



Australian Securities Exchange Limited Via e-lodgement

ASX Code ICT

28 June 2021

## Update – iCollege Off-Market Takeover for RedHill Education

iCollege Limited (**iCollege**) (**ASX:ICT**) today announces it has entered into an indicative, non-binding term sheet in respect of its Off-Market Takeover Offer for RedHill Education Limited (**RedHill**) (**ASX: RDH**) shares. Subject to, amongst other things, completion and satisfaction by both parties of mutual due diligence, the term sheet will facilitate negotiation of a possible Bid Implementation Agreement with RedHill. Subject to satisfaction with the findings of due diligence, iCollege has agreed to an increase in the share exchange ratio for iCollege's Off-Market Takeover Offer from 7.6 to 9.5 iCollege shares for each RedHill share.

iCollege and RedHill boards and management teams have held several collaborative discussions to better understand the contribution of each business to a potential merged entity. These discussions have culminated in an agreement to further investigate what appears to be a sound strategic rationale including synergies, geographic spread and education sector expansion.

iCollege Chairman Simon Tolhurst said "iCollege has been encouraged by the collaborative approach taken by the RedHill Board which has seen agreement reached on next steps. iCollege has considered all additional stakeholder feedback and decided, that subject to entering into a Bid Implementation Agreement with RedHill and satisfactory mutual due diligence the share exchange ratio will be increased to 9.5 iCollege shares (\$1.05 per RedHill share)<sup>1</sup>. iCollege believes that this agreement provides RedHill shareholders with a reasonable and fair value."

iCollege's Directors note, however, that there is currently no binding agreement and there is no certainty a transaction will ultimately be agreed with RedHill.

### Execution of Term Sheet

iCollege and RedHill have today signed an indicative and non-binding term sheet to facilitate the conduct of due diligence by iCollege (with the exception of the 'exclusivity terms' which are binding).

The term sheet contains the following exclusivity terms which are binding:

- Subject to customary fiduciary exceptions, RedHill to provide iCollege exclusivity from execution of the term sheet until Wednesday 21 July 2021 (**Exclusivity Period**) and must not:
  - solicit or invite offers or discussions of a competing proposal;
  - negotiate or continue to negotiate with any other person a competing proposal; or
  - allow any other party to undertake due diligence in relation to a competing proposal.

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<sup>1</sup> Based on ICT closing share price of \$0.11 on 25 June 2021

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- The parties have agreed during the Exclusivity Period to undertake mutual due diligence and, if satisfied, to negotiate in good faith a bid implementation agreement consistent with the term sheet, subject to certain conditions including the absence of a superior alternative proposal and, potentially, an independent expert concluding that the transaction is fair and reasonable to RedHill shareholders.

Other than the above, the term sheet is non-binding but contemplates:

- subject to satisfactory mutual due diligence the entry into a bid implementation agreement on terms satisfactory to both parties;
- governance and management composition of ICT post acquisition;
- facilitation of due diligence; and
- subject to review and requisite shareholder approvals, the issue of RedHill and iCollege Management Performance Rights.

#### RedHill and UCW cease transaction discussions

RedHill announced on 25 June 2021 that discussions with UCW Limited (**UCW**) in connection with UCW's offer dated 14 December 2020 for acquisition of RedHill ordinary shares (**UCW Offer**) have now ceased.

UCW announced on 25 June 2021 that it does not intend to vary or extend its UCW Offer or declare its UCW Offer free from the remaining defeating conditions. As a result, the UCW Offer is expected to lapse at 5:00pm (Sydney time) on Friday, 2 July 2021. Upon lapsing, those RedHill shareholders who accepted the UCW Offer will be free to accept iCollege's offer.

iCollege confirms that there has been otherwise no change to the details of its off-market takeover offer set out in its announcement on 18 June 2021.

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

A handwritten signature in black ink, appearing to read "ST", with a long horizontal stroke extending to the left.

Simon Tolhurst  
Chairman

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