



iCOLLEGE LIMITED
2021 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS BY SIMON TOLHURST

Good afternoon ladies and gentlemen, and welcome to iCollege's 2021 Annual General Meeting.

Before we get to the formal items of business, I would like to provide some highlights on the year and the current operating environment.

FY21 highlights

iCollege Limited delivered outstanding results in FY21 which are best reflected in our record financial performance, share price appreciation, funding support, solid operational performance and organic growth, and success with mergers and acquisitions.

Given that these results were achieved during an ongoing global pandemic, our performance is all the more remarkable.

Underpinned by a stable and growing domestic training business, we delivered record financial results with revenue of \$16.3 million and normalised earnings before interest, tax, depreciation and amortisation (EBITDA) of \$2.9 million before abnormal items of \$0.9 million. We ended FY21 with a solid net cash position.

Given the ongoing restrictions placed on the company due to international border closures, we continued to place greater emphasis on strengthening our domestic training business by capitalising on the upskilling and reskilling that is occurring in Australian labour markets; we quickly and effectively responded to changes in regulatory requirements; pivoted to online delivery when needed; and expanded our capacity by opening new campuses such as the state-of-the-art facility at Bayswater in Western Australia.

The international student market obviously remained a challenge for us due to the Covid-19 pandemic. However, with a cohort of foreign students staying in Australia, and by providing flexible learning solutions that has allowed some students to continue their courses overseas until they can return to Australia, we have successfully maintained a presence in this market and we are well placed as borders re-open.

iCollege's success in FY21 is also well reflected in the support we have received from shareholders and new investors. During the year, we witnessed a considerable appreciation in the company's market capitalisation, evidence of the fact that investors are buying into our growth strategy, and we were fortunate to be able to broaden our investor base with a very well supported and over-subscribed \$5.5m share placement.

With a stronger balance sheet and a market capitalisation that better reflected our underlying value, iCollege became much better placed to pursue value accretive transactions and take advantage of consolidation opportunities in Australia's Vocational Training and Education (VET) sector. As shareholders are aware, in March of this year we made a scrip-based takeover offer for RedHill Education Limited with terms finally being agreed between both companies in August of this year and the transaction closing in October 2021. This is indeed a unique and timely opportunity and with the transaction now consummated, we have created what we believe will become Australia's leading VET business with an unrivalled domestic campus network and course offering coupled with a superior international student training operation.

As Glenn will share with you shortly, we are currently focussed on integration execution. Once successfully integrated, the combination of iCollege and RedHill will be backed by a strong balance sheet, stable and diversified earnings, an experienced and committed board and a talented management team. These key ingredients give us the necessary foundation to continue our track record of material growth, both organic and by strategic acquisition.

Board and management

Turning to board and management matters, I am delighted to welcome Glenn Elith and Michael Fahey as CEO and CFO respectively to the management team of iCollege. Their focus on operational excellence and vast education industry knowledge will be a tremendous asset to our expanded organisation. As soon as the integration is completed, Badri Gosavi, our former CFO, will take up his position as the Head of Growth.

I am also delighted to welcome Sandra Hook and Will Deane to the board of iCollege. Sandra and Will are both highly experienced company directors and executives with a clear mandate for growth and expansion.

Sandra and Will both serve as non-executive directors and are seeking re-election to the board today.

I also want to take this opportunity to acknowledge and congratulate Ash Katta for his remarkable achievements during his time as the Managing Director of iCollege from February 2018 to the completion of the RedHill acquisition. Ash has now transitioned into a non-executive director role and is also seeking re-election today.

A favourable outlook

With the help of vaccines, tracking and tracing technologies and social distancing measures, many countries throughout the world are now opening their borders, and Australia has announced it will do the same as we enter 2022.

Whilst our expanded domestic training operations will continue to grow as we realise the benefits from new course offerings and the scale that the RedHill business brings, the opportunity that awaits iCollege with the opening of international borders is unprecedented and somewhat unique for a handful of industries, ours clearly being one. I am confident that this will translate into significant value creation for our shareholders, greater employment opportunities for our people, and more international students recognising that Australia has one of the best education offerings and associated infrastructure in the world. In short, we are an outstanding re-opening play.

I would like to take this opportunity to thank all our stakeholders – being staff, my fellow directors and senior management, students, advisors and shareholders – for your ongoing support and contribution to our success this year. We look forward to capitalising on our strong position and benefiting from the increasingly favourable market conditions to deliver another year of growth.

I will now handover to the CEO, Glenn Elith to provide an operational update for the company.



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CEO'S ADDRESS BY GLENN ELITH

Good afternoon.

Last month I was delighted to be appointed as iCollege's Chief Executive Officer, providing me with an opportunity to lead the organisation through upcoming integration and strategic growth activities. I am grateful to the iCollege board for entrusting me with this challenge after having been the CEO of RedHill Education Limited for almost 10 years. I'm also grateful that Michael Fahey, the former CFO of RedHill, has agreed to join me on this exciting journey – he has a great technical skillset and a wealth of commercial experience that will be invaluable as we integrate and grow the iCollege business.

I am proud to work in an industry where I'm surrounded by colleagues who are passionate about helping people improve their lives through education, and I am energized by the extraordinary opportunities iCollege has to deliver significant shareholder value by focusing on executing against targeted growth strategies and delivering quality student learning experiences and outcomes.

Integration

Since my recent appointment a key focus has been on undertaking a robust integration of the RedHill acquisition with iCollege, and I'm delighted to confirm to shareholders that in the first 7 weeks of integration activities we have already delivered against critical integration milestones including:

- Confirmed the senior executive organisation structure;
- Launched a new HR and payroll platform for all employees;
- Launched new integration IT service desk for all employees;
- Launched refreshed websites for iCollege and key brands; and
- Consolidated financial reporting system in testing and ready to be launched in January 2022.

Through our rigorous approach to integrating RedHill into iCollege we are confident that we will deliver the cost synergies outlined in the recent Bid Implementation Agreement and lay strong operational foundations which will support future growth and expansion activities.

I am also pleased to report to shareholders that due to the complementary nature of bringing together the RedHill and iCollege organisations, our employees remain positively engaged and there has been minimal disruption to business momentum. We believe that enhancing employee engagement and building a strong organisational culture will make iCollege an employer of choice in the industry, and create an environment where employees are highly satisfied and students can thrive.

Organisational strategy

In early 2022 we will complete integration activities and shift our focus to finalizing a new strategic plan. Refining our strategy will be a collaborative effort between iCollege's board and management and we expect the strategy will likely include:

- A. Leveraging the newly combined group's existing campus locations, course range, accreditations and capabilities to deliver significant growth;
- B. Harmonizing and improving organisational systems and processes to deliver cost efficiencies and to enhance service quality;

- C. Being at the forefront of the recovery of the international student sector in Australia; and
- D. Making other strategic growth investments including potential M&A activities.

A. Leveraging the combined iCollege and RedHill capabilities

Bringing together iCollege and RedHill has significantly strengthened our management expertise across all business functions, and has brought together a combined group of senior executives with demonstrable track records in successfully managing high growth, expansion and organisational transformation.

The combination of iCollege and RedHill has created an expanded national campus footprint, and we are currently evaluating which of our existing brands will benefit from expanding geographically using existing immediately available campus capacity.

We are evaluating where existing iCollege courses delivered to either domestic or international students may be successfully marketed and delivered to different student markets either face-to-face or online.

iCollege now holds national accreditations to operate in the vocational and higher education sectors. It is accredited to offer eligible students direct tuition funding support at State Government and Commonwealth Government levels, and is also accredited to offer eligible students tuition loans via the Commonwealth Government's VET Student Loans and FEE-HELP schemes. Holding this range of accreditations is a great differentiator for iCollege against other industry participants, and enhances our ability to successfully compete.

We are currently evaluating where we can expand the application of iCollege's accreditations to achieve revenue and profit growth.

B. Improving systems and processes

Areas where significant capability improvements have been achieved at iCollege since the commencement of the COVID-19 pandemic include how we digitally engage with prospective students and deliver our courses 100% online. It is our view that online delivery and partial online delivery (often referred to as blended delivery) will continue to be appealing to many students in the future as they seek flexible learning options. This will also enable iCollege to consider how to better leverage its existing campus footprint by increasing utilization of those facilities, and to better manage its variable teaching costs.

Over time, we expect that the combination of iCollege and RedHill will allow us to implement further system and process harmonization, and streamlining of administrative support functions.

C. Being at forefront of international student recovery

iCollege and RedHill combined international student revenues have decreased by approximately 45% or \$28.0 million per annum since international borders into Australia closed in March 2020.

Earlier this month iCollege was thrilled to welcome our first returning international student back into Australia since international borders were closed. We are one of only four private education institutions along with public universities approved to participate in the New South Wales Government's international student pilot program to demonstrate that students can be brought back into New South Wales safely, which is a great testament to our industry engagement and reputation.

Our participation on the New South Wales Government program has involved arranging charter flights, dedicated quarantine facilities (if required), and developing robust student safety procedures and protocols in collaboration with StudyNSW and other participating education institutions. The next charter flight in this program will arrive into Sydney later this week, and iCollege is pleased to advise shareholders that we expect to have a further eleven returning international students on that flight who will resume their face-to-face bachelor degree studies in early 2022.

With the Australian Government announcement early last week confirming the re-opening of international borders into Australia for student visa holders from 15 December 2021, we anticipate that the New South Wales Government program will shortly be phased out and students will resume arriving on commercial flights.

I am delighted to report to shareholders that since the Australian Government's announcements earlier this month about international borders re-opening from mid-December, the level of offshore international student enquiries seeking to enroll into iCollege courses has exploded.

We have quickly ramped up our workforce to manage this significant increase in demand, and we expect our international student numbers and revenues to start recovering from February/March 2022 as can be seen on the slide being displayed. We're cautiously optimistic the Omicron variant of COVID-19 will not significantly disrupt the re-opening of international borders given recent public comments by both Commonwealth and State political leaders, but risks remain.

We are extremely confident that iCollege will be at the forefront of the industry in capitalizing on international students resuming arrivals into Australia. The reasons for our confidence include:

- We have retained our campuses and operating leverage in key delivery locations, including Sydney and Melbourne;
- We have substantial English language course and examination operations via the Greenwich English College and Sero Institute brands – which were the first areas of the business to suffer declines when international borders closed, but will also be the first areas to recover quickly when borders re-open to new international students;
- We have a greater range of courses and delivery locations to offer perspective international students;
- We will focus on 'packaging' new international students into English language + other vocational or higher education programmes to achieve higher lifetime value per student;
- We will leverage our expanded global network of international student agency partners by combining and building upon iCollege and RedHill relationships;
- We will use our strong balance sheet to invest in marketing activities, which we expect will continue to provide international agency partners and students with confidence about our robust financial viability and ability to delivery quality student experiences and outcomes.

It's worth noting that we believe our industry standing and reputation have been positively impacted by the way iCollege brands have worked collaboratively with industry and government bodies and continued to behave rationally to support our international student agency partners and students during the COVID-19 pandemic. Unlike many other education institutions, we never cut commission rates paid to our student agency partners, and we provided many of our students who were in financial distress with financial and wellbeing support.

As we re-activate international student marketing and recruitment activities, we do so in a market where there are fewer direct competitors as less financially viable education institutions ceased operations during the COVID-19 pandemic and in doing so damaged their relationships with international student agencies and their reputations with displaced student communities.

A priority strategy for iCollege will be to recover international student numbers and revenues.

D. Growth investments

As Simon has already discussed in his address, a strategic priority for iCollege will be to apply our capabilities and strong balance sheet to deliver significant growth.

It is exciting for our executive team to be working at an organisation where a positive and strong growth mandate comes from the board of directors.

Financial guidance

iCollege is pleased to advise that it expects FY22 first half year revenues to be in the range of \$18.0 million to \$19.0 million, which will be an 128% to 141% increase against the prior year. These half year revenues include three months of revenue from RedHill Education Limited, as the change in control became effective from 1 October 2021.

iCollege expects to report cash at bank (including term deposits) as at the end of December 2021 in the range of \$20.5 million to \$21.5 million, providing us with confidence around our ability to invest in business recovery and growth initiatives.

Closing comments

At iCollege we have extraordinary opportunities ahead of us, and we look forward to providing you updates on progress soon.

I'll now hand you back to Simon to resume proceedings.

iCollege integration program update

Integration of the RedHill acquisition is tracking ahead of schedule and is expected to deliver immediate cost synergies and future significant revenue synergies

Early integration wins:

- Confirmed senior executive structure
- Launched new HR and payroll platform for all employees
- Launched new integration IT Service desk for all employees
- Launched refreshed websites for iCollege and key brands
- Consolidated financial reporting system in testing and expected to be launched in January 2022



Strategic focus areas post integration

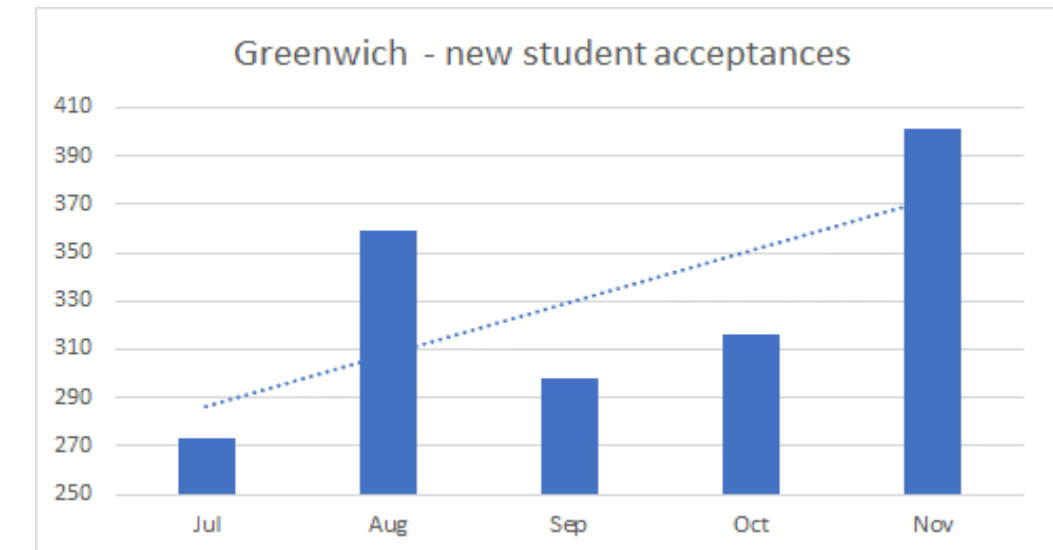
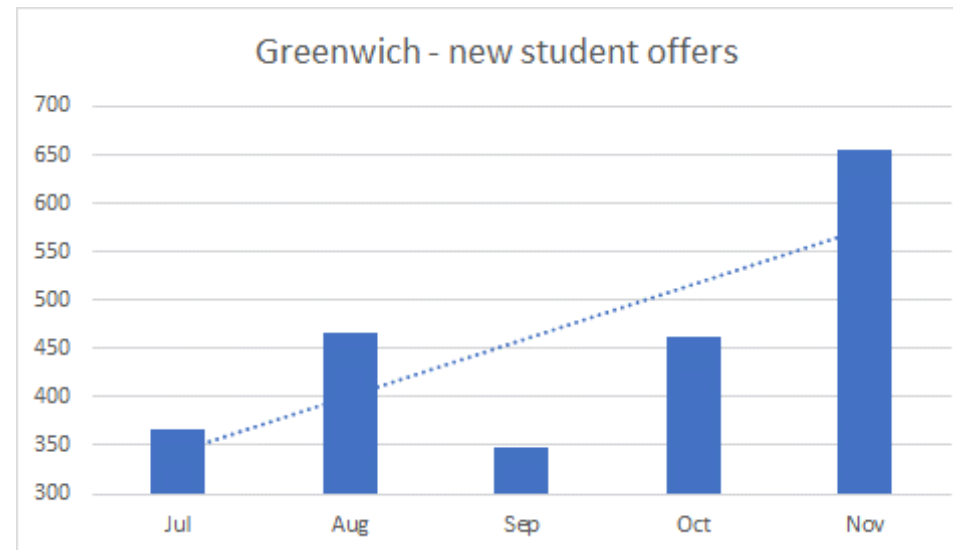
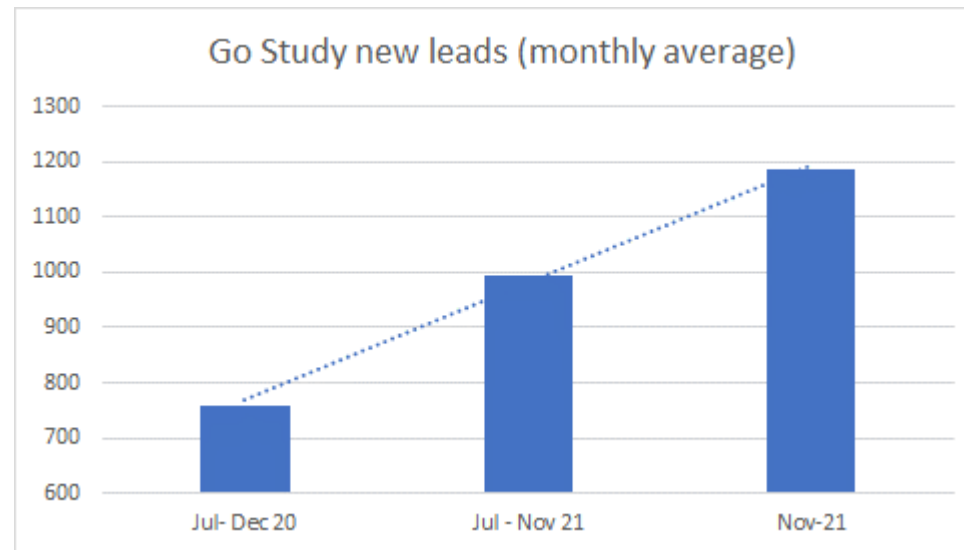
In early 2022 focus will shift to strategic growth initiatives

Future strategy is expected to include:

1. Leveraging the newly combined group's existing campus locations, course range, accreditations and capabilities to grow
2. Harmonizing and improving organisational systems and processes to deliver cost efficiencies and to enhance service quality
3. Being at the forefront of the recovery of the international student sector in Australia
4. Making other strategic growth investments including potential M&A activities

Lead indicators showing strong growth

Lead indicators point towards strong recovery of international student numbers once borders re-open, with iCollege student arrivals expected to materially increase from February/March 2022 onwards



Go Study Australia offshore new student leads in November 2021 were **56%** higher than the July to December 2020 monthly average, with December experiencing even higher growth to date against prior month periods

Greenwich new student offers of enrollment (the step before students formally enroll into a course) in November 2021 were **79%** higher than July 2021, with December growth expected to be even higher against prior month periods

Greenwich confirmed new student enrolments in November 2021 were **46%** higher than July 2021, with the majority of planned commencement dates for courses in February/March 2022

1H22 financial forecast

iCollege gained control over RedHill effective 1 October 2021 and consolidated forecasts include RedHill from that date

	1H22 FORECAST	1H21 ACTUAL
Revenue Range*	\$18.0m - \$19.0m	\$7.9m
Cash Balance** (as at end of Dec 21)	\$20.5m - \$21.5m	\$5.5m

* 1H22 revenue includes post acquisition revenue from RedHill Education Limited businesses from 1 October 2021 onwards. 1H21 revenue relates pre-acquisition iCollege businesses only.

** Includes term deposits