

iCollege achieves maiden audited EBITDA of \$759,000

- Maiden audited EBITDA for the half year of \$759,000
- 103% revenue growth from corresponding period last year
- Student enrolments up 70% to 938 from 2019 corresponding period
- On target to double revenue for 19/20

iCollege Limited (ASX: ICT) ('ICT' or 'the Company') is pleased to report it has recorded a maiden audited EBITDA of \$759,000 driven by organic growth from new and existing course offerings, continued stringent cash management and the implementation of greatly improved operating systems. All of these growth initiatives have been in line with the short term strategic goals established by the board in February 2018. Strict adherence to these objectives has been the key to the significant turnaround of the business and the delivery of profitability.

Revenue growth is up 103% to \$7,021,177 against the Dec 2018 half year result of \$3,461,749. This strong result is due to organic and geographical growth specifically within the International Student market. The Company experienced minimal disruption from the Corona Virus which is attributed to our ongoing concentration on achieving student diversity (Chinese students represent 5% of the total international student base). The business expects to maintain strong enrolments for both domestic and international students throughout the rest of the financial year. The half year saw enrolments of CRICOS (international students) up to 938 a (up 70% from 550 December 2018) with the company confident of increasing the existing number of CRICOS students to 1400 by December 2020.

The company has now reported two consecutive quarters of operating profit. Q2 saw a one off expense for the initial purchase of significant inventory of Linguaskills tests, leaving the business with a lower than desired cash balance. Moving forward, the business expects to continue to strengthen the balance sheet by paying down debt and expects cash receipts to remain strong. This coupled with continuous stringent cash management has the business in a position to continue growth of existing initiatives across all subsidiaries.

Comment

ICT Managing Director Ashish Katta said: *"H1 was a transformational period for iCollege driven largely by the hard work and commitment of our staff. We have achieved an expansion of our geographical footprint and strong growth in student numbers. This coupled with improved processes and strict financial management has placed the company in the position where we can proudly announce a half year EBITDA of \$759,000"*

With important future growth drivers established and a strong new sales pipeline beginning to pay dividends, I look forward to providing further updates from across the businesses in the near term."

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The company would like to clarify the EBITDA result of \$759,000 and acknowledge that it is higher than the projection of \$500,000 EBITDA declared in the announcement made to ASX on 29 Jan 2020. This increase is due to the changes adopted in a new Accounting Standard 'AASB16 Accounting for leases'. Please see the table below for clarification of the amendment. *

H1 19 v H1 20	1H2020	1H2019	Movement	Movement
Revenue	\$7,021,177	\$3,461,749	+\$3,559,428	Up 103%
EBITDA	\$759,000	(\$256,359)	+\$711,904	Up 278%

*The increase in EBITDA is attributed to the implementation of the new Australian Accounting Standard AASB16 and subsequent adjustments.

This ASX Release has been authorised by the Board of Directors of iCollege Limited.

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