

17 January 2019

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

December Quarter Update

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

December Quarter Highlights:

- Highest quarterly cash receipts of \$2.1m since the inception of iCollege Limited
- 35% Increase in cash receipts from September quarter.
- Settlement of outstanding (Walker) litigation
- Strong growth in CRICOS enrolments and CCEV.
- Signing of MOU with Shandong University in China.
- Incorporation of iCollege China
- Relocation to a new campus in Adelaide with the capacity to increase CRICOS (International Student Facility) places

Quarterly Cash-Flow Commentary

iCollege is pleased to announce increased consolidated unaudited cash receipts of \$2,097,000 for the December Quarter. This is the highest quarterly cash receipts reported since the inception of iCollege and represents a 35% growth quarter on quarter. The board and executive of iCollege expect to maintain growth levels at the current rate for the coming quarters.

The business continues to achieve solid revenue growth including CCEV* (Confirmed CRICOS Enrolment Values) of over \$2,800,000 for the quarter at Sero Institute. This is being achieved through continued adherence to the strategic priorities and diligent financial management coupled with thriving organic growth and diversification.

The board and executive continue to build on opportunities supporting the company's midterm strategic priorities which have served the business well during the turnaround phase.

* The Confirmed CRICOS Enrolment Value (CCEV) represents the booked dollar value attributed to each individual international student's enrolment with Sero Institute over the duration of their course.

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In addition to revenues from enrolments, this quarter saw funds received from the sale of Mathisi Training. The sale was part of a restructure designed to exit or reposition the business units that have historically made no significant contribution to iCollege's revenue.

The December quarter saw the continued focus on strict financial management greatly reducing cash outflows. Capital expenditure was directed towards establishment of a new CRICOS facility in Adelaide, which would significantly increase the 1,800 CRICOS places held by SERO Institute. Further expenditure was directed to the fit out of the Perth campus and café.

Successful settlement of Walker litigation

During the quarter, iCollege settled the MIA/Walker litigation. This settlement bought to a conclusion a period of uncertainty for the business. iCollege has vigorously defended the claim and ultimately with no cash impact on the iCollege (save for its own legal costs). This settlement has seen the extinguishment of a significant risk to the business and providing certainty for future operations.

International Projects update

Signing of MOU with Shandong University - China

iCollege has successfully negotiated and signed an MOU with Shandong University and is currently exploring several mutually beneficial opportunities. The University is home to 60,000 students with an additional 4 colleges attached increasing the student base to 100,000. Additional opportunities in the Chinese market have been unearthed and the company looks forward to generating revenues from the Chinese market in 2019.

Birla Edutech- India Joint Venture.

During the quarter, iCollege and Birla commenced the fit out of the New Delhi facility. This facility will be home to the first campus designed to be recognised as a Hospitality Training Centre of Excellence delivering both Indian and Australian qualifications. Agreement on both capital works and marketing initiatives have been commenced allowing the JV to be ready to welcome its first cohort of students in March- April 2019.

FUTURE OUTLOOK

Strong enrolment growth and high completion rates have positioned the domestic business strongly, providing a sound foundation for the international expansion of the business. iCollege will continue to focus on the strategic priorities, building a lasting and sustainable business and demonstrate ongoing revenue growth quarter on quarter. All things being equal, the board and executive of iCollege are confident of being able to report a cashflow positive result for Q3 2019.

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")

31 December 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	2,097	3,642
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(41)	(67)
(d) leased assets	(57)	(70)
(e) staff costs	(930)	(1,899)
(f) administration and corporate costs	(781)	(2,538)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	5
1.5 Interest and other costs of finance paid	3	(59)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Costs of course delivery)	(364)	(646)
1.9 Net cash from / (used in) operating activities	(70)	(1,632)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(51)
(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	(6)	(51)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	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)
3.5	Proceeds from borrowings	75	195
3.6	Repayment of borrowings	(19)	(404)
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	56	1,559

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	235	339
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(70)	(1,632)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(51)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	56	1,559

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	215	215

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	215	235
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	215	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
71
-

Exec Dir Salaries - \$71k

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
1
-

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.		

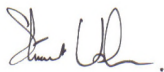
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	900
9.6 Administration and corporate costs	760
9.7 Other (Costs of course delivery)	400
9.8 Total estimated cash outflows	2,060

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Nil	Mathisi Pty Ltd
10.2 Place of incorporation or registration		Queensland
10.3 Consideration for acquisition or disposal		\$120,000 (\$100,000 received in current qtr)
10.4 Total net assets		\$63k
10.5 Nature of business		Education services

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: 17 January 2019

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.