



Extraordinary General Meeting

KEVIN BARRY Chairman

19 February 2021



Extraordinary General Meeting

Proposed Sale of MBC to Civica

- ICS announced on 18 December 2020 that it had entered into an agreement to sell all of its shares in Thelma-EU Limited, the UK company which operates the medical billing and collections business (**MBC**) to Civica UK Limited (**Civica**).
- MBC constitutes the main undertaking of ICS and completion of the sale of MBC must be approved by Shareholders pursuant to ASX Listing Rule 11.2. The business of the Meeting is therefore to consider and, if thought fit, approve the disposal of MBC on the terms set out in the Notice of Meeting.
- The Board believes the sale of MBC to Civica to be in the best interests of ICS and its Shareholders and therefore unanimously recommends the proposed sale of MBC for approval by Shareholders.
- At the current GBP/AUD exchange rate, the Directors expect the amount received by ICS after transaction costs to be equivalent to approximately AUD\$21.3 million.
 - ICS will incur costs of approximately AUD\$1.4 million associated with the Transaction, the largest being a fee to Numis Securities Limited
 - The GBP cash consideration will be received on Completion and will then be converted into AUD at the prevailing exchange rate
 - The net assets of ICS post-completion is expected to be c. AUD \$23.1 million comprising of cash of AUD \$22.9 million and OLL shares with a value of c. AUD \$0.2 million

Reasons for the Proposed Sale

- The ICS Board is confident that the terms of the transaction to sell MBC represent an attractive price, on reasonable terms and executed in a timely manner, including:
 - Favourable >8x EBITDA multiple – significantly higher than other approaches to acquire MBC
 - The Board engaged Numis Securities Limited to run a process to assist in sourcing prospective buyers (both strategic and financial counterparties)
 - Civica is a trade buyer that was in a position to offer the most compelling terms having regard to financial outcome, timing, general conditions and represents a good fit for both MBC's clients and employees.
 - Addresses management risks including:
 - ICS Board managing a subsidiary company in the UK
 - Being a relatively small company, MBC's exposure to key staff is a risk more easily managed by a company like Civica, that is present in the UK, rather than ICS
- For the reasons set out above, the Board considers the Transaction to be in the best interests of Shareholders.

Shareholder Return

- Intention of ICS to distribute a significant portion of the consideration received from sale of MBC to Shareholders **in March/April 2021**. Final distribution to be determined following completion, once final transaction costs are known, and the sale proceeds have been converted from GBP into AUD at the prevailing exchange rate.
- It is currently intended that the Shareholder Return will be an amount of between AUD\$1.60 and AUD\$1.75 per Share.
- ICS has applied to the ATO for a class ruling in connection with the categorisation of the Shareholder Return in the hands of Shareholders
 - The intention is that the majority of the Shareholder Return will be treated as a return of capital on the Shares
 - It is possible that the ATO may determine that some or all of the Shareholder Return be treated as a dividend for tax purposes
- ICS will provide an update to Shareholders as to the categorisation of the Shareholder Return as soon as possible. Shareholders should obtain their own tax advice in connection with the Shareholder Return.

ICS Looking Forward

The Board will be actively looking to invest

- ICS will have \$4 - \$5 million in cash after the sale and distribution to shareholders
- The Board is now actively searching for investment opportunities
- Once the Board has found an investment opportunity that we believe will add value to our shareholders the Board will hold an EGM for shareholder approval
- The Board of ICS have taken steps to reduce cash costs of the entity going forward from c. \$530k per year to c.\$400k, including 50% reduction in director and company secretarial fees



Sale Transaction Table

	31-Dec-20	Pro-forma Post transaction before shareholder return	Pro-forma Post transaction after shareholder return
Annualised revenue from ordinary activities	\$5,716,511	\$0	\$0
Annualised expenditure from continuing operations ⁽¹⁾	\$3,686,979	\$0	\$0
Profit/(loss) before tax attributable to shareholders from continuing operations before corporate costs)	\$2,029,532	\$0	\$0
Profit/(loss) after tax attributable to shareholders from continuing operations before corporate costs)	\$1,643,921	\$0	\$0
Total corporate cash	\$2,436,685	\$22,878,847	\$4,321,814
Current assets (excluding corporate cash)	\$3,106,891	\$0	\$0
Non-current Assets ⁽³⁾	\$2,164,477	\$258,816	\$258,816
Liabilities	\$1,107,554	\$0	\$0
Net Assets	\$6,600,499	\$23,137,663	\$4,580,630
EBITDA (rolling annualised from continuing operations before corporate costs)	\$2,346,096	\$0	\$0
Total securities on issue	10,604,019	10,604,019	10,604,019

- (1) The annualised expenditure from continuing operations does not include expenditure in connection with the operations of ICS in Australia. The annualised expenditure of ICS in Australia for the year to 30 November 2020 was \$526,000. After Completion, the Board will review the Australian expenditure of ICS and endeavour to reduce such amount whilst it investigates acquisition and investment opportunities for the Company.
- (2) As set out in section 3.2, it is intended that the Shareholder Return will be in the range of \$1.60 and \$1.75 per Share. For the purposes of the table in this section 3.3, a Shareholder Return of \$1.75 has been assumed.
- (3) The non-current assets of the Company include the Company's shareholding in OpenLearning Limited (ASX:OLL). This shareholding is reflected in the table at its carrying value in ICS's accounts as at 31 December 2020 of \$258,816.
- (4) There will be no capital raising or change to the issued capital as a consequence of the Transaction. Shareholders' holding in Shares and percentage interest in the Company will remain unchanged.

Question time

Thank you to:

- Shareholders for you continued support
- Garry Chapman and all his staff at MBC
- Fellow Board members

Questions?

Business of the Meeting

Resolution 1 – Approve the sale of the Company’s business To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 11.2 and for all other purposes, Shareholders approve the Company disposing of all of the shares it holds in MBC, being the main undertaking of the Company, pursuant to the Agreement between the Company and Civica on the terms and conditions set out in the Agreement and summarised in the Explanatory Memorandum."

Proxy voting summary

Proxy Voting Summary

ICSGlobal Limited
Extraordinary General Meeting
Friday, 19 February 2021

Security Classes
Fully Paid Ordinary Shares

Resolutions	For		Against		Open		Totals		Exclusions		Abstain		No Instruction Securities
	Holders %	Votes %	Holders %	Votes %	Holders %	Votes %	Holders	Votes	Holders	Votes	Holders	Votes	
1. Approve the sale of the Company's main undertaking	50 60.24	5,952,264 82.13	26 31.33	986,249 13.61	7 8.43	308,881 4.26	83	7,247,394	0	0	1	7,895	0

Disclosure

Statements and material contained in this Presentation, particularly those regarding possible or assumed future performance, or potential growth of ICSGlobal Limited (“ICS”), industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material.

ICS has taken reasonable care to ensure that the facts stated in this presentation are accurate and/or that the opinions expressed are fair and reasonable, however no reliance can be placed for any purpose whatsoever on the information contained in this presentation or on its completeness.

Except as required by law, ICS does not undertake to update, and will not be responsible for updating, any information in this presentation, whether as a result of new information or future events.

To the extent permitted by law, ICS and its officers, employees and agents disclaim all liability that may otherwise arise due to any information contained in this presentation being inaccurate or due to information being omitted, whether by way of negligence or otherwise.

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction or relied on as a recommendation or advice by ICS.