

31 July 2018

**Australian Securities Exchange Limited Via e-lodgement
ASX Code ICT**

June Quarter Update

iCollege Ltd (“ICT” or “the Company”) (ASX: ICT) is pleased to provide commentary on its June quarter of operations.

June Quarter Highlights:

- Completion of the first full quarter of operations after the acquisition of Manthano
- Highest quarterly recorded revenue since the inception of iCollege representing 66% of 2016/17 annual revenue
- Appointment of a new full time CFO and Executive Director
- Approval from ASQA to increase in CRICOS places from 450 to 1450
- Signing of Heads of Agreement with Birla Edutech India
- Approval from Department of Home Affairs for 407 sponsorship status
- Completion of \$2.2m oversubscribed share placement

Quarterly Cash-Flow Commentary

- iCollege is pleased to announce consolidated unaudited revenue of \$1,356,000 for the June Quarter. This is the highest quarterly revenue reported since the inception of iCollege
- The revenue for 2016/17 was \$2,041,838. The June quarter represents 66% of the entire revenue for last financial year

The business is expected to demonstrate solid revenue growth quarter on quarter moving forward. This is being achieved through strict adherence to the strategic priorities and diligent financial management coupled with organic growth and continued diversification.

The Board and Executive continue to build on opportunities supporting the company’s midterm strategic priorities being:

- Increase on-shore demand through increased international delivery.
- Pursue vertical integration.
- Deliver relevant & current courses using up-to-date delivery methods.
- Develop appropriate government and industry relationships.

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Media inquiries
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Issue of new Convertible note 13 April

iCollege replaced an existing Convertible note valued at \$500,000 with a convertible note issued to a sophisticated investor. The new note was issued on improved terms and provides greater certainty and security to the business.

HOA Signed to establish offshore student recruitment business 18 April

During the quarter, iCollege announced the establishment of iStudy Australia (India). This business has been established to drive the recruitment of students wishing to undertake studies in Australia. In June iStudy delivered its first student recruitment seminars representing Sero Institute and several other vocational colleges. With the appointment of an Australian based domestic CRICOS specialist, iStudy is currently negotiating contracts to recruit students for a number of Higher Educational Institutions.

Resignation of Non-Executive Director 14 May

This quarter saw the resignation of Mr. Phil Re who had served as a director of the company since inception.

Appointment of Executive Director and CFO 15 May

As part of the announced restructure of staff across all divisions, iCollege appointed a new Executive Director and full time CFO to assist in the centralisation of all accounting functions and the implementation of the shared services division. Mr. Badri Gosavi comes to iCollege with significant experience in accounting and business management. Badri continues to be instrumental in the growth of the business through his vast networks and has implemented processes designed to streamline the accounting function and minimise any unnecessary expenditure.

iCollege signs HOA with Birla Edutech 15 May

During April iCollege announced the signing of a HOA with Birla Edutech. Birla Edutech is a member of the Yash Birla group a large conglomerate listed on the Indian Stock Exchange. The HOA contemplates the establishment of a formal Joint Venture Agreement to establish a vocational training centre of excellence in Mumbai. The initial focus of the centre will be on Hospitality qualifications issued under the Australian Qualification Framework. This has now progressed and iCollege expects to sign and implement the JVA in the first Quarter of 2018/19.

100 Day Report Card 23 May

On May 23, exactly 100 days following the acquisition of Manthano, the company posted a 100-day report card demonstrating its commitment to delivering value to shareholders through strict adherence to the strategic priorities and the plan laid out prior to the acquisition of Manthano. We are pleased to provide a further update on the status of the activities contained in the report card.

Group Wide Compliance Audit

- Sero Institute has successfully undertaken a compliance audit with the Department of Education Training and Employment (Queensland) where minor non-compliances were recorded and addressed allowing for the smooth continuation of the Queensland funding contract;
- Celtic Training underwent an audit with the Department of State Development (South Australia). This audit has now been completed with all non-compliances having been addressed and new operational procedures being implemented at the Adelaide Campus, also allowing for the continuation of the DSD Funding contract.

Rebranding of Product Offering

- The 100-day report card stated that the Executive were developing a plan to better leverage the iCollege Plan.
- The iCollege Website has now been updated with a clear understanding of where the group is focussed; and
- A focussed online marketing campaign has been implemented for CTI successfully delivering a significant increase in student numbers for specialised construction training services.

Department of Home Affairs grants iCollege 407 visa sponsorship approval 29 May

iCollege was granted Sponsor Status for the 407 Training visa by the Department of Home Affairs. Since this announcement, the Executive of iCollege has been engaged with several leading hospitality organisations to establish an extensive network of training partners focussed on the delivery of on-the-job training for 407 candidates. iCollege expects to begin delivery of traineeships to suitable candidates from August 2018.

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CRICOS allocation increased to 1450 with new delivery locations 12 June

In line with the strategic goal to increase onshore delivery, iCollege through Sero Institute has been successful in the expansion of the number of CRICOS places available to foreign students. ASQA approved an increase from 450 to 1450 with the addition of a Perth Campus. Additionally, the Diploma of Sport Development was added to the CRICOS scope.

Oversubscribed share placement to support future growth 27 June

iCollege announced the oversubscription of a share placement to strategic and sophisticated investors. The utilisation of funds from the placement is as follows:

- Expansion of iStudy operations to India (3 states), China, Indonesia, Singapore & Malaysia
- Execution of Indian JV with Birla Edutech
- Rationalisation of Campuses and Real estate to leverage and optimise the increase in CRICOS numbers
- Redevelopment and re accreditation of Nursing Qualifications
- Expansion of CRICOS places and qualifications including delivery locations in Perth, Sydney and Canberra.
- Working capital

Having successfully raised \$2,200,000 iCollege is now in the position to aggressively pursue significant growth opportunities.

iCollege will continue to focus on the strategic priorities, building a lasting and sustainable business and aim to demonstrate ongoing revenue growth quarter on quarter.

Ends –

For further Information:

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

iCollege Limited

ABN

75 105 012 066

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,215	2,813
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(774)	(1,818)
(f) administration and corporate costs	(429)	(1,297)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(11)	(82)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Costs of course delivery)	(338)	(606)
1.9 Net cash from / (used in) operating activities	(337)	(990)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets (Final deferred consideration (Celtic Training & Consultancy))	-	(250)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – (Cash acquired on acquisition of Manthano Limited)	-	1,294
2.6	Net cash from / (used in) investing activities	-	1,044

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares (Rec'd in advance of share placement of 3-Jul-18)	300	300
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	666	971
3.6	Repayment of borrowings	(616)	(842)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	350	429

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	482	12
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(337)	(990)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	1,044

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	350	429
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	495	495

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	339	326
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (bank guarantees)	156	156
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	495	482

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	46
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director fees – Nil
MD Salary - \$46k

7. Payments to related entities of the entity and their associates

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

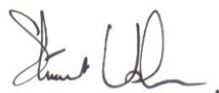
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	750
9.6 Administration and corporate costs	700
9.7 Other (Costs of course delivery)	400
9.8 Total estimated cash outflows	1,850

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Manthano Limited	Nil
10.2 Place of incorporation or registration	Queensland	
10.3 Consideration for acquisition or disposal	\$10M (Based on 250,000 shares at \$0.04)	
10.4 Total net assets	Indicative Unaudited \$941,919	
10.5 Nature of business	Vocational education and training business	

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.



Sign here:
Company Secretary

Date: 31 July 2018

Print name: Stuart Usher

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.