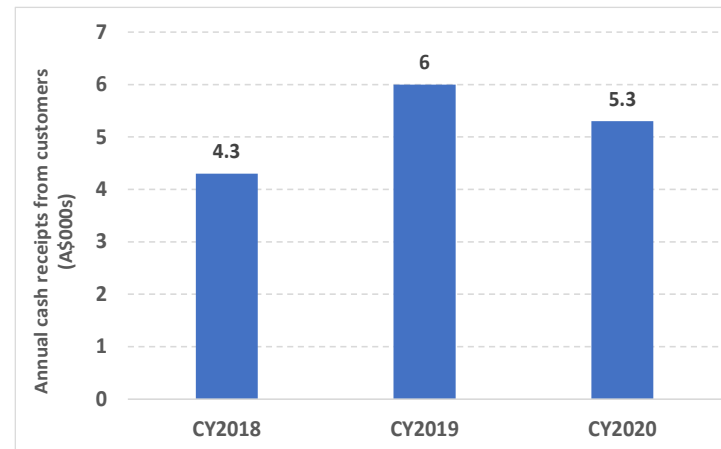
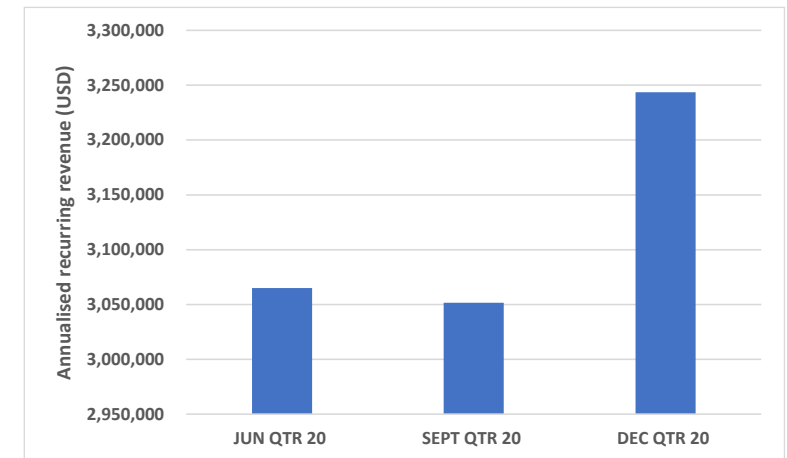


CHART 3: Rising ARR



- **Rising revenue up ~8% in CY2020 (despite Covid-19 impacts)**
- **Rising Annualised Recurring Revenues (ARR), up +6.3% to USD3.2m at 31 December 2020 vs 30 September 2020**
- **Visible 1 July 2021 margin expansion** as distribution of 50% share of revenue to ISS ends and new distribution partnership with Faria commences
- **New product launches and margin expansion provide visible pathway to materially increasing target contract value for all Schrole clients**
- Strong sales momentum within initial market segment of international schools, with potential expansion into all schools and other segments

Expansion from recruitment services to a fully integrated HR SaaS platform and enhanced sales model Multiple product launches in 2HCY2021 provide significant growth options

- Schrole's vision to expand from a leading recruitment SaaS provider to a fully integrated HR SaaS platform positions it to deliver significant revenue growth.
- HR SaaS product suite to be rolled out incrementally through 2H2021
- **Significant up/cross sell potential**

 <p>Schrole COVER</p> <p>An app-based solution for streamlining the management of substitute teachers</p> <p>Live in AU market</p>	 <p>Schrole CONNECT</p> <p>The education industry's most advanced recruitment and applicant tracking solution</p> <p>Live in Intl. market</p>	 <p>Schrole VERIFY</p> <p>Background screening customised to meet the needs of international schools</p> <p>Live in Intl. market</p>	 <p>Schrole DEVELOP</p> <p>Accredited training and professional development contextualised for education</p> <p>Trials in Intl. market</p>	 <p>Schrole ENGAGE</p> <p>Staff onboarding, Visa and contract management, teacher appraisal and offboarding.</p> <p>First release 2021</p>
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Global launch
2H2021

Version 3.0
Launch 2H2021

Automated ordering for
schools - 2H2021

International
Launch

First release
2H2021

Schrole Connect is a global, two-sided marketplace connecting educational organisations and teachers.

As the marketplace scales, it builds network effects, builds latent value, and grows revenue potential.

Connect has historically driven Schrole's revenues, but as the global HR SaaS suite is launched, Connect becomes a feeder into the full Schrole SaaS offering.



139,621
Candidates

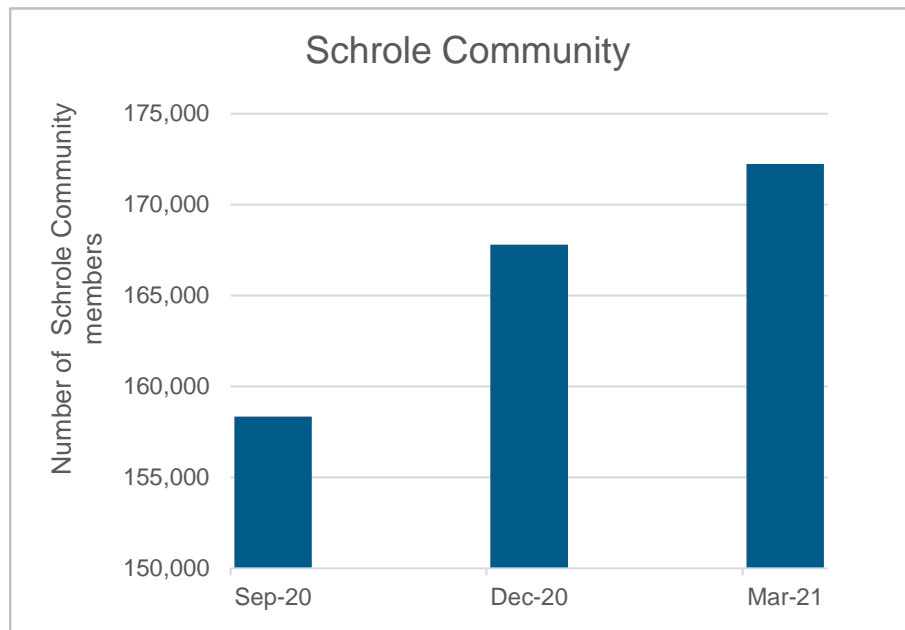


The education industry's
most advanced
recruitment and applicant
tracking solution



3,816
**Organisational
Users**

Schrole Community comprises all customers and platform users. Our vision is to grow our Schrole Community to capture global network effects, driving cross-sell, up-sell and increased monetisation of the full HR life cycle. Our Schrole Community increased by ~6% to 162,974 over the quarter to March 2021.



2-sided marketplace:

- 3,816 Organisational Users
- 139,621 candidates



~700 candidates verified in two quarters



Full launch 2HCY21



2 international schools
Large blue chip domestic client base



28,418 users

By 2H CY2020, Faria and Schrole expected to begin marketing their combined offerings to ~10,000 schools

ABOUT FARIA



Faria
Education
Group

- Faria Education Group is a **highly regarded education group**, providing **5 SaaS products to >10,000 schools**
- **Founded in 2006** to transition schools from paper onto a curriculum-based learning platform, ManageBac
- ManageBac is now **used by 4 out of 5 International Baccalaureate World Schools**

FARIA-SCHROLE PARTNERSHIP



- Faria has a 19.79% strategic SCL stake
- **Complementary SaaS product suite** for schools
- Increased exposure through Single Sign On and direct access to Schrole SaaS
- **Significantly expands SCL's directly addressable market to ~10,000 schools**
 - 3000 international schools
 - 7000 schools in the US

OUTLOOK



- Single-Sign-On through Faria Account Portal in place, allowing users to move seamlessly between services
- **2HCY2020 joint marketing to commence**
- Integration into Unified Faria Experience

**SCL's direct sales team has historically generated ~80% of sales, with ~20% from distribution partner ISS
From 1 July 2021, SCL sales team is no longer constrained from pursuing global sales**



TEAM

- 4 direct sales professionals, with a strong background in international school sales
- Intention is to immediately invest in growing this team



STRONG TEAM, WITH ONLINE SALES FOCUS

- Historically, ~80% sales growth from SCL internal sales teams
- Methods include conferences, events, email marketing, conference exhibitions, school visits (pre-Covid)
- Historically, ~70% sales online. Since Covid, 100% of sales are online



HISTORICALLY, ISS PARTNERSHIP LIMITED SCL DIRECT SALES TEAM TO ASIA AND MIDDLE EAST & NORTH AFRICA (MENA)

- SCL has historically targeted Asia: (55% of 2019-20 sales, 70% of 2018-19 sales)
- 2nd largest market is MENA (18% of 2019-20 and 2018-19 sales)



OUTLOOK

- **SCL Direct sales team no longer 'locked out' of Europe, Africa, Americas from 1 July 2021**
- Maintain Asia & MENA Focus while growing Europe and Americas markets
- Faria expected to deliver sales through referral scheme

Expansion from recruitment services to a fully integrated HR SaaS platform, combined with renegotiated distribution agreements, drives outlook for increased Contract Value. ISHCMC is illustrative of potential across SCL customer base.

INCREASED AVERAGE REVENUE PER USER OUTLOOK

- Visible pathway to materially **increasing target Contract Value for all SCL clients** driven by margin expansion and new products
- **Margin upside from renegotiated ISS agreement** over 24 months transition:
 - 12 mths to 30 June 21: 50-50 share new sales and renewals
 - 12 mths to 30 June 22: New Schrole sales 100% to Schrole and renewals 50-50 share
 - Agreement terminates from 30 June 2022.
 - **USD1.6m was paid to ISS in CY2020.**
- **New product launches** of ENGAGE and DEVELOP in 2HCY2021 expected to increase **contract value**.

ISHCMC CASE STUDY

- International School of Ho Chi Minh City (ISHCMC) increased contract value from ~AUD20,000 to ~AUD154,800, utilizing 2 of 4 Schrole products (see [ASX release dated 26 March 2021](#)).
- **The ISHCMC contract value has increased to AUD154,800**

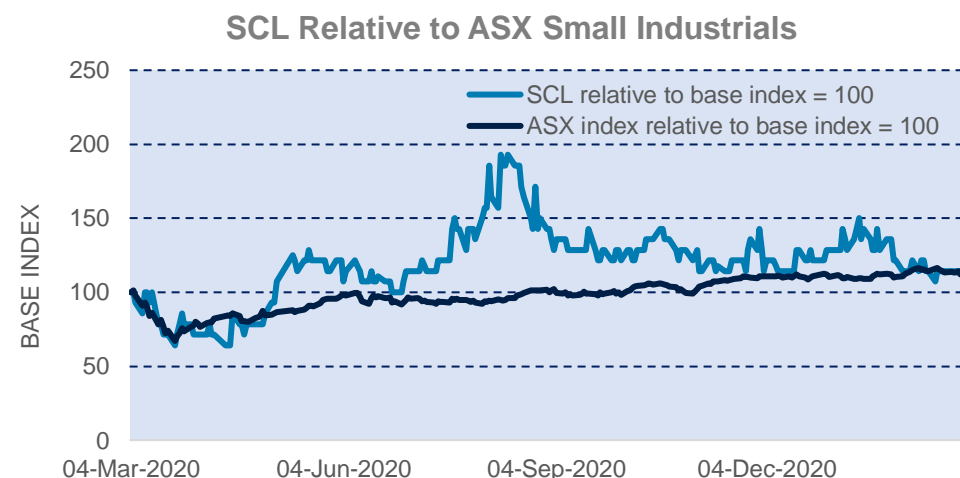
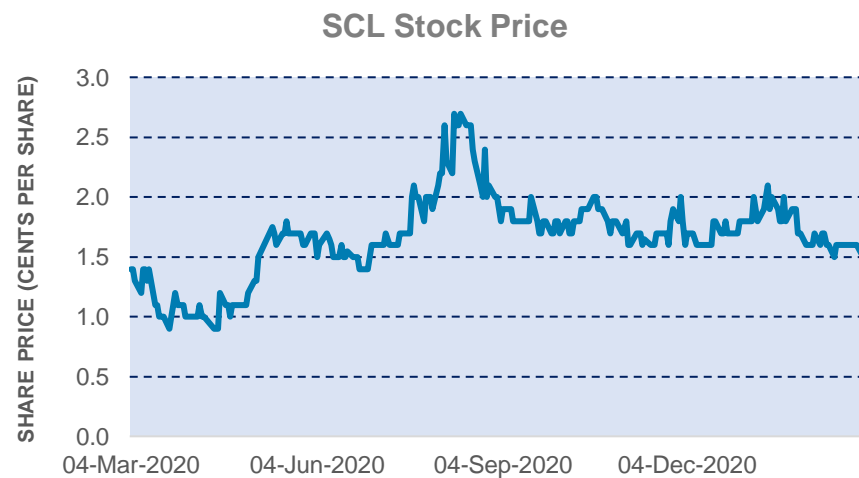
MARKET DATA

ASX code	SCL
Ordinary shares	1.38b
Market capitalisation	\$23.6m
Cash on hand (31.12.20)	\$5.1m
Listed on ASX	October 2017
Issue price	\$0.02
Last price (19.02.21)	\$0.015
52 week high	\$0.028
52 week low	\$0.008
Average daily volume	~2,941,069
GICS classification	Software & Services

MAJOR SHAREHOLDERS

Faria UK Holdco III Ltd.	19.9%
Capital H Management Pty. Ltd.	15.6%
Graham (Robert)	9.2%
Cyan Investment Management Pty. Ltd.	6.0%
Toronga Pty. Ltd	5.7%

SHARE PRICE PERFORMANCE



Contacts

Rob Graham

investors@schrole.edu.au

(08) 9230 7000

George Gabriel, CFA

investors@schrole.edu.au

0421 630 435

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