

ASX RELEASE (ASX: SCL)

31 May 2024

Chairman's Address Annual General Meeting

Good morning Ladies and Gentlemen,

Welcome to the Annual General Meeting of Schrole Group Limited. Before proceeding with the formal part of today's meeting, I would like to provide a brief overview of the Company's performance for the financial year ended 31 December 2023.

Company focus

Over the past twelve months, we have undertaken critical decisions to reshape our business into a more focused and agile entity, placing a primary emphasis on marketing and selling our HR suite of products. Our significant investment in developing the full suite of products has enabled us to transition from primarily a recruitment platform to providing a holistic range of HR solutions, encompassing recruitment, cover, onboarding, contract management, background checking, and professional development.

The Company's focus on customer retention and engagement has yielded positive results, shaping our success.

Financial performance

The transition from a recruitment company to a full HR talent management solution has improved revenues and moved Schrole closer to cash breakeven.

During FY23 Schrole increased its invoiced sales to \$6,713,858, which is up \$476,975 (7.6%) on the prior year. Software invoiced sales of \$4,407,517 for 2023 reflects a \$499,714 (12.8%), improvement compared to 2022 as a result of sales of the expanded product suite, and retention of the majority of customers at the end of the ISS alliance. Invoiced sales for training decreased to \$2,306,341 in 2023, as a result of deferral of the consulting work in Guinea. Total cash receipts of \$6.8 million were achieved for FY23, an increase of \$943,000, or 15% from the previous year.

Outlook

Schrole continues to provide a vibrant environment for schools and teachers to engage with, as evidenced by our data. In 2023 alone, we received over 135,000 job applications, over 6,000 job postings and 1.65 million views on our job listings.

Schrole has strong relationships with new and existing clients in both its software and training divisions. These have continued to develop in 2024 and this engagement has helped the Company to grow market share and enable cross sell and upsell opportunities.

In FY 2024, Schrole is dedicated to achieving sustained growth while continuing to keep a tight focus on its cost base to ensure the delivery of positive financial outcomes.

I would like to conclude by thanking my fellow directors, our management team, and the wider team at Schrole for their considerable effort in what has been a very busy and active year.

I would also like to recognize you, our shareholders, for your continued support.

Matt Adams
Chairman

ENDS

This release was authorised by the Board of Directors.

For further information please contact:

Rob Graham
Managing Director
Schrole Group Limited
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**, 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.



Global technology driven
HR solutions for the international
education sector

Annual General Meeting Presentation

Schrole Group Ltd (ASX: SCL)

31 May 2024

1

Leading Australian edtech player in the international school's market

2

Leading position in the Australian education technology sector:

- **Job applications: 135,000+:** Over 135,000 applications submitted, showcasing the vibrant talent and trust candidates have placed in Schrole
- **Job postings: 6,000+:** Proudly hosting 6,000+ job opportunities, Schrole has connected top international schools with the best and brightest international teaching candidates from around the world
- **Job views: 1.65 million:** More than 1.65 million views on our job listings, a testament to the thriving community that engages with Schrole daily
- **International candidate database: 210,000:** Our ever-growing international pool of candidates now stands at 210,000, a rich source of talent for international schools worldwide

3

Schrole has strong relationships with new and existing clients in both its software and training divisions. Of note is the ongoing partnership with Rio Tinto, one of Australia's largest corporations, which is in its 17th year

4

Business has transitioned during FY23 to be a more agile company, placing emphasis on marketing and selling its HR suite of products

5

Schrole is dedicated to achieving sustained growth while continuing to keep a tight focus on its cost base to ensure the delivery of positive financial outcomes

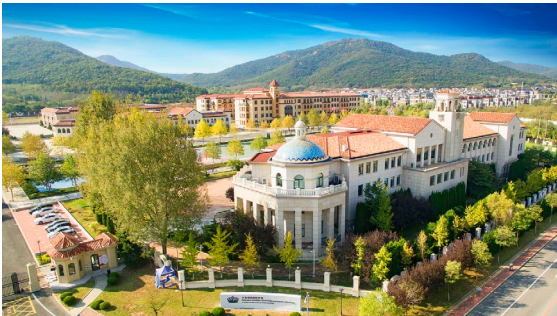
The international education market is characterised by western trained educators working in English-speaking schools within developing economies.

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 is the only HR Talent Management platform developed solely for international education.**
- Schrole provides a range of innovative HR management software and training solutions for the education sector world-wide. Each solution is designed to solve a specific challenge, while providing a unified HR SaaS solution for educators and schools.
- **Connect** is a leading international teacher talent acquisition platform
- **Events** brings educators together on a global scale
- **Verify** provides in-app background screening services to international schools
- **Engage** streamlines onboarding processes across international borders
- **Cover** is a relief teacher management app on iOS and Android
- **Develop** provides accredited training and professional development



- Updated and upgraded premium Schrole products, Connect and Verify, to enhance the customer experience and grow the business
- Continued customer traction with on-line events
- Business progressing to *operating cash breakeven as sales across software and training rose rapidly during the half
- Delivered 112 on-the-job (OTJ) Training courses
- Trained 1,433 staff in FY23
- Deployed its first implementation of artificial intelligence into the HR SaaS platform to enhance customer experience and drive higher sales
- Conducted a broad-based strategic review of operations identifying cost savings in the order of \$2.3 million per annum

Strong Organic Growth in FY23 vs FY22

Total revenue increased 10% to \$6.4 million

- Software revenue up 20.2% to \$4.0 million
- Training revenue down 12.8% to \$2.1 million

Total cash receipts increased 15% to \$6.8 million

Net operating cash outflow improved by 81% to \$84,000

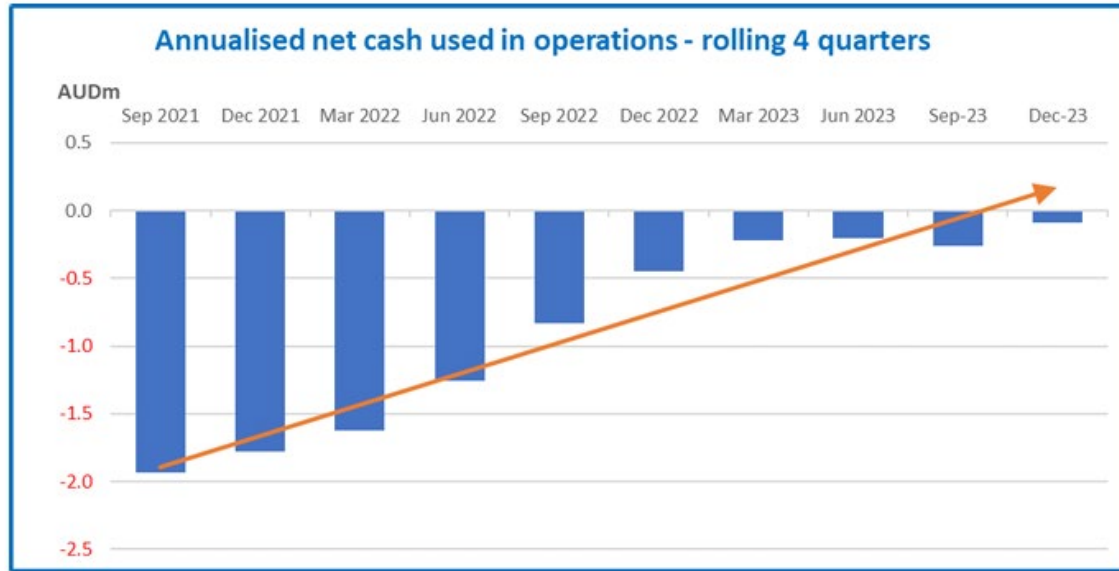
EBITDA loss of \$1.2m

Invoiced sales increased 7.6% to \$6.7 million

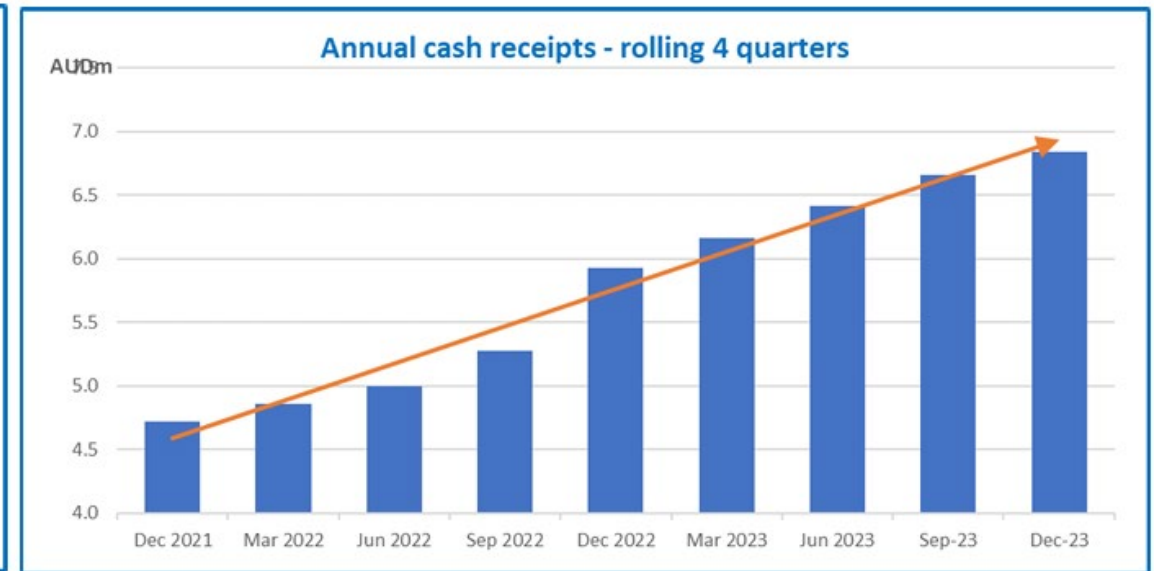
- Software invoiced sales up 12.8% to \$4.4 million
- Training invoiced sales of \$2.3 million

Cash balance of \$1.2 million (end of Q1 FY24). No debt.

Operating cash flows moving quickly towards break-even **Schrole** Global HR SaaS

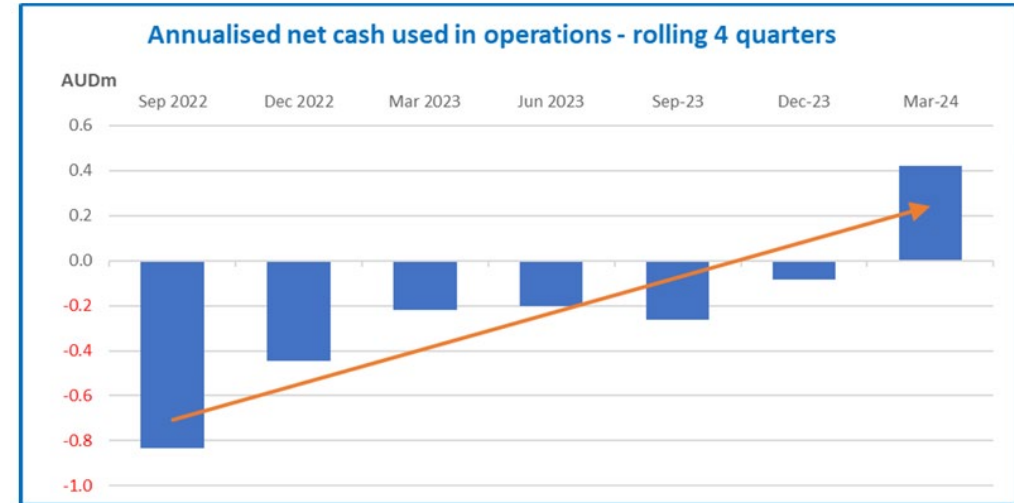
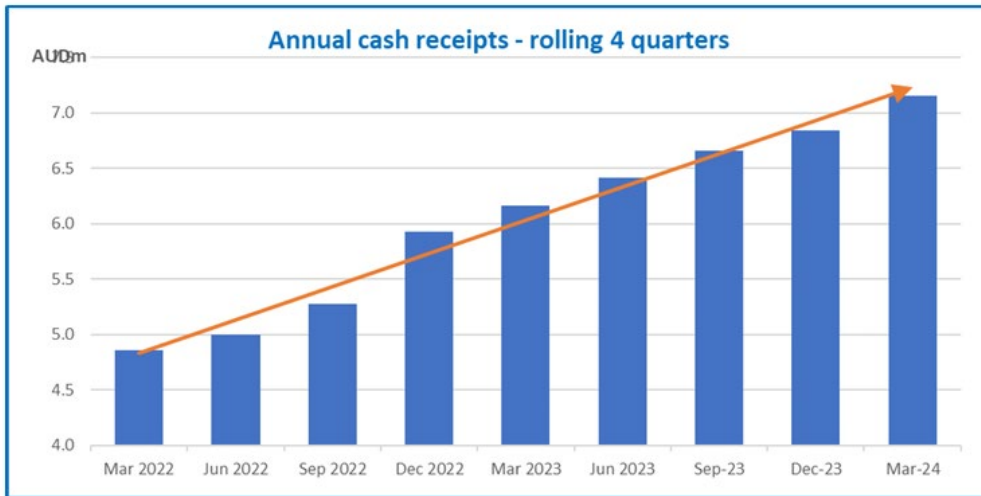


Schrole continues to see continued improvement in operating cash flow position



Steady improvement demonstrated quarter on quarter with sales from expanded product suite, positive impact of unwind of ISS alliance

- The Company's HR software business continued to perform well with ARR reaching \$4.2m at the end of March 2024 representing 8% growth on the prior quarter (Q4 FY23)
- Cash receipts of \$1.6m, up 24% compared to Q1 FY23
- Net operating cash from operating activities up 136% to \$135,000 from (\$371,000) in prior comparable period
- Free cashflow approaching cashflow breakeven at (\$0.09m) for the quarter, an 87% improvement from (\$0.7m) in Q1 FY23
- Strong cash position with \$1.2m cash at bank and no debt



Several factors are driving growth



GROWING 2-SIDED MARKETPLACE: SCHOOLS and EDUCATORS

- Significant immediate revenue opportunity



MONETISING SCHROLE COMMUNITY

- Schrole Community 10% growth in 12 months to \$6.40m in revenue and 7.6% growth in 12 months to \$6.71m in invoiced sales (December 2023)
- Schrole Events providing regionalized recruitment events



CROSS/UPSELL INCREASING MARGINS AND CONTRACT VALUE

- Margins increasing with continued strong growth outlook



INCREASING BRAND RECOGNITION

- Significant improvement in brand awareness converting to revenue opportunities

Disclaimer

Information in this presentation: is for general purposes only, and is not an offer, recommendation, or invitation for investment in, or purchase of, Company securities; includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance; and may contain information from third parties believed to be reliable. No representations or warranties are made as to the accuracy or completeness of such information. All currency amounts are in AUD unless otherwise stated.

Future performance and forward-looking statements

Except as required by law, and then only to the extent required by law, neither the Company nor any other person warrants the future performance of the Company, the Shares or any return on any investment made by an investor under this presentation.

This presentation may contain forward-looking statements. Any such statements are based on an assessment of present economic and operating conditions, current contracts, and on a number of assumptions regarding future events and actions that, at the date of this presentation, are expected to take place.

Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Board. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by forward-looking statements. Forward looking statements include those containing such words as “anticipate”, “estimate”, “forecast”, “expect”, “opportunity”, “plan”, “intend”, “aim”, “seek”, “believe”, “should”, “will”, “may” or similar expressions.

The Company and its Directors cannot, and do not, give any assurance that the results, performance or achievements expressed or implied by any forward-looking statements contained in this presentation will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company has no intention to update or revise any forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this presentation except where required by law. It is important that investors seek professional advice where necessary. An investment in Shares is speculative.

This presentation has been authorised for release by the Board of Directors.

Schrole™

