

## ASX RELEASE | Schrole Group Limited (ASX:SCL)

### Revision of International Schools Services agreement to allow Schrole to focus on its SaaS business

**Wednesday, 8 July 2020:** Schrole Group (ASX: SCL) ('Schrole' or the 'Company'), an Australian education technology company, today announced that it had agreed to terminate its agreement in June 2022 with International Schools Services, Inc ('ISS') for sales of ISS-Schrole Advantage Platform ('Advantage').

In April 2018, Schrole entered into an agreement with ISS to provide recruitment services for international schools under the brand ISS-Schrole Advantage. ISS was an ideal initial partner for Schrole due to their position as market leaders in providing educational services to International schools including teacher recruitment. Under the terms of the original Alliance Agreement with ISS, the net revenue of ISS-Schrole Advantage Pty Ltd was expected to be shared on a 50:50 basis by Schrole and ISS, subject to a transitional arrangement aimed at maintaining each party's prior revenue base at minimum. However, due to the structure of the agreement Schrole has yet to reach a position of sharing revenues on a 50:50 basis. The ISS-Schrole Advantage alliance generated revenue of \$4.3 million in FY2019 (January to December 2019). Over that period of time Schrole's revenue share under the Alliance Agreement was 37%.

The decision to revise the agreement will allow Schrole to focus on its evolution into a traditional SaaS business, and in particular selling its suite of HR software solutions to education software and services groups globally, from which they can offer Schrole's suite of products to their school networks.

The revised agreement covers a transition period of 24 months during which Schrole and ISS will split revenues on a fixed 50-50 basis to 30 June 2022. From 1 July 2022, the ISS Schrole partnership will cease and customers of ISS-Schrole Advantage will be able to choose whether to continue their relationship with either Schrole or ISS or both companies.

Schrole Group Managing Director, Mr Rob Graham added: *"The revised agreement with ISS is expected to deliver improved cash flow generation for Schrole until the completion of the Alliance Agreement and reflects the investment we have made in the partnership. As we transition Schrole towards becoming a SaaS business providing HR software to global education groups, this represents an appropriate time for ISS and Schrole to transition towards independent strategies.*

*On 1 July 2020, we announced a significant partnership with Faria Education Group to integrate and cross-sell Schrole's unique product portfolio into Faria's extensive school networks. As a result of this partnership, it was appropriate to revise the ISS agreement for Advantage," he said.*

**-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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