

**Australian Securities Exchange Limited Via e-lodgement  
ASX Code ICT****Commentary to the Half Yearly Report****Key points:**

- Record half yearly revenue \$3,461,749;
- Creditor balance written off - \$1,500,000;
- Abnormal costs of \$439,000 involved to settle litigation

The board of iCollege Limited is pleased to advise that the half year ending December 2018 saw record revenue for the business of \$3,641,749. This has been a significant turn around for the business with the corresponding revenue number in 2017 being \$888,744.

On 11 October 2018, the Company announced that the Supreme Court litigation with Walker Enterprises (Australia) Pty Ltd and Walker had been settled. The terms of settlement included the sale of Walker's 6,666,667 shares to buyers nominated by iCollege through off-market transfers, with the proceeds of \$385,000 (being the settlement sum) paid to Walker. Even though there was no immediate financial effect on the Company of the settlement, the Company auditors have satisfied themselves that the amount previously recorded in trade and other payables of \$1,500,000 in the 2018 Annual Report, representing the consideration payable to Walker, will be reversed and recognised as a write-back to profit. This write-back has occurred in this 6-month period ending 31 December 2018 and reflected in the condensed consolidated statement of profit and loss as a 'gain on settlement of liability'.

The company saw increased expenditure by way of legal fees of \$439,000 associated with the settlement of the Walker litigation matter. While this was a significant expense, the resulting settlement was facilitated with no other financial impact to the business. Settlement of this matter clears all old legacy issues facing the company before the acquisition of Manthano Limited.

The company is now fully staffed and well positioned to grow significantly with little requirement for additional resources. This has been achieved through the establishment of a shared services model, covering accounting, payroll, human resources, facilities management and most importantly compliance. Additionally, the half year saw increased utilisation at all existing campuses, the establishment of a new campus in Perth WA. Sero Institute now has capacity to enrol 1800 CRICOS students across 4 campuses with 550 places currently filled.

The company will be working towards the goal of providing services that go above and beyond expectations. This includes, student experience, increasing completion rates, progression of students to higher level qualifications within the group, staff satisfaction, more significant relationships with agent network, increased flow of information and communications and shareholder value.

The board of iCollege looks forward to sharing further updates with the market as they become available.

**Ends –**

**icollge.edu.au**

**Corporate inquiries**  
+61 8 9466 9008

**Investor inquiries**  
investors@icollge.edu.au

**Media inquiries**  
media@icollge.edu.au

**For further Information:**

Badri Gosavi  
CFO and Executive Director  
iCollege Limited  
+61 8 9466 9008  
[badri.gosavi@icollge.edu.au](mailto:badri.gosavi@icollge.edu.au)

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[media@icollge.edu.au](mailto:media@icollge.edu.au)