ASX RELEASE (ASX: SCL)

Schrole Full Year Results 2023

Key highlights (compared to FY22):

- **Revenue up** 10% to $6.4 million.
- **Net operating cash outflow improved by** 81% to $84,000.
- **Cash balance of $1.3 million**, after increased investment in resources with no capital raised during FY22, along with no debt.
- **Cost savings initiatives identified over $2 million in annualised savings positioning the company for cash flow breakeven**
- **Average contract value** (on a rolling 12-month basis) increased 28% to $14,218 from $11,035 in FY22.
- **Increased engagement by schools and candidates on the Schrole platform**

28 February 2024: Schrole Group Ltd (**ASX: SCL**) (**"Schrole" or the "Company"**), provider of accredited training and global Human Resources (HR) Software-as-a-Service (SaaS), releases its full year results for the year ended 31 December 2023 (FY22).

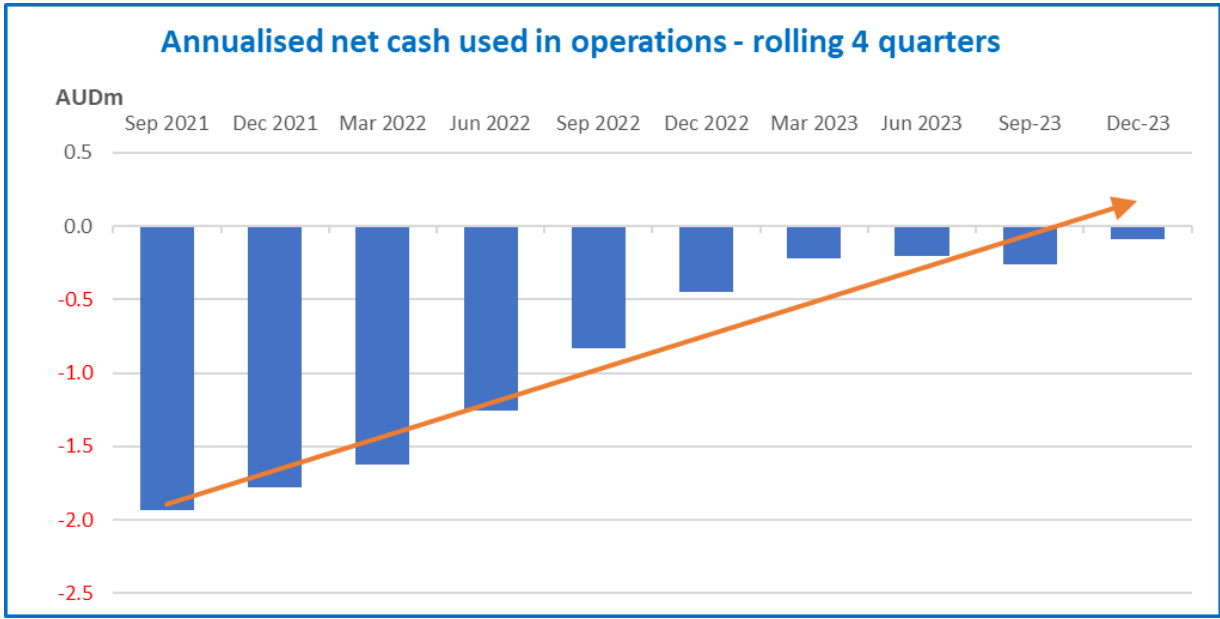Commenting on Schrole's full year results, Managing Director, Rob Graham, said:

"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.

Our ongoing focus on customer retention and engagement has yielded positive results, shaping our success into 2024. We have seen increased adoption of Schrole Engage and Schrole Verify throughout the year, with expectations for continued growth into the next year.

We have also undertaken initiatives to reshape and reduce our cost base which have resulted in annualised savings of over $2 million, positioning us for a successful 2024 where our focus will be on achieving cash break-even and moving towards profitability. This milestone will mark a significant achievement for a Software-as-a-Service company and create a solid platform to grow from."

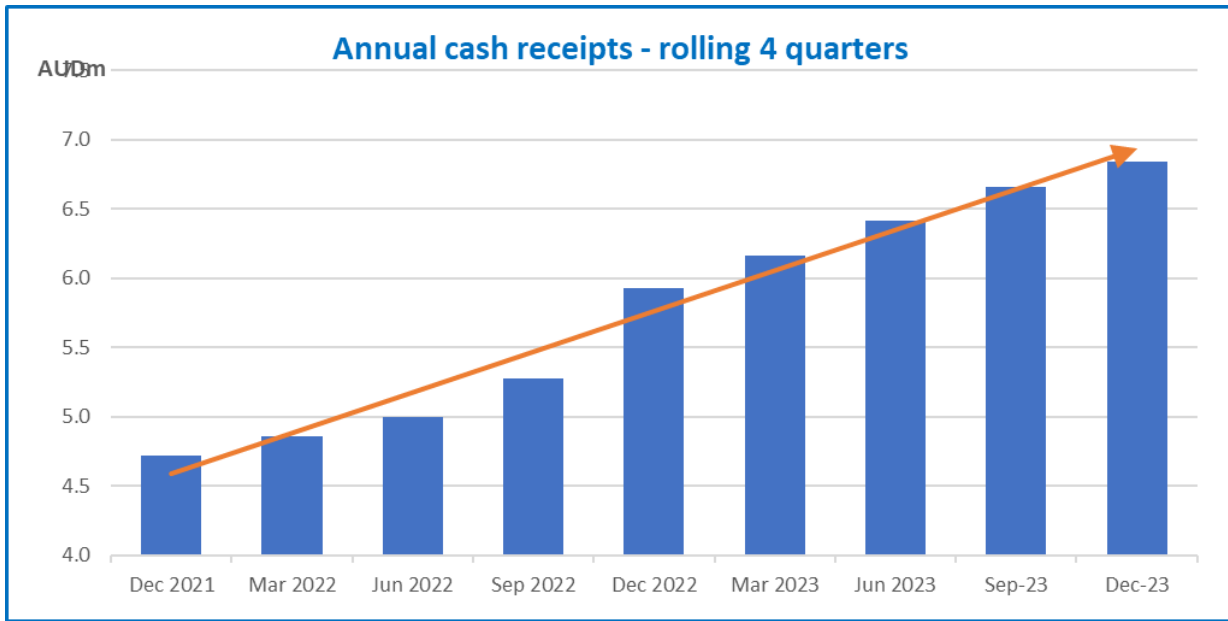### Improved financial position and performance metrics

The transition from a recruitment company to a full HR talent management solution has improved revenues and moved Schrole closer to cash breakeven. The Company continues to see the benefits of the cost cutting activities implemented since July 2023. The total annualised savings identified and implemented from July 2023 to December 2023 is approximately $2.3 million, and after the one-off redundancy costs, these benefits will be seen in full during FY24. Annualised net cash in operations has steadily increased each quarter during FY23.

Annualised net cash used in operations - rolling 4 quarters

AUDm

| Sep 2021 | Dec 2021 | Mar 2022 | Jun 2022 | Sep 2022 | Dec 2022 | Mar 2023 | Jun 2023 | Sep-23 | Dec-23 |

Schrole also increased its invoiced sales to $6,713,858 in 2023, 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.

New software sales of 113 contracts and 197 licences including 77 Engage licences represent the best result in the company's history in a single calendar year.

Renewals are a major focus for the business, and new systems and processes have been implemented to ensure improvement in customer renewals. Full year results for 2023 were 79% for Customer Retention and Net Revenue Retention (NRR) of 83% compared to Customer Retention of 60% and NRR of 63% for FY2022. This will be a continued area of focus in 2024.

Annual cash receipts - rolling 4 quarters

AUD m

| | Dec 2021 | Mar 2022 | Jun 2022 | Sep 2022 | Dec 2022 | Mar 2023 | Jun 2023 | Sep-23 | Dec-23 |

Total cash receipts of $6.8 million were achieved for FY23, an increase of $943,000, or 15% from the previous year.

Performance Metrics

	Mar Qtr, 2023	June Qtr, 2023	Sept Qtr, 2023	Dec Qtr, 2023
Contracted Customers	517	521	522	532
Average Products per Customer	2	1.9	2.0	2.8
Average Contract Value	$11,727	$11,006	$12,431	$14,218

Schrole has performed well across its key business metrics in FY23. The average contract value increased 28% from FY22. Contracted customers increased by 2.3% to 532. Average products per customer increased to 2.8 after they have been updated to include Events and Verify which previously had not been included.

Increased engagement by schools and candidates on Schrole Platform

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.

	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 A whopping 1.65+ million views on our job listings, a testament to the thriving community that engages with Schrole daily.
	Candidate database: 210k Our ever-growing pool now stands at an impressive 210,000 strong, a rich source of talent for international schools worldwide.

Ongoing Partnerships

Schrole has strong relationships with new and existing clients in both its software and training divisions. These have continued to develop in 2023 and this engagement has helped the Company to grow market share and enable cross sell and upsell opportunities.

Of note is the ongoing partnership with Rio Tinto which is in its17th year. Schrole continues to deliver on-the job training programs across Rio Tinto mine sites in WA, and is also delivering qualifications to other mining companies including Roy Hill and BHP.

Schrole has continued to deliver bespoke recruitment events for international school groups including Education in Motion and Inspired Group. Schrole ran its own in person event in Bangkok which was well attended by 52 schools and over 250 candidates attending. Sales associated with the event totalled $190,000. Feedback from both schools and candidates was exceptional.

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.

ENDS

This release was authorised by the Board of Directors.

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Investors

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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.