

Ms Isabelle Andrews
Listings Advisor
ASX Listings Compliance
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

February 17, 2020

APPENDIX 4C QUERY

In reference to your letter of 11 February 2020 regarding the Appendix 4C quarterly report for the period ended 31 December 2019 lodged with the ASX on 29 January 2020, the response to your five queries in number order are as follows:

1. The company does not expect to continue to have negative operating cash-flows for the time being. The company is confident of being able to report positive cash-flows from operations during this March quarter.

The quarter ended 31 December 2019 included \$300,000 in non-recurring costs in respect to the purchase of the Linguaskill tests, including associated one-off costs of travel and set-up costs.

March cash receipts are expected to be a minimum of \$2,800,000, with \$1,400,000 collected to date.

2. As the company transitions to a profit making venture, the company is also looking to transition to using debt facilities to meet any short term cash flow fluctuation. To that end, the company expects approval this week of an additional line of credit of \$150,000 which will take total working capital line of credit facilities to \$300,000. The Company is also in final stage of securing a debt financing facility and expects this facility to be established shortly.
2. Yes, the company expects to be able to continue its operations and meet its business objectives using existing cash-flow from operations. As announced with its Appendix 4C on 29 January 2020, the company also announced it had achieved a maiden unaudited EBITDA of \$0.5M, driven by organic growth from new and existing course offerings, the contribution from acquisitions, continued stringent cash management and the implementation of greatly improved operating systems.
4. Yes, the company confirms it is in compliance with ASX Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with Listing Rule 3.1 that has not already been released to the market.
5. It is confirmed that the responses to the questions above have been authorised and approved by the Board of Directors.

Please contact me if you would like to discuss any of the above matters.

Yours sincerely,



icollege.edu.au STUART USHER
Company Secretary

Corporate inquiries
+61 8 9466 9008

Investor inquiries
investors@icollege.edu.au

Media inquiries
media@icollege.edu.au



11 February 2020

Reference: 13821

Mr Stuart Usher
Company Secretary
iCollege Limited
205 North Quay
BRISBANE CITY QLD 4000

By email:

Dear Mr Usher

iCollege Limited ('ICT'): Appendix 4C Query

ASX refers to ICT's Appendix 4C quarterly report for the period ended 31 December 2019 lodged with the ASX Market Announcements Platform and released on 29 January 2020 (the 'Appendix 4C').

ASX notes that ICT has reported:

- negative net operating cash flows for the quarter of \$545,000;
- cash at the end of the quarter of \$126,000; and
- estimated cash outflows for the next quarter of \$2,800,000.

It is possible to conclude, based on the information in the Appendix 4C, that if ICT were to continue to expend cash at the rate indicated by the Appendix 4C, ICT may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks ICT to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does ICT expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has ICT taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does ICT expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that ICT is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that ICT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ICT with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that ICT considers may be relevant to ASX forming an opinion on whether ICT is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **09:00 AM AWST Monday, 17 February 2020**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in ICT's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ICT's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to ICT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ICT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ICT's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Isabelle Andrews
Senior Adviser, Listings Compliance (Perth)