

ASX RELEASE | Schrole Group Limited (ASX:SCL)

Schrole and Faria commence Strategic Partnership with signing of Integration agreement

Highlights:

- Schrole and Faria have signed an agreement to integrate and cross-sell Schrole's unique product portfolio into Faria's extensive school networks comprising over 3,000 international schools across 130 countries;
- Schrole and Faria have a highly complementary service offering;
- Initial technical integrations have been completed incorporating a Single-Sign-On to allow users to move seamlessly from Faria into Schrole's ISS-Schrole Advantage and Verify services;
- Combined marketing activities will commence by the end of October 2020; and
- The partnership is expected to deliver significant growth for Schrole and represents a major milestone in the Company's history.

Wednesday, 1 July 2020: Schrole Group (ASX: SCL) ('Schrole' or the 'Company'), an Australian education technology company, today announced that it had finalised its integration agreement with Faria Education Group ('Faria') to undertake technical integration of Schrole's products and to jointly promote its products to Faria's extensive global school network. The first stage of technical integrations have been completed and both companies will begin marketing the combined product offering to schools and teachers by the end of October 2020.

On 13 May 2020, Schrole announced that Faria would invest AUD \$2.9 million in Schrole via a convertible note, which subject to shareholder approval at the upcoming EGM on 2 July 2020, will convert into a 19.99% strategic stake. At the same time, Schrole announced a placement to raise \$2.12 million with the combined funds to be used to support and accelerate planned technical and product development initiatives, cross selling initiatives and working capital to underpin the significant growth opportunity.

Schrole Group Managing Director, Mr Rob Graham said: *"I am thrilled to be announcing this integration agreement with Faria and I'm delighted with the progress that has already been made to integrate our leading product ISS-Schrole Advantage. This partnership will enable Schrole to expand the sale of our software as a service to international schools."*

"Faria is highly regarded in the global education sector and represent an excellent partner for us with a highly complementary service offering. We are very encouraged by Faria's commitment to the partnership, in particular their plans to promote Schrole's products to their extensive customer base."

Faria CEO Theodore King said: *"We are delighted to partner with Schrole to support our existing mutual international school customers with a global and best-in-class HR solution and we look*

forward to working with Schrole to deliver rapid product innovation in order to fully integrate the HR lifecycle from recruitment to onboarding and professional development.”

About the partnership

The partnership is designed to deliver considerable growth for both businesses by offering a highly complementary product offering. Faria has developed a comprehensive integration partnership with Schrole encompassing product integration and assistance with sales and marketing, which are expected to drive growth in Annual Recurring Revenues.

Integration agreement highlights

- Single-Sign-On with the Faria Accounts Portal allowing users to move seamlessly between services, enabling access to ISS-Schrole Advantage with existing ManageBac credentials;
- Facilities to allow for automatic provisioning of user accounts from ManageBac into ISS-Schrole Advantage, supported by the relevant data; and
- Alignment of marketing plans, sales training, and support workflows; design and development of co-branded marketing collateral and to conduct joint marketing campaigns through school visits and mailings. Schrole will also be invited to exhibit and present at Faria’s events.

Integration plan

Pleasingly the technical integrations to enable the Single-Sign-On have been completed and a joint marketing plan is being developed for this to be launched by the end of October 2020.

Initially the focus will be on cross-selling two of Schrole’s leading products - Advantage and Verify, to Faria’s 3,000 international school customers. Faria intends to strongly support this rollout with their significant team comprised of 36 full-time sales & account management personnel, bolstering Schrole’s current sales team of three full-time personnel.

In addition, Faria will assist the Schrole product development team to help employ specific development talent including back-end and full-stack web developers.

During the first 12 months of the partnership, there is no planned revenue share arrangement with Faria for schools entering into licence agreements for Schrole’s software.

Material Terms

Under the integration agreement, from 1 July 2021, Schrole will pay a percentage of revenue derived from qualifying purchases to Faria.

The minimum term of the integration agreement is three years from July 1, 2020. The agreement cannot be terminated for convenience but may be terminated subject to industry standard terms.

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About Faria Education Group

Faria Education Group was founded in 2006 to transition schools from paper onto a curriculum-focused learning platform. Faria's multi-disciplinary team of more than 150 operates globally across nine offices. Today, Faria powers curriculum for more than 10,000 schools and districts and three million students with a suite of five services:

- **ManageBac**, Faria's flagship product for curriculum planning, assessment and reporting for IB World schools,
- **OpenApply** for paperless admissions from inquiry to enrollment,
- **Atlas** for curriculum management, enabling schools to collaboratively plan, share, and analyze their curriculum,
- **Curriculum Trak** that provides an integrated platform offering curriculum management for faith-based schools, and more recently;
- **SchoolsBuddy**, an innovative web and mobile solution for extra-curricular management and online payments.

-ENDS-

This announcement has been approved by the Schrole Board

About Schrole

Schrole delivers innovative, technology-based solutions for the education sector. The company has four revenue generating business units:

- **ISS-Schrole Advantage** for the international school market – an online Software-as-a-Service platform that enables international schools to streamline teacher recruitment and candidate management activities;
- **Schrole Verify** – a new global standard for background screening in the international schools sector;
- **Schrole Cover** – a cloud-based software platform that engages your preferred relief staff at the touch of a button; and
- **Schrole ETAS** – Schrole Education and Training Advisory Service provides accredited training solutions customised to the contexts in which our clients operate.

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