

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

September Quarter Update

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

September Quarter Highlights:

- Highest quarterly recorded cash receipts from operations set since the inception of iCollege
- Opening of Queen Street Brisbane, English Language Campus
- Further approval for extension of CRICOS places from 1450 to 1800
- Binding Joint Venture Agreement with Birla Edutech executed
- Signing of agreement with Avanse to provide student loans to students from India
- Establishment of Perth campus as a Public Private Partnership in conjunction with the City of Bayswater
- Significant reduction in debt

Quarterly Cash-Flow Commentary

iCollege is pleased to announce increased cash receipts of \$1,545,000 for the September Quarter. This is the highest quarterly cashflows from customers reported since the inception of iCollege. As highlighted in the previous quarterly update, the business has achieved solid revenue growth in the current quarter. This is being achieved through continued adherence to the strategic priorities and diligent financial management coupled with organic growth and continued diversification. During the September quarter iCollege received proceeds of \$1,900,000 via a share placement to sophisticated investors facilitated in the June Quarter.

The September quarter saw a larger operational cash outflow which included the repayment of two debt instruments that had been in place for over twelve months at significant interest rates. Additionally, substantial expenditure was directed towards the legal defence and counter claim in the Michael Walker matter (subsequently settled post end of the quarter in favour of the company).

The raised funds have allowed iCollege to significantly reduce all liabilities to and including, trade creditors, service providers, consultants, legacy debt and loan facilities.

icollege.edu.au

Corporate inquiries
+61 8 9466 9008

Investor inquiries
investors@icollege.edu.au
Doc ID 537018603/v1

Media inquiries
media@icollege.edu.au

Additionally, funds were directed to the following activities:

- Expansion of iStudy operations to India and China
- Execution of Indian JV with Birla Edutech
- Expansion of CRICOS places and qualifications including delivery locations in Perth, Sydney and Canberra.
- Setup and Marketing of Queen St campus

CRICOS update and Queen Street Brisbane Campus Opening 3 August 2018

iCollege opened a new English language training centre located in the centre of the Brisbane CBD. This centre is dedicated to the delivery of language training specifically, English Language training. The establishment of this campus was instrumental in the increase of CRICOS places from 450 to 1450. Since the end of the quarter the number of approved CRICOS places has again grown to a total of 1800

CRICOS (International Student) Update

There are over 350 students enrolled in Sero International programs with new enrolments as follows:

July- \$395,000 with 73 new student enrolments in the month

August- \$741,000 with 138 new student enrolments in the month

September- \$687,000 108 new student enrolments in the month

The enrolment numbers continuously stay strong with over 10-15 new students enrolled every week increasing Sero International's booked and unearned revenue to over \$4.5m during the quarter.

Binding JVA signed with Birla Edutech 24 August 2018

During the quarter, iCollege announced the formal execution of a binding Joint Venture Agreement with Birla Edutech. Birla and iCollege have now begun the process of incorporation of the Joint Venture Vehicle and are concurrently updating Birla facilities located in New Delhi to ensure their compliance with ASQA requirements. This New Delhi Facility will be home to the first campus which is to be recognised as a Hospitality Training Centre of Excellence delivering both Indian and Australian Qualifications.

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.

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Ends –

For further Information:

Mr. Badri Gosavi

CFO

iCollege Limited

+61 8 9466 9008

badri.gosavi@icollge.edu.au

icollge.edu.au

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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 September 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	1,545	1,545
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(26)	(26)
(d) leased assets	(13)	(13)
(e) staff costs	(969)	(969)
(f) administration and corporate costs	(1,757)	(1,757)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(62)	(62)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Costs of course delivery)	(282)	(282)
1.9 Net cash from / (used in) operating activities	(1,562)	(1,562)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(45)	(45)
(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))	-	-
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 –	-	-
2.6	Net cash from / (used in) investing activities	(45)	(45)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,900	1,900
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	(132)	(132)
3.5	Proceeds from borrowings	120	120
3.6	Repayment of borrowings	(385)	(385)
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	1,503	1,503

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	339	339
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,562)	(1,562)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(45)	(45)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,503	1,503

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	235	235

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	235	235
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other	235	235
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	235	235

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

160

-

Director fees – \$55
Exec Dir Salaries - \$105k

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

- 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

**Current quarter
\$A'000**

22

-

Payments for legal services to HWL Ebsworth Lawyers – in which Simon Tolhurst is a Partner

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.		

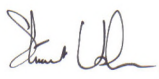
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	900
9.6 Administration and corporate costs	550
9.7 Other (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	Nil	Nil
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of 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 October 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.