



Education Talent Management

Global Software-as-a-Service (SaaS)

Managing Director: Rob Graham

28 August 2023

1H23
Results



Summary Highlights H1 2023

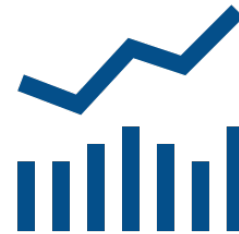
Schrole continues to ensure that there is a focus on both internal improvements and our growth objectives that align to our group metrics...



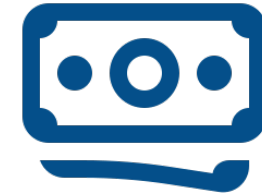
Invoiced Sales
up 21% to \$2.95m



Total cash receipts
up 23% to \$2.61m



Total revenue
up 21% to \$2.99m



Average contract
value up 8% to
\$11,222

Financial highlights and operational excellence in 1H23

Schrole improves sales and products with increased AI integration while expanding in key markets

Total revenue increased 21% to \$2.99 million

- Software revenue up 23% to \$1.90 million
- Training revenue up 17% to \$1.06 million

Total cash receipts increased 23% to \$2.61 million

- Software cash receipts increased 43% to \$1.04 million
- Training cash receipts jumped 13% to \$1.57 million

Net cash outflow of \$0.57 million, a \$0.23 million improvement and moving towards cash breakeven

EBITDA loss of \$0.83 million, 5.7% improvement from \$0.88 million

Invoiced sales increased 21% to \$2.95 million

- Software invoiced sales up 22% to \$1.9 million
- Training invoiced sales up 18% to \$1.1 million

Cash balance of \$1.3 million with no additional cap raises during the year and after increased investment in resources.

Key Performance Metrics Momentum – H1 23 vs H1 22

Contracted customers	– down 1% to 521
Average contract value (rolling 12-months)	– up 8% to \$11,222
Average products per customer	– up 4% to 1.46

Trading Update

Schrole has focused on improving its sales and renewal initiatives since April 2023 and recent results demonstrate this is providing the business with strong momentum into 2H 23. Notably:

- Software renewal rates between 1 April to 22 August 2023 have improved by 6% against the annual average renewal rate
- Monthly software contract sales in July were their highest since 2019
 - Software sales of USD88,000 include a repeat event for Education in Motion, a leading education brand
- In the seven months to 31 July 2023, sales from the Company's training division, Schrole Develop, were 26% higher than the first seven months in 2022

Developing a world-leading talent intelligence platform

Schrole's vision is to improve the standard of education worldwide.

Schrole is focused on delivering a talent intelligence platform that will compete effectively and can easily replace industry non-specific solutions from competitors such as SAP, Oracle, Bamboo HR and more. Schrole's solution is designed from the ground up to solve unique and education industry specific HR challenges that broad-based HR SaaS solutions simply can't match.

- [Connect](#) is a leading international teacher talent acquisition platform
- [Events](#) bring educators together on a global scale
- [Verify](#) provides in-app background screening services to international schools
- [Engage](#) streamlines onboarding processes across international borders and will form the core of the staff and faculty performance appraisal system
- [Cover](#) is a relief teacher management app on iOS and Android
- [Develop](#) provides accredited training and professional development



A pipeline of products entering the market

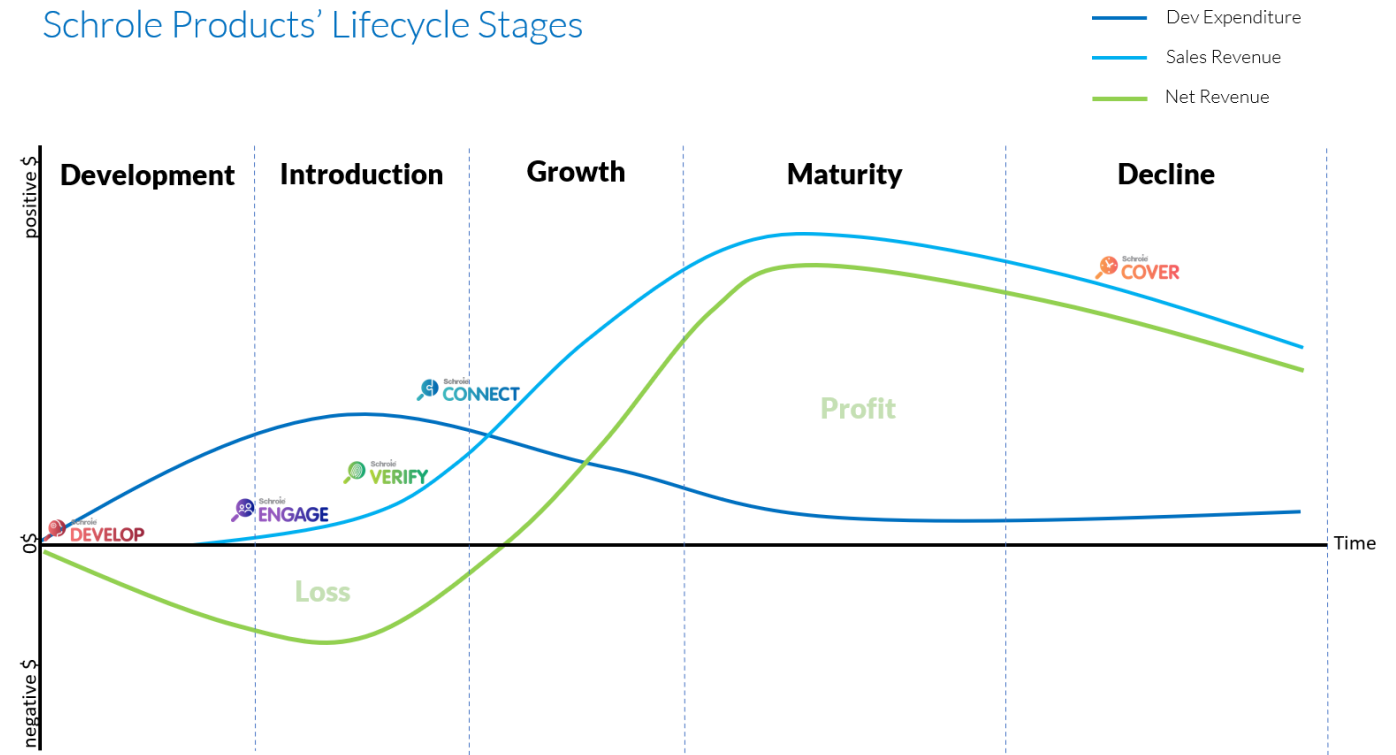
Schrole has four SaaS products at various stages of their product development lifecycle.

Connect is at the early growth phase of its lifecycle. This talent acquisition platform operates as a [two-sided marketplace](#) for schools and teachers and is expected to provide the majority of Schrole's SaaS revenue in the short to medium-term. Whilst this product is still in development, ongoing investment is expected to reduce significantly over the next 12 to 18 months.

While still at the introductory lifecycle stage, Engage and Verify have begun generating revenue. Both are likely to require sustained investment before they become internationally competitive and net cash positive. Develop's PD store is in the planning stages.

Cover is due for redevelopment and is expected to be relaunched in 2024.

Schrole Products' Lifecycle Stages



Schrole's market focus

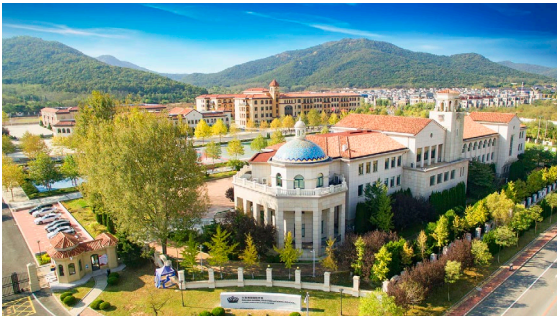
The international education market is characterised by western trained educators working in English-speaking schools within developing economies.

The market generates AUD82 billion in fee income. Schrole is targeting the AUD4.1billion in HR spending by international schools.**

The market has grown by 52% between 2013 and 2023*. This expansion is forecast to continue and is focused on Asia and Middle Eastern, where Schrole is currently allocating its resources.

*Source ISC Research is the leading provider of English-medium K-12 international school data, trends and intelligence

** Source Schrole Management, based on estimated proportion of budget allocation from the AUD82 billion in fee income estimated by ISC Research.



Schrole

1H 2023 Operational Overview

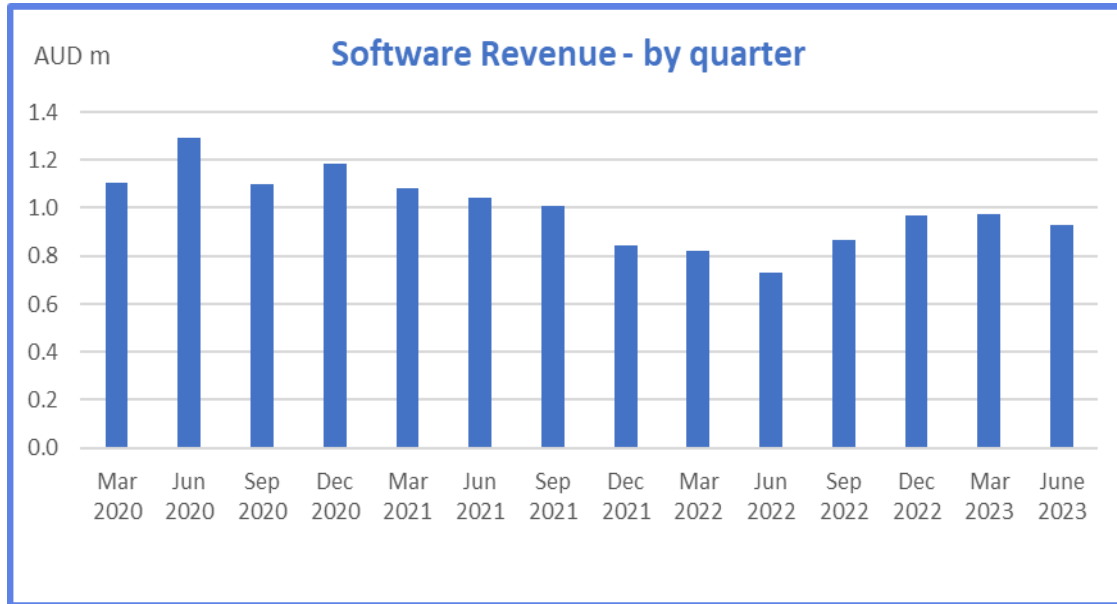
1H23 Operational highlights

- Business progressing to *operating cash breakeven as sales across software and training rose rapidly during the half
- Conducted a broad-based strategic review of operations identifying cost savings in the order of \$1 million per annum which are expected to be implemented in Q3 2023, with one off costs associated also in Q3 2023
- Delivered 28 on-the-job (OTJ) Training courses to 220 staff at Rio Tinto's WA facilities and received purchase orders for a further 47 courses commencing in 2H 2023
- Deployed its first implementation of artificial intelligence into the HR SaaS platform to enhance customer experience and drive higher sales
- Updated and upgraded premium Schrole products, Connect and Verify, to enhance the customer experience and grow the business
- Expanded and strengthened the Board and management team to grow its market share of the international school's market

***The amount of cash SCL generates from its daily business activities, such as sales and operations. It does not take account of cash flows from investing and financing activities..**

1H 2023 Financial Highlights

Revenue momentum trending positively

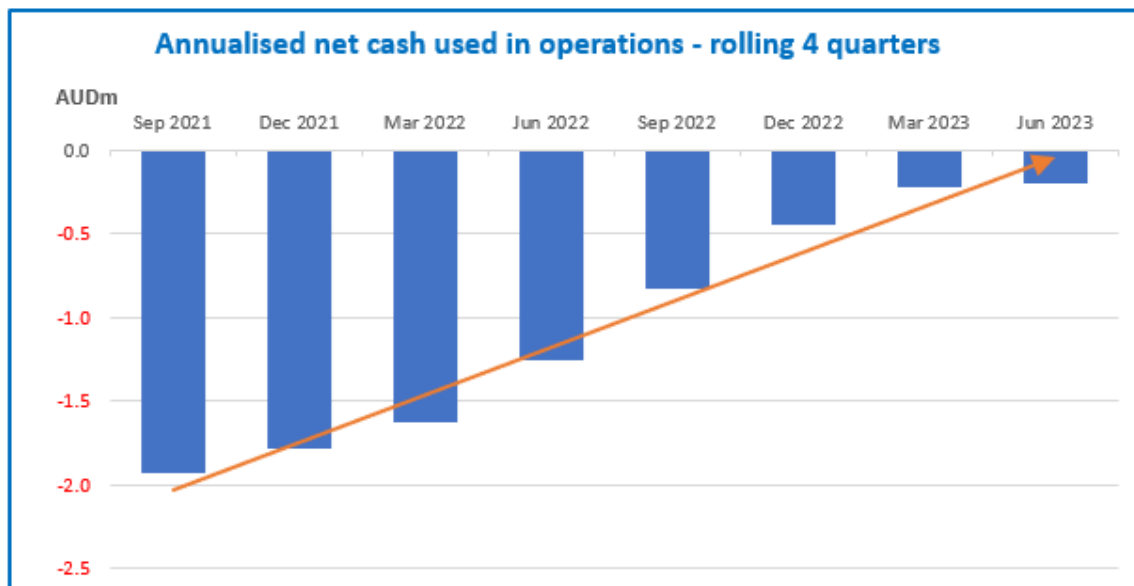


Software revenue continuing to benefit from the exit of the ISS alliance and a sharper business focus on sales

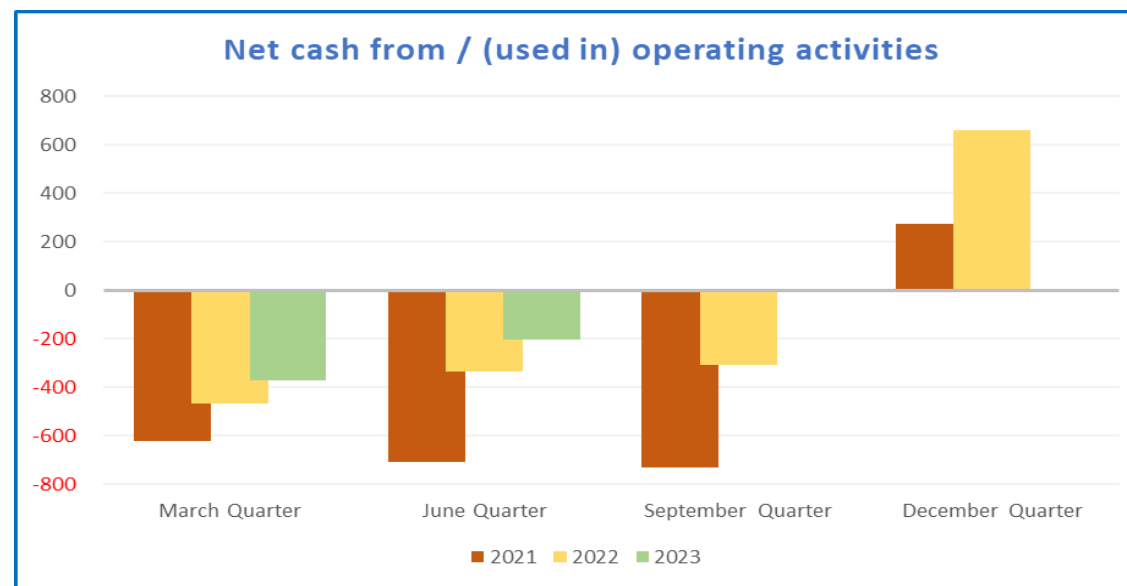


Steady recovery post pandemic, returning to full schedule, full classes and a pricing reset. Expansion of partnership with global mining companies

Operating cash flows moving quickly towards break-even



Net cash used in operating activities of \$0.57m for 1H23, a 40% improvement on PCP



Steady improvement demonstrated quarter on quarter with sales from expanded product suite, positive impact of unwind of ISS alliance and growth in the training business

Group Strategy

Strategic imperatives

Heightened focus on becoming the leading provider to the AUD4.1billion* international schools HR SaaS market

In 2023, Schrole will continue to progress on its journey to becoming the key player in the international education HR market. Frictionless customer acquisition and improved operational efficiency are our strategic imperatives. These are supported by:

Board and Executive Changes to Drive Global Growth

- New board:
 - Matt Adams, Non-executive Chair
 - Dr Caroline Brokvam, Non-executive director
- New CCO, Mark Oelofse driving growth initiatives
- New CFO, Diana Shepherd,

Increased focus on integration of AI into the platform

- Integration of Chat GPT to enable schools to write better job descriptions
- Future functionality includes using AI to recommend a shortlist of staff for positions

Continued strong focus on sales

- Sales team focused on all areas of the world
- New website released
- Increased engagement with channel partners in international education, professional development and technology

Future functionality to drive revenue growth

- Rebuild of Schrole Cover to suit international customers will increase contract value

Increased focus on cost efficiency

- Following a broad-based strategic review of operations, \$1 million in savings were identified
- Savings identified include completed projects and the ability to reduce costs across the business
- Cost efficiencies expected to be implemented from Q3 FY23

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