

iCollege successfully completes \$ 5.5M placement to drive growth

Highlights

- **Successful completion of oversubscribed offering to raise \$5,500,000 through heavily supported placement of 55,000,000 ordinary shares at \$0.10 per share**
- **Well supported by new and existing institutional, professional and sophisticated investors**
- **Funds raised will help iCollege accelerate growth by taking advantage of multiple opportunities in the domestic student market created by the introduction of Federal and State Government initiatives including the \$1 billion Job Trainer Fund**
- **Cash balance now exceeds \$6m, and with growing revenue streams and generating profit, iCollege is well-placed and well-funded to pursue multiple organic growth opportunities and targeted acquisitions**

iCollege Limited (ASX: ICT) is pleased to announce that it has received binding commitments from new and existing shareholders, institutions and family offices to raise \$5,500,000 before costs through the placement of 55 million fully paid ordinary shares at an issue price of \$ 0.10. The placement was managed by Taurus Capital.

The Company received very strong support for the placement, and as a result, the board elected to increase the offering from 30,000,000 fully paid ordinary shares to 55,000,000 fully paid ordinary shares. This is a strong vote of confidence in iCollege's business model and growth strategy. Investors clearly recognise the strong macro tailwinds driving the business which is partly underpinned by the State and Federal Governments' \$1 billion Job Trainer Fund. iCollege is a direct beneficiary of this funding given its near unrivalled RTO State contracting funding status, its well-established campus network across Australia and a robust online training infrastructure.

In Q1 FY2021, iCollege reported record revenue of \$4.1m and an EBITDA of \$700,000. The Company is continuing to capitalise on its strategy of providing training packages to industries experiencing significant skills shortages. This skill shortage will drive increased demand from those people wanting to upskill or reskill and who look to iCollege to ensure that they are prepared and qualified for employment.

As well as continuing to expand the existing domestic training operation, iCollege has commenced an aggressive marketing campaign to expand its international operations. Funds raised will assist the roll-out of online coding bootcamps and the commercialisation of 'the Coding Factory', a specialist business providing fully gamified online training to children aged between 7 and 14. This international training has been successfully piloted and will be delivered by iCollege through the recently acquired business - The Hacking School. Training developed by The Hacking School will also be introduced into the Australian domestic market.

The current COVID-19 affected market has also presented several potential acquisition opportunities that would complement existing operations and course offerings as well as expanding the company's domestic geographic footprint. These opportunities, if pursued after successful due diligence, are expected to contribute strongly to the group by way of revenue and EBITDA.

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Comment

Managing Director Ash Katta commented: *"This well supported placement gives us the necessary financial flexibility and balance sheet strength to fast-track our expansion with new, supportive capital. Previously we have funded our growth from cash flow but following this placement, we now have the opportunity to bring forward several exciting projects which are expected to contribute significantly to the Company's overall profitability. It is a major step-change for us.*

"I would also like to take the opportunity to welcome the new and significant shareholders to our register and thank them for their support. iCollege is in excellent shape with a robust balance sheet and a number of exciting near-term growth drivers."

The Company will be issuing the placement shares under its ASX Listing Rule 7.1 capacity and are expected to be allotted on Friday 6 November 2020. In addition there will be an issue of 12,000,000 'Broker Fee' Options exercisable at 15 cents and expiring 3 years from issue date which will also to be issued under the 7.1 capacity. An Appendix 3B 'Proposed Issue of securities' will be lodged with ASX separately for the securities. A 6% lead manager and broker fee is payable.

This announcement has been approved for ASX release by the board of iCollege Limited.

iCollege Limited (ASX:ICT)

iCollege is listed on the Australian Securities Exchange (ASX:ICT) and is a holding company for a number of Registered Training Organisations (RTO's). iCollege is currently expanding business offerings both in terms of scope of delivery and geographical locations. iCollege currently operates campuses in Brisbane, Gold Coast, Adelaide, Perth, Sydney and Canberra. These facilities offer the scope of training provided by all iCollege Registered Training Organisations.

iCollege currently holds state Government training contracts to deliver this skill set in Western Australia, South Australia, New South Wales, Australian Capital Territory and Queensland.

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