

iCOLLEGE REPORTS RECORD OPERATING CASH FLOWS AND INCREASED CASH BALANCE FOR Q4 FY22 SUPPORTED BY STRONG RETURN OF INTERNATIONAL STUDENTS

iCollege Limited (**ASX: ICT**) (**iCollege** or the **Company**) is pleased to provide its quarterly cash flow and activity report for the quarter ended 30 June 2022 (Q4 FY22).

Highlights for Q4 FY22 include:

- Record quarterly cash receipts of \$22.4 million, up 470% over the previous corresponding period (PCP) (Q4 FY21: \$3.9 million);
- Operating Cash Flows of \$9.0 million up \$9.3 million over the PCP (Q4 FY21: negative \$0.3 million) and better than earlier guidance; and
- Closing cash balance at the end of June 2022 of \$30.2 million (including term deposits of \$3.1 million), an increase of \$7.8 million over the balance as at 31 December 2021 and in line with earlier guidance.

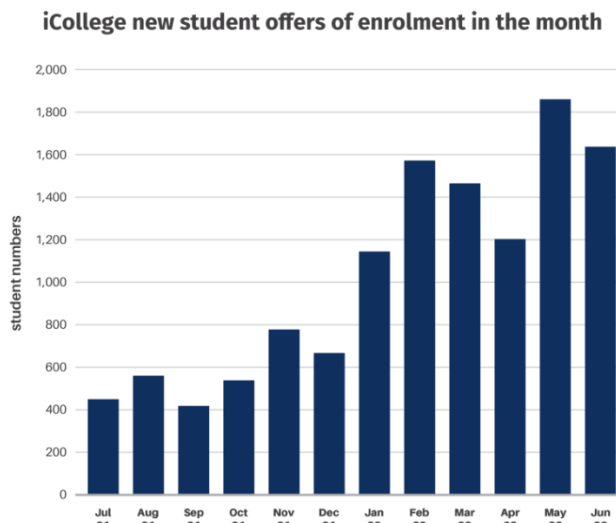
There were no significant changes in the activities of iCollege in Q4 FY22.

Update on international student lead indicators

Australia remains a popular destination for international students, known for its quality education, cultural diversity, lifestyle, and working opportunities. iCollege continues to work closely with global international student recruitment agent partners to enrol new students and to maximise lifetime value by packaging students into multiple courses offered by the iCollege group.

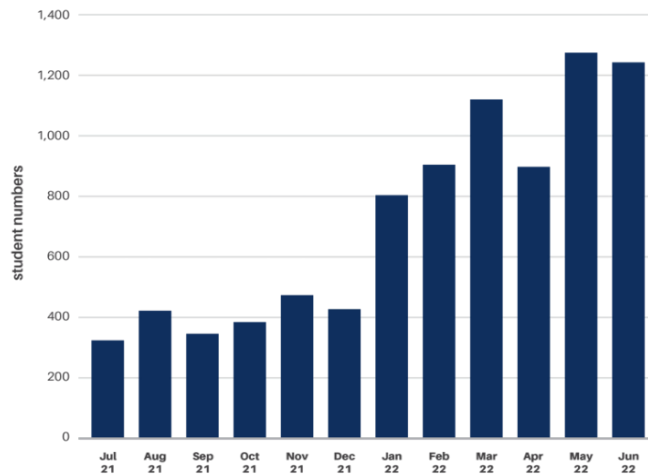
Australia's borders re-opened to international student arrivals in late December 2021 and iCollege continues to experience outstanding lead indicator trends which are expected to deliver significant growth in future international student revenues, including:

- The number of new international student offers of enrolment into English language and vocational courses in the month of June 2022 has grown by over 150% since the month of December 2021;



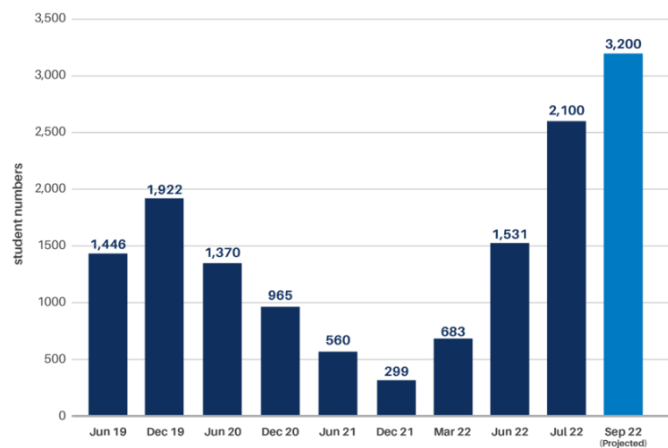
- The number of new international student confirmed enrolments into English language and vocational courses in the month of June 2022 has grown by over 180% since the month of December 2021;

iCollege new confirmed student enrolments in the month



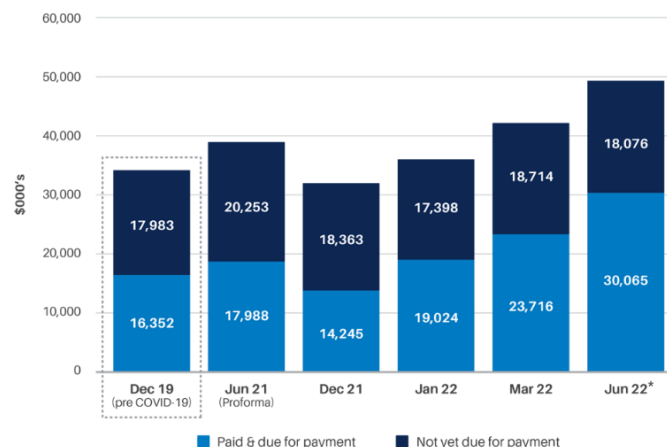
- The number of actively studying English language students is projected to be approximately 3,200 students by the end of September 2022, significantly exceeding pre-COVID pandemic student numbers; and

iCollege active English language students



- An approximate \$6.2 million increase in deferred revenue (contract liabilities) in Q4 FY22 against the previous quarter, and an increase by approximately \$16.4 million since the end of December 2021.

iCollege deferred revenue as at end of month



* June 22 figures are subject to audit confirmation

Commenting on the results, iCollege CEO, Glenn Elith said:

“iCollege’s quality brand reputation is driving strong support from our international student recruitment agency partners and is assisting us to achieve outstanding enrolment growth momentum since the ‘reopening’ of Australia’s borders.

Our English language courses play an important role in enabling international students to progress onto our broad range of other courses and services, and we are focusing on initiatives which will maximise student retention and lifetime value.

We’re excited by our positive performance momentum and are determined to deliver significant growth.”

New capital works

Total capital expenditure was \$1.8 million in Q4 FY22, which included:

- \$0.8 million continued works on fitting out the new substantial iCollege Brisbane campus, which is on track to be completed and open to students in late August 2022; and
- \$0.4 million upgrading of computer labs and post-production audio studios at the Sydney and Melbourne campuses to enhance student learning experiences.

Payments to related parties and their associates

Total payments to executive and non-executive directors during Q4 FY22 amounted to \$255,267.00.

HWL Ebsworth Lawyers, of which iCollege’s Non-Executive Chairman Simon Tolhurst is a partner, was paid \$1,306.00 in relation to general legal services provided to the Company during Q4 FY22.

Notice of FY22 results presentation

iCollege is pleased to invite shareholders to attend a Results Presentation following the release of its FY22 Preliminary Financial Report.

The Results Presentation will be hosted by the iCollege CEO and CFO, Glenn Elith and Michael Fahey, and will be held on Monday 29 August 2022 at 11:00am (AEST).

iCollege will use Zoom videoconferencing for the Results Presentation, and participants will be required to register to join the call.

iCollege invites you to register your attendance using the following Zoom link:

https://us02web.zoom.us/webinar/register/WN_IK-HUrH2RnCyHMCm1BZdWA

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

For further information:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

iCollege Limited

ABN

75 105 012 066

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		22,452	61,238
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(3,981)	(15,692)
(c) advertising and marketing		(887)	(2,881)
(d) leased assets		-	-
(e) staff costs		(8,399)	(25,810)
(f) administration and corporate costs		(166)	(947)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		13	16
1.5 Interest and other costs of finance paid		(18)	(103)
1.6 Income taxes paid		-	(149)
1.7 Government grants and tax incentives		-	1,482
1.8 Other (M&A related costs)		-	(5,813)
1.9 Net cash from / (used in) operating activities		9,014	11,341
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(g) entities		-	-
(h) businesses		-	-
(i) property, plant and equipment		(1,620)	(2,281)
(j) investments		-	-
(k) intellectual property		(168)	(644)
(l) other non-current assets		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash acquired upon acquisition of RedHill Education Limited)	-	21,345
2.6	Net cash from / (used in) investing activities	(1,788)	18,420

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	95
3.6	Repayment of borrowings	(161)	(563)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (bank guarantees paid)	-	(448)
3.9	Other (lease liabilities paid)	(2,165)	(6,233)
3.10	Net cash from / (used in) financing activities	(2,326)	(7,149)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period,	22,261	4,549
4.2	Net cash from / (used in) operating activities (item 1.9 above)	9,014	11,341

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,788)	18,420
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,326)	(7,149)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	27,161	27,161

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	27,161	22,261
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Bank Guarantees)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	27,161	22,261

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	257
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	224	224
7.2	Credit standby arrangements	50	16
7.3	Other (please specify)	-	-
7.4	Total financing facilities	274	240
7.5	Unused financing facilities available at quarter end		34
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <ul style="list-style-type: none"> \$50k credit card facility. \$224k Queensland Rural and Industry Development Authority (QRIDA) loan facility (assistance under Queensland COVID-19 Job Support Loans Program). Interest free for the first 12 months, then 2.5% over the remainder of the 10 year loan term, repayable by instalments from the second year. The loan is secured over the assets of Capital Training Institute Pty Ltd. 		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	9,014
8.2	Cash and cash equivalents at quarter end (item 4.6)	27,161
8.3	Unused finance facilities available at quarter end (item 7.5)	34
8.4	Total available funding (item 8.2 + item 8.3)	27,195
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity 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?	
	Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.