

ASX RELEASE (ASX: SCL)

## Schrole continues ARR growth and approaches cash-flow breakeven

### Quarterly Activities Report for March 2024

#### Q1 FY24 Key highlights

- **ARR at the end of March reached \$4.2m** up from \$3.9m at the end of December 23
- **Cash receipts of \$1.60 million**, up 24% compared to Q1 FY23 (PCP)
- **Net operating cash from operating activities** up 136% to \$135,000 from (\$371,000) in the PCP
- **Free Cashflow approaching break-even at (\$0.09m) for the quarter**, an 87% improvement from (\$0.7m) in Q1 FY23
- **Strong cash position** with \$1.2 million cash at bank and no debt

22 April 2024: Schrole Group Ltd (**ASX: SCL**) (“**Schrole**” or the “**Company**”), provider of global Human Resources (HR) Software-as-a-Service (SaaS) and accredited training, provides its quarterly activities and cash flow report for the quarter ended 31 March 2024 (Q1 FY24).

Commenting on Q1 FY24, Managing Director, Rob Graham, said:

*“The Company’s HR Software business continued to perform well with ARR reaching \$4.2m at the end of March representing 8% growth on the prior quarter (Q4 FY23). The growth in ARR is underpinned by new international sales and our ability to increase prices while at the same time improve retention rates.”*

*“We have been pleased with our growth in sales to international schools this quarter as over 90% of SaaS revenues come from customers outside of Australia.*

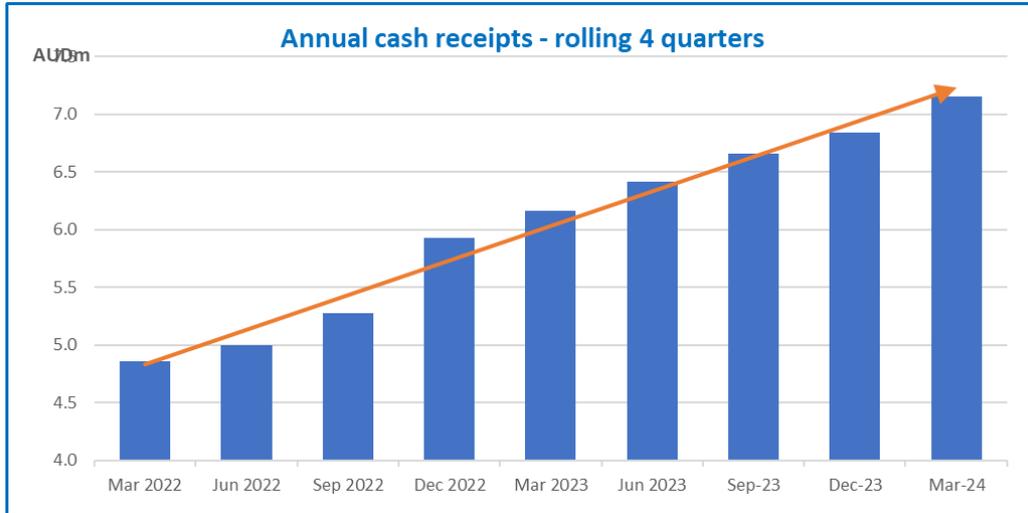
*“In FY23 we restructured and right sized the business to support our change in focus from development to sales. The change has been extremely positive. Our growing revenues combined with a significantly lower cost-base generated positive operating cashflow of \$135,000 for the quarter. Free cash-flow is approaching break-even with only (\$96,000) of outflow over the period (compared to negative free-cash flow of (\$740,000) for Q1 FY23).”*

#### Total cash receipts continue to grow

In the March 2024 quarter, total customer receipts increased by 24% (over Prior Comparable Period SPCP) to \$1.6m. The HR Software business generated customer receipts of \$1.01m and the Training business generated \$0.59m.

This robust growth in total cash receipts, compared to the PCP, reflects a sustained upward trajectory for Schrole.

**CHART 1: Total cash receipts**

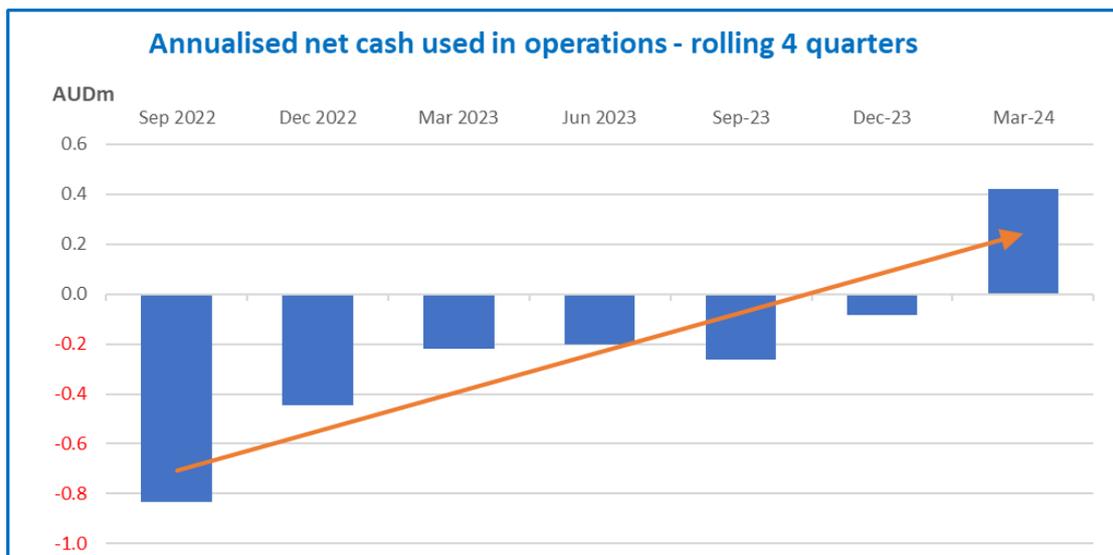


## Operating cash-flow breakeven

Schrole is making significant strides toward achieving sustained operating cash-flow breakeven, driven by increased high-margin software sales and lower costs.

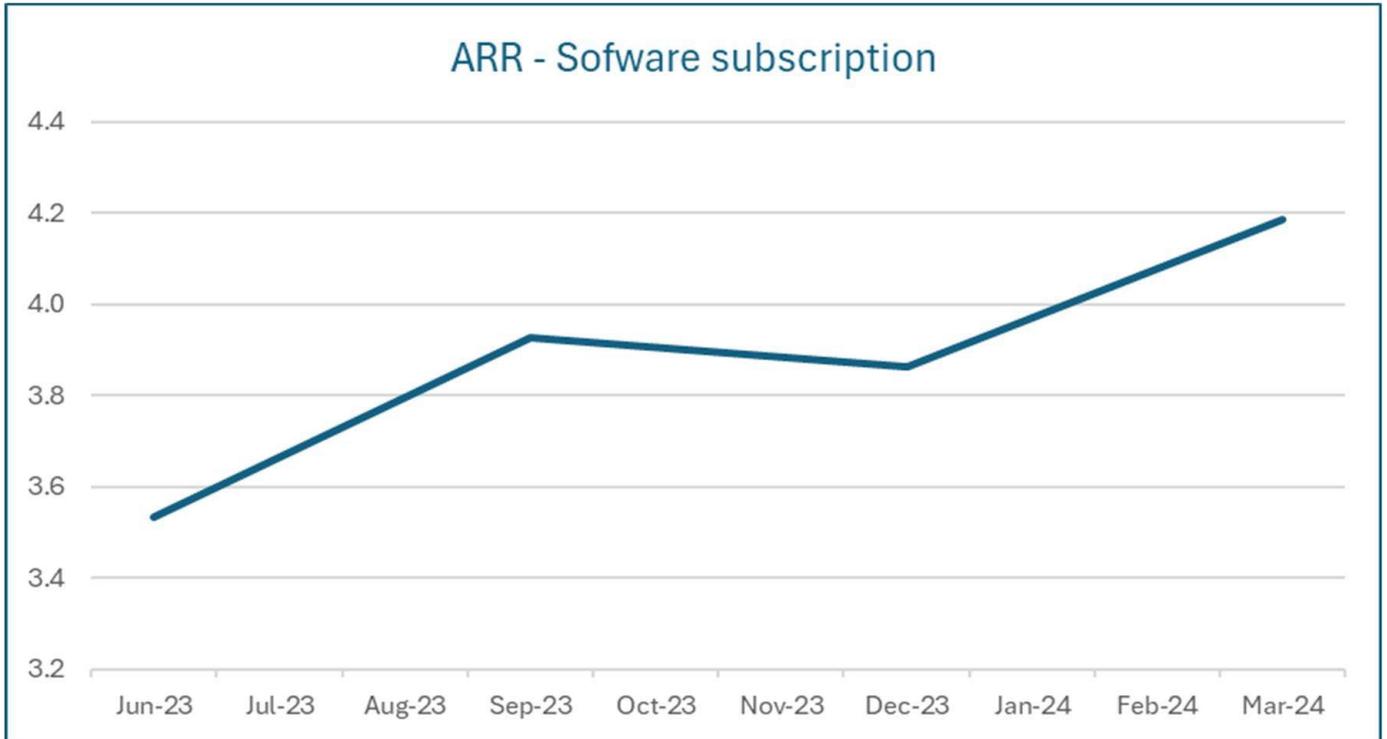
Operating cash-flow for the period was \$0.14m, a significant improvement from Q1 FY23 when operating cash-flow was (\$0.37m).

**CHART 2: Annualised Net Cash Used in Operations**



## Business Unit Performance - Software

Annualised Recurring Revenue from Schrole's HR SaaS products increased to \$4.2m at the end of March, up 8% over the \$3.9m of ARR recorded in December 23.



The increase in ARR was driven by an increase in subscription (SaaS) sales of USD204,250 and price increases a 142% improvement on the PCP (USD83,235). Encouragingly Schrole's Engage application reached a milestone with over 100 customers using the product globally. Engage provides onboarding and contract management software designed to meet the unique and complex needs of international schools.

Customer contract renewal rates also continued to improve reaching 73% (66% PCP) and Net Revenue Retention reached 90% (52% PCP).

A review of the reporting metrics for quarterlies has taken place and the previous process of including both training and software in the overall metrics has been discontinued and these will be reported on separately.

	June 2023	September 2023	December 23	March 24
ARR- software subscriptions	\$3,533,604	\$3,927,159	\$3,861,632	\$4,186,548
Contracted customers	480	484	486	483
Average products per customer	1.9	2.0	2.8	2.8
Average contract value	\$7,361	\$8,113	\$7,945	\$8,667

## Business Unit Performance - Accredited Training

The Training business recorded revenue of \$0.47m for the quarter down 18% on Q1 FY23. The slower quarter reflects a change in the way on-the-job training courses are being booked. With new courses coming online and demand expected to increase from existing customers, Management is confident Training revenues will bounce back strongly over the remaining three quarters of FY24.

## Appendix 4C

The summary of cash outflows for Q1 FY24 is:

	<b>\$'000</b>
Payments for product manufacturing and operating costs	\$311
Payments for advertising and marketing	\$31
Payments for staff costs	\$916
Payments for administration and corporate costs	\$211
Interest and other costs of finance paid	\$1
Payments to acquire property, plant, and equipment	-
Payments to acquire non-current assets	\$224
Repayment of borrowings	\$46

For the purpose of Section 6 of the Appendix 4C, related party payments of \$119,418 were made in the quarter in relation to Directors fees.

ENDS

*This release was authorised by the Board of Directors.*

**For further information please contact:**

### Investors

#### Rob Graham

Managing Director Schrole Group Ltd  
[Investors@schrole.edu.au](mailto:Investors@schrole.edu.au)

### About Schrole

Schrole provides global Human Resources Software-as-a-Service (SaaS) targeting teachers and educational organisations. Schrole is scaling globally and targeting new growth markets.

**Schrole HR is a complete Human Resources SaaS solution, combining recruitment, background checks, onboarding, relief teacher management, and professional development.**

- **Schrole Connect** is education's most advanced recruitment and applicant tracking app.
- **Schrole Events**, part of the Connect module, provides industry-leading online recruitment events.
- **Schrole Cover** is a cloud-based software platform that engages relief staff at the touch of a button.
- **Schrole Verify** provides background screening to the international schools' sector.
- **Schrole Develop** provides accredited professional development solutions contextualised to client needs.
- **Schrole Engage** provides onboarding and contract management software for schools



<https://schrole.edu.au/>

### **Forward Looking Statements**

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices, or potential growth of the Company, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

SCHROLE GROUP LTD (ASX: SCL)

**ABN**

27 164 440 859

**Quarter ended ("current quarter")**

31 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,606	1,606
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(311)	(311)
(c) advertising and marketing	(31)	(31)
(d) leased assets	-	-
(e) staff costs	(916)	(916)
(f) administration and corporate costs	(211)	(211)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>135</b>	<b>135</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(224)	(224)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(224)</b>	<b>(224)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(46)	(46)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(46)</b>	<b>(46)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,290	1,290
4.2	Net cash from / (used in) operating activities (item 1.9 above)	135	135
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(224)	(224)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(46)	(46)
4.5	Effect of movement in exchange rates on cash held	38	38
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,193</b>	<b>1,193</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,193	1,193
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,193</b>	<b>1,193</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	119
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	135
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,193
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,193
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: NA	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: NA	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: NA	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 22/04/2024

Authorised by the Board of Schrole Group Ltd  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.