

First Supplementary Bidder's Statement

Relating to an offer by iCollege Limited, to acquire all of your Shares in Redhill Education Limited for a consideration of 7.6 iCollege Shares for each Redhill Education Limited Share

1. Introduction

This document is a supplementary bidder's statement given under section 643 of the *Corporations Act 2001* (**First Supplementary Bidder's Statement**).

It is the first supplementary bidder's statement issued by iCollege Limited ACN 105 012 066 in relation to its off-market takeover bid for all the Shares in Redhill Education Limited ACN 119 952 493 that iCollege does not already own.

This First Supplementary Bidder's Statement supplements and must be read together with iCollege's Bidder's Statement dated 25 March 2021 in relation to the Offer (**Original Bidder's Statement**).

Terms used in this First Supplementary Bidder's Statement which are not defined in this First Supplementary Bidder's Statement have the meaning given to them in the Original Bidder's Statement.

2. Amendments to the Original Bidder's Statement

This First Supplementary Bidder's Statement amends the Original Bidder's Statement in the manner as marked up in the attached.

3. Replacement Bidder's Statement

A Replacement Bidder's Statement (**Replacement Bidder's Statement**) issued by iCollege replaces the Original Bidder's Statement as amended by this First Supplementary Bidder's Statement.

Attached to this First Supplementary Bidder's Statement is a marked-up copy of the Original Bidder's Statement showing the amendments that have been made as reflected in the Replacement Bidder's Statement.

A clean copy of the Replacement Bidder's Statement is issued at the same time as this First Supplementary Bidder's Statement.

icollge.edu.au

Corporate inquiries
+61 8 9466 9008

Investor inquiries
investors@icollge.edu.au
Legal/75278338_1

Media inquiries
media@icollge.edu.au

4. Approval of this First Supplementary Bidder's Statement

A copy of this First Supplementary Bidder's Statement has been lodged with ASIC.

Neither ASIC nor any of its officers take any responsibility for its contents.

This First Supplementary Bidder's Statement has been approved by a resolution of the directors of iCollege.

This First Supplementary Bidder's Statement is dated 9 April 2021.

Signed for and on behalf of iCollege by Simon Tolhurst, the Chairman of iCollege who has been authorised to sign by a resolution passed by the directors of iCollege.

Yours sincerely



Simon Tolhurst

Independent Chairman



BIDDER'S STATEMENT OFFER

iCollege Directors
unanimously recommend
that you **ACCEPT**
this offer

The consideration offered is 7.6 iCollege Shares for every 1 Redhill Education Share you own.

The Offer is dated 15th, April, 2021
and will close at 7.00 pm (Sydney time)
on 17th May, 2021, unless extended.

Please call +61 8 6500 2114 Monday to Friday
between 8.30 am and 5.00 pm if you require
assistance with your acceptance.

This is an important document and requires
your immediate attention. If you are in any doubt
as to how to deal with it, you should consult
your legal, financial or other professional
adviser as soon as possible.

FINANCIAL ADVISER

ORD MINNETT

LEGAL ADVISER

THOMSON GEER
LAWYERS

ADVISER

VERITAS
SECURITIES LIMITED 

Table of contents

Important Notice	1
How to accept	1
Key dates.....	1
Letter from the Chairman	1
1 Reasons to accept the Offer	1
2 Frequently asked questions about the Offer	<u>1413</u>
3 How to accept the Offer	<u>1716</u>
4 Profile of iCollege.....	<u>2019</u>
5 Profile of Redhill Education	<u>2827</u>
6 Profile of Combined Entity.....	<u>3130</u>
7 iCollege's intentions.....	<u>4039</u>
8 Risks	<u>4443</u>
9 Sources of Offer Price.....	<u>4948</u>
10 Taxation Considerations.....	<u>5049</u>
11 Additional information	<u>5251</u>
12 Definitions and interpretation.....	<u>5958</u>
13 Approval of Bidder's Statement	<u>6665</u>
Schedule 1.....	<u>6766</u>
Terms of the Offer	<u>6766</u>
Schedule 2.....	<u>7776</u>
iCollege Announcements to ASX since FY 2020 annual report.....	<u>7776</u>
Schedule 3.....	<u>7877</u>
Redhill Education announcements to ASX since FY 2020 annual report	<u>7877</u>

Important Notice

This replacement Bidder's Statement is given by iCollege Limited ACN 105 012 066 (**iCollege**) under part 6.5 Corporations Act (as amended by ASIC Class Order 13/528) and replaces the original bidder's statement lodged with ASIC on 25 March 2021 (**Bidder's Statement**) and sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire your shares in Redhill Education Limited ACN 119 952 493 (**Redhill Education**).

This Bidder's Statement is dated 25 March 9 April 2021. It includes the Offer dated 15 April 2021 on the Offer Terms set out in Schedule 1 and Schedule 2.

A copy of this Bidder's Statement was lodged with ASIC and ASX on 9 April 25 March 2021. None of ASIC, ASX nor any of their officers takes any responsibility for the content of this Bidder's Statement.

Investment decisions

This Bidder's Statement does not take into consideration your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Offer for your Redhill Education Shares.

Forward looking statements

This Bidder's Statement contains certain forward-looking statements and statements of current intention. The forward-looking statements in this Bidder's Statement reflect views held at the date of this Bidder's Statement.

You should be aware that the statements involve inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and those deviations are both normal and to be expected.

None of iCollege, its officers or any person named in this Bidder's Statement with their consent or involved in the preparation of this Bidder's Statement makes any representation or warranty as to the accuracy or likelihood of fulfilment of any forward looking statement. You should not place undue reliance on those statements.

Defined terms

A number of defined terms are used in this Bidder's Statement. These terms are explained in section 12.

Privacy statement

iCollege has collected your information from the register of Redhill Education Shareholders.

The Corporations Act permits information to be made available to certain persons, including iCollege. Your information may also be disclosed on a confidential basis to iCollege's related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC. You can contact us for details of information held by us about you.

Foreign shareholders

The distribution of the Bidder's Statement in jurisdictions outside of Australia and New Zealand may be restricted by law and any person who comes into possession of it should seek advice. The Offer is being made to Redhill Education Shareholders in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. This Bidder's Statement does not constitute an offer to acquire Redhill Education Shares from any Redhill Education Shareholder in any jurisdiction in which to do so would be illegal. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is consistent with applicable foreign laws.

In any other jurisdiction, iCollege Shares will be issued to a nominee who will sell those iCollege Shares and the proceeds of sale (less any fees) will be remitted to those shareholders.

This Bidder's Statement has been prepared having regard to the Australian disclosure requirements. These disclosure requirements may be different from those in other countries. If you are not an Australia resident taxpayer or are liable for tax outside Australia, it is important that you seek specific tax advice in relation to the Australian and overseas tax consequences of the Offer.

Implied value of the Offer

As you are being offered iCollege Shares as consideration for your Redhill Education Shares, the implied value of the Offer will vary with the price at which iCollege Shares trade on the ASX. Unless otherwise noted, premiums presented in this Bidder's Statement are based on a price per iCollege Share of \$0.165 being the closing price on 19 February 2021. Further information on recent trading prices in iCollege Shares is set out in Section 4.11.

How to accept

Acceptances for the Offer must be received before the close of the Offer Period.

There are different ways to accept the Offer depending on how you hold your Redhill Education Shares.

For CHES Holdings

Instruct your stockbroker or other Controlling Participant to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.

For Issuer Sponsored Holdings

Complete and sign the enclosed Acceptance Form in accordance with the instructions on that form and return it before the end of the Offer Period to:

BY HAND

**Advanced Share
Registry Ltd
110 Stirling Highway
Nedlands WA 6009**

BY MAIL

**(a reply paid
envelope is enclosed)**

**Advanced Share
Registry Ltd
PO BOX 1156
Nedlands WA 6909**

Acceptance Form

The Acceptance Form which accompanies this Bidder's Statement forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer for your Redhill Education Shares.

Enquiries

If you are in any doubt as to how to deal with this document, you should consult your Broker or your legal, financial or other professional adviser.

If you have any questions about the Offer or how to accept it, please call the shareholder information line on +61 8 6500 2114 Monday to Friday between 8.30 am and 5.00 pm.

Offers to Foreign Shareholders

If you are a Foreign Shareholder, unless iCollege otherwise determines that:

- it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with iCollege Shares on acceptance of the Offer; and
- it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its external territories and New Zealand,

you will not be entitled to receive iCollege Shares as consideration for your Redhill Education Shares.

Otherwise, if you are a Foreign Shareholder and you accept the Offer or your Redhill Education Shares are compulsorily acquired, you will receive the cash amount calculated under clause 5.3 of Schedule 1.

Further information about the entitlement of a Foreign Shareholder is set out in section 11.8.

Key dates

Announcement Date	22 February 2021
Bidder's Statement lodged with ASIC	9 April 25 March 2021
Date of Offer	{ } 15 April 2021
Close of Offer Period (unless extended ¹)	7.00pm (Melbourne time) on { } 17 May 2021
Anticipated date for issue and allotment of iCollege Shares as consideration ²	{ } 22 May 2021

Letter from the Chairman

~~9 April 25 March~~ 2021

Dear Redhill Education Shareholder

Offer to acquire your Redhill Education Shares

On behalf of iCollege Limited ACN 105 012 066 (**iCollege**), we are pleased to present iCollege's Offer to acquire all of your shares in Redhill Education Limited ACN 119 952 493 (**Redhill Education**).

The Offer Price is 7.6 iCollege Shares for every 1 Redhill Education Share you own. This represents:

- a premium of ~~22.240.7~~% on Redhill Education's closing share price of \$0.81 on 19 February 2021, the last day of trading prior to the announcement of the Offer³;
- a premium of ~~6590.0~~% on Redhill Education's June 2020 capital raise price of \$0.60;
- a premium of ~~29.449.0~~% on Redhill Education's undisturbed price of \$0.765 on 11 December 2020, the last day of trading prior to the announcement of UCW's takeover offer for Redhill Education;
- a premium of ~~42.829.8~~% on UCW's implied offer price of \$0.878, 4.5x UCW's closing share price of \$0.195 on 19 February 2021, the last day of trading prior to the announcement of the Offer; and

¹ The Offer may be extended to the extent permitted under the Corporations Act.

² If the Offer is extended this date will change. In any event, the College Shares will be issued to you within one month after the later of the date you accept the Offer; and the date all of the Conditions to the Offer have been waived or satisfied, or 21 days after the end of the Offer Period (whichever is earlier).

³ Based on the closing price of Redhill Education Shares on ASX on 19 February 2021.

- a premium of ~~45.631.4~~% based on Redhill Education's 30-day VWAP prior to the announcement of the Offer⁴;
- a premium of ~~46.3928.8~~% based on implied price of the Redhill Education Shares at the close of trading on ~~24 March~~ 8 April 2021, being ~~the~~ day before lodgement of the Bidder's Statement with ASIC.

About iCollege

iCollege is an ASX listed leading vocational training provider that comprises six businesses which deliver accredited and non-accredited vocational education and training.

Benefits of the Offer

The Offer provides Redhill Education Shareholders with the ability to exchange 1 Redhill Education Share for 7.6 iCollege Shares. This is equivalent to \$~~0.991.14~~ per Redhill Education Share.

The key strategic rationale for the Offer includes:

- creating a national champion education portfolio by combining two Australian industry leaders;
- combining complementary businesses that benefit from expanded geographic diversity;
- significant value creation for both sets of shareholders;
- greater scale and stronger balance sheet facilitating future growth opportunities; and
- enhanced product offering providing the opportunity to extend student lifecycles through the offering of a broader collection of courses.

I would encourage Redhill Education Shareholders to accept this Offer which provides a synergistic and collaborative approach to a challenging and uncertain market by providing diverse revenue streams addressing the opportunities in both domestic and international education. iCollege and Redhill Education, both industry leaders with strong brands, vary in their campus locations, course offerings and international agent network, providing significant scope for both revenue and cost synergies.

We encourage you to read this Bidder's Statement for more details about the Offer and about iCollege.

The Offer is conditional

The Offer is subject to a number of Conditions that are set out in the Bidder's Statement. These include a condition that iCollege acquires at least 90% of Redhill Education Shares. At the date of this Bidder's Statement, iCollege does not own any Redhill Education Shares. The terms of the Offer are set out in Schedule 1 to this Bidder's Statement.

There are a number of specific and general risks involved with holding iCollege Shares, not dissimilar to holding Redhill Education Shares. These risks include industry risk, operational risk, key personnel risk, financial risk, regulatory risk and market risk. Further information about the risks involved with holding iCollege Shares are set out in section 8.

We encourage you to read this Bidder's Statement for more details about the Offer and about iCollege. The Offer is open for your acceptance from ~~{ ——— }~~ 15 April 2021 until 7.00pm (Melbourne time) on ~~{ }~~ 17 May 2021, unless extended. If you wish to accept the Offer, please complete and return the **enclosed** Acceptance Form.

If you have any questions about the Offer, please contact your legal, financial or other professional adviser or call Registry Services on +61 8 6500 2114 Monday to Friday between 8.30 am and 5.00 pm.

This merger is an exciting opportunity for both iCollege Shareholders and Redhill Education Shareholders to combine and create what will be one of Australia's leading listed education providers.

⁴ Calculated over the 30 trading days before the announcement of the Offer.

The Combined Entity will be well positioned to invest, innovate and compete in a rapidly growing marketplace. I strongly encourage you to accept the Offer and I look forward to welcoming you all as iCollege Shareholders.

Yours sincerely



Simon Tollhurst
Chairperson
iCollege Limited

1 Reasons to accept the Offer

1	The Offer represents an attractive premium to all of the relevant metrics, including the competing UCW offer and the undisturbed share price of Redhill Education Shares prior to the announcement of the UCW offer.
2	<p>Combining iCollege and Redhill Education brings together two Australian industry leaders creating a champion education portfolio delivering:</p> <ul style="list-style-type: none">• diversified earnings base• expansive geographic footprint• immediate and long-term cost and revenue synergies, otherwise not available on a standalone basis• strengthened balance sheet• greater liquidity and increased market capitalisation
3	On a standalone basis, there is uncertainty surrounding the timing of the recovery for Redhill Education given its exposure to the international student market and ambiguity around the easing of international border restrictions.
4	iCollege employs a highly regarded and experienced board and management team that has a demonstrated track record of prudent cash management, turnaround, acquisition, and integration experience.
5	Should you choose to reject this complementary and synergistic offer, there are risks in remaining a minority shareholder in Redhill Education.
6	No other superior proposal has emerged for your Redhill Education Shares at the date of this Bidder's Statement.
7	Redhill Education shareholders who are Australian residents are not expected to pay stamp duty or brokerage to accept the Offer ⁵ .
8	You may be eligible for CGT rollover relief.

⁵ Unmarketable Parcel Shareholders and Foreign Shareholders may be required to pay a brokerage fee. You should consult your professional adviser in this regard.

1 The Offer represents an attractive premium to all of the relevant metrics, including the competing UCW offer and the undisturbed share price of Redhill Education Shares prior to the announcement of the UCW offer.

The Offer provides Redhill Education Shareholders with the ability to retain exposure to Redhill Education's assets whilst capturing an attractive premium for your shareholding.

If you accept the Offer, you will be issued 7.6 iCollege Shares for every one Redhill Education Share you hold.⁶ This represents:

- a premium of ~~22.240.7~~ 22.240.7% on Redhill Education's closing share price of \$0.81 on 19 February 2021, the last day of trading prior to the announcement of the Offer⁷;
- a premium of ~~6590.0~~ 6590.0% on Redhill Education's June 2020 capital raise price of \$0.60;
- a premium of ~~29.449.0~~ 29.449.0% on Redhill Education's undisturbed price of \$0.765 on 11 December 2020, the last day of trading prior to the announcement of UCW's takeover offer for Redhill Education;
- a premium of ~~12.829.8~~ 12.829.8% on UCW's implied offer price of \$0.878, 4.5x UCW's closing share price of \$0.195 on 19 February 2021, the last day of trading prior to the announcement of the Offer;
- a premium of ~~45.631.4~~ 45.631.4% based on Redhill Education's 30-day VWAP prior to the announcement of the Offer⁸; and
- a premium of ~~16.3928.8~~ 16.3928.8% based on implied price of the Redhill Education Shares at the close of trading on ~~24 March~~ 8 April 2021, being the day before lodgement of the Bidder's Statement with ASIC.

The implied value of the Offer represents an attractive premium to trading in Redhill Education Shares prior to the Offer announcement on 19 February 2021, as demonstrated in the chart below.

⁶ If you are an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder your iCollege Shares will be sold and the net proceeds paid to you.

⁷ Based on the closing prices of shares in iCollege and Redhill Education on ASX on 19 February 2021, the trading day before the Offer was announced.

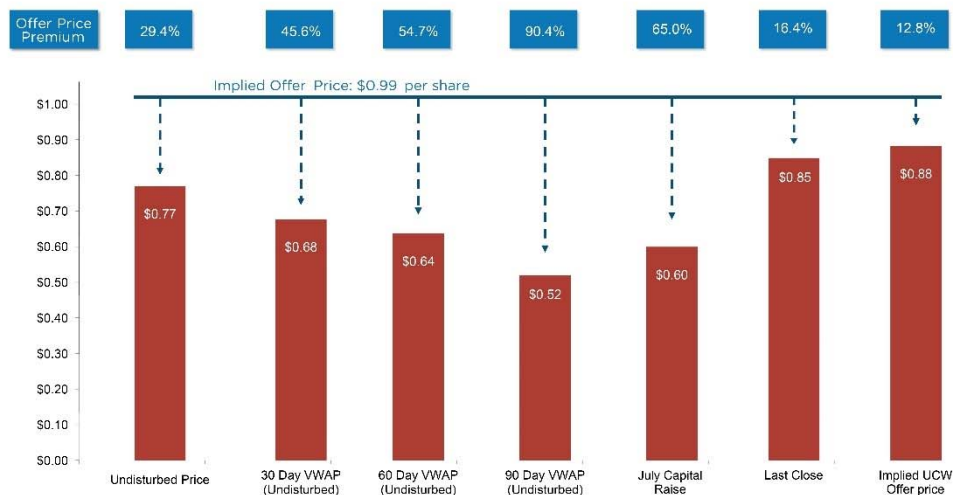
⁸ Calculated over the 30 trading days before the announcement of the Offer.

RDH Implied offer
Price Per Share**\$0.99**

Implied Equity Value

\$50.3m

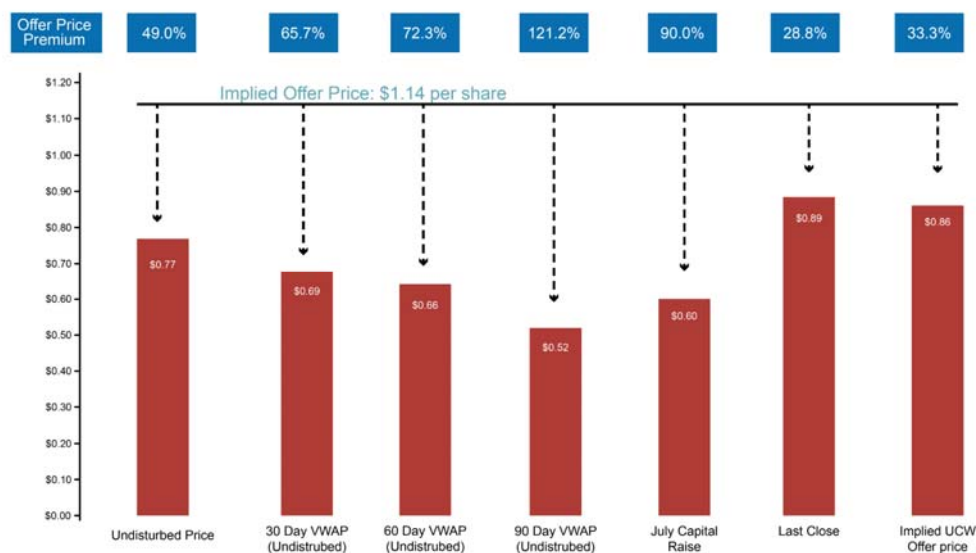
% of Shares Acquired

100%RDH Implied offer
Price Per Share**\$1.14**

Implied Equity Value

\$58m

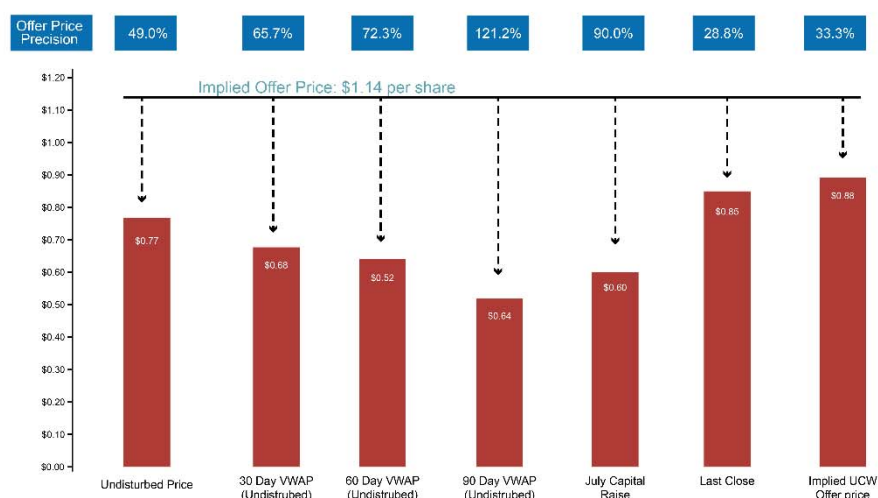
% of Shares Acquired

100%RDH Implied offer
Price Per Share**\$1.14**

Implied Equity Value

\$58m

% of Shares Acquired

100%Notes

(1) 49.0% - Based on RDH share price at 11 December 2020 (day prior to UCW Bidder's Statement)

(2) 65.7%/72.3%/121.2% - VWAP is calculated for the period up to and including 11 December 2020, the last trading day prior to the date of the UCW Bidder's Statement. VWAP is calculated based on cumulative value divided by cumulative volume traded on ASX

(3) 90.0% - Offer premium relative to the RDH recent capital raise price of \$0.60, completed in July 2020



(4) 28.8% - Based on the value of each RDH share of \$0.89, being the closing price on 8 April 2021, the last trading day prior to the date of the Bidder's Statement

(5) 33.3% - Based on the value of each UCW share of \$0.19, being the closing price on 8 April 2021, the last trading day prior to the date of the Bidder's Statement multiplied by the exchange ratio of 4.5 fully paid ordinary shares in UCW for each ordinary voting share on issue in RDH, being the exchange ratio outlined in the UCW Bidder's Statement (i.e. \$0.19 multiplied by 4.5)

iCollege also believes the Offer is superior by way of price and synergy to any prior offers for your Redhill Education Shares.

Recent trading prices for shares in iCollege and Redhill Education are set out in sections 4.11 and 5.4.

2 The consolidation of iCollege and Redhill Education brings together two Australian industry leaders creating a champion education portfolio.

	RDH	ICT
Market segment	ELICOS, VET, Higher education and international student recruitment	ELICOS, VET and English language testing
Student sector	Domestic and International	Domestic and International
Revenue split	85% international students and 15% domestic students	46% international students and 54% domestic students
Course mix	English language, business, leadership and management, IT, coding, mobile app development, digital design, interior design	English language, business, leadership and management, health and community services, building and construction, hospitality and IT
Locations	Brisbane, Melbourne and Sydney	Adelaide, Brisbane, Canberra, Gold Coast, Perth and Sydney
Student recruitment offices locations	Australia, Chile, Colombia, France, Italy, Mexico, Spain	N/A
Funding sources	FEE-HELP, Commonwealth Supported Place, Vet Student Loans (VSL) and fee for service	Subsidised state government funding contracts in ACT, NSW, QLD, SA, WA and fee for service
Brands		

2.1 Diversified earnings base

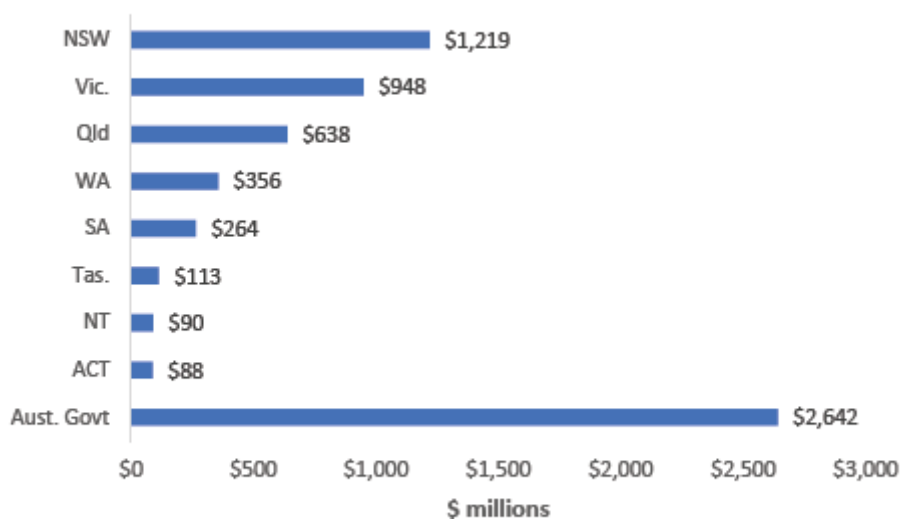
Redhill Education has a significant reliance on international students, which represents 85% of the revenue derived from education services.

Prior to the emergence of COVID-19 iCollege's revenues were evenly split between international and domestic students. In April 2020, iCollege increased its focus on the domestic training market while maintaining appropriate resources to ensure readiness for the resumption of the stalled international student market. iCollege expects to see continued and sustained growth in the domestic student market, representing at least 65% of enrolments in the near term.

The Combined Entity will provide Redhill Education Shareholders with immediate access to the \$6.2bn subsidised domestic training market and \$1bn Federal Government vocational JobTrainer initiative.

iCollege, through its state funded subsidised training contracts across 5 states and territories including ACT, NSW, QLD, SA and WA, already enjoys access to these existing and lucrative markets which are currently being driven by the need to upskill and or reskill the existing Australian workforce.

VET Funding Contributions by Jurisdiction 2019



Source: NCVER

The graph above demonstrates the amount of domestic training revenue available by state. iCollege currently draws 90% of its revenue from Western Australia, South Australia and Queensland. Given the opportunity to rapidly expand into the more lucrative markets of New South Wales and Victoria, iCollege would expect to gain market share at the same time addressing the underutilisation of Redhill Education's facilities.

Course mix and business model

The Combined Entity will have the capacity to extend student lifecycles through the provision of an expanded course offering, driving material revenue synergies. Currently Redhill Education provides training from ELICOS⁹ through to tertiary level qualifications, while iCollege is mainly focussed on the skill shortage areas in vocational training. The iCollege scope of training frequently provides the graduate with employment outcomes and/or a potential pathway to immigration. A merger between Redhill Education and iCollege provides an opportunity to all graduates of the Redhill Education English program to continue their studies within the broader group course offering, removing the need to move on to other third-party providers.

Redhill Education predominantly offers ELICOS, business and management, technology and design courses, while iCollege focuses on hospitality, health and community services, building and construction, business and ELICOS courses. The expanded training portfolio of the Combined Entity is expected to provide international and domestic students with a range of study options.

International student diversity

Redhill Education recruits many of its international students from South America, parts of Asia and Europe, while iCollege's international agent network draws most of its international

⁹ English Language Intensive Courses.

students from the Indian subcontinent, South East Asia and South America. The shared international agent network resource provides the opportunity to expand each entity's international reach and increase existing student enrolment pipelines, ensuring a boost to student numbers upon the reopening of Australia's borders. Additionally, the broader geographical coverage ensures there will not be an over dependence on a particular country or region.

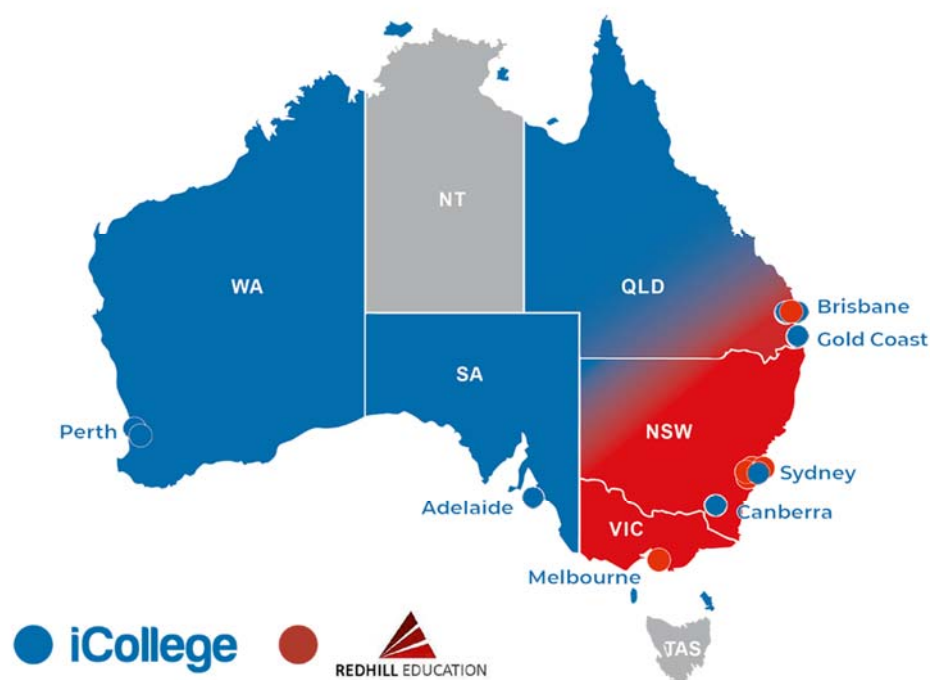
2.2 Expansive geographic footprint

Approximately 90% of Redhill Education's domestic revenue is derived from New South Wales and Victoria – most of Redhill Education's campuses are in New South Wales and Victoria. By comparison, iCollege derives over 90% of its annual revenue from Queensland, South Australia and Western Australia.

Redhill Education currently has an overall campus utilisation rate of approximately 26%. The Combined Entity will benefit from greater utilisation of all campuses through the provision of additional training offerings to both domestic and international students.

The combination of both entities will create the opportunity to firmly establish an Australia wide footprint with 14 campuses located across 7 cities including Adelaide, Brisbane, Canberra, Gold Coast, Melbourne, Perth and Sydney. This will enable a more balanced revenue distribution in the Combined Entity.

Campus locations



RDH Campuses		ICT Campuses	
Sydney	4	Brisbane	2
Melbourne	1	Perth	2
Brisbane	1	Sydney	1
Total Locations	6	Adelaide	1
		Gold Coast	1
		Canberra	1
		Total Locations	8

2.3 Immediate and long-term cost and revenue synergies, otherwise not available on a standalone basis.

iCollege anticipates that following integration of the two entities and assuming iCollege is entitled to proceed to compulsory acquisition and does so, the Combined Entity will likely enjoy material operating efficiencies resulting in a lower overall cost base.

Through a collaborative integration process with the Redhill Education team, iCollege estimates potential annual cost savings of \$3.7m can be realised by the elimination of duplication of duties, including administrative and corporate functions, along with the rationalisation of campuses and implementation of programs to increase utilisation.

Costs associated with Redhill Education's ASX listing will no longer be incurred in the event that Redhill Education is delisted from ASX (refer to sections 7.2 and 7.3 for more information about iCollege's intentions in respect of Redhill Education's ASX listing).

The full extent of savings can only be quantified on the completion of the transaction and a complete audit of operations and management of the Redhill Education business.

However, a proposed estimate of cost savings is set out below:

Category	Description of Key Costs	Cost Savings	Time Frame
Cost of services	<ul style="list-style-type: none"> • Student acquisition costs (agent commissions) • Teaching resource costs 	\$ 1.0m	3-24 months
Corporate Costs	<ul style="list-style-type: none"> • Public company expenses • Board and executive costs 	\$ 0.6m	0-4 months
Sales, general & administration	<ul style="list-style-type: none"> • Marketing costs • Administration costs • General business costs • Insurance and IT costs 	\$ 0.5m	0-12 months
Employee expenses	<ul style="list-style-type: none"> • Salaries and employee costs 	\$ 1.2m	0-12 months
Property	<ul style="list-style-type: none"> • Occupancy costs 	\$ 0.4m	0-12 months

2.4 Strengthened balance sheet, stronger revenues and increased profitability.

On a proforma H1 FY21 basis, the Combined Entity will have:

- Revenues of \$30.53m;
- EBITDA of \$7.41m excluding cost synergies;
- Cash at bank of \$28.6m.

iCollege expects that the diversified earnings base, broader geographic footprint, and implementation of immediate and ongoing cost and revenue synergies will lead to a financially stronger business.

2.5 Greater liquidity and increased market.

As a result of the COVID-19 pandemic, the Redhill Education Share price fell to a 12-month low of \$0.43 in August 2020. The Redhill Education business continues to suffer from lower levels of liquidity and on a standalone basis, with declining revenues and profitability, it is possible the price of Redhill Education Shares may continue to fall if market consolidation does not proceed.

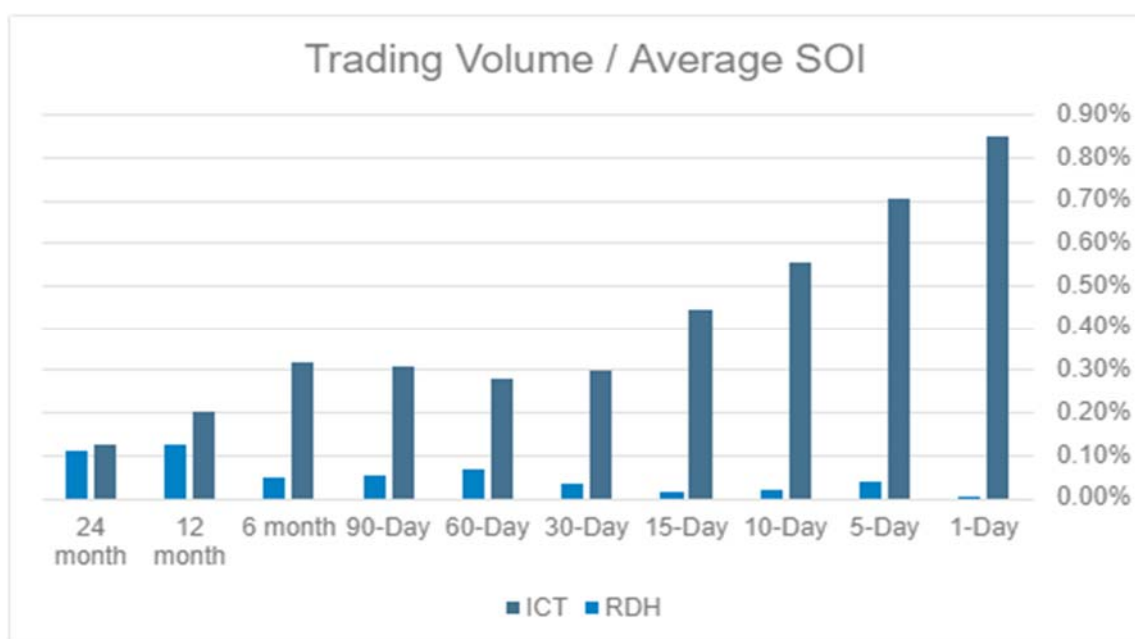
By comparison, iCollege has outperformed Redhill Education in share price growth with greater liquidity.

The Board expects that the successful combination of the businesses should result in greater liquidity and market capitalisation leading to increased capital markets relevance.

Share price performance - 22 February 2019 to 19 February 2021



Trading volume - 22 February 2019 to 19 February 2021



3 On a standalone basis, there is uncertainty surrounding the timing of the recovery for Redhill Education given its exposure to the international student market and ambiguity around the easing of international border restrictions.

3.1 Declining revenues

Up until the COVID-19 pandemic, Redhill Education Shareholders have enjoyed continued and ongoing organic revenue growth for several years.

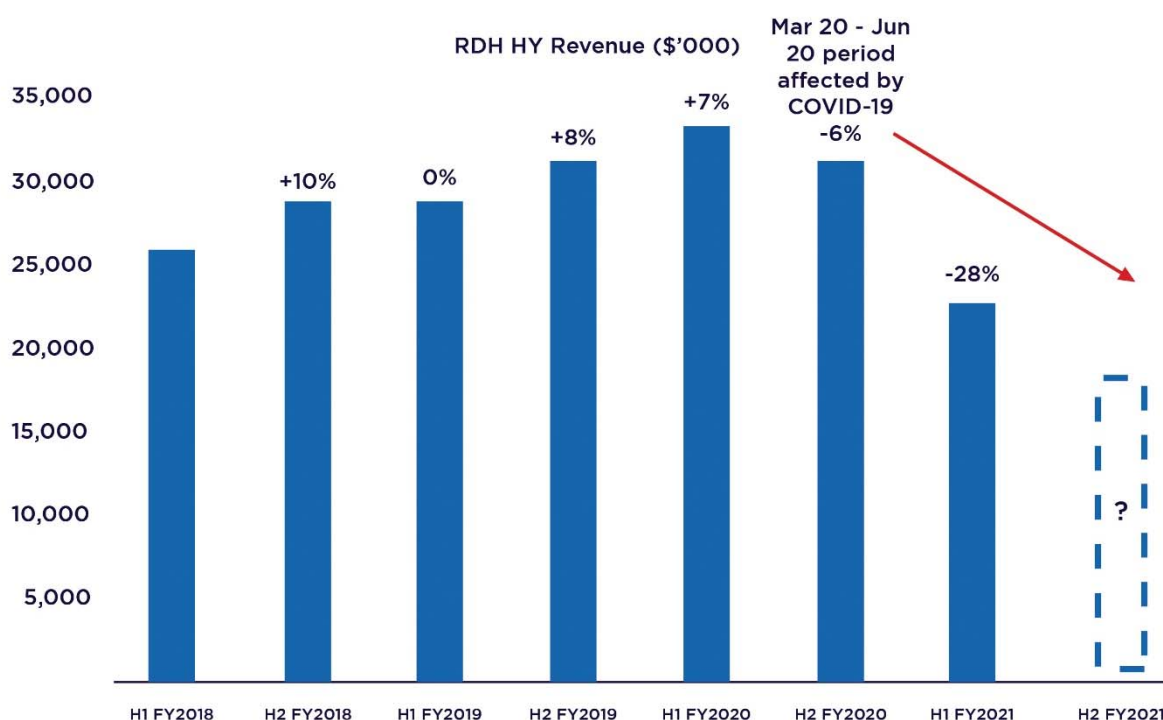
During FY 2020, approximately 85% of Redhill Education revenue was generated from delivering courses and services to international students.

Due to the emergence of COVID-19 and Redhill Education's significant exposure to the international student market, the business experienced a small decline in revenue during H2

FY20 and a heavier decline in revenue during H1 FY21 with revenues of \$22.6m representing a 32% decline from the previous corresponding period.

Two of Redhill Education's business units, Greenwich English College and Go Study Australia, are the most reliant on international students arriving to Australia and as such, iCollege expects that these business units will continue to experience a further decline in revenue for as long as international border restrictions remain in place. While the Redhill Education Board and management have made significant effort during H1 FY21 to change their focus towards marketing initiatives onshore in Australia and create new growth opportunities in the domestic training market, due to Redhill Education's limited exposure to the domestic Australian training market, the Board of iCollege expect that it will be some time before those efforts bear fruit, and Redhill Education's revenue will continue to decline during H2 FY21 and further into FY 2022, if international border restrictions continue to remain in place.

Redhill Education Half Year Revenue



3.2 High cost base

Redhill Education has a large annual cost base related to occupancy and employee expenses. Redhill Education saw an additional \$1,200,000 in new lease commitments in FY 2020 by way of 2 new campuses in Melbourne and Sydney, but subsequently successfully exited lease commitments across 3 sites in Sydney with ongoing annualised cost savings of \$500,000 during H1 FY21.

Additionally, Redhill Education incurred employee costs of \$13,081,000 during H1 FY21 and received \$3,896,000 in Jobkeeper subsidies during the period. With Jobkeeper subsidies coming to an end on March 31, 2021, Redhill Education may be faced with a difficult decision to make several redundancies with large associated termination costs and risk losing experienced and highly skilled staff in the process.

The declining revenues and high cost base are likely to have an ongoing material impact on profitability and cash balances in H2 FY21. iCollege acknowledges that Redhill Education

currently has a strong cash balance. However, Redhill Education may be forced to divert cash at bank to address cash flow deficit rather than a more positive deployment of shareholder funds to support growth opportunities.

3.3 **Uncertainty around border openings and staged border openings**

While all international education providers are excited at the prospect of Australia's borders re-opening, iCollege expects that the reality is that this will likely be undertaken on a gradual and staged basis with an early reliance on travel bubbles between Australia and certain countries being established. iCollege expects that these "travel bubbles" will likely be driven by countries showing success with vaccination programs. According to an article published in news.com.au on March 15, 2021, the Deputy Prime Minister Michael McCormack stated, "We have been in productive discussions with Singapore [in relation to a travel bubble], and we have that travel bubble with New Zealand that is one way at the moment...".

Under the proposal, Australians who had received a COVID-19 vaccine would not need approval from the Department of Foreign Affairs and Trade (DFAT) to travel to Singapore. Singaporeans who had been immunised would be allowed to travel to Australia without undergoing two weeks in quarantine.

Approximately 61% of Greenwich English College's current student cohort is drawn from South America and less than 20% of its cohort is drawn from Asia. Therefore, if travel bubbles were to be put in place under a gradual and staged program, due to the limited vaccination rates in South America currently known, the Board of iCollege anticipates that students from those regions will not gain as much priority as students coming from Asia and Europe which may drive a further downturn in the enrolments at Greenwich English College and Go Study Australia's student recruitment channels.

Therefore, whilst Redhill Education has a strong cash balance to manage the ongoing period of uncertainty, iCollege expects that there will likely be a significant period before the recovery of revenues and profitability return to a pre-pandemic level. As a result, the price of Redhill Education Shares may also continue to fall, and ongoing poor average daily trading volumes may continue.

4 iCollege employs a highly regarded and experienced board and management team that has a demonstrated track record of prudent cash management, turnaround, acquisition, and integration experience.

In February 2018, the members of iCollege voted to acquire 100% of Manthano Limited assets which included Sero Institute and Capital Training Institute plus an additional cash component of AUD\$1,000,000.

At the time, iCollege was operating two Registered Training Organisations being Celtic Training located in South Australia and Mathisi Limited in Queensland.

During this initial period, the attention of the Board was focused on a legacy \$9,000,000 legal claim surrounding the acquisition of Management Institute of Australia acquired in 2015. The Board was rapidly restructured to its current format with two Executive Directors and a Non-Executive Chairman. This restructure was completed in May 2018 with the appointment of Badri Gosavi. The new Board sought to efficiently extinguish the claim against the company, which was successfully settled in October 2018 with no material effect on the cash position of the company.

While operating with a consistently low cash balance the Board and management successfully focused on the organic growth of the new combined business delivering year on year growth against all relevant metrics.

iCollege announced its maiden profit in H1 FY20, only to be faced with the challenges of the COVID-19 pandemic in H2 FY20. The Board and management have driven significant revenue growth of over

300% between FY18 and FY20. While the revenue growth has come from a much smaller base, this revenue growth has been comparatively higher than that of Redhill Education.

Despite the impact of the COVID-19 pandemic on iCollege's business, iCollege's revenues have continued to grow with iCollege reporting H1 FY21 revenues of \$7.9m, representing an increase of 12% from the previous corresponding period. iCollege's agility and management of the impact of the COVID-19 pandemic has created significant value for shareholders.

iCollege's growth through the COVID-19 pandemic was largely driven by its ability to swiftly respond to the decline of international students. iCollege quickly shifted its focus to the delivery of in demand domestic training for the reskilling of Australians – a necessary pivot given the current challenges facing the international student market.

Growth profile

	Sept 2017	Feb 2021	Growth %
Market Capitalization	\$ 2.7 m	\$ 95.96 m	3454%
Share price	\$ 0.011	\$ 0.165	1400%
Domestic students	300	2000	567%
International students	-	785	-
Number of campuses	1	8	700%
Number of staff	10	80	700%
Course offerings	8	60	650%

5 Should you choose to reject this complementary and synergistic offer, there are risks in remaining a minority shareholder in Redhill Education.

iCollege's intentions in the event that it gains effective control of Redhill Education are set out in Section 7.2 and 7.3.

If iCollege gains effective control of Redhill Education, iCollege will seek board representation on the Redhill Education Board. While iCollege's nominees will, at all times, act in accordance with their fiduciary duties, the presence of a controlling shareholder with board representation gives rise to a risk that Redhill Education is-may be considered a less attractive investment. For example, the market may perceive that control transactions are less likely, and if iCollege were successful in applying to ASX to delist Redhill Education, which iCollege intends to do if it gains effective control of Redhill Education Shares, this may have a material effect on the value of Redhill Education Shares.

Therefore, bBy not accepting the Offer, there is a risk that Redhill Education Shareholders may become minority shareholders in-an-unlisted public company with less influence over the future direction of Redhill Education.

If iCollege decides not to seek a delisting of Redhill Education, or its application to ASX is unsuccessful, it is likely that trading in Redhill Education Shares will be less attractive to the market resulting in greatly reduced liquidity.

6 No other superior proposal has emerged for your Redhill Education Shares at the date of this Bidder's Statement.

At the date of this Bidder's Statement, no other superior proposal has emerged for your Redhill Education Shares.

7 Redhill Education shareholders who are Australian residents are not expected to pay stamp duty or brokerage to accept the Offer.

Redhill Education Shareholders who are residents of Australia are not expected to pay stamp duty or brokerage on the transfer of their Redhill Education Shares under the Offer.

Unmarketable Parcel Shareholders and Foreign Shareholders may be required to pay a brokerage fee. You should consult your professional adviser in this regard.

Issuer Sponsored Holding

If your Redhill Education Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to iCollege, you are not expected to incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.

CHESS Holding

If your Redhill Education Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Redhill Education Shares are registered in the name of a broker, bank, custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, and it is unlikely that you will be obliged to pay brokerage.

However, you should ask your Controlling Participant (usually your Broker) or nominee whether it will charge any transactional fees or service charges in connection with your acceptance of the Offer.

8 You may be eligible for CGT rollover relief

As outlined in Section 10 of this Bidder's Statement, where iCollege acquires 80% of the Redhill Education Shares on issue (**80% threshold**), Redhill Education Shareholders may be eligible to apply CGT rollover to the disposal of their Redhill Education Shares under the Scrip for Scrip provisions of the Income Tax Assessment Act 1997.

If iCollege does not meet the 80% threshold as a result of the Offer and acquires your Redhill Education Shares, the CGT rollover relief will not be available and a CGT event will crystallise for the relevant shareholders.

Please refer to Section 10 of this Bidder's Statement for further details relating to the CGT implications of this Offer.

2 Frequently asked questions about the Offer

Question	Answer
What is the Offer?	<p>iCollege is making an offer to acquire all of your Redhill Education Shares.</p> <p>If you accept the Offer, you will receive 7.6 iCollege Shares for every 1 Redhill Education Share you own.</p>
How long is the Offer open for?	<p>The Offer opens on 15 15 April 2021 and is scheduled to close at 7.00pm (Melbourne time) on 17 17 May 2021 (unless extended).</p>
What are the conditions of the Offer?	<p>The Offer is subject to a number of Conditions, including:</p> <ul style="list-style-type: none"> a minimum acceptance condition of 90% - before the end of the Offer Period, iCollege has a Relevant Interest in more than 90% (by number) of Redhill Education Shares; regulatory approvals – before the end of the Offer Period, the relevant regulatory approvals (including approvals from the ACCC and the Australian Competition Tribunal) are granted, and remain in force; and material adverse change – before the end of the Offer Period, there is no occurrence of a Material Adverse Change. <p>Full details of the Conditions are set out in Schedule 1.</p>
Do I have to pay any fees?	<p>Redhill Education Shareholders who are residents of Australia on acceptance of the Offer are not expected to incur any Australian stamp duty or be subject to GST on acceptance of the Offer. Foreign Shareholders and Unmarketable Parcel Shareholders may be liable for fees and should consult their professional advisers in this regard.</p> <p>If you choose to sell your Redhill Education Shares on market you may incur brokerage costs and GST on those costs.</p>
What should I do?	<p>To accept the Offer, you should:</p> <ul style="list-style-type: none"> read this Bidder's Statement in full; read Redhill Education's Target's Statement in full (when issued); consult your Broker, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer; and accept the Offer in the manner described in section 3. <p>If you have any queries about the Offer, you may also call Registry Services on +61 8 6500 2114 on Monday to Friday between 8.30 am and 5.00 pm.</p>
How do I accept the Offer?	<p>The Offer may only be accepted for all of your Redhill Education Shares.</p> <p>The manner in which you accept the Offer depends on whether you hold your Redhill Education Shares in an Issuer Sponsored Holding, a CHESS Holding, or if you are a Broker or a Non-Broker Participant.</p>

Question	Answer
	<p>Full details on how to accept the Offer are set out in section 3.</p> <p>For CHESS Holdings you should instruct your stockbroker or other Controlling Participant to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.</p> <p>For Issuer Sponsored Holdings you must complete, sign and return the Acceptance Form in accordance with the instructions on it. Return it to the address indicated on the form so that it is received before the end of the Offer Period. A reply paid envelope (not able to be used by Redhill Education Shareholders outside Australia) is enclosed for your convenience.</p> <p>Mailing and delivery addresses</p> <p>If you reside in Australia, you can use the reply paid envelope enclosed with this Bidder's Statement. The mailing address is:</p> <p>Advanced Share Registry Ltd PO BOX 1156 Nedlands WA 6909</p> <p>Alternatively, you may hand deliver the Acceptance Form and any associated documents to:</p> <p>Advanced Share Registry Ltd 110 Stirling Highway Nedlands WA 6009</p>
<p>If I accept the Offer, when will I receive consideration for my Redhill Education Shares?</p>	<p>Provided that the necessary transfer documents accompany your Acceptance Form, you will be issued iCollege Shares on the earlier of:</p> <ul style="list-style-type: none"> • one month after the later of the date you accept the Offer and the date all of the Conditions to the Offer have been waived or satisfied; and • 21 days after the end of the Offer Period.
<p>If I am a Foreign Shareholder or an Unmarketable Parcel Shareholder, what consideration will I receive for my Redhill Education Shares?</p>	<p>If you are a Foreign Shareholder or an Unmarketable Parcel Shareholder, unless iCollege otherwise determines, you will not be entitled to receive iCollege Shares as consideration for your Redhill Education Shares. Instead, iCollege will arrange for the issue to the Nominee of the number of iCollege Shares you would have been entitled, cause the Nominee to arrange for the sale of those iCollege Shares within five Business Days after the end of the Offer Period in the manner, at the price, and on such other terms as determined by the Nominee and pay to you the amount calculated using the formula in clause 5.3 of the Offer Terms (Schedule 1).</p>
<p>What rights will my iCollege Shares have?</p>	<p>The iCollege Shares issued under the Offer will be fully paid and will rank equally for dividends and other rights with existing iCollege Shares.</p> <p>A detailed explanation of the rights and liabilities attaching to iCollege Shares is set out in section 11.3.</p>

Question	Answer
Will my iCollege Shares be listed on ASX?	iCollege will apply to ASX for quotation of the iCollege Shares to be issued under the Offer within 7 days of the date the Bidder's Statement is given to Redhill Education. Quotation of the iCollege Shares to be issued under the Offer will depend on ASX exercising its discretion in that regard, but the Offer is subject to a statutory condition that permission for quotation will be granted no later than 7 days after the end of the Offer Period, which condition cannot be waived by iCollege.
What happens if I accept the Offer?	<p>If you accept the Offer you will be issued iCollege Shares within the time specified above.</p> <p>Once you accept the Offer you will not be able to sell your Redhill Education Shares or otherwise deal with the Rights attaching to your Redhill Education Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.</p>
What happens if I do not accept the Offer?	<p>If you do not accept the Offer, you will remain a Redhill Education Shareholder and will not be issued iCollege Shares.</p> <p>However, if iCollege becomes entitled to compulsorily acquire your Redhill Education Shares, it intends to do so. If this occurs, you will still receive the Offer Price for your Redhill Education Shares but at a later date than you would have received it if you had accepted the Offer.</p>
What are the tax implications of accepting the Offer?	<p>A general description of the taxation treatment for certain Australian resident Redhill Education Shareholders accepting the Offer is set out in section 10.</p> <p>You should not rely on that description as advice for your own affairs.</p> <p>You should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer.</p> <p>If iCollege does not acquire ownership of 80 percent of Redhill Education Shares (including those that it already holds) under the Offer, then rollover relief will not be available to Redhill Education Shareholders for any capital gain that is made from the receipt of iCollege Shares as consideration.</p>
What are the significant risks of the Offer?	You should carefully consider the risk factors that could affect the performance of iCollege and the Combined Entity before deciding whether to accept the Offer. Many of these risks are outside the control of iCollege. A non-exhaustive summary of the key risks is set out in section 9.
Further information about the Offer	<p>If you are in any doubt how to deal with this Bidder's Statement, you should consult your Broker or your legal, financial or other professional adviser.</p> <p>If you have any questions about the Offer or how to accept it, please call the shareholder information line on +61 8 6500 2114 Monday to Friday between 8.30 am and 5.00 pm.</p>

3 How to accept the Offer

3.1 Issuer sponsored holdings

If you hold your Redhill Education Shares in an Issuer Sponsored Holding, you will need to complete, sign and return the Acceptance Form accompanying this Bidder's Statement in accordance with the instructions on that form and deliver it or send it by post so that it is received by iCollege's share registry before the end of the Offer Period. A reply-paid envelope (for use within Australia only) is enclosed with this Bidder's Statement.

3.2 CHESS holdings

If you hold your Redhill Education Shares in a CHESS Holding:

- (a) instruct your Controlling Participant (for example, your Broker) to initiate acceptance of the Offer on your behalf under Rule 14.14 of the ASX Settlement Operating Rules;
- (b) complete, sign and send the Acceptance Form accompanying this Bidder's Statement directly to your stockbroker or Controlling Participant; or
- (c) complete, sign and return the Acceptance Form in accordance with the instructions on it so that iCollege is authorised to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf, before the end of the Offer Period.

A reply-paid envelope (for use within Australia only) is enclosed for your convenience.

3.3 Brokers or non-broker participants

If you are a Broker or a Non-Broker Participant, you will need to initiate acceptance of the Offer under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

3.4 Acceptance Facility

Establishment of Acceptance Facility

iCollege has established an institutional acceptance facility (**Acceptance Facility**) in relation to the Offer which is open to professional investors (as defined in section 9 of the Corporations Act) that hold or beneficially own at least 505,051 Redhill Education Shares or approximately \$500,000 worth of Redhill Education Shares (**Eligible Shareholders**).

Redhill Education shareholders who are not Eligible Shareholders cannot participate in the Acceptance Facility.

The Acceptance Facility has been established to enable Eligible Shareholders who may be unable or unwilling to accept the Offer until the Offer becomes or is declared unconditional (for example, by reason of their investment mandate) to indicate their intention to accept the Offer.

iCollege has appointed Advanced Share Registry Ltd as the facility operator and agent for the Acceptance Facility (**Facility Agent**). The Facility Agent will be remunerated in accordance with its standard services fees for work performed in its capacity as the acceptance collection agent.

Operation of the Acceptance Facility

An Eligible Shareholder who would like to indicate their intention to accept the Offer may lodge their duly completed appointment of facility agent form (**Appointment Form**) with the Facility Agent, along with the following:

- if the Eligible Shareholder is a registered Redhill Education Shareholder, a duly completed and executed Acceptance Form in respect of their Redhill Education Shares, in accordance with the terms of the Offer; or
- if the Eligible Shareholder's Redhill Education Shares are held by a custodian (such as a nominee) (**Custodian**), a duly completed and executed direction to its Custodian in the form included with the Appointment Form (**Custodian Direction**) in respect of all their Redhill Education Shares, in accordance with the terms of the Offer,

(collectively, **Acceptance Instructions**).

The Facility Agent will hold Acceptance Instructions as acceptance collection agent only and will not acquire a Relevant Interest in the Redhill Education Shares the subject of the Acceptance Instructions. Acceptance Instructions lodged with the Facility Agent will demonstrate the intention of the relevant Eligible Shareholder to accept the Offer but will not constitute acceptance of the Offer while they are held by the Facility Agent.

iCollege may provide a written notice (**Confirmation Letter**) to the Facility Agent at any time and in its discretion (subject to the Corporations Act), stating that:

- (a) iCollege has declared the Offer free of all of the Conditions; or
- (b) iCollege will declare the Offer free of all the Conditions not later than the time that all Acceptance Instructions lodged with the Facility Agent are processed.

iCollege is under no obligation to give a Confirmation Letter to the Facility Agent.

Immediately after the Facility Agent receives a Confirmation Letter from iCollege, the Facility Agent must (as applicable) deliver the Acceptance Instructions to iCollege.

Eligible Shareholders retain all rights and control over the Redhill Education Shares and will be able to withdraw their Acceptance Instructions at any time prior to the Facility Agent receiving the Confirmation Letter from iCollege.

iCollege reserves the right to declare the Offer free from all the Conditions at any time (subject to the Corporations Act) irrespective of the number of acceptances held by iCollege, or the number of Redhill Education Shares that are the subject of Acceptance Instructions held by the Facility Agent.

Obtaining documentation

If you are an Eligible Shareholder, a copy of the Acceptance Form and Appointment Form (including a Custodian Direction), as appropriate, may be requested from the Facility Agent by calling +61 8 6500 2114.

Disclosure of Acceptance Instructions

By 8:00pm (Sydney time) on each business day (or at any other time upon reasonable request from iCollege), the Facility Agent will notify iCollege of the number of Redhill Education Shares in respect of which Acceptance Instructions have been received, or of any withdrawals of Acceptance Instructions that have been received, as at 5:00pm (Sydney time) on that day. Following receipt of this information, for every movement of at least 1% in the aggregate level of:

- (a) iCollege's voting power (as defined in the Corporations Act) in Redhill Education; and
- (b) the Redhill Education Shares in respect of Acceptance Instructions given to the Facility Agent during the Offer Period,

iCollege will give to the ASX by 9:30am (Sydney time) on the next trading day a notice setting out:

- (a) the aggregate number and percentage of Redhill Education Shares in which iCollege has a Relevant Interest (as defined in the Corporations Act and as modified by ASIC class orders) and which are the subject of Acceptance Instructions; and
- (b) a breakdown of the above.

4 Profile of iCollege

4.1 Overview










iCollege is a leading vocational training provider that comprises six businesses through eight training campuses which deliver accredited and non-accredited vocational education and training solutions in Queensland, South Australia, Western Australia, New South Wales and the Australian Capital Territory. iCollege's course offering includes hospitality, health and community services, building and construction, business, information technology and ELICOS. iCollege provides qualifications in the above fields from certificate I to Advanced Diploma.

As at 1 March 2021, iCollege employed 90 people across its operations with its head office located in Queensland.

4.2 Business operations

iCollege currently has:

- Four registered training organisations (RTOs) based in Australia:
 - Capital Training Institute;
 - Sero Institute;
 - Celtic Training; and
 - iCollege International (currently registered but inactive);
- an India-based specialist IT training business focussed on the delivery of intensive boot camp style training in coding: The Hacking School; and
- an English language testing business engaged in the delivery of Linguaskill testing through a partnership with Cambridge Assessment English: TestEd English.

					
 Student market	Domestic and international	Domestic	Domestic	Domestic and international	Domestic and international
 Course sector	Hospitality, business, foundation skills, community services, English language, IT	Healthcare and community services	Building and construction	English language testing	Information technology
 Locations	Brisbane, Gold Coast and Perth	Adelaide and Gold Coast	Sydney, Brisbane, Gold Coast, Canberra, Adelaide	Online	Online
 Number of courses	28	28	10	n/a	4

4.3 Campus Locations



4.4 Strategy

iCollege's key strategic objective is to be a leading provider of high quality, vocational education services iCollege has concentrated on driving organic growth by focussing on high demand skill shortage industries that provide employment outcomes and the opportunity for immigration pathways to graduates.

Employees

iCollege is committed to maintaining a positive, inclusive and innovative workplace culture.

iCollege's management team remains disciplined and focused on providing support for its experienced front-line trainers. Regional managers work closely with corporate support teams who operate the company's shared services division ensuring consistency across the group.

With a continued focus on providing the highest level of employee workplace satisfaction and engagement, iCollege is continuing to attract quality trainers and staff to the organisation.

4.5 Acquisitions

History

Acquisitions pre-August 2017 (Previous Board)

Acquisition Date	Acquisition Made	Acquired	Acquisition Price
9 December 2014	BookKeeping School	100%	\$115,000
1 April 2015	Mathisi Pty Ltd	100%	\$550,000
1 April 2015	Management Institute of Australia	100%	\$2,000,000 (incorporates the effect of sale of share and gain on settlement)
7 January 2016	Celtic Training & Consultancy Pty Ltd	100%	\$2,250,000 including milestone payments

The above acquisitions were made under the iCollege Board prior to 2017. The restructured Board took decisive action to effectively mitigate any risks associated with the legacy acquisitions.

- Bookkeeping School Pty Ltd has been renamed iCollege International and was structured to deliver any training outside Australia. This company remains registered but is dormant.
- Mathisi Pty Ltd was determined by the Board to be an underperforming asset and was disposed of by way of sale as a going concern in October 2018.
- Management Institute of Australia, MIA1 and MIA2 were all deregistered with the regulator ASQA considering significant compliance challenges with the operations of the businesses. Additionally, Management Institute of Australia was subject to a \$9,000,000 legal challenge brought by the vendor, Walker Investments. The Board strenuously defended the action which was settled and announced to the market on October 11, 2018. The settlement did not financially impact iCollege.
- Celtic Training and Consulting was determined to be a viable business and resources were allocated to drive the expansion of the business. Celtic Training and Consulting is currently active and delivers significant revenues to iCollege.

Acquisitions post-August 2017 (Current Board)

Acquisition Date	Acquisition Made	Acquired	Acquisition Price
12 February 2018	Manthano Ltd (Comprised of Brisbane Career College and Capital Training Institute)	100%	250m fully paid ordinary shares

In February 2018, iCollege underwent a full transformation following the acquisition of the Manthano asset. This transformation included a full restructure of the Board and a complete overhaul of operating processes. The acquisition brought into play a further two RTOs operating in skill shortage high demand areas of training. Most significantly, Sero Institute (the Group Flagship) was also accredited by ASQA to deliver training to international students.

The Board and management team of iCollege have worked diligently to provide shareholders with year on year organic growth delivered by the expansion of its scope of training services and geographic locations.

4.6 Directors of iCollege

Simon Tolhurst - Non-Executive Chairman

- Bachelor of Laws
- Master of Laws (Hons)
- Grad Dip Legal Practice
- Solicitor of Supreme Court, Queensland
- Solicitor High Court of Australia

Simon joined the board of iCollege as a Non-Executive chairman in 2017 and has guided corporate governance of the business while working closely with the board and management to facilitate the turnaround of the company.

Simon is a Partner in HWL Ebsworth's Brisbane office and has over 25 years of legal practice. He was named in The Australian Financial Review's Best Lawyers™ as one of Australia's best lawyers in the Litigation category. He is recognised in Doyle's Guide as a Leading Commercial Litigation & Dispute Resolution Lawyer.

Additionally, Simon is a Member of the HWL Ebsworth National Competition Law and Anti-Trust Group that was recently recognised as a leading firm by both Chambers and Legal 500.

Further experience includes directorships on several private companies, including those in the transport, oil & gas and coal industries.

Ashish (Ash) Katta - Managing Director

- Bachelor of Technology
- MBA (International Management)
- Certificate IV in Training and Assessment

Ash joined the board of iCollege in 2017, prior to the acquisition of the Manthano assets. Since his appointment, Ash has been instrumental in the turnaround of the business through his experience in the vocational training market.

In 2015, Ash founded Sero Institute which is now a cornerstone of the broader iCollege business. Ash has worked with the operational team to achieve the highest quality of training and student experience.

Badri Gosavi - Executive Director and Chief Financial Officer

- Bachelor of Business Accounting & Finance (Hons)

Badri joined the board of iCollege in May 2018 taking on the roles of Executive director and Chief Financial Officer.

Badri has been significantly involved in all aspects of the business. His initial priorities were the redevelopment of all operating systems and restructure of the management team. Badri developed and supervised the cost management regime while working with the operations team to develop multiple domestic and international revenue streams.

His talent for cost management proved invaluable during the turnaround across the last two and a half years when the business was undercapitalised.

Badri graduated university at 19 and started the first of 6 restaurants by age 20. Badri has an interest in an exploration joint venture on mining licenses in Zambia with MMG and Rio Tinto.

THE BOARD OF iCOLLEGE HOLD A 13.01% EQUITY INTEREST IN THE COMPANY.

4.7 Financial profile of iCollege

iCollege released its full consolidated financial accounts for the six month financial period ending 31 December 2020 on 11 February 2021. An electronic copy of this report can be obtained from iCollege's website <http://www.icollege.edu.au> or from ASX (ASX:ICT).

The historical financial information in the tables below has been extracted from the audited or reviewed consolidated financial reports for iCollege for the year ended 30 June 2020 and the six-month period ended 31 December 2020. The historical financial information below relates to iCollege on a stand-alone basis and does not reflect any impact of the Offer. The full consolidated financial accounts for the financial periods ended 31 December 2020 and 30 June 2020 which includes notes to these financial statements can be found in iCollege's half year and full year reports. Copies of iCollege's annual reports and half year reports are available on iCollege's website <http://www.icollege.edu.au> or from ASX (ASX:ICT).

On 8 April 2021, iCollege released its quarterly cash flow for the period ending 31 March 2021. An electronic copy of this form can be obtained from ASX (ASX:ICT).

Consolidated Balance Sheet for iCollege

	As at 31 December 2020 \$	As at 30 June 2020 \$
Current Assets		
Cash and cash equivalents	5,528,227	844,890
Trade and other receivables	901,846	523,239
Inventories	197,364	216,275
Other assets	621,670	257,182
Total current assets	7,249,107	1,841,586
Non-current assets		
Plant and equipment	201,330	151,990
Right of use asset	1,816,073	1,425,159
Intangible assets	2,547,718	2,855,550
Total non-current assets	4,565,121	4,432,699
Total assets	11,814,228	6,274,285
Current liabilities		
Trade and other payables	2,540,211	3,238,467
Unearned revenues	2,056,406	2,694,588
Borrowings	965,404	1,145,640
Leases	534,282	529,651
Short-term provisions	324,231	229,025
Total current liabilities	6,420,534	7,837,371
Non-current liabilities		
Borrowings	223,960	223,960
Deferred tax liabilities	697,872	782,526
Leases	1,569,837	1,080,961
Total non-current liabilities	2,491,669	2,087,447
Total Liabilities	8,912,203	9,924,818
Net Assets / (Liabilities)	2,902,025	(3,650,533)
Equity		
Issued capital	34,469,202	29,986,452
Reserves	2,804,234	1,957,234
Accumulated losses	(34,371,411)	(35,594,219)
Total equity	2,902,025	(3,650,533)

Consolidated Income Statement for iCollege

	For the six month period ended 31 December 2020 \$	For the year ended 30 June 2020 \$
Revenue from continuing operations	7,885,968	10,806,163
Cost of Sales	(3,623,281)	(6,162,888)
Gross profit	4,262,687	4,643,275
Other income	936,996	632,683
Audit and tax expenses	(58,621)	(81,575)
Compliance	(53,762)	(100,878)
Consultant fees	(659,976)	(727,992)
Depreciation and amortisation	(694,824)	(1,385,713)
Director fees	(30,000)	(47,500)
Doubtful debts	(168,067)	(677,404)
Employment expenses	(1,554,354)	(2,892,508)
Interest expense	(174,001)	(379,652)
Legal fees	(23,991)	(88,994)
Marketing expenses	(119,372)	(224,550)
Occupancy expenses	(57,251)	(587,515)
Travel expenses	(54,598)	(169,831)
Other expenses	(412,712)	(721,391)
Profit / (Loss) before tax	1,138,154	(2,809,545)
Income tax benefit	84,654	169,308
Net profit / (loss) for the period	1,222,808	(2,640,237)
Other comprehensive income for the period net of tax	-	-
Total comprehensive income attributable to members of the parent entity	1,222,808	(2,640,237)
<i>Earnings per share:</i>		
Basic and diluted loss per share (cents per share)	0.226	(0.502)

Consolidated Statement of Cash Flows for iCollege

	For the six month period ended 31 December 2020 \$	For the year ended 30 June 2020 \$
Cash flows from operating activities		
Receipts from customers	6,366,290	11,233,208
Interest received	896	1,495
Interest paid	(39,790)	(108,454)
Payment to suppliers and employees	(6,708,063)	(11,330,421)
Job Keeper & ATO Cash Flow Boost	778,728	396,154
Bank Guarantees Paid	(176,453)	-
Net cash used in operating activities	221,608	(191,982)
Cash flows from investing activities		
Purchase of plant and equipment	(67,589)	(16,763)
	-	(50,000)
Net cash provided by/(used in) investing activities	(67,589)	(66,763)
Cash flows from financing activities		
Repayment of loans	(585,000)	(334,408)
Proceeds from loans	-	434,090
Proceeds from issue of shares	5,500,000	-
Payment of share issue costs	(385,682)	(15,000)
Proceeds from issue of convertible notes	-	500,000
Net cash provided by financing activities	4,529,318	584,682
Net increase / (decrease) in cash and cash equivalents	4,683,337	709,901
Cash and cash equivalents at the beginning of the period	844,890	134,989
Cash and cash equivalents at the end of the period	5,528,227	844,890

4.8 iCollege capital structure

The total number of iCollege Shares on issue is 581,564,649 ordinary shares. The effect of this Offer on iCollege's capital structure is set out in section 6.3.

iCollege also currently has the following unlisted options on issue.

Number of Options	Exercise Price	Expiry Date
10,000,000	\$0.05	10/07/2023
12,000,000	\$0.15	09/11/2023

4.9 iCollege dividend history

iCollege has not declared or paid any dividends since it listed on the ASX.

4.10 iCollege's substantial holders

Based on material lodged with ASX as at the day before this Bidder's Statement, each of the following persons has identified itself as having a substantial holding in iCollege:

iCollege Shareholder	Number	Percentage
Druid Consulting Pty Ltd	56,550,000	9.72%
AWJ Family Pty Ltd	37,900,000	6.5%
Silver River Investment	18,328,767	3.15%
Gasmere Pty Ltd	15,956,044	2.74%
Sayers Investments (ACT)	13,200,000	2.27%

4.11 Recent trading in iCollege shares

iCollege Shares are quoted on the ASX. Set out below is a table showing recent trading prices of iCollege Shares on the ASX:

Comparative Trading Period Of iCollege Shares	Price
Highest trading price in the 4 month period to the date this Bidder's Statement was lodged with ASIC	\$0.165
Lowest trading price in the 4 month period to the date this Bidder's Statement was lodged with ASIC	\$0.089
Closing trading price on the last trading day prior to iCollege's announcement of its intention make the Offer, being 22 February 2021	\$0.165
Closing price of iCollege Shares on 24 March 2021 being the day before this Bidder's Statement was lodged with ASIC	\$0.130

4.12 Publicly available information

iCollege is a company listed on ASX (ASX:ICT) and is subject to the continuous and periodic disclosure requirements of the Listing Rules and the Corporations Act. A substantial amount of information on iCollege is publicly available and may be accessed by referring to iCollege on www.asx.com.au.

A list of announcements made by iCollege to ASX since the FY 2020 annual report and up to the date of this Bidder's Statement is set out in Schedule 2. This information may be relevant to your assessment of the Offer. Copies of the announcements are available from ASX.

5 Profile of Redhill Education

5.1 Disclaimer

The following information on Redhill Education has been prepared by iCollege using publicly available information and has not been independently verified. Accordingly, to the extent permitted by law, iCollege does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on Redhill Education in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires Redhill Education to provide a Target's Statement to Redhill Education Shareholders in response to this Bidder's Statement, setting out certain material information concerning Redhill Education. You should refer to Redhill Education's ASX announcements and Redhill Education's Target Statement when it has been provided.

5.2 Redhill Education capital structure

- (a) iCollege's Offer is to acquire all of the issued Redhill Education Shares and any Redhill Education Shares issued during the Offer Period as a result of the exercise of Redhill Education Options and Redhill Education Rights.
- (b) At the date of this Bidder's Statement, there are 50,847,956 Redhill Education Shares on issue.
- (c) At the date of this Bidder's Statement, there are 495,000 Redhill Education Options on issue.
- (d) At the date of this Bidder's Statement, there are 1,150,101 Redhill Education Rights on issue.

5.3 Redhill Education's substantial holders

Based on material lodged with ASX as at the day before this Bidder's Statement, each of the following persons has identified itself as having a substantial holding in Redhill Education:

Relevant Substantial Shareholders of Redhill Education Limited as of 24 March 2021		
Shareholder	Shareholding Balance	Shareholding Percentage
Perpetual Limited and its related bodies corporate	6,945,023	13.66%
Viburnum Funds group and associates	6,504,658	12.79%
Pendal Group Limited	5,042,824	9.92%
Welas Pty Ltd	3,737,632	7.35%
Regal Funds Management Pty Ltd	2,712,078	5.33%
Acorn Capital Limited	2,625,261	5.16%
Credit Suisse Holdings (Australia) Limited and associates	2,573,306	5.06%
Substantial Holder Based on Takeover Offer Acceptances		
UCW Limited*	15,674,620	30.8%

* Relevant interest in Redhill Education Shares under pre-bid acceptance agreements entered into with Perpetual Limited, Viburnum Funds and Microequities Asset Management Pty Ltd.

5.4 Recent trading in Redhill Education shares

Redhill Education Shares are quoted on the ASX. Set out below is a table showing recent trading prices of Redhill Education Shares on the ASX:

Comparative Trading Period of Redhill Education Shares	Price
Highest trading price in the 4-month period to the date this Bidder's Statement was lodged with ASIC	\$1.11
Lowest trading price in the 4-month period to the date this Bidder's Statement was lodged with ASIC	\$0.68
Closing trading price on the last trading day prior to iCollege's announcement of its intention make the Offer, being 22 February 2021	\$0.90
Closing price of Redhill Education Shares on 24/3/21 being the day before the date this Bidder's Statement was lodged with ASIC	\$0.85

5.5 Relevant Interests in Redhill Education Shares

At the date of this Bidder's Statement, iCollege does not hold any Redhill Education Shares.

During the four months before the date of this Bidder's Statement, neither iCollege nor an associate of iCollege provided, or agreed to provide, consideration for Redhill Education Shares under a purchase or agreement.

During the four months before the date of this Bidder's Statement, neither iCollege nor any associate of iCollege gave, or offered or agreed to give, a benefit to another person that was likely to induce that other person, or an associate of that person, to accept an offer or dispose of Redhill Education Shares, and which was not offered to all Redhill Education Shareholders.

5.6 Further information

Redhill Education is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Listing Rules and the Corporations Act. A substantial amount of information on Redhill Education is publicly available and may be accessed by referring to Redhill Education on www.asx.com.au. A list of announcements made by Redhill Education on ASX since FY 2020 annual report up to the date of this Bidder's Statement appears in Schedule 3.

Further information about Redhill Education can be found on Redhill Education's website: <http://www.redhilleducation.com.au/> and on the ASX (ASX:RDH).

6 Profile of Combined Entity

6.1 Introduction

The profile of the Combined Entity will vary depending on the outcome of the Offer. Unless otherwise indicated, the description of the Combined Entity in this section 6 assumes that Redhill Education is a wholly-owned subsidiary of iCollege. If iCollege is not entitled to compulsorily acquire Redhill Education Shares during the Offer Period, some of the benefits that would otherwise accrue to iCollege if Redhill Education were to become a wholly owned subsidiary of iCollege may not be fully realised.

6.2 Overview of the Combined Entity

The Combined Entity will provide investors with exposure to an expanded education services offering covering qualifications from certificate I level through to higher education, The Combined Entity will provide the full range of services in 6 of the 8 States and Territories, whilst maintaining a multi-brand strategy.

The creation of one larger single company by way of a merging and integrating the two entities is expected to have numerous benefits for the shareholders of both Redhill Education and iCollege. These benefits include:

Multi-brand strategy

The Combined Entity will continue to adopt a multi-brand approach, operating across different brands in Australia to cater to the needs of the student community. These brands will significantly increase the existing offerings of both individual groups providing for the opportunity to significantly increase the student lifecycle within the Combined Entity. Additionally, the operation of a multi-brand group greatly mitigates regulatory risk and allows for the continuation of associated companies if one of the businesses is subject to an adverse regulatory decision. This strategy also mitigates risk in the event the market changes significantly through regulatory or environmental pressure.

Revenue underpinned by supportive government policies

Supportive government policies in the form of government subsidised training, Vet Student Loans (VSL), FEE-HELP, Commonwealth support payments and specific initiatives designed to provide affordable training to Australian citizens contributes to the financial revenue generated by the Combined Entity. The addition of significant domestically generated revenues allows for a longer runway relieving some of the pressure currently being sustained by both businesses due to extended Australian border closures.

Strong long-term demand for education services

The Combined Entity will have access to the Australian Government training incentives and the ability to expand rapidly through rolling out domestic training in the lucrative New South Wales and Victorian markets. Development of these markets while maintaining readiness for the easing of border restrictions will see the Combined Entity generating revenue domestically to address the downturn in international students. It will be important to remain ready to welcome new international students which should see revenues from both domestic and international students achieving parity in the mid-term.

6.3 Capital structure of the Combined Entity

The following table represents the effect of the Offer on iCollege's capital structure based on iCollege owning 100% and 50.1% (respectively) of the Redhill Education Shares on issue, excluding the effect of the Redhill Education Rights and ignoring rounding:

	100%		50.1%	
	Number	%	Number	%
iCollege Shares on issue at the date of this Bidder's Statement	581,564,649	60.05	581,564,649	79.22
New iCollege Shares issued to Redhill Education Shareholders	386,971,399	39.95	152,543,868	20.78
Total iCollege Shares on issue after the Offer	968,536,048	100.00	734,108,517	100.00

6.4 Pro forma financial information assuming iCollege acquires 100 percent and 50.1 percent of Redhill Education

Summary information

The financial information included in this section 6.4 is pro forma financial information for the Combined Entity comprising iCollege and Redhill Education as at, and for the six-month period ended 31 December 2020 and assuming two scenarios. The first scenario is that iCollege acquires 100 percent of Redhill Education under this Offer, and the second scenario is that iCollege acquires 50.1 percent of Redhill Education under this Offer. The pro forma financial information comprises the following:

- Unaudited pro forma combined balance sheet of the Combined Entity as at 31 December 2020 (**Pro Forma Balance Sheet**).
- Unaudited pro forma combined statement of financial performance of the Combined Entity for the six-month period ended 31 December 2020 (**Pro Forma Statement of Financial Performance**); and
- Unaudited pro forma combined cash flow statement of the Combined Entity for the six-month period ended 31 December 2020 (**Pro Forma Statement of Cash Flows**).

The pro forma financial information presented below has been extracted from the reviewed financial reports for iCollege and Redhill Education as at and for the six-month period ended 31 December 2020.

The financial information reflects the latest publicly available information for Redhill Education that is capable of being compared.

The pro forma financial information does not represent what the Combined Entity would look like on a consolidated basis, since it is not possible to produce this information from publicly available information. No adjustments for potential synergy benefits have been included as the exact timing and amount of those benefits cannot be reliably estimated. However, the Pro Forma Balance Sheet does reflect the issue of iCollege Shares to Redhill Education Shareholders, and other adjustments required as a result of this Offer.

The Pro Forma Financial Information is for illustrative purposes only and is based on numerous assumptions that may or may not reflect the actual financial position or financial performance of the Combined Entity after completion of the Offer. In addition, the Pro Forma Financial Information is presented in a summary format and does not contain all the disclosures required under the Corporations Act.

Financial information relating to Redhill Education has been sourced from its reviewed financial reports for the financial year ended 31 December 2020. iCollege has relied on this information in preparing the Pro Forma Financial Information.

iCollege does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

iCollege has not had access to the directors, management or staff of Redhill Education or to any working papers, accounting records or other documents for the purposes of preparing this financial information. Therefore, it has not been possible to independently verify any of the financial information relating to Redhill Education used in preparation of the Pro Forma Financial Information.

The pro forma financial information presented in this section should also be read in conjunction with the risks set out in section 8, other information contained in this Bidder's Statement and the accounting policies of iCollege and Redhill Education as disclosed in their most recent financial reports.

(a) **Pro Forma Balance Sheet assuming ICT acquires 100% of the Redhill Education Shares as at 31 December 2020**

	iCollege Limited (ICT)	RedHill Education Limited (RDH)	Initial Investment in Red Hill	Consolidated Entries Eliminate investment & recognise goodwill	Combined Entity iCollege Limited (ICT) Post-acquisition consolidated BS
	Pre-acquisition consolidated BS				
	\$	\$	\$	\$	\$
Assets					
<i>Current assets:</i>					
Cash and cash equivalents	5,528,227	23,099,000			28,627,227
Trade and other receivables	901,846	7,377,000			8,278,846
Inventories	197,364	-			197,364
Other current assets	621,670	1,972,000			2,593,670
Total current assets	7,249,107	32,448,000			39,697,107
<i>Non-current assets:</i>					
Property, plant and equipment	201,330	3,849,000			4,050,330
Right of use asset	1,816,073	11,448,000			13,264,073
Intangible asset	2,547,718	690,000		43,465,877	46,703,595
Other assets	-	2,468,000	50,341,877	(50,341,877)	2,468,000
Total non-current assets	4,565,121	18,455,000			66,485,998
Total assets	11,814,228	50,903,000			106,183,105
Liabilities					
<i>Current liabilities:</i>					
Trade and other payables	2,540,211	4,277,000			6,817,211
Unearned revenues	2,056,406	14,051,000			16,107,406

Borrowings	965,404	-			965,404
Lease liabilities	534,282	5,174,000			5,708,282
Employee benefits	324,231	1,293,000			1,617,231
Income Tax	-	143,000			143,000
Total current liabilities	6,420,534	24,938,000			31,358,534
<i>Non-current liabilities:</i>					
Borrowings	223,960	-			223,960
Deferred tax liabilities	697,872	-			697,872
Lease liabilities	1,569,837	17,433,000			19,002,837
Employee benefits	-	197,000			197,000
Make good provision	-	826,000			826,000
Onerous contracts provision	-	633,000			633,000
Total non-current liabilities	2,491,669	19,089,000			21,580,669
Total liabilities	8,912,203	44,027,000			52,939,203
Net Assets	2,902,025	6,876,000			53,243,902
Equity					
Issued capital	34,469,202	30,592,000	50,341,877	(30,592,000)	84,811,079
Reserves	2,804,234	267,000		(267,000)	2,804,234
Accumulated losses	(34,371,411)	(23,983,000)		23,983,000	(34,371,411)
Total Equity	2,902,025	6,876,000			53,243,902

(b) **Pro Forma Balance Sheet assuming ICT acquires 50.1% of the Redhill Education Shares as at 31 December 2020**

	iCollege Limited (ICT)	RedHill Education Limited (RDH)		Consolidated Entries		Combined Entity iCollege Limited (ICT)
	Pre-acquisition consolidated BS		Initial Investment in Red Hill	Eliminate investment & recognise goodwill	NCI Journal	Post- acquisition consolidated BS
	\$	\$	\$	\$	\$	\$
Assets						
<i>Current assets:</i>						
Cash and cash equivalents	5,528,227	23,099,000				28,627,227
Trade and other receivables	901,846	7,377,000				8,278,846
Inventories	197,364	-				197,364
Other current assets	621,670	1,972,000				2,593,670
Total current assets	7,249,107	32,448,000				39,697,107
<i>Non-current assets:</i>						
Property, plant and equipment	201,330	3,849,000				4,050,330

Right of use asset	1,816,073	11,448,000				13,264,073
Intangible asset	2,547,718	690,000		21,776,405		25,014,123
Other assets	-	2,468,000	25,221,281	(25,221,281)		2,468,000
Total non-current assets	4,565,121	18,455,000				44,796,526
Total assets	11,814,228	50,903,000				84,493,633
Liabilities						
<i>Current liabilities:</i>						
Trade and other payables	2,540,211	4,277,000				6,817,211
Unearned revenues	2,056,406	14,051,000				16,107,406
Borrowings	965,404	-				965,404
Lease liabilities	534,282	5,174,000				5,708,282
Employee benefits	324,231	1,293,000				1,617,231
Income Tax	-	143,000				143,000
Total current liabilities	6,420,534	24,938,000				31,358,534
<i>Non-current liabilities:</i>						
Borrowings	223,960	-				223,960
Deferred tax liabilities	697,872	-				697,872
Lease liabilities	1,569,837	17,433,000				19,002,837
Employee benefits	-	197,000				197,000
Make good provision	-	826,000				826,000
Onerous contracts provision	-	633,000				633,000
Total non-current liabilities	2,491,669	19,089,000				21,580,669
Total liabilities	8,912,203	44,027,000				52,939,203
Net Assets	2,902,025	6,876,000				31,554,430
Equity						
Issued capital	34,469,202	30,592,000	25,221,281	(15,326,592)	(15,265,408)	59,690,483
Reserves	2,804,234	267,000		(133,767)	(133,233)	2,804,234
Accumulated losses	(34,371,411)	(23,983,000)		12,015,483	11,967,517	(34,371,411)
Non-controlling interest					3,431,124	3,431,124
Total Equity	2,902,025	6,876,000				31,554,430

(c) **Pro Forma Statement of Financial Performance assuming ICT acquires 100% of the Redhill Education Shares for the six-month period ended 31 December 2020**

	iCollege Limited (ICT)	RedHill Education Limited (RDH)	Combined Entity iCollege Limited (ICT)
	Pre-acquisition consolidated P&L		Post-acquisition consolidated P&L
	\$	\$	\$
Revenue			
Revenue from contracts with customers	7,885,968	22,644,000	30,529,968
Interest revenue	-	17,000	17,000
Other revenue	936,996	3,896,000	4,832,996
Expenses			
Cost of services	(3,623,281)	(4,200,000)	(7,823,281)
Salaries and employee expenses	(1,554,354)	(13,081,000)	(14,635,354)
Depreciation and amortisation	(694,824)	(2,333,000)	(3,027,824)
Impairment of receivables	-	(369,000)	(369,000)
Property and occupancy costs	(57,251)	(995,000)	(1,052,251)
Professional and consulting fees	(659,976)	(226,000)	(885,976)
Marketing expense	(119,372)	(747,000)	(866,372)
Compliance/Public company related costs	(53,762)	(393,000)	(446,762)
Finance costs	(174,001)	(1,060,000)	(1,234,001)
Audit and tax expenses	(58,621)	-	(58,621)
Director fees	(30,000)	-	(30,000)
Doubtful Debts	(168,067)	-	(168,067)
Legal fees	(23,991)	-	(23,991)
Travel expenses	(54,598)	-	(54,598)
Other expenses	(412,712)	(1,135,000)	(1,547,712)
Profit/(loss) before tax for the half-year	1,138,154	2,018,000	3,156,154
Income tax benefit/(expense)	84,654	(710,000)	(625,346)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	-	7,000	7,000
Total comprehensive income for the half-year	1,222,808	1,315,000	2,537,808

(d) **Pro Forma Statement of Cash Flows assuming ICT acquires 100% of the Redhill Education Shares for the six-month period ended 31 December 2020**

	iCollege Limited (ICT)	RedHill Education Limited (RDH)	Combined Entity iCollege Limited (ICT)
	Pre-acquisition consolidated CF		Post-acquisition consolidated CF
	\$	\$	\$
Cash flows from operating activities:			
Receipts from customers	6,366,290	18,873,000	25,239,290
Interest received	896	29,000	29,896
Interest paid	(39,790)	-	(39,790)
Payments to suppliers and employees	(6,708,063)	(19,870,000)	(26,578,063)
JobKeeper and ATO Cashflow Boost	778,728	3,896,000	4,674,728
Bank guarantees paid	(176,453)	-	(176,453)
Net cash used in operating activities	221,608	2,928,000	3,149,608
Cash flows from investing activities			
Deposits paid	-	(14,000)	(14,000)
Purchase of plant, and equipment	(67,589)	(94,000)	(161,589)
Payments for intangibles	-	(166,000)	(166,000)
Net cash used in investing activities	(67,589)	(274,000)	(341,589)
Cash flows from financing activities			
Proceeds from issue of shares	5,500,000	2,035,000	7,535,000
Repayments of lease liabilities	-	(2,724,000)	(2,724,000)
Repayments of loans	(585,000)	-	(585,000)
Payment of share issue costs	(385,682)	-	(385,682)
Interest and other finance costs	-	(1,060,000)	(1,060,000)
Net cash provided by financing activities	4,529,318	(1,749,000)	2,780,318
Net increase/(decrease) in cash and cash equivalents held	4,683,337	905,000	5,588,337
Cash and cash equivalents at the beginning of the half-year	844,890	22,194,000	23,038,890
Cash and cash equivalents at the end of the half-year	5,528,227	23,099,000	28,627,227

6.5 Pro forma adjustments and transaction assumptions

The following key assumptions have been made in producing the Pro Forma Financial Information:

General

The pro forma financial information has been prepared using the Australian Accounting Standards and reflects the accounting policies of iCollege. It has not been audited. Amounts presented have been rounded.

The pro forma financial information has been prepared by aggregating the financial information of iCollege and Redhill Education as at and for the six-month period ended 31 December 2020. This financial information has been extracted from the reviewed financial information published by both iCollege and Redhill Education.

The pro forma financial information excludes the impact of general trading and other transactions which have occurred since 31 December 2020.

Redhill Education acquisition

Financial information about Redhill Education has been obtained from publicly available sources.

The Pro Forma Financial Information assumes the acquisition of Redhill Education by iCollege had been completed by that date. The actual date of the acquisition will be at a date to be determined and subject to the completion of this transaction.

AASB 3 'Business Combinations' states that the acquirer shall, at the acquisition date, allocate the cost of a business combination by recognising the acquirer's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria at their fair values at that date. Accordingly, iCollege will assess the fair value of identifiable net assets of Redhill Education on completion of the acquisition.

The calculation of purchase consideration payable by iCollege is calculated by applying the closing price of iCollege's shares on the trading day immediately before the Announcement Date, and then applying this to the per share offer for each Redhill Education share

The Pro Forma Balance Sheet is based on the assumption that the fair value of assets (other than intangible assets) and liabilities of Redhill Education are equal to their book value. A full purchase price allocation exercise will be undertaken post acquisition, and the fair value of the assets will be more accurately assessed at that time. This will not impact on the valuation of the business, but may impact the classification between tangible assets, identifiable intangible assets and goodwill.

Identifiable intangible assets recognised on acquisition may need to be amortised over the period of their economic benefit to the Combined Entity and those amortisation charges will reduce future reported earnings. Due to limited public information available on Redhill Education, it is not possible for iCollege to identify all of the intangible assets and consequent amortisation charges at this stage.

For fair value accounting purposes, each iCollege Share issued under the Offer is assumed to have an issue price of \$0.165 (being the closing price of iCollege Shares on ASX on the trading day immediately before the Announcement Date). The actual fair value of iCollege Shares to be issued under the Offer is determined by the market price of iCollege Shares at the actual date of acquisition of Redhill Education.

The accounting policies of iCollege and Redhill Education are similar and consistent in all material aspects.

6.6 Prospective financial information of the Combined Entity

iCollege has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information on the Combined Entity. The Board has concluded that providing forecast financial information would potentially be misleading. A reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the effect that variations in key inputs may have on future earnings performance.

7 iCollege's intentions

7.1 Limitations and further review

- (a) This section sets out iCollege's current intentions for:
 - (i) the continuation of Redhill Education's business;
 - (ii) any major changes to be made to Redhill Education's business, including the redeployment of the fixed assets of Redhill Education; and
 - (iii) the future employment of the present employees of Redhill Education.
- (b) iCollege's current intentions for Redhill Education have been formed following a review of information about Redhill Education that was publicly available at the date of this Bidder's Statement. iCollege has not had the opportunity to conduct due diligence on Redhill Education. That review of public information by iCollege did not provide iCollege with sufficient information necessary to finally determine its intentions for Redhill Education. As such, statements set out in this section are statements of current intention only which may change as new information becomes available or circumstances change.
- (c) Following the close of the Offer, it is iCollege's intention to undertake a further detailed review of the operations, assets and employees of Redhill Education. The objective of the detailed review will be to:
 - (i) evaluate the performance, prospects and strategic relevance of the Redhill Education business to iCollege;
 - (ii) develop a strategy to effectively integrate Redhill Education's business with iCollege's business;
 - (iii) identify opportunities to increase revenue at Redhill Education and improve wage efficiency; and
 - (iv) assess opportunities to reduce costs associated with Redhill Education's current operations by merging the head office operations of iCollege and Redhill Education.

This review may result in iCollege proposing changes to some of Redhill Education's existing operations.

Only upon completion of the detailed review and considering all material facts and circumstances will iCollege finally determine its intentions for Redhill Education and will take the action it considers desirable to achieve optimum integration and synergies.

7.2 Intentions upon acquisition of 90 percent or more of Redhill Education shares

This section sets out iCollege's current intentions if, by virtue of acceptance of the Offer, iCollege obtains a Relevant Interest in 90 percent or more of the Redhill Education Shares and is entitled to proceed to compulsory acquisition of the outstanding Redhill Education Shares.

Compulsory acquisition

If it becomes entitled to do so, iCollege intends to give notices to compulsorily acquire any outstanding Redhill Education Shares under section 661B Corporations Act and elect to acquire Redhill Education Shares issued as a result of exercise of the Redhill Education Rights:

- (a) after the end of the Offer Period and before the compulsory acquisition notice; and
- (b) within six weeks after the compulsory acquisition notice is given, in each case subject to satisfaction of the relevant statutory conditions.

In certain circumstances, iCollege may be required to buy out the holders of Redhill Education Rights. iCollege will comply with the statutory obligation in that regard.

Amend Redhill Education constitution

iCollege intends to amend the constitution of Redhill Education to reflect its status as a wholly owned subsidiary of iCollege and will seek to convert Redhill Education from a public company to a proprietary company.

ASX listing

After conclusion of the compulsory acquisition process, iCollege intends to procure that Redhill Education be removed from the official list of ASX.

Directors

Subject to the Corporations Act and Redhill Education's constitution, iCollege will seek to reconstitute the combined Board with nominees of the iCollege and Redhill Education. There has been no pre-emptive determination or recommendation as to the preferred constitution of the board of directors for the combined entity. iCollege has not made any decision as to who would be nominated for appointment to the Redhill Education board should iCollege obtain a majority shareholding in Redhill Education. Once appointed the newly constituted board will make formal recommendations regarding the appointment of the executive team.

Operations

iCollege intends to conduct a thorough and broad-based general review of Redhill Education's corporate structure, assets, businesses, personnel and operations. This review will be conducted in concert with the Redhill Education executive team to best utilise their deep knowledge of the existing operations.

This review will build on the due diligence iCollege has undertaken to date and be completed as expeditiously as possible. Whilst iCollege does not have any specific intentions in relation to this review or its outcomes, its current expectation is that the review will focus on identifying opportunities in relation to:

- resource consolidation and integration of management operating systems and platforms, administrative procedures, systems and reporting lines. The aim is to bring these integral functions of the business into line with best practices and to optimise operating costs;
- potential cost synergies, including overhead costs, compliance costs, insurances, IT expenses, professional advisory fees and other synergistic operational costs;
- external commercial relationships with service providers; and
- optimising the use and value of Redhill Education campuses and other property interests.

This review will apply quantitative and qualitative factors to measure performance and areas for improvement. Following this review, the intentions described in this section 7 may be confirmed, developed, or reconsidered. Accordingly, the specific intentions that have been formed are conditional upon the outcome of more complete investigations to be undertaken after iCollege acquires all the Redhill Education Shares.

Employees

The acquisition of Redhill Education by iCollege will provide Redhill Education employees an opportunity to be a part of a larger Combined Entity, which has a strong commitment to developing its employees and employee engagement.

With the benefit of its detailed review, iCollege will consider the best allocation of Redhill Education employees to continuing and new roles. iCollege expects to expend significant time in attempting to ensure that Redhill Education employees either maintain their existing job role or that a suitable alternative is provided.

iCollege also expects that there will be overlap in administrative and corporate functions, including head office positions at Redhill Education that will have diminished responsibility. For example, certain head office positions associated with Redhill Education's financial management or its ASX listing will likely be no longer required if iCollege acquires 100% of Redhill Education.

iCollege would aim to identify suitable alternative roles for Redhill Education employees in business areas that are significantly adversely affected by any integration. Where this is not feasible or the employee does not wish to accept an alternative role, those individuals would receive redundancy payments and other benefits in accordance with their legal and contractual entitlements.

7.3 Intentions upon acquisition of between 50.1 percent and 90 percent of Redhill Education shares

This section sets out iCollege's current intentions if, by virtue of acceptance of the Offer, it was to gain effective control of Redhill Education but was not entitled to proceed to compulsory acquisition of the outstanding Redhill Education Shares.

Compulsory acquisition

If iCollege does not become entitled to compulsorily acquire Redhill Education Shares under section 661B Corporations Act, it may nevertheless become entitled to exercise the general compulsory acquisition power under part 6A.2 Corporations Act in the future. iCollege intends to exercise that power if it becomes entitled to do so. This could occur, for example, if iCollege acquired further Redhill Education Shares in reliance on the 3% creep exception provided in item 9 of section 611 Corporations Act.

ASX listing

If iCollege gains a controlling interest of 50% or greater of the Redhill Education Shares, iCollege intends to explore and to procure, subject to Redhill Education's compliance with the ASX Listing Rules and guidance, particularly ASX guidance note 33, that Redhill Education apply for removal from the official list of the ASX.

ASX's guidance states, among other things, that it may accept an application from Redhill Education to be removed from the official list of the ASX without any need for Redhill Education Shareholder approval if at the end of the Offer Period, iCollege owns or controls at least 75% of the Shares of Redhill Education and the Offer has remained open for at least two weeks after iCollege attained ownership or control of at least 75% of the Redhill Education Shares, and fewer than 150 Redhill Education Shareholders (other than iCollege) have holdings with a value of at least \$500.

In addition, subject to the ASX listing rules and guidance, iCollege may decide to cause Redhill Education to apply for delisting after the date that is 12 months after the close of the Offer Period. iCollege intends to seek that Redhill Education be removed from the official list of ASX.

Directors

If, following the close of the Offer, iCollege is the majority shareholder in Redhill Education, it will (subject to formal requirements of the Corporations Act and Redhill Education's constitution) seek to procure the appointment of a majority of iCollege nominees to the Redhill

Education Board so that the proportion of iCollege nominee directors is broadly in line with iCollege's voting power in Redhill Education. This would likely involve the removal of some of the existing directors of Redhill Education to ensure that director fees of the Redhill Education Board remain reasonable having regard to the financial capacity of the entity. iCollege would determine which directors it would invite to resign, based on the iCollege nominees to be appointed and having regard to maintaining an appropriate mix of skills on the Redhill Education Board. The identity of such nominee directors has not yet been determined, but nominees would likely be drawn from the existing iCollege board of directors particularly those identified in Section 7.2. Such nominees will be directed to ensure that they comply with their fiduciary duties and obligations as directors of Redhill Education.

Intentions generally (including about matters at section 7.2 above)

If, following the close of the Offer, Redhill Education becomes a controlled entity but not a wholly owned subsidiary of iCollege, it is the present intention of iCollege to procure that the new Redhill Education Board implements the objectives and goals outlined in section 7.2 to the extent possible and appropriate.

Limitations on intentions

To the extent that Redhill Education is not a wholly owned subsidiary of iCollege and there are minority shareholders of Redhill Education, iCollege intends to ensure that the iCollege nominees appointed to the board of Redhill Education will act at all times in accordance with their fiduciary duties and that all requisite shareholder approvals and other legal requirements are complied with in pursuing any of the intentions outlined above.

The requirement to have regard to those fiduciary duties in the context of a partly owned company and the possible requirements of minority shareholder approval may prevent this objective being achieved.

Dividend

iCollege will review the dividend policy of Redhill Education having regard to any capital funding and ongoing operational requirements of Redhill Education on the one hand and the appropriateness of paying dividends to Redhill Education Shareholders on the other.

8 Risks

Before deciding whether to accept the Offer, you should read this Bidder's Statement carefully.

Redhill Education Shareholders will receive iCollege Shares as consideration under the Offer. The value of iCollege Shares will depend on the future performance of iCollege and the market price of iCollege Shares from time to time. The future performance of iCollege may be influenced by factors associated with investing in the education industry and listed securities generally which are beyond the control of iCollege.

Redhill Education Shareholders should be aware of the following key risks that may affect the performance of the Combined Entity and the value of iCollege Shares issued under the Offer.

8.1 General risks

The price at which iCollege Shares trade on ASX may be determined by a range of factors including movements in local and international equity and bond markets, general investor sentiment in those markets, inflation, interest rates, general economic conditions and outlooks and changes in the supply of, and demand for, education industry services.

The market for iCollege Shares may also be affected by a wide variety of events and factors including changes in iCollege's operating results, recommendations by securities analysts, and the operating and trading price performance of other listed education industry entities that investors consider to be comparable to iCollege. Some of these factors could affect iCollege's share price regardless of iCollege's underlying operating performance.

8.2 Specific business risks associated with iCollege

Set out below are examples of risks associated with iCollege. In determining these risks, the Directors have concentrated on risks attaching specifically or more acutely to an investment in iCollege as compared to risks of the education industry and Redhill Education, to which Redhill Education Shareholders are already exposed.

(a) Reputational risk

iCollege has the reputation of providing high quality education services. This reputation is a key driver in ensuring that iCollege maintains the enrolment rates and earnings. There is a risk that an isolated incident, either within one of the subsidiary businesses or an action taken by a single staff member may have a material adverse impact on the reputation of iCollege and the profitability of iCollege's business.

(b) Key personnel risk

iCollege's business model depends on a management team with the talent and experience to manage iCollege's diverse business operations. The ongoing success of iCollege also depends on its ability to identify and retain high quality management, trainers and administrative personnel who, with the assistance of iCollege's leadership team, execute the strategies of iCollege.

There is a risk that operating and financial performance would be adversely affected by the loss of key personnel.

(c) Compliance and regulatory risk

iCollege holds funding contracts in various states that contribute significantly to the group's revenues and should there be any compliance breaches, these funding contracts may be suspended or cancelled indefinitely. This will have a material adverse impact on the group's revenue. Future changes to funding policies and legislation that iCollege cannot ensure compliance with may also adversely affect financial performance of the company.

The education industry in Australia within which iCollege operates is currently regulated by Australian Skills Quality Authority (ASQA). iCollege holds registrations

and accreditations for four registered training organisations within Australia. Changes to regulations and legislation in the future or failure to renew or cancellation of registrations may have a material adverse impact on iCollege's financial performance.

(d) Competition risk

iCollege competes in various states with multiple Registered Training Organisations (RTOs) and there are two main risks facing the group:

(i) Loss of enrolments

iCollege has a price point for the various courses that allows the group to remain competitive in the international and domestic education sectors. Competing RTOs may lower their prices or offer additional incentives to encourage students to enrol with them. Whilst the damage this will do the RTOs financially in the medium to long term cannot be easily quantified, iCollege faces a risk of lower enrolments in the short to medium term leading to a fall in the group's revenues.

(ii) Loss of staff

With the number of RTOs now taking advantage of the various Government stimulus programs across the country, there is an ongoing risk that high quality trainers may be lured away to other competing RTOs with better remuneration.

The occurrence of either or both events could have a material adverse impact on iCollege's operations and profitability.

(e) Risk associated with COVID-19 pandemic

The unprecedented global COVID-19 pandemic has led to closures of international borders. This has resulted in a drop in international student enrolments. There is a risk of future similar pandemics that leaves every RTO vulnerable to a similar situation in terms of border closures and a significant drop in international student revenues. iCollege, whilst only 46% reliant on the international student market, now recognises this type of event as an ongoing risk.

With continued uncertainty around the impact of COVID-19, including extended periods of lock down, international travel bans and domestic travel restrictions, disruptive and varying quarantine measures, social distancing and restrictions around venue capacity, iCollege recognises that the COVID-19 pandemic, and other such similar events have the potential to have a material adverse impact on iCollege's operations and financial performance.

In addition, the ongoing economic downturn risk associated with countries which have historically been the source of significant international students to Australia and the protracted financial recovery of the global economy generally due to the financial impact of COVID-19 could adversely affect the ability of international students to fund travel and education in Australia.

(f) Immigration risk

Changes to immigration policies driven by the Department of Home Affairs in relation to student visas could result in a reduction in the number of international students to Australia. This could have a direct impact on the number of enrolments of international students for iCollege, which could in turn have a material adverse impact on iCollege's operations and financial performance.

(g) Third-party agents

iCollege's international student business relies on a network of third-party agents and other suitably qualified businesses to provide student recruitment services. Most of these relationships are non-exclusive and can be re-negotiated or terminated at short notice. Some of these providers collect tuition fees on behalf of iCollege and are obliged to pay in arrears or adjust deducting commission fees payable to them. There

is a risk that one or more of these third parties fails to comply with negotiated obligations and payment terms, seeks to re-negotiate or terminate its agreement with iCollege or does not provide a level of service consistent with that expected and required by iCollege. The occurrence of any one or more of these events could adversely impact the brand, business strategy and future financial position and performance.

(h) **Compliance with workplace legislation**

The employment arrangements for most of iCollege's employees falls within the jurisdiction of the Fair Work Act 2009 (Cth), and the Educational Services (Post-Secondary Education) Award 2020. Future changes to workplace legislation, or any possible contraventions of workplace legislation, by iCollege could have a material and adverse impact on iCollege's financial position and performance.

(i) **Impairment of intangible assets**

iCollege's intangible assets consist of goodwill and right of use assets. At the end of each financial year, intangible assets are tested for impairment. There is a risk that adverse change in market or operating conditions could require an impairment charge which could have a material adverse impact on the financial position of the company.

(j) **Reliance on third party technology platforms and software**

iCollege uses the services of several of third-party technology providers for data management, course management and delivery of services. There is a risk that these technology providers could have faults, technical difficulties and temporary or permanent disruptions to services which could result in operational challenges for iCollege, which could in turn have a material adverse impact on the operational and financial performance of the company.

(k) **Privacy of personal information and internal data management of students and staff**

iCollege collects and stores data of students, staff and third party agents required to conduct its operations.

This information includes and is not limited to personal information, identity documents, financial and banking information.

There is a risk that iCollege could be exposed to cyber-attacks, loss of data or unauthorised access of this information which could in turn lead to legal action against iCollege. The occurrence of any such event could result in iCollege suffering reputational damage, which could have a material adverse impact on the financial position of the company.

(l) **Leasing arrangements of campuses and offices**

iCollege currently does not own any of the premises from which it operates. iCollege has entered several commercial leases across Australia to conduct its operations. There is a risk that at the end of the term of any of these leases, iCollege may not be able to retain premises or access new tenancies on favourable terms. The occurrence of any of these events could have a material adverse impact on the operations and financial position of the company.

8.3 **Industry risks**

The Directors note that iCollege is subject to the same risks as Redhill Education in relation to the operation of an education business including:

- (a) changes to law and government policy regulating the education industry;
- (b) changes to government policy regarding immigration or student visa requirements

- (c) changes to government funding to the education sector in Australia;
- (d) changes to the demographic structure of the Australian population;
- (e) sourcing high quality staff;
- (f) lease arrangements;
- (g) employee misconduct;
- (h) competition; and
- (i) regulatory and accreditation risk.

8.4 **Transaction specific risks**

(a) **Issue of iCollege Shares as Offer consideration**

Redhill Education Shareholders are being offered iCollege Shares as consideration under the Offer. As a result, the value of the Offer will fluctuate depending upon the market price of iCollege Shares. The market price of the iCollege Shares at the time you receive them may vary significantly from their market price on the date of your acceptance of the Offer. The price and value of the iCollege Shares can be expected to fluctuate depending on various factors including general worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets and variations in operating costs.

Furthermore, some of the Redhill Education Shareholders that receive iCollege Shares as consideration under the Offer may not intend to continue to hold those iCollege Shares and may sell them on the ASX. There is a risk that if a significant number of Redhill Education Shareholders seek to sell their iCollege Shares, this may adversely impact the price of iCollege Shares, at least in the short term.

(b) **Integration risk**

There are risks that any integration of iCollege and Redhill Education may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups and inability to achieve synergy benefits and cost savings and the potential loss of key personnel.

While iCollege expects that value will be added through the Offer, there is a risk that the full benefits may be achieved only in part or not at all.

(c) **Less than 100 percent ownership**

It is possible that iCollege may not acquire all Redhill Education Shares under the Offer. The impact upon iCollege of acquiring less than 100 percent will depend upon the final level of ownership acquired. However, the existence of minority shareholders in Redhill Education could have an impact on iCollege's intentions regarding Redhill Education (refer to Section 7).

(d) **Assumed financial information for Redhill Education**

There is a risk that the publicly available financial information provided by Redhill Education and utilised by iCollege in formulating the Offer and preparing this Bidder's Statement is not correct in all material particulars.

(e) **Regulatory risks**

The Offer is subject to the statutory condition in section 625(3) Corporations Act regarding quotation of the iCollege Shares (which cannot be waived).

iCollege may be required to seek regulatory approval from various regulators, including and not limited to ASQA, TEQSA and the Department of Education for change of control of all of Redhill Education businesses. There is a risk that the relevant regulator may not provide the requisite approval in a timely manner, or at all. Any such delay or refusal could have a material adverse impact on iCollege's operations and financial performance.

(f) **Reporting risks**

iCollege has assumed that Redhill Education has met all its reporting obligations and that disclosures made by it are true in all material respects and are not misleading in any material respects.

9 Sources of Offer Price

9.1 Offer price

The consideration for the acquisition of Redhill Education Shares under the Offer is to be satisfied by the issue of iCollege Shares.

The number of iCollege Shares to be issued under the offer will depend on the number of Redhill Education Shares that iCollege acquires under the Offer.

9.2 Maximum number of iCollege shares

The maximum number of iCollege Shares required to be issued under the Offer if acceptances are received for all the Redhill Education Shares on issue at the date of this Bidder's Statement not already owned by iCollege is approximately 386,971,399(excluding rounding adjustments).

iCollege Shares issued under the Offer are exempt from ASX Listing Rule 7.1 (which prohibits issues of equity securities exceeding 15 percent of a company's share capital in any 12-month period). Accordingly, iCollege has the capacity to issue the maximum number of iCollege Shares that may need to be issued under the Offer.

10 Taxation Considerations

10.1 Introduction

The following is a summary of the potential Australian income tax consequences generally applicable to a Redhill Education Shareholder who disposes of Redhill Education Shares under the Offer. This summary is based on the law and practice in effect on the date of this Bidder's Statement.

The following summary is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of every Redhill Education Shareholder.

In particular the summary is only applicable to Redhill Education Shareholders that are Australian residents for income tax purposes and hold their Redhill Education Shares on capital account for income tax purposes. This summary does not apply to Redhill Education Shareholders that hold their Redhill Education Shares in the course of a business of trading or dealing in securities. The summary does not apply to Redhill Education Shareholders who acquired their Redhill Education Shares as part of an employee share scheme operated by Redhill Education.

All Redhill Education Shareholders are advised to seek independent professional advice about their particular circumstances and non-resident Redhill Education Shareholders should seek their own advice on the Australian and foreign taxation consequences of any sale of their Redhill Education Shares.

10.2 CGT consequences on the disposal of Redhill Education shares

A Redhill Education Shareholder that accepts the Offer and whose Redhill Education Shares are subsequently transferred to iCollege is taken to have disposed of their Redhill Education Shares for Australian capital gains tax (**CGT**) purposes. Shareholders make a capital gain equal to the amount by which the Offer consideration exceeds the cost base that the Redhill Education Shareholder has for the Redhill Education Shares. The taxpayer may be able to apply capital losses (if available) to reduce the gross capital gain. Subject to the availability of the CGT discount (see below), this capital gain may then be reduced by applicable discount percentage to calculate the taxpayer's net capital gain. A taxpayer's net capital gain is included in assessable income.

A Redhill Education Shareholder will alternatively make a capital loss equal to the amount by which the reduced cost base of the Redhill Education Shares exceeds the Offer consideration. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests applicable to companies and trusts.

The cost base of Redhill Education Shares would generally be equal to the amount the relevant shareholder paid to acquire the Redhill Education Shares, plus certain incidental costs of the acquisition (such as brokerage), and certain other costs of ownership.

10.3 CGT discount

Any Redhill Education Shareholder who is an individual, the trustee of a complying superannuation fund or a beneficiary of a trust who is either of the aforementioned entities (and is presently entitled to the capital gain) may be entitled to claim the CGT discount in calculating any net capital gain, provided that:

- (a) the Redhill Education Shares were acquired at least 12 months before disposal to iCollege;
- (b) the Redhill Education Shareholder did not choose to index the cost base of their Redhill Education Shares; and
- (c) the CGT discount is applied to the capital gain after any available capital losses are first applied against the gross capital gain.

The CGT discount allows a Redhill Education Shareholder who is an individual or the trustee of a trust to discount the capital gain by 50 percent and include 50 percent of the capital gain in the taxable income of that individual or trust.

A Redhill Education Shareholder that is a complying superannuation entity may discount the capital gain by 33.3333 percent and include 66.6667 percent of the capital gain in the taxable income of that complying superannuation entity.

The CGT discount is not available to any Redhill Education Shareholder that is a company.

10.4 CGT Rollover

Where iCollege acquires 80% of the Redhill Education Shares on issue (**80% threshold**), a Redhill Education Shareholder may be eligible to choose for CGT rollover relief to apply to their disposal of Redhill Education Shares under the scrip for scrip rules so that any CGT payable on the disposal is deferred. Whether the rollover is available depends on the individual circumstances of each Redhill Education Shareholder. Also, if iCollege does not meet the 80% threshold as a result of the Offer and acquires your Redhill Education Shares, the rollover relief will not be available.

If a Redhill Education Shareholder is eligible and chooses to apply the scrip for scrip rules, iCollege Shares received by the Redhill Education Shareholder should have a cost base equal to the cost base of the original Redhill Education Shares. The cost base will be relevant in determining any future CGT liability on the subsequent disposal of the iCollege Shares.

In certain circumstances, it may be necessary for iCollege to make a joint election with Redhill Education Shareholders in order for CGT rollover relief to apply. To the extent a joint election is necessary for rollover relief to apply then, at the request of the Redhill Education Shareholder and provided the Redhill Education Shareholder has informed iCollege in writing of the cost base of their Redhill Education Shares, iCollege will make the joint election.

Also, iCollege will not make any choice or election under the CGT rollover provisions to prevent Redhill Education Shareholders from obtaining CGT rollover relief.

10.5 Stamp duty and GST

Redhill Education Shareholders who dispose of their Redhill Education Shares under the Offer are not expected to incur any Australian stamp duty or be subject to GST on that disposal.

10.6 Obtain your own taxation advice

Do not rely on the comments or the statements contained in this Bidder's Statement as advice about your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Bidder's Statement.

Accordingly, consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, iCollege does not accept any responsibility for tax implications for individual Redhill Education Shareholders.

iCollege is not a registered tax agent under the *Tax Agent Services Act 2009* (Cth) and cannot provide tax advice to specific Redhill Education Shareholders. Redhill Education Shareholders should obtain tax advice from a registered tax agent on the consequences of accepting the Offer.

11 Additional information

11.1 iCollege is a disclosing entity

As iCollege is offering iCollege Shares as consideration for the acquisition of Redhill Education Shares, the Corporations Act requires that this Bidder's Statement includes all information that would be required for a prospectus for an offer of iCollege Shares under sections 710 to 713 of the Corporations Act. iCollege does not need to issue a separate prospectus for the offer of the iCollege Shares.

iCollege is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act that is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, iCollege is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of iCollege Shares.

iCollege Shares have been quoted on ASX during the 12 months before the date of this Bidder's Statement. For this reason, iCollege is only required to disclose information in this Bidder's Statement that would usually be required where its shares have been continuously quoted securities.

In general terms, where iCollege Shares are continuously quoted securities, the Bidder's Statement is only required to contain information on the effect of the Offer on iCollege and the rights and liabilities attached to the iCollege Shares. It is not necessary to include general information on all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company unless that information has been excluded from a continuous disclosure notice in accordance with the Listing Rules and it is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of those matters and the rights and liabilities attaching to the iCollege Shares.

Information that is already in the public domain is not reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete. iCollege, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations.
- (b) copies of documents lodged with ASIC on iCollege (not being documents referred to in section 1274(2)(a) Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - (i) the financial statements of iCollege for the 12 months ended 30 June 2020 (being the annual financial report most recently lodged by iCollege with ASIC);
 - (ii) the half-year financial report lodged for the six months ended 31 December 2020 lodged with ASIC by iCollege; and
 - (iii) all continuous disclosure notices given by iCollege after the lodgement of that annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

If you would like to receive a copy of any of these documents or publications, please contact Registry Services.

Copies of all documents lodged with ASIC in relation to iCollege can be inspected at the registered office of iCollege during normal office hours. A list of announcements made by iCollege on ASX since the FY 2020 annual report up to the date of this Bidder's Statement appears in Schedule 2.

Other than information contained in this Bidder's Statement, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and is information that a Redhill Education Shareholder or a professional adviser to a Redhill Education Shareholder would reasonably require for the purposes of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of iCollege; or
- (b) the rights and liabilities attaching to the iCollege Shares.

None of the information referred to in this section 11.1 is incorporated by reference into this Bidder's Statement or is included with this Bidder's Statement.

11.2 iCollege capital structure

The total number of iCollege Shares on issue is 581,564,649 ordinary shares.

The effect of this Offer on iCollege's capital structure is set out in section 6.3.

11.3 Rights and liabilities attaching to iCollege shares

The rights and liabilities attaching to ownership of the iCollege Shares arise from a combination of iCollege's constitution, statute, the Listing Rules and general law.

A summary of the significant rights and liabilities attaching to iCollege Shares is set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of iCollege Shareholders.

Voting at a general meeting

Subject to any shares which may in the future be issued with special or preferential rights, every member present in person at a general meeting of iCollege or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid iCollege Share held. On a poll, partly paid shares confer a fraction of a vote in proportion to the amount paid up on the share.

Meeting of members

Each iCollege Shareholder is entitled to receive notice of, attend and vote at meetings of iCollege and to receive all notices, accounts and other documents required to be sent to iCollege Shareholders under iCollege's constitution, the Corporations Act and the Listing Rules.

Dividends

The Directors may authorise the payment to members of dividends that appear to the Directors to be justified by the profits of iCollege. Dividends are payable on all iCollege Shares in proportion to the amount of the total issue price paid and payable (but not credited) for the iCollege Shares. This is subject to any special or preferential rights attached to any class of shares created after the issue of the iCollege Shares.

Transfer of iCollege Shares

iCollege Shares may be transferred by a proper transfer effected under the ASX Settlement Operating Rules, or by a written instrument of transfer in any usual form or in any other form approved by the Directors.

The Directors may only decline to register a transfer of iCollege Shares (other than a proper transfer under the ASX Settlement Operating Rules) where permitted or required to do so under the Listing Rules.

Issue of further iCollege Shares

The Directors may allot, issue, grant options in respect of, or otherwise dispose of, further shares in iCollege on terms as they see fit. However, the Directors must act in accordance with the restrictions imposed by iCollege's constitution, the Corporations Act, the Listing Rules and any rights for the time being attached to the shares in any special class of those shares.

Winding-up

If iCollege is wound up, then, subject to any special rights attaching to any class of shares, iCollege Shareholders will be entitled to participate in any surplus assets of iCollege in proportion to the amount paid up (or which ought to have been paid up) on their iCollege Shares when the winding-up begins.

Unmarketable parcels

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, iCollege may sell existing unmarketable parcels of shares in accordance with the procedure in the constitution.

Share buy-back

Subject to the provisions of the Corporations Act and the Listing Rules, iCollege may buy back iCollege Shares.

Variation of class rights

Unless otherwise provided by iCollege's constitution or by the terms of issue of a class of shares and subject to the Corporations Act, the rights attaching to any class of shares may be varied or abrogated:

- (a) with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- (b) with the sanction of a special resolution passed at a separate meeting of the holders of those shares.

Dividend reinvestment plan and bonus share plan

iCollege's constitution authorises the Directors to establish and maintain dividend reinvestment plans (whereby any member may elect that dividends payable by iCollege be reinvested by way of subscription for shares in iCollege).

Indemnities

To the extent permitted by law, iCollege indemnifies every officer of iCollege against a liability incurred by the person acting in that capacity. In addition, every officer is indemnified against any legal costs incurred in defending any civil or criminal proceedings to the extent permitted by the Corporations Act.

Alteration of iCollege's constitution

iCollege's constitution can only be amended by special resolution passed by at least 75 percent of iCollege Shareholders present and voting at a general meeting of iCollege. iCollege must give at least 28 days written notice of its intention to propose a resolution as a special resolution.

11.4 Details of iCollege's relevant interests in Redhill Education shares

At the date of this Bidder's Statement, the number of Redhill Education Shares in which iCollege had a relevant interest is set out below:

Class of Securities	Total Number in Class	% of Redhill Education Shares on Issue
Redhill Education Shares	Nil	Nil

As at the date of this Bidder's Statement iCollege has voting power of 0 percent in Redhill Education.

iCollege reserves the right to purchase Redhill Education Shares outside the Offer at any time during the Offer Period subject to the Corporations Act. In accordance with section 671B(1) if there is a movement of at least 1% of iCollege's Relevant Interest in Redhill Education, iCollege will release to the ASX and serve on Redhill Education a substantial holder notice by 9.30am on the trading day after iCollege becomes aware of the information during the bid period.

11.5 iCollege's directors' relevant interests in Redhill Education shares

At the date of this Bidder's Statement, the Directors of iCollege have no relevant interest in Redhill Education Shares.

11.6 Inducing benefits given during previous four months

Except as set out in this Bidder's Statement, neither iCollege nor any of its Associates has, during the period of four months before the date of the Offer, or in the period commencing on the date of this Bidder's Statement and ending on the date of the Offer, given, offered or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate, to:

- (a) accept an Offer; or
- (b) dispose of Redhill Education Shares,

which benefit was not offered to all Redhill Education Shareholders under the Offer.

11.7 Miscellaneous matters

ASIC has published various class order instruments providing for modifications and exemptions that apply generally to all persons, including iCollege, about the operation of chapter 6 of the Corporations Act. iCollege may rely on this class order relief in the preparation and distribution of this Bidder's Statement.

iCollege has relied on the modification to section 636(3) Corporations Act in paragraph 5(d) of ASIC Class Order 13/521 'Takeover Bids' to include references to certain statements in documents lodged with ASIC and ASX without obtaining the consent of the persons to whom those statements are attributed.

As required by Class Order 13/521, iCollege will make available a copy of the documents containing these statements (or relevant extracts from these documents), free of charge to Redhill Education Shareholders who request them before the end of the Offer Period. To obtain a copy of these documents (or the relevant extracts) Redhill Education Shareholders should contact Registry Services.

11.8 Foreign shareholders and Unmarketable Parcel Shareholders

The Offer is being made to Redhill Education Shareholders in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

If you are a Foreign Shareholder, unless iCollege otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with iCollege Shares on acceptance of the Offer; and
- (b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its external territories or New Zealand,

you will not be entitled to receive iCollege Shares as consideration for your Redhill Education Shares.

Similarly, if you are an Unmarketable Parcel Shareholder, unless iCollege otherwise determines, you will not be entitled to receive iCollege Shares as consideration for your Redhill Education Shares. Instead, iCollege will:

- (a) arrange for the issue to the Nominee of the number of iCollege Shares to which you and all other Foreign Shareholders and Unmarketable Parcel Shareholders would have been entitled but for clause 2.2 of the Offer Terms (Schedule 1); and
- (b) cause the Nominee to offer for sale those iCollege Shares within five Business Days after the end of the Offer Period in the manner, at the price and on other terms as are determined by the Nominee; and
- (c) pay to you the amount ascertained under the formula in clause 5.3 of the Offer Terms (Schedule 1).

Notwithstanding anything else contained in this Bidder's Statement, iCollege is not under any obligation to spend any money or undertake any action to satisfy itself of the eligibility of Foreign Shareholders to receive iCollege Shares.

11.9 Consents

This Bidder's Statement includes statements which are made in, or based on statements which are made in, documents provided by Redhill Education or announced on the company announcements platform of ASX by Redhill Education. No person who has made any of these statements has consented to the statement being included in or accompanying this Bidder's Statement in the form and context in which it is included.

- (a) Thomson Geer Lawyers have given and have not, before the lodgement of this Bidder's Statement with ASIC, withdrawn their written consent to being named in this Bidder's Statement as legal advisers to iCollege in respect of the Offer in the form and context in which they are named.
- (b) Registry Services has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to being named in this Bidder's Statement as registry to iCollege in respect of the Offer in the form and context in which it is named.
- (c) Pilot Partners Pty Ltd (**Pilot Partners**) has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to being named in this Bidder's Statement as investigating accountant for iCollege in the form and context in which it is named and to the inclusion in the Bidder's Statement of the financial information in section 4.7.
- (d) Ord Minnett Limited (**Ord Minnett**) has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to being named in this Bidder's Statement as financial advisor to iCollege in respect of the Offer in the form and context in which it is named.

- (e) Veritas Securities Limited (**Veritas**) has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to being named in this Bidder's Statement as financial advisor to iCollege in respect of the Offer in the form and context in which it is named.
- (f) Each of Thomson Geer, Registry Services, Pilot Partners, Ord Minnett and Veritas:
 - (i) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Bidder's Statement with the consent of that person; and
 - (ii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Bidder's Statement with the consent of that party.

11.10 Fees and benefits payable to directors and advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) Director or proposed director of iCollege;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- (c) promoter of iCollege, has, or had within two years before the date of this Bidder's Statement, any interest in:
- (d) the formation or promotion of iCollege;
- (e) any property acquired or proposed to be acquired by iCollege in connection with its formation or promotion or in connection with the issue of iCollege Shares under the Offer; or
- (f) the offer of iCollege Shares under this Bidder's Statement,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or a proposed director of iCollege as an inducement to become, or to qualify as, a Director of iCollege or to any of those persons otherwise for services rendered by them in connection with the formation or promotion of iCollege or the offer of iCollege Shares under this Bidder's Statement.

The Directors of iCollege have the following relevant interests in iCollege Shares (either held directly, held by entities controlled by them or held by entities of which they are directors or held by family members) at the date of this Bidder's Statement:

	iCollege Shares	% of iCollege Shares on Issue
Ashish Katta	56,550,000	9.72%
Badri Gosavi	12,000,000	2.06%
Simon Tolhurst	7,155,467	1.23%

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market and comparable to other companies of similar operational complexity and market capitalisation as iCollege. The salary levels were determined by analysing other comparable listed public companies on the ASX to ensure that iCollege's executive pay structure is market based. An executive's remuneration is also reviewed on promotion. There are no guaranteed base pay increases included in any executive contracts.

Details of remuneration of Directors and key management personnel are included in iCollege's financial report for FY20 and 1HY FY 2021.

On appointment to the iCollege board of directors, all non-executive directors enter into a services agreement with iCollege. The agreement summarises the iCollege board policies and terms, including remuneration, relevant to the officer of director.

Non-executive directors receive a board fee and fees for chairing or participating in the board committees. In accordance with its Charter the Remuneration Committee assess remuneration against market with the assistance of remuneration specialists. They do not receive performance-based pay.

Fees are reviewed annually by the board taking into account comparable roles and market data. The maximum annual aggregate directors fee pool limit is \$260,000.

Insurance and indemnity arrangements are in place for officers of iCollege. To the extent permitted by law, iCollege indemnifies every person who is or has been an officer against:

- (a) any liability to any person (other than iCollege, related entities or a major shareholder) incurred while acting in that capacity and good faith; and
- (b) costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

For this purpose 'officer' means any Director or secretary of iCollege or any subsidiary of iCollege. Under the terms of the indemnity, iCollege must maintain indemnity insurance coverage for a period of seven years after the officer held their position in iCollege and allow the officer access to certain records after ceasing to hold office in iCollege for a period of seven years.

Thomson Geer has acted as legal advisers to iCollege in relation to the Offer. Thomson Geer are entitled to receive professional fees on a normal basis.

Pilot Partners has provided advice in relation to the Offer. Pilot Partners is entitled to receive professional fees on a normal basis.

11.11 Expiry date

No iCollege Shares will be issued on the basis of the Offer contained in this Bidder's Statement after the date that is 13 months after the date of this Bidder's Statement.

11.12 Other material information

Except as set out elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Redhill Education Shareholder whether or not to accept an Offer; and
- (b) known to iCollege,

and has not previously been disclosed to Redhill Education Shareholders.

12 Definitions and interpretation

In this Bidder's Statement:

Acceptance Form means the form of acceptance and transfer accompanying this Bidder's Statement;

Announcement Date means 22 February 2021, being the date of announcement of the Offer;

ASIC means the Australian Securities and Investments Commission;

Associates has the meaning given to that term by section 12 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this Bidder's Statement;

ASX means ASX Limited can 008 624 691 or the securities exchange operated by it (as the case requires);

ASX Settlement Operating Rules means the settlement rules of ASX Settlement Pty Limited (ABN 49 008 504 532), the body which administers the CHES system in Australia);

Board means the board of directors of iCollege;

Bid means the offer made by iCollege to the Redhill Education Shareholders under Chapter 6 Corporations Act;

Bidder's Statement means this document lodged with ASIC on ~~9 April 25 March~~ 2021 issued by iCollege under part 6.5 division 2 of the Corporations Act relating to the Offer;

Broker means a person who is a share broker and a participant in CHES;

Business Day means a business day as defined in the Listing Rules;

CHES means the Clearing House Electronic Sub register System, which provides for electronic share transfer in Australia;

CHES Holding means a holding of Redhill Education Shares on the CHES sub register of Redhill Education;

Combined Entity means iCollege and each of its Subsidiaries (including the Redhill Education Group) which will exist as a result of the takeover bid as constituted by the Offer, should the takeover proceed to its conclusion;

Competing Proposal means a proposal for a takeover bid, scheme of arrangement or other corporate transaction involving Redhill Education or Redhill Education Shares that would compete with the Offer or mean that a Defeating Condition would not be fulfilled;

Conditions means the conditions to the Offer set out in section 6 of Schedule 1;

Controlling Participant means the Broker or Non-Broker Participant who is designated as the controlling participant for shares in a CHES Holding under the ASX Settlement Operating Rules;

Consolidated Group has the same meaning as in the *Income Tax Assessment Act 1997* (Cth);

Corporations Act means *Corporations Act 2001* (Cth);

Defeating Condition means each condition set out in clause 6 of Schedule 1;

Directors means the directors of iCollege;

Encumbrance means:

- (a) any interest, right or power that in substance secures payment or performance of any obligation, for example a mortgage, charge or security interest under the *Personal Property Securities Act 2009* (Cth);
- (b) any preferential or adverse interest of any kind;
- (c) a right to buy or use assets, for example a hire purchase agreement, option, licence, lease or agreement to purchase;
- (d) a right to set-off or right to withhold payment of a deposit or other money;
- (e) an easement, restrictive covenant, caveat or similar restriction over property;
- (f) an agreement to create any of the items referred to in paragraphs (a) to (e) above or to allow any of those items to exist; or
- (g) a notice under section 255 of the *Tax Act (1936)*, subdivision 260-A in schedule 1 *Taxation Administration Act 1953* (Cth) or any similar legislation.

Financial Indebtedness means any debt or other monetary liability (whether actual or contingent) in respect of money borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill, bond, debenture, note or similar instrument;
- (b) acceptance, endorsement or discounting arrangement;
- (c) guarantee;
- (d) finance or capital lease;
- (e) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or
- (f) obligation to deliver goods or provide services paid for in advance by any financier;

Foreign Shareholder means a Redhill Education Shareholder whose address on the Redhill Education share register is in a jurisdiction other than Australia or its external territories or New Zealand;

FY 2018 means the financial year ended 30 June 2018;

FY 2019 means the financial year ended 30 June 2019;

FY 2020 means the financial year ended 30 June 2020;

FY 2021 means the financial year ended 30 June 2021;

GST has the meaning it has in the GST Act;

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

H1 FY21 means the financial half year ended 31 December 2020;

H2 FY20 means the financial half year ended 30 June 2020;

H2 FY21 means the financial half year ended 30 June 2021;

iCollege or ICT means the bidder, iCollege Limited ACN 105 012 066;

iCollege Share means a fully paid ordinary share in the issued capital of iCollege;

iCollege Shareholder means a registered holder of iCollege Shares;

Insolvency Event means any of the following events occurring in relation to a party:

- (a) a liquidator, receiver, receiver and manager, administrator, official manager or other controller (as defined in the Corporations Act), trustee or controlling trustee or similar official is appointed over any of the property or undertaking of the party;
- (b) the party is, or becomes unable to, pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act, or is presumed to be insolvent under the Corporations Act;
- (c) the party ceases to carry on business; or
- (d) an application or order is made for the liquidation of the party or a resolution is passed or any steps are taken to liquidate or pass a resolution for the liquidation of the party, otherwise than for the purpose of an amalgamation or reconstruction;

Issuer Sponsored Holding means a holding of Redhill Education Shares on Redhill Education's issuer sponsored sub register;

Listing Rules means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;

Material Adverse Change means:

- (a) any matter, event or circumstance which happens, is announced or becomes known to iCollege after the date of this Bidder's Statement which (individually or when aggregated with all those matters, events or circumstances) has resulted in or is likely to result in either:
 - (i) the value of consolidated net assets of the Redhill Education Group being reduced by at least \$250,000 against what they would have been but for the matters, events or circumstances; or
 - (ii) the ongoing consolidated annual net profit after tax, in any financial year after the one ending 2021, of the Redhill Education Group being reduced by at least \$250,000 against what it would have been but for the matters, events or circumstances;
- (b) iCollege becomes aware, prior to the end of the Offer Period, that Redhill Education has breached its continuous disclosure obligations under the Listing Rules and, had a reasonable third party in similar circumstances to iCollege known of the information giving rise to such breach prior to the Announcement Date, it would have resulted in that reasonable third party offering less Consideration under the Bid,

but does not include:

- (a) any matter, event or circumstance arising from changes in economic or business conditions (including changes in currency exchange rates) which impact on Redhill Education and its competitors in a similar manner;
- (b) any change in taxation rates or taxation laws which impact on Redhill Education and its competitors in a similar manner;
- (c) any change in accounting policy required by law; or
- (d) any change occurring directly or indirectly as a result of any matter, event or circumstance required by this Bidder's Statement, the Bid or the transactions contemplated by them];

Nominee means an entity to be appointed by iCollege after the date of this Bidder's Statement with the prior approval of ASIC;

Non-Broker Participant means a non-broker participant under the ASX Settlement Operating Rules;

Offer means the offer by iCollege on the Offer Terms to acquire Redhill Education Shares;

Offer Price or **Consideration** means 7.6 iCollege Shares for every one Redhill Education Share;

Offer Period means the period commencing on ~~{~~15 April 2021 and ending at 7.00pm (Melbourne time) on 17 May ~~{~~2021, or any later date to which the Offer is extended;

Offer Terms means the terms of the Offer set out in Schedule 1;

Prescribed Occurrence means:

- (a) **(conversion)** Redhill Education converts all or any of its shares into a larger or smaller number of shares;
- (b) **(reduction of share capital)** Redhill Education resolves to reduce its share capital in any way;
- (c) **(buy-back)** Redhill Education:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(distribution)** Redhill Education makes or declares, or announces an intention to make or declare, any distribution (whether by dividend, capital reduction or otherwise and whether in cash or in specie);
- (e) **(issuing shares or options)** a member of Redhill Education Group:
 - (i) issues shares;
 - (ii) grants an option over its shares; or
 - (iii) agrees to make an issue of shares or grant an option over its shares,
 in each case to a person outside Redhill Education Group;
- (f) **(securities or other instruments)** a member of the Redhill Education Group:
 - (i) issues securities or other instruments convertible into shares or debt securities; or
 - (ii) agrees to issue securities or other instruments convertible into shares or debt securities,
 in each case to a person outside the Redhill Education Group;
- (g) **(constitution)** a member of the Redhill Education Group adopts a new constitution or modifies or repeals its constitution or a provision of it;
- (h) **(disposals)** a member of the Redhill Education Group disposes, or agrees to dispose of, the whole or a substantial part of its business or property;
- (i) **(acquisitions, disposals or tenders)** a member of the Redhill Education Group:
 - (i) acquires or disposes of;
 - (ii) agrees to acquire or dispose of; or
 - (iii) offers, proposes, announces a bid or tenders for,

any business, asset, interest in a joint venture, entity or undertaking, the value of which exceeds \$250,000;

- (j) **(Encumbrances)** a member of the Redhill Education Group creates any Encumbrance over the whole or a substantial part of its business or property (other than in the ordinary course of business and other than a lien which arises by operation of law or legislation securing an obligation not yet due and consistent with past practice);
- (k) **(board)** any person is appointed to the Redhill Education Board, other than those nominated by iCollege;
- (l) **(employment arrangements)** a member of the Redhill Education Group:
 - (i) materially increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors; or
 - (ii) accelerates the rights of any of its directors to compensation or benefits of any kind,

other than in the ordinary course of business or as a result of contracted arrangements that are consistent with past practice and in effect at the date of this Bidder's Statement;
- (m) **(termination or retention payment)** a member of the Redhill Education Group pays any of its directors or employees a termination or retention payment (otherwise than as required by an existing contract which, at the date of this Bidder's Statement, is in place and has been disclosed to iCollege);
- (n) **(commitments and settlements)** a member of the Redhill Education Group:
 - (i) enters into any contract or commitment involving revenue or expenditure by the Redhill Education Group of more than \$250,000 over the term of the contract or commitment;
 - (ii) terminates or amends in a material manner any contract material to the conduct of the Redhill Education Group's business or which involves revenue or expenditure of more than \$250,000 over the term of the contract;
 - (iii) waives any material third party default where the financial impact on the Redhill Education Group will be in excess of \$250,000; or
 - (iv) accepts as a settlement or compromise of a material matter (relating to an amount in excess of \$250,000) less than the full compensation due to Redhill Education or any member of the Redhill Education Group;
- (o) **(financial arrangements)** a member of the Redhill Education Group amends (or agrees to amend) in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by this Bidder's Statement;
- (p) **(capital expenditure)** a member of the Redhill Education Group undertakes or agrees to undertake capital expenditure in excess of \$500,000 in aggregate;
- (q) **(insolvency)** an Insolvency Event occurs in respect of any member of the Redhill Education Group;
- (r) **(financial indebtedness)** a member of the Redhill Education Group provides financial accommodation (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$250,000;
- (s) **(breach of law)** a member of the Redhill Education Group takes or omits to take action which results in a breach of law material to a member of the Redhill Education Group;

- (t) **(accounting policy)** a member of the Redhill Education Group changes any accounting policy applied by them to report their financial position;
- (u) **(related party)** a member of the Redhill Education Group enters into or resolves to enter into a transaction with any related party of Redhill Education as defined in section 228 of the Corporations Act;
- (v) **(tax liability)** Redhill Education or any other member of the Redhill Education Group does anything that results in a taxable gain for the Redhill Education Group by either causing a Subsidiary to cease being a member of the Redhill Education Group or causing the Redhill Education Group to cease being a Consolidated Group,

but a **Prescribed Occurrence** does not include:
 - (w) an issue of Redhill Education Shares on exercise of an option that had been granted on or before the date of this Bidder's Statement;
 - (x) any matter required to be done or brought about by Redhill Education under this Bidder's Statement or which is contemplated by the Bidder's Statement; or
 - (y) any other matter, the undertaking of which iCollege has approved in writing.

Pro Forma Balance Sheet means the pro forma combined balance sheet of the Combined Entity referred to in section 6.4 of this Bidder's Statement;

Redhill Education or RDH means the target company, Redhill Education Limited can 119 952 493;

Redhill Education Board means the board of directors of Redhill Education;

Redhill Education Group means Redhill Education and each of its Subsidiaries;

Redhill Education Options means options to acquire Redhill Education Shares;

Redhill Education Performance Share Appreciation Rights means performance rights to acquire Redhill Education shares which only produce value when the Redhill Education share price exceeds the performance rights' exercise price at the time of exercise;

Redhill Education Performance Rights means performance rights to acquire Redhill Education Shares;

Redhill Education Shareholder means a registered holder of Redhill Education Shares;

Redhill Education Share means a fully paid ordinary share in the issued capital of Redhill Education;

Register Date means the date set by iCollege under section 633(2) Corporations Act;

Registry Services means Advanced Share Registry Limited ACN 127 175 946;

Regulatory Approvals means all approvals or consents that are required by law, regulation or regulatory policy, as are necessary to permit:

- (a) the Offer to be lawfully made to and accepted by Redhill Education Shareholders; and
- (b) the acquisition of the Redhill Education Shares by iCollege;

Relevant Interest has the meaning given to that term by section 9 of the Corporations Act;

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from Redhill Education Shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by Redhill Education or any of its Subsidiaries;

RTO means registered training organisation;

Subsidiaries has the meaning given to that term by section 9 of the Corporations Act;

Target's Statement means the target's statement, to be prepared by Redhill Education in response to this Bidder's Statement;

T+2 Basis means that settlement occurs on the second trading day after the date of the transaction in accordance with the ASX Settlement Operating Rules;

UCW means UCW Limited ACN 108 962 152;

Unmarketable Parcel means that number of iCollege Shares which is less than \$500.00 calculated based on the highest closing price of iCollege Shares on the ASX during the period from the date of the Bidder's Statement until the earlier of the end of the Offer Period and 5 ASX trading days before the first day on which iCollege must provide consideration for the Offer;

Unmarketable Parcel Shareholder means a Redhill Education Shareholder who would receive a total number of iCollege Shares as consideration under the Offer, which constitute an Unmarketable Parcel; and

VWAP means the volume weighted average price of a security.

12.2 Interpretation

In this Bidder's Statement, unless the context otherwise requires:

- (a) headings are for convenience and do not affect the interpretation;
- (b) words or phrases defined in the Corporations Act have the same meaning in this Bidder's Statement;
- (c) a reference to a section is a reference to a section of this Bidder's Statement;
- (d) a singular word includes the plural and vice versa;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;
- (g) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it; and
- (h) a reference to '\$' or 'dollar' is to Australian currency.

13 Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a unanimous resolution passed by the Directors of iCollege on ~~24 March~~ 8 April 2021.

Signed by Simon Tolhurst, Chairperson of iCollege, under section 351 of the Corporations Act.



Simon Tolhurst
Chairperson
iCollege Limited ACN 105 012 066

Schedule 1

Terms of the Offer

1 Offer

- 1.1 iCollege offers, to acquire all of your Redhill Education Shares, together with all the Rights attaching to them on the terms set out in this Schedule 1. This Offer extends to any person who is able during the Offer Period to give good title to Redhill Education Shares and has not already accepted an Offer for those Redhill Education Shares.
- 1.2 This Offer extends to all Redhill Education Shares that:
- (a) exist at the Register Date; and
 - (b) are issued and for which quotation is sought at any time during the Offer Period as a result of the exercise of the Redhill Education Options and Redhill Education Rights.
- 1.3 By accepting this Offer, you undertake to transfer to iCollege not only the Redhill Education Shares to which the Offer relates but also all the Rights attached to the Redhill Education Shares.
- 1.4 iCollege Shares issued under this Offer will rank equally in all respects with iCollege Shares on issue at the Register Date.
- 1.5 This Offer is dated ~~1~~ 15 April 2021.

2 Offer price

- 2.1 Subject to clause 2.2 of this Schedule 1, the price under the Offer Price is 7.6 iCollege Shares for every 1 Redhill Education Share you own.
- 2.2 **Foreign Shareholders**
- If at the time this Offer is made to you, you are a Foreign Shareholder and iCollege does not make a determination under section 11.8, you will not be entitled to receive iCollege Shares as consideration for your Redhill Education Shares. Instead, you will receive a cash amount calculated under clause 5.3 of this Schedule 1.
- 2.3 **Fractional entitlements**
- If you accept the Offer and are entitled to receive a fraction of an iCollege Share, the number of iCollege Shares you are entitled to under this Offer is rounded up to the next whole number of iCollege Shares if that fraction is 0.5 or more, and rounded down to the nearest whole number if that fraction is less than 0.5. If you are entitled to a fraction of a cent, that fraction is rounded to the nearest cent on the same basis. If iCollege reasonably believes that you have manipulated your holding of Redhill Education Shares to take advantage of rounding up, then any fractional entitlement is aggregated or rounded down to the next whole number of iCollege Shares.
- 2.4 **Unmarketable Parcel Shareholders**
- If you are an Unmarketable Parcel shareholder you will not be entitled to receive iCollege Shares as consideration for your Redhill Education Shares. Instead, you will receive a cash amount calculated under Clause 5.3 of this Schedule 1.

3 Offer period

The Offer will remain open for acceptance during the period commencing on ~~{~~15 April 2021, and ending at 47.00pm (Melbourne time) on ~~{~~17 May 2021, unless it is withdrawn or extended under the Corporations Act.

4 How to accept this Offer

4.1 All of your holding

This Offer is for all of your Redhill Education Shares.

4.2 Acceptance procedure for Redhill Education Shareholders

The acceptance procedure will depend on whether your Redhill Education Shares are in a CHESS Holding or an Issuer Sponsored Holding.

4.3 If you hold your Redhill Education Shares in a CHESS Holding

- (a) You must comply with the ASX Settlement Operating Rules.
- (b) If you are a sponsored CHESS holder of Redhill Education Shares, to accept the Offer you must:
 - (i) instruct your Controlling Participant to initiate acceptance of the Offer on your behalf under Rule 14.14 of the ASX Settlement Operating Rules;
 - (ii) complete, sign and send the accompanying Acceptance Form directly to your stockbroker or Controlling Participant; or
 - (iii) complete and sign the Acceptance Form and mail or deliver it to the address below and authorise iCollege to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf,

before the end of the Offer Period.

4.4 If you hold your Redhill Education Shares in an Issuer Sponsored Holding

If your Redhill Education Shares are in an Issuer Sponsored Holding, then to accept this Offer you must complete, sign and return the accompanying Acceptance Form in accordance with the instructions on it and deliver it or send it by post so that it is received by iCollege's share registry of the Offer before the end of the Offer Period.

4.5 If you are a Broker or a Non-Broker Participant

If you are a Broker or Non-Broker Participant, initiate acceptance under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

4.6 Mailing and delivery addresses

The mailing and delivery addresses for completed Acceptance Forms are as follows.

The mailing address is:

**Registry Services
Advanced Share Registry Ltd
Redhill Education Limited Takeover
PO BOX 1156
Nedlands WA 6909**

Alternatively, you may deliver the Acceptance Form and any associated documents to:

**Registry Services
Advanced Share Registry Ltd
Redhill Education Limited Takeover
110 Stirling Highway
Nedlands WA 6009
AUSTRALIA**

A reply-paid envelope (not able to be used by Redhill Education Shareholders outside Australia) is enclosed for your convenience.

4.7 Acceptance Form

The Acceptance Form which accompanies this Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Offer for your Redhill Education Shares.

4.8 Power of attorney, deceased estate

When accepting this Offer, you must also forward for inspection:

- (a) if the Acceptance Form is signed by an attorney, the power of attorney; and
- (b) if the Acceptance Form is signed by the executor of a will or the administrator of the estate of a deceased Redhill Education Shareholder, the relevant grant of probate or letters of administration.

4.9 When acceptance is complete

Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at one of the addresses set out in clauses 4.7 or 4.8 above and the requirements of this clause 4 have been met, provided that:

- (a) iCollege may in its sole discretion waive any or all of those requirements at any time; and
- (b) where those requirements have been complied with for some but not all of your Redhill Education Shares, iCollege may, in its sole discretion, deem your acceptance of this Offer complete in respect of those Redhill Education Shares for which the requirements have been complied with but not in respect of the remainder.

4.10 If your Acceptance Form is returned by post it will be taken as received before the end of the Offer Period if the envelope in which it is sent is postmarked before the end of the Offer Period.

5 Payment of consideration

5.1 Payment of consideration

Subject to clauses 5.2 and 5.3 of this Schedule 1, you will be issued with the iCollege's Shares you are entitled to on the earlier of:

- (a) one month after the later of the date you accept the Offer and the date all of the Conditions to the Offer have been waived or satisfied; and
- (b) 21 days after the end of the Offer Period.

5.2 Payments to Foreign Shareholders and Unmarketable Parcel Shareholders

If you accept the Offer and you are a Foreign Shareholder or an Unmarketable Parcel Shareholder and iCollege does not make a determination under section 11.8 of this Bidder's Statement:

- (a) iCollege will arrange for the issue to the Nominee of the number of iCollege Shares to which you and all other Foreign Shareholders and Unmarketable Parcel Shareholder would have been entitled under the Offer but for clause 2.2 of this Schedule 1;
- (b) iCollege will cause the Nominee to offer for sale the iCollege Shares as soon as practicable, or otherwise in the manner, at the price and on terms as are determined by the Nominee;
- (c) iCollege will cause the Nominee to pay to you the amount calculated under the following formula:

$$\frac{\text{Net Proceeds of Sale} \times \text{Your iCollege Shares}}{\text{Total Nominee iCollege Shares where:}}$$

- (i) Net Proceeds of Sale means the amount which is received by the Nominee upon the sale of all iCollege Shares under this clause 5.3 less brokerage and other sale expenses;
- (ii) Your iCollege Shares means the number of iCollege Shares which would, but for clause 2.2 of this Schedule 1, have been allotted to you under the Offer;
- (iii) Total Nominee iCollege Shares means the total number of iCollege Shares allotted to the Nominee under this clause 5.3;
- (d) you will receive your share of the proceeds of this sale in Australian currency;
- (e) payment will be made by cheque posted to you at your risk by ordinary mail at the address provided on your Acceptance Form;
- (f) under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds to you; and
- (g) a brokerage fee may be deducted by the Nominee. You should consult your professional adviser in this regard.

5.3 Where additional documents are required

Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney), if the documents are given:

- (a) with your acceptance, iCollege will provide the consideration in accordance with clause 2 of this Schedule 1;
- (b) after acceptance and before the end of the Offer Period and the Offer is subject to a Defeating Condition at the time that iCollege is given the documents, iCollege will provide the consideration by the end of whichever period ends earlier:
 - (i) within one month after the contract resulting from your acceptance of the Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period;
- (c) after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that iCollege is given the documents, iCollege will provide the consideration by the end of whichever period ends earlier:
 - (i) one month after iCollege is given the document; and
 - (ii) 21 days after the end of the Offer Period; or
- (d) after the end of the Offer Period, iCollege will provide the consideration within 21 days after the documents are given, but if at the time iCollege is given the documents, the contract resulting from your acceptance of the Offer is still subject to one or more of the Defeating Conditions, iCollege will provide the consideration within 21 days after that contract becomes unconditional.

If you do not give iCollege the required additional documents within one month after the end of the Offer Period, iCollege may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

5.4 Where iCollege is entitled to any Rights

If iCollege becomes entitled to any Rights on acceptance of this Offer, you must give iCollege all documents that iCollege needs to give iCollege title to those Rights. If you do not give those documents to iCollege, or if you have received the benefit of those Rights, iCollege will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by iCollege) of those Rights.

5.5 Payment to be mailed by cheque

Payment of the cash amount to which you are entitled will be mailed by cheque (or otherwise as agreed by iCollege) in Australian currency. Cheques will be sent to the address on the Acceptance Form by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

5.6 Clearances for offshore residents

If, at the time of acceptance of this Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any consideration under this Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the *Banking (Foreign Exchange) Regulations 1959* (Cth) or otherwise), or of the Australian Taxation Office, have been obtained.

6 Conditions of the Offer

6.1 Conditions

The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

- (a) **(Minimum acceptance)** Before the end of the Offer Period, iCollege has a Relevant Interest in more than 90% (by number) of Redhill Education Shares.
- (b) **(Regulatory Approvals, including ACCC)** Before the end of the Offer Period, the Regulatory Approvals:
 - (i) are granted, given, made or obtained unconditionally, or on the basis of conditions that impose only non-material requirements incidental to the approval or consent;
 - (ii) remain in full force and effect; and
 - (iii) do not become subject to any notice, indication or intention to revoke, suspend, restrict, modify or renew them,
 including any necessary clearances and authorisations, on conditions acceptable to iCollege, from the Australian Consumer and Competition Commission and the Australian Competition Tribunal.
- (c) **(No Prescribed Occurrences)** Before the end of the Offer Period, there is no occurrence of a Prescribed Occurrence.
- (d) **(No Material Adverse Change)** Before the end of the Offer Period, there is no occurrence of a Material Adverse Change.

6.2 Effect of acceptance

Once you have accepted this Offer, you will be unable to revoke your acceptance or otherwise dispose of your Redhill Education Shares and the contract resulting from your acceptance will be binding on you, unless:

- (a) by the end of the Offer Period, this Offer will automatically terminate; and
- (b) the circumstances set out in section 650E of the Corporations Act apply.

6.3 By signing and returning the Acceptance Form, you will be deemed to have:

- (a) irrevocably accepted this Offer (and each variation of this Offer) in respect of all your Redhill Education Shares despite any difference between that number and the number of Redhill Education Shares shown in the Acceptance Form;
- (b) irrevocably authorised iCollege to alter the Acceptance Form on your behalf by:
 - (i) inserting correct details of your Redhill Education Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,
 as may be necessary to make the Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your Redhill Education Shares to iCollege;
- (c) represented and warranted to iCollege, as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to iCollege:

- (i) you have paid to Redhill Education all amounts which are due for payment for your Redhill Education Shares;
 - (ii) all of your Redhill Education Shares are fully paid and free from all mortgages, charges, liens and other encumbrances of any nature; and
 - (iii) you have full power and capacity to sell and transfer those Redhill Education Shares;
- (d) granted to iCollege and each of its Directors power of attorney to sign any document or do anything on your behalf necessary to cause Redhill Education to issue a replacement share certificate for those Redhill Education Shares;
- (e) agreed to:
- (i) do anything necessary to ratify any act taken or purported to be taken by iCollege or any of its Directors under the power of attorney granted by clause 6.3(d) of Schedule 1; and
 - (ii) indemnify iCollege and each of its Directors in respect of that act;
- (f) ~~from the time of acceptance until the Offer has become unconditional, until the earlier of the withdrawal of your acceptance under section 650E Corporations Act or the end of the Offer Period~~ with effect on and from the date that this Offer or any contract arising from your acceptance of this Offer becomes unconditional, irrevocably appointed iCollege or any nominee of iCollege as your attorney to exercise all your powers and rights attaching to your Redhill Education Shares including (without limitation) to requisition, convene, attend and vote at all general meetings of Redhill Education or appoint a proxy or proxies to attend and vote on your behalf at that meeting, where the passing or defeat of any resolution before the meeting might adversely affect the likelihood of the Offer being successful and to do so in a way which would prevent that effect arising;
- (g) on this Offer or any takeover contract becoming unconditional, irrevocably appointed iCollege or any nominee of iCollege as your attorney to exercise all your powers and rights attaching to your Redhill Education Shares including (without limitation):
- (i) to requisition, convene, attend and vote at all general meetings of Redhill Education or appoint a proxy or proxies to attend and vote on your behalf at that meeting; and
 - (ii) sign all documents and resolutions relating to your Redhill Education Shares, and generally to exercise all powers and rights which you may have as a Redhill Education Shareholder and perform actions as may be appropriate to vest good title in your Redhill Education Shares in iCollege;
- (h) agreed that in exercising the powers conferred by the power of attorney in clause 6.3(f) of this Schedule 1, iCollege is entitled to act in the interests of iCollege;
- (i) agreed not to attend or vote in person at any general meeting of Redhill Education or to exercise or purport to exercise any of the powers conferred on iCollege or its nominee in clause 6.3(f) of this Schedule 1;
- (j) agreed to accept the iCollege Shares, to which you have become entitled by acceptance of this Offer, subject to the constitution of iCollege and have authorised iCollege to place your name on the register of members for those iCollege Shares; and

- (k) if your Redhill Education Shares are in a CHESS Holding and you sign and return the Acceptance Form, irrevocably authorised iCollege:
 - (i) to instruct your Controlling Participant to initiate acceptance of this Offer for your Redhill Education Shares under the ASX Settlement Operating Rules; and
 - (ii) to give any other instructions in relation to your Redhill Education Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

6.4 **Withdrawal**

iCollege may withdraw unaccepted Offers at any time in accordance with the Corporations Act, with the written consent of ASIC and subject to the conditions (if any) specified in that consent.

6.5 **Variation and extension**

iCollege may vary or extend this Offer in accordance with the Corporations Act.

6.6 **Freeing the Offer of Conditions**

iCollege may free this Offer, and any takeover contract, from all or any of the Conditions, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Redhill Education declaring the Offer to be free from the relevant Condition or Conditions, in accordance with section 650F of the Corporations Act. This notice will be given not less than seven days before the end of the Offer Period. If, at the end of the Offer Period, the Conditions have not been fulfilled and iCollege has not declared the Offer (or it has not become) free from those Conditions, all takeover contracts will be automatically void.

6.7 **Waiver of Defeating Conditions**

Subject to section 650F of the Corporations Act, iCollege may declare the Offer free from all or any of the Conditions generally or in relation to any specific occurrence by giving notice in writing to Redhill Education not less than seven days before the end of the Offer Period.

6.8 **Status of Defeating Conditions**

iCollege will give notice to Redhill Education on the status of the Defeating Conditions not later than seven days before the end of the Offer Period, being ~~10 May~~ 10 May 2021 as required by section 630(1) of the Corporations Act. If iCollege extends the Offer Period by a particular period, the date for giving the notice will be postponed for an equivalent period in accordance with section 630(2) of the Corporations Act.

7 **Acceptances by transferees and nominees**

7.1 **Who may accept the Offer**

During the Offer Period:

- (a) any person who is able to give good title to a parcel of Redhill Education Shares may accept (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to that person; and
- (b) any person who holds one or more parcels of Redhill Education Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate offer had been made in relation to:
 - (i) each of those parcels; and

- (ii) any parcel they hold in their own right.

7.2 Holding shares

A person is taken to hold Redhill Education Shares if the person is, or is entitled to be registered as, the holder of those Redhill Education Shares.

7.3 Holding shares on trust or as a nominee

A person is taken to hold Redhill Education Shares on trust for, as nominee for, or on account of, another person if that person:

- (a) is entitled to be registered as the holder of Redhill Education Shares; and
- (b) holds the interest in the Redhill Education Shares on trust for, as nominee for, or on account of, that other person.

7.4 Effective acceptance

An acceptance of an Offer under clause 7.1(b) of this Schedule 1 is ineffective unless:

- (a) the person who holds on account of another person, gives that other person written notice stating that the Redhill Education Shares consist of a separate parcel; and
- (b) the acceptance specifies the number of Redhill Education Shares in that parcel.

7.5 Notice of acceptance

- (a) A notice under clause 7.4(a) of this Schedule 1 must be made in writing.
- (b) A person may, at the one time, accept for two or more parcels under clause 7.5(b) of this Schedule 1 as if there had been a single offer for a separate parcel consisting of those parcels.

8 Other matters

8.1 Notices and other communications

Subject to the Corporations Act, a notice or other communication given by iCollege to you in connection with this Offer is deemed to be duly given if it is in writing and:

- (a) is delivered at your address as recorded on the register of members of Redhill Education; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

8.2 Return of documents

If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to iCollege; or
- (b) for any other reason iCollege does not acquire the Redhill Education Shares to which your Acceptance Form relates,

iCollege will despatch at your risk your Acceptance Form together with all other documents forwarded by you.

9 Costs and expenses

All costs and expenses of the preparation, despatch and circulation of the Offers and all stamp duty payable for a transfer of Redhill Education Shares for which Offers are accepted, will be paid by iCollege.

10 Rights of iCollege Shares issued as consideration under the Offer

The iCollege Shares offered by iCollege as consideration under the Offer will rank equally with iCollege Shares on issue at the Register Date.

11 Quotation of iCollege Shares

- 11.1 iCollege has been admitted to the official list of ASX and shares of the same class as those to be issued as consideration under the Offer have been granted official quotation by ASX.
- 11.2 An application was made on the date of this Bidder's Statement to ASX for the granting of official quotation of the iCollege Shares to be issued under the Offer.
- 11.3 Under section 625(3) Corporations Act, the Offer is subject to a condition that application for admission to quotation of the iCollege Shares issued under the Offer is made within seven days after the start of the bid period and permission for admission to quotation will be granted no later than seven days after the end of the Offer Period. This condition may not be waived.

Schedule 2

iCollege Announcements to ASX since FY 2020 annual report

Date	Headline
8 April 2021	Qtr Cashflow Report – record financial performance
29 March 2021	Becoming a substantial holder for RDH
26 March 2021	Becoming a substantial holder for RDH
25 March 2021	Becoming a substantial holder
25 March 2021	RDH: Unsolicited Proposed Takeover Offer by iCollege Limited
25 March 2021	Proposed issue of Securities – ICT
25 March 2021	Redhill Takeover Offer Investor presentation
25 March 2021	Bidder's Statement for RDH
12 March 2021	Update of iCollege Off-Market Takeover for Redhill Education
22 February 2021	RDH: Unsolicited Takeover Offer from iCollege Limited
22 February 2021	iCollege Off-Market Takeover Offer for Redhill Education
11 February 2021	Half Year Results Presentation
11 February 2021	Half Yearly Report and Accounts
29 January 2021	Results of AGM
12 January 2021	Appendix 4C - Record Quarter with Strong Growth
29 December 2020	Notice of Annual General Meeting/Proxy Form
16 December 2020	Earnings Update
11 December 2020	Change of Director's Interest Notice
7 December 2020	Infection Control Training to strengthen ICTs revenue base
16 November 2020	NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT
16 November 2020	Letter of Intent for infection control training signed
16 November 2020	Convertible Note Extension
16 November 2020	iCollege well placed for record HY2021
10 November 2020	Appendix 2A
10 November 2020	Placement Shares Allotted
10 November 2020	Update - Proposed issue of Securities - ICT
3 November 2020	Proposed issue of Securities – ICT
3 November 2020	Proposed issue of Securities – ICT
3 November 2020	Successful completion of \$5.5M placement to drive growth
30 October 2020	Trading Halt
22 October 2020	Company Presentation
8 October 2020	Quarterly Cashflow and Operations Report
6 October 2020	Clarification
5 October 2020	Change of Share Registry
5 October 2020	Change of Director's Interest Notice
2 October 2020	Change of Director's Interest Notice
2 October 2020	Change of Director's Interest Notice
30 September 2020	Full Year Statutory Accounts
30 September 2020	Corporate Governance Statement
30 September 2020	Appendix 4G
28 September 2020	Reinstatement to Official Quotation
28 September 2020	Response to ASX Price Query
28 September 2020	Suspension from Official Quotation
28 September 2020	Pause in Trading
15 September 2020	FY21 Earnings and cash collections update
31 August 2020	Appendix 4E Commentary
31 August 2020	Preliminary Final Report & Appendix 4E

Schedule 3

Redhill Education announcements to ASX since FY 2020 annual report

Date	Headline
6 April 2021	Ceasing to be a substantial holder
29 March 2021	Becoming a substantial holder from ICT
26 March 2021	Becoming a substantial holder from ICT
25 March 2021	Unsolicited Proposed Takeover Offer by iCollege Limited
25 March 2021	ICT: Redhill Takeover Offer Investor presentation
25 March 2021	ICT: Bidder's Statement
23 March 2021	RDH Response to UCW Extension of Offer Period
23 March 2021	UCW: Extension of Offer Period
23 March 2021	Becoming a substantial holder
12 March 2021	ICT: Update of iCollege Off-Market T/O for Redhill Education
26 February 2021	Investor Presentation on FY21 Interim Financial Results
26 February 2021	FY21 Interim Financial Report
22 February 2021	UCW: Extension of Offer Period
22 February 2021	Unsolicited Takeover Offer from iCollege Limited
22 February 2021	ICT: iCollege Off-Market Takeover Offer for Redhill Education
5 February 2021	Recommendation on UCW's Supplementary Bidder's Statement
5 February 2021	UCW: Supplementary Bidder's Statement and Section 650F Not
22 January 2021	UCW: Extension of Offer Period
22 January 2021	Replacement substantial holding notices from UCW
19 January 2021	Replacement ASIC Form 603 - from UCW
18 January 2021	Change in Substantial Shareholding from UCW
15 January 2021	UCW: Notice of fulfilment of defeating condition
14 January 2021	UCW: Market Update
14 January 2021	Response to UCW Announcement of 13 January 2021
13 January 2021	UCW: Receipt of Target's Statement
13 January 2021	Change in Substantial Shareholding from UCW to 26.8%
12 January 2021	Target's Statement in respect of UCW Limited's Offer
11 January 2021	ASIC Relief for Electronic Delivery of Target's Statement
8 January 2021	Change in Substantial Shareholding from UCW
6 January 2021	Market Update
29 December 2020	Shareholder advice regarding UCW's Bidder's Statement
29 December 2020	UCW: Announcement of Dispatch of Bidder's Statement
24 December 2020	Appendix 3G and Appendix 3Y - G Elith
14 December 2020	Becoming a Substantial Holder from UCW
14 December 2020	Unsolicited Proposed Takeover Offer by UCW Limited
14 December 2020	UCW: Investor Presentation - Takeover Offer for RedHill
14 December 2020	UCW: Bidder's Statement
14 December 2020	UCW: Off-market takeover offer for RedHill Education
1 December 2020	Appointment of Interim Chairman
30 November 2020	Final Director's Interest Notice - B Beerworth
19 November 2020	RedHill Education 2020 AGM Results
19 November 2020	2020 AGM Chairman and CEO Address
19 November 2020	Withdrawal of Resolution 5 at 2020 Annual General Meeting
19 October 2020	Chairman to Retire
19 October 2020	Notice of 2020 Annual General Meeting
24 September 2020	2020 Corporate Governance Statement and Appendix 4G
24 September 2020	FY20 Annual Report
14 September 2020	Details of 2020 Annual General Meeting
9 September 2020	Change in substantial holding
27 August 2020	FY20 Full Year Results Presentation
27 August 2020	FY20 Preliminary Final Report

CORPORATE DIRECTORY

Company

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