



## REDHILL EDUCATION

ASX / MEDIA RELEASE

19 AUGUST 2021

### RedHill Education Limited

## Release of Supplementary Target's Statement in respect of iCollege Limited's revised takeover bid

RedHill Education Limited (**RedHill**) (ASX:RDH) releases its supplementary target's statement (**Supplementary Target's Statement**) in response to iCollege Limited's (**iCollege**) supplementary bidder's statement dated 18 August 2021 in relation to iCollege's off-market takeover bid for all the fully paid ordinary shares in RedHill (**Takeover Bid**).

The Supplementary Target's Statement relates to and supplements RedHill's target's statement dated 30 April 2021 in response to the Takeover Bid and should be read together with that document.

The Supplementary Target's Statement is being released to ASX in accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth) and was lodged with ASIC and will be sent to iCollege today.

*Authorised for release to ASX by the Board of Directors of RedHill.*

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#### **ABOUT REDHILL**

RedHill has a portfolio of quality education businesses at the premium end of the private education market to capitalise on the demand for higher education, vocational training and English language programmes. For further information refer to our website [www.redhilleducation.com](http://www.redhilleducation.com).

RedHill Education Limited  
ACN 119 952 493

***Supplementary Target's Statement***

***YOUR DIRECTORS RECOMMEND THAT YOU***

***ACCEPT***

***ICOLLEGE'S REVISED OFFER IN THE ABSENCE  
OF A SUPERIOR PROPOSAL***

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE  
ATTENTION.**

**If you are in any doubt as to how to deal with this document, please contact your  
legal, financial, taxation or other professional adviser.**

Legal Adviser

MinterEllison

Financial Adviser



## Introduction

This is a supplementary target's statement (**Supplementary Target's Statement**) given by RedHill Education Limited (**RedHill**) under section 644 of the Corporations Act.

This Supplementary Target's Statement relates to and supplements RedHill's Target's Statement dated 30 April 2021 in response to iCollege's Offer and should be read together with that document.

Unless the context otherwise requires, terms defined in the Target's Statement have the same meaning in this Supplementary Target's Statement. To the extent there is any inconsistency between the Target's Statement and this Supplementary Target's Statement, this Supplementary Target's Statement will prevail.

A copy of this Supplementary Target's Statement was lodged with ASIC and ASX and sent to iCollege on 19 August 2021. Neither ASIC, ASX nor any of their respective officers takes any responsibility as to the contents of this Supplementary Target's Statement.

This Supplementary Target's Statement is an important document and requires your immediate attention. You should seek independent legal, financial and taxation advice before making a decision as to whether or not to accept the Revised ICT Offer.

## Key dates

Offer announced	22 February 2021
Offer Period commenced	15 April 2021
Date of this Supplementary Target's Statement	19 August 2021
Date for iCollege to provide notice of status of Conditions	13 September 2021
Offer Period closes (unless Offer is extended or withdrawn)	7.00pm on 20 September 2021

## Letter from the Chairman

Dear Shareholder,

On 12 August 2021, RedHill announced a recommended off-market takeover offer by iCollege to acquire all of the RedHill Shares on issue (**Revised ICT Offer**).

Under the terms of the Revised ICT Offer, Shareholders who accept the Revised ICT Offer will receive 9.5 shares in ICT for every one share in RedHill. This **represents value of \$1.235 per RedHill Share** as at the last trading day prior to the announcement of the Revised ICT Offer<sup>1</sup>. Importantly, iCollege has declared its Offer consideration **final** in the absence of a Superior Proposal, which means it cannot increase its offer consideration during the Offer Period unless there is a Superior Proposal.

You should have recently received a Supplementary Bidder's Statement from iCollege which sets out the details of the Revised ICT Offer. This Supplementary Target's Statement sets out the formal response of the RedHill Directors to the Revised ICT Offer.

### Board recommendation

After careful consideration, the Directors of RedHill unanimously recommend that you **ACCEPT** the Revised ICT Offer in the absence of a Superior Proposal. Furthermore, RedHill Directors intend to accept the Revised ICT Offer in full, in the absence of a Superior Proposal, for the RedHill Shares they own or control.

In recommending the Revised ICT Offer, the RedHill Directors have had regard to the following:

1. the Revised ICT Offer provides a substantial premium for your RedHill shares;
2. the transaction brings two highly complementary businesses together to create a well capitalised, scaled and leading education portfolio across ELICOS, VET and higher education sectors;
3. the transaction diversifies RedHill's earnings base and helps mitigate potential risks around the timing of international borders reopening;
4. immediate and longer term cost and revenue synergy opportunities, not otherwise available to the standalone entities;
5. well credentialed MergeCo (as defined below) Board and management team leveraging strengths and experience from both companies; and
6. there is no other Offer for your RedHill shares.

A detailed explanation of these reasons is contained in Section 2 of this Supplementary Target's Statement.

The Board and I have enjoyed our involvement with RedHill and are excited by the prospect of merging RedHill with iCollege to create a leading ASX-listed educational company (**MergeCo**), which is well positioned to invest for growth. Importantly, RedHill Shareholders are expected to collectively own 45.4% of MergeCo<sup>2</sup>, ensuring RedHill Shareholders maintain meaningful exposure to existing RedHill businesses as well as the combined MergeCo.

As with any transaction, there are risks in accepting the Revised ICT Offer. These risks are outlined in Section 4 of this Supplementary Target's Statement and include:

- integration risks faced by MergeCo;
- regulatory risks faced by MergeCo;
- future earnings and forecasts risks faced by MergeCo;
- potential variation in the valuation of new iCollege shares;
- potential loss of employees;
- due diligence risks; and
- potential competing proposals.

If you wish to accept the Revised ICT Offer, you should follow the instructions provided in iCollege's Supplementary Bidder's Statement and on the Acceptance Form.

**The Revised ICT Offer is scheduled to close at 7.00pm (Melbourne time) on 20 September 2021**, unless extended by iCollege. You should not assume that the Offer Period will be extended.

<sup>1</sup> Based off ICT's closing share price of \$0.13 on 11 August 2021.

<sup>2</sup> Calculated using the basic number of shares outstanding for each of RedHill and iCollege as at the date of this Supplementary Target's Statement. Future share issuances by each of RedHill and iCollege may alter this percentage. Refer to sections 5.6 and 5.7 for further details on the issued capital of each of RedHill and iCollege, respectively.

The RedHill Directors recommend you read this Supplementary Target's Statement and iCollege's Supplementary Bidder's Statement in their entirety.

If you have any questions in relation to the Revised ICT Offer, I encourage you to seek independent advice from your investment, financial, tax or other professional advisor, or to contact the RedHill Shareholder Information Line on 1300 148 799 or +61 3 9415 4265.

I would also like to take this opportunity to thank you for your continued support of RedHill.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Heath', with a stylized flourish at the end.

Stephen Heath  
Chairman  
**RedHill Education Limited**

What do your Directors recommend?

## **ACCEPT** the Revised ICT Offer

Your Directors' reasons to **ACCEPT** the Revised ICT Offer in the absence of a Superior Proposal

- 1** The Revised ICT Offer provides a substantial premium for your RedHill shares

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- 2** The transaction brings two highly complementary businesses together to create a well capitalised, scaled and leading education portfolio across ELICOS, VET and higher education sectors

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- 3** The transaction diversifies RedHill's earnings base and helps mitigate potential risks around international borders reopening

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- 4** Immediate and longer term cost and revenue synergy opportunities, not otherwise available to the standalone entities

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- 5** Well credentialed MergeCo Board and management team leveraging strengths and experience from both companies

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- 6** There is no other Offer for your RedHill shares

Section 2 of this Supplementary Target's Statement elaborates on these key reasons.

## 1. RedHill Directors recommend Shareholders **ACCEPT** the Revised ICT Offer in the absence of a Superior Proposal

RedHill notes the Supplementary Bidder's Statement lodged by iCollege on 18 August 2021 which, among other matters, increases the Offer Consideration to 9.5 ICT Shares for every one RedHill Share (**Revised ICT Offer**).

For the reasons outlined in Section 2 below, the RedHill Directors unanimously recommend that Shareholders **ACCEPT** the Revised ICT Offer in the absence of a Superior Proposal.

In evaluating the Revised ICT Offer, your Directors encourage you to:

- read the whole of this Supplementary Target's Statement and the Bidder's Statement and Supplementary Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- consider the choices available to you and ensure you understand the consequences and risks of those choices, as outlined in Section 4 of this Supplementary Target's Statement;
- carefully consider Section 2 (Reasons why you should **ACCEPT** the Revised ICT Offer) and Section 5 (Information about the Offer and other important issues) of this Supplementary Target's Statement; and
- seek independent financial, legal, taxation or other professional advice if you are in any doubt as to what you should do in response to the Revised ICT Offer.

Your Directors will keep you informed of any material developments relating to the Revised ICT Offer.

Each RedHill Director intends to accept the Revised ICT Offer within 10 Business Days from the date of the Supplementary Bidder's Statement in the absence of a Superior Proposal.

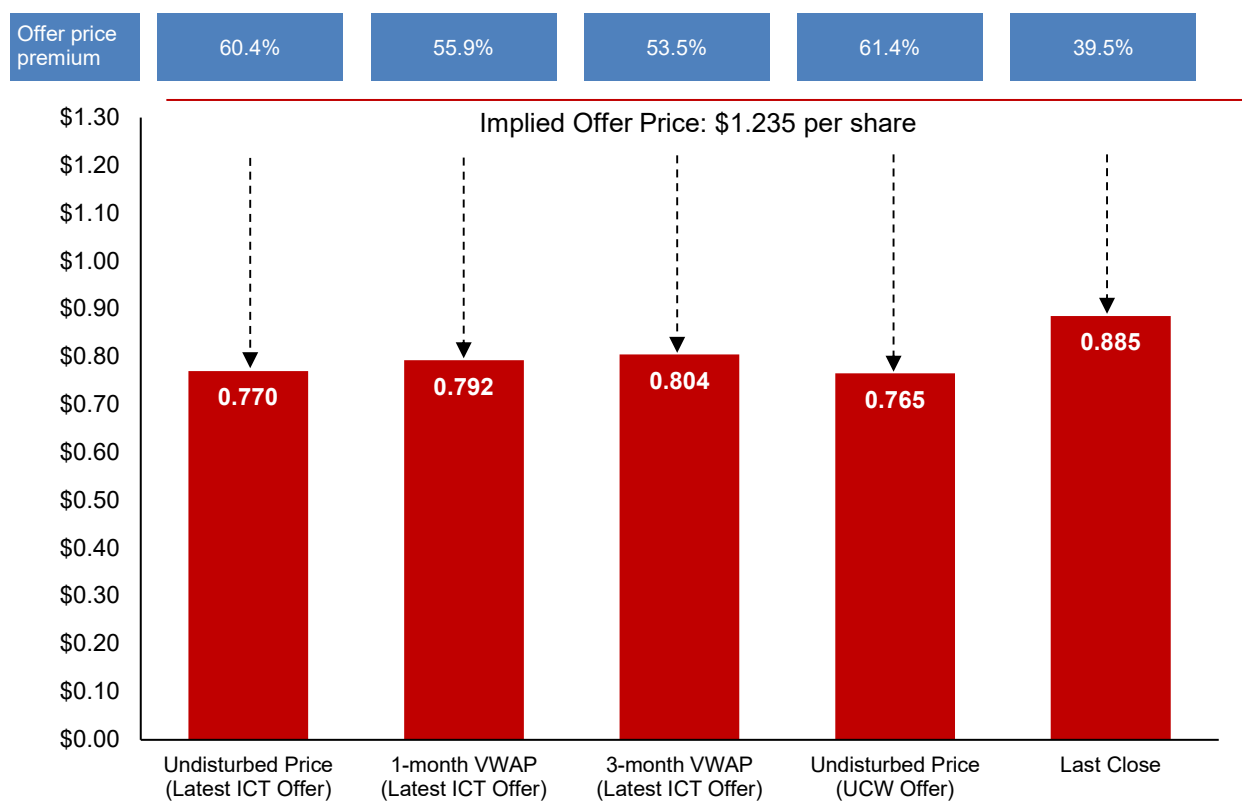
## 2. Key reasons why the Directors now recommend you accept the Revised ICT Offer in the absence of a Superior Proposal

### 1) The Revised ICT Offer provides a substantial premium for your RedHill shares

The Revised ICT Offer provides Shareholders with the ability to retain exposure to RedHill's assets while capturing an attractive premium for your shareholding. By accepting the Revised ICT Offer, Shareholders will receive 9.5 ICT Shares for every 1 RDH Share held. This consideration has an implied offer price of \$1.235<sup>3</sup> which represents:

- a premium of 60.4% on RedHill's closing price of \$0.770 on 25 June 2021<sup>4</sup>;
- a premium of 55.9% on RedHill's 1-month VWAP of \$0.792 until 25 June 2021<sup>4</sup>;
- a premium of 53.5% on RedHill's 3-month Day VWAP of \$0.804 until 25 June 2021<sup>4</sup>;
- a premium of 61.4% on RedHill'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; and
- a premium of 39.5% on RedHill's closing price of \$0.885 on 18 August 2021, the share price at last close prior to the date of this Supplementary Target's Statement.

Figure 1: Implied offer value premiums



In addition, the Revised ICT Offer also represents a 25% premium to ICT's prior offer of a 7.6x exchange ratio, dated 9 April 2021.

Under the Revised ICT Offer, Shareholders will receive ICT shares at a significant premium and also maintain meaningful ownership in the combined entity. It is expected that ICT shareholders will own 54.6% and Shareholders will own 45.4% of MergeCo, respectively.<sup>5</sup>

<sup>3</sup> Based on ICT share price of \$0.130 on 11 August 2021 being the last trading day prior to the joint announcement of the transaction.

<sup>4</sup> Last trading day prior to ICT's announcement of a non-binding proposal to increase offer to a 9.5x exchange ratio.

<sup>5</sup> Calculated using current basic number of ordinary shares outstanding of 50.8 million for RedHill and 581.6 million for ICT.



2) **The transaction brings two highly complementary businesses together to create a well capitalised, scaled and leading education portfolio across ELICOS, VET and higher education sectors**

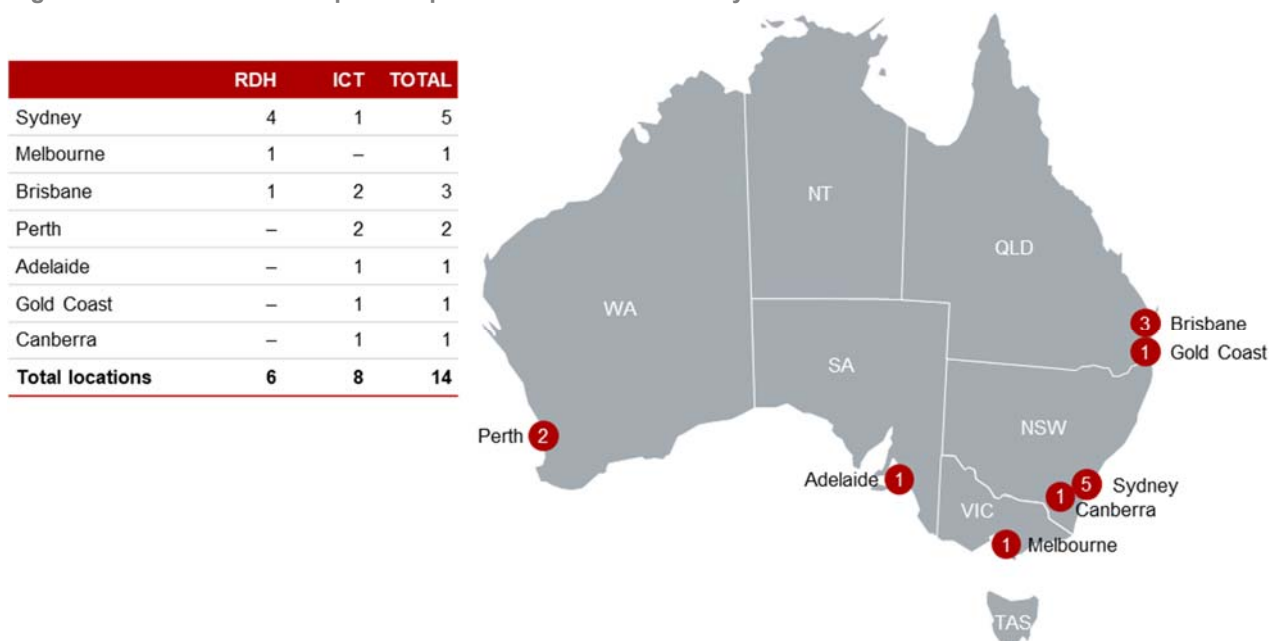
Figure 2: RedHill and ICT business overview

	RedHill	ICT
<b>Market segment</b>	ELICOS, English language testing, VET, higher education and international student recruitment	ELICOS, VET and English language testing
<b>Student sector</b>	Domestic and international	Domestic and international
<b>FY21 revenue split</b>	73% international students and 27% domestic students	46% international students and 54% domestic students
<b>Course mix</b>	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
<b>Locations</b>	Brisbane, Melbourne and Sydney	Adelaide, Brisbane, Canberra, Gold Coast, Perth and Sydney
<b>Student recruitment business locations</b>	Australia, Chile, Colombia, France, Italy, Mexico, Spain	NA
<b>Funding sources</b>	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
<b>Brands</b>		

**RedHill’s strong presence in Victoria and New South Wales will be complemented by ICT’s growing operations in Queensland, Western Australia and South Australia**

There is minimal geographic overlap between the two companies with RedHill sourcing approximately 90% of FY21 revenues from Victoria / New South Wales and ICT sourcing approximately 70% of revenues from Queensland / Western Australia. The combination of the two businesses will create a nationwide footprint of 14 campuses with much greater reach and access to international and domestic students across Sydney, Melbourne, Canberra, Perth, Adelaide, Brisbane and the Gold Coast.

Figure 3: Australia wide campus footprint of the combined entity



As the combined MergeCo business grows its operations, RedHill and ICT’s core expertise in their respective States allows each business to more reliably enter into a new market and utilise available campus capacity nationally<sup>6</sup>, and to leverage in-market personnel (discussed further in Section 4 below).

***Complementary course mix and business models with very little revenue cannibalisation offering greater choice to students, keeping them within the combined company’s ecosystem***

MergeCo will provide a greater diversity of course offerings, bringing together RedHill’s leadership in ELICOS, Management, Technology and Design, and ICT’s strengths in Business, Hospitality, Health, Community Services, Building & Construction and Technology.

As such, students of each Company will be offered a broader range of courses they can undertake. This will enhance the ability to lengthen student life cycles and keep them within MergeCo’s ecosystem, particularly international students, who will have greater choice as their preferences change or they wish to extend their studies.

***Combination of RedHill and ICT provides further diversification in international student source markets***

RedHill recruits many of its international students from South America, parts of Asia and Europe, while ICT’s international agent network draws most of its international students from the Indian subcontinent, South East Asia and South America. While there is some overlap between student originations, MergeCo is expected to expand each entity’s international source country reach and increase existing student enrolment pipelines, assisting a boost to student numbers on the reopening of Australia’s borders. Additionally, the broader source country coverage ensures there will not be an over dependence on a particular country or region.

***The combined entity will have strong relationships across both State and Commonwealth Governments which it can leverage to increase its accreditations as the business grows***

RedHill has strong Commonwealth Government funding and tuition support for domestic students, including FEE-HELP, VET Student Loans (VSL) and Commonwealth Supported Place subsidies which demonstrate RedHill’s quality offering and reputation. This will be supplemented by ICT’s State Government funded and subsidised training contracts across Western Australia, South Australia, Queensland, New South Wales and the ACT.

This mix of Commonwealth and State Government contracts will provide greater flexibility for future accreditations as new offerings are pursued. RedHill’s strong position in Sydney and Melbourne in particular may give greater comfort to state regulators as they consider ICT’s application for State Government funded contracts in New South Wales and Victoria, especially when coupled with ICT’s

<sup>6</sup> Regulatory approval required to include new campuses in scope for CRICOS course offerings.

strong track record in Queensland and Western Australia. Conversely, RedHill may be able to leverage ICT's relationships should it seek State Government contracts for its own domestic offerings.

Figure 4: RedHill and ICT business overview<sup>7</sup>

**MergeCo will have a strengthened earnings base and balance sheet, which will assist it to weather ongoing uncertainties due to COVID-19, as well as invest in future growth opportunities (both organic and inorganic)**

	RedHill	ICT	MergeCo
<b>FY21 Revenue (\$m)</b>	43.5	16.3 <sup>8</sup>	<b>59.8</b>
<b>FY21 EBITDA (post-AASB16) (\$m)<sup>9</sup></b>	8.3	2.9	<b>11.2</b>
<b>FY21 Cash Balance (\$m)</b>	26.4 <sup>10</sup>	4.5	<b>30.9</b>
<b>Market Capitalisation</b>	62.8 <sup>11</sup>	75.6 <sup>12</sup>	<b>138.4</b>
<b>Enterprise Value</b>	36.4	71.1	<b>107.5</b>

MergeCo's greater scale and strengthened cash position ensure it is better placed to facilitate future growth opportunities, both organic and inorganic, and assist it to weather ongoing uncertainties posed by COVID-19 circumstances.

**The combination of ICT and RedHill is highly complementary and will create a leading ASX listed education Company, to which Shareholders will retain meaningful exposure. Importantly, the combination will provide Shareholders new and distinct revenue sources and growth opportunities.**

### **3) The transaction diversifies RedHill's earnings base and helps mitigate potential risks around international borders reopening**

Historically, a large portion of RedHill's operations had significant reliance on international students, representing 85% and 73% of FY20 and FY21 revenue, respectively. Given the impacts of COVID-19 and ongoing closure of Australia's borders to new and returning international students, RedHill's revenues have been significantly challenged over the past two years, with half-year revenues falling by 37% from 1H20 to 2H21.

<sup>7</sup> All figures are unaudited.

<sup>8</sup> Includes approximately \$650,000 of revenues recognised by ICT in FY21 associated with the completion of practical components of student courses which were unable to be completed in Q4 FY20 due to COVID-19 lockdowns. The expenses associated with this revenue were largely incurred in FY20.

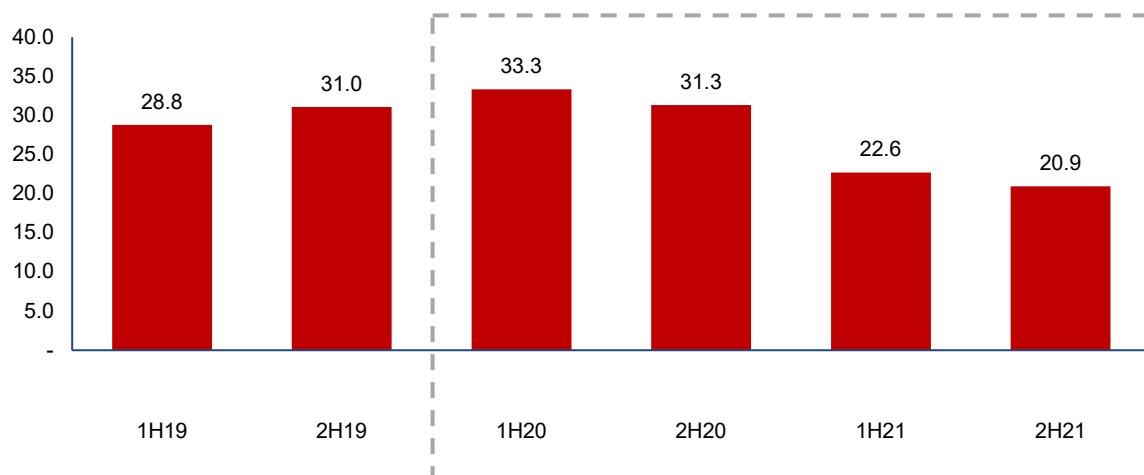
<sup>9</sup> FY21 normalised EBITDA after adding back abnormal expenses including RedHill transaction expenses and staff restructuring costs.

<sup>10</sup> RedHill's cash on hand at 30 June 2021 includes term deposits. Figures are subject to audit.

<sup>11</sup> Based on ICT implied offer value of \$1.235 (ICT share price of \$0.13 on 11 August 2021 being the last trading day prior to the joint announcement of the transaction and 9.5x exchange ratio) and current basic number of ordinary shares outstanding of 50.8 million.

<sup>12</sup> Based on ICT share price of \$0.13 on 11 August 2021 being the last trading day prior to the joint announcement of the transaction, and current basic number of ordinary shares outstanding of 581.6 million.

Figure 5: RedHill revenue – last six halves (\$m)<sup>13</sup>

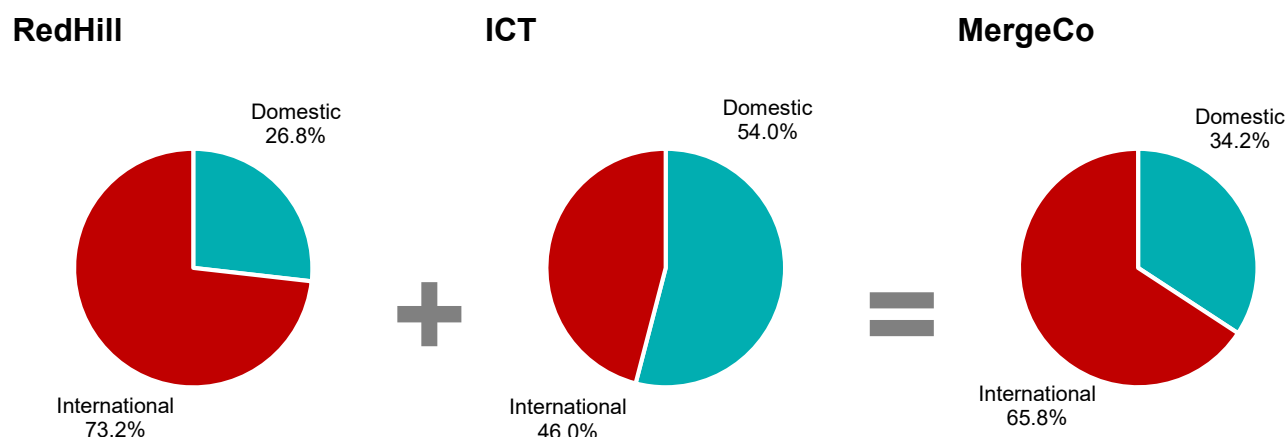


Source: RedHill company filings

As international borders remain closed to new and returning international students, RedHill’s revenues and cashflows will continue to be adversely impacted.

ICT, on the other hand, has a significantly larger exposure to the domestic education sector. Its domestic student operations comprised approximately 54% of its FY21 revenue, following the opening of its new WA campus and record domestic enrolments across its aged and disability services qualifications. The combination, therefore, will reduce RedHill’s revenue exposure to the international student market.

Figure 6: Pro forma FY21 revenue mix<sup>14</sup>



Source: RedHill and ICT management accounts

**Your Board believes that the combination of a leading and high growth domestic business in ICT with RedHill’s powerful international brand will serve to reduce Shareholders’ exposure to international border risk, while maintaining material upside as restrictions are lifted in the future.**

<sup>13</sup> FY21 revenue figures are subject to audit.

<sup>14</sup> FY21 revenue figures and split between domestic and international revenue are subject to audit.

**4) Immediate and longer term cost and revenue synergy opportunities, not otherwise available to the standalone entities**

***Cost synergies of \$1.0m - \$1.35m targeted within 1 year, comprising largely of expected savings in corporate costs and group services, and benefits in commissions***

A proposed estimate of short term cost savings is set out below:  
**Figure 7: MergeCo's estimated synergies within 1 year**

	Description of Key Costs	Cost Savings
<b>Corporate costs</b>	<ul style="list-style-type: none"> <li>• Duplication of public company costs</li> <li>• Administrative costs</li> <li>• Board salaries</li> </ul>	\$475,000 - \$600,000
<b>Group Services</b>	<ul style="list-style-type: none"> <li>• Head office / support savings</li> <li>• Duplication of operational functions</li> </ul>	\$275,000 - \$400,000
<b>Cost of Services</b>	<ul style="list-style-type: none"> <li>• Benefits in commissions</li> </ul>	\$250,000 - \$350,000
<b>TOTAL</b>		<b>\$1,000,000 - \$1,350,000</b>

The full extent of cost savings can only be quantified on the completion of the transaction and a complete audit of operations and management of both businesses. During this process the MergeCo management team will further refine the execution plan to achieve these synergies which will also likely involve 'Costs to Achieve', which have not been factored into the estimates above.

***Enhanced geographical footprint of the combined businesses will provide medium term cost synergies***

In the medium term, there will be opportunities for cost savings in property and administration costs as RedHill and ICT's highly complementary geographical campus footprint will allow them to leverage each other's existing infrastructure and expertise when expanding the delivery locations of current course offerings.

RedHill's future expansion into Queensland and Western Australia and ICT's expansion into Victoria and New South Wales can be done more confidently by utilising available campus capacity and leveraging in-market personnel. Start up costs will be materially reduced and longer term synergies are expected as multi-use campuses allows for increased utilisation and reduced need to hire a new, full administration and operations team<sup>15</sup>.

***Meaningful scope for revenue synergies in the medium term, particularly when the international student market recovers, as the combined offerings will provide significant opportunity to extend student life cycle***

The ability to trial new offerings at low cost is expected to help drive revenue growth in the longer term once COVID-19 restrictions have been removed and international borders have reopened. The breadth of locations as well as the combination of State and Commonwealth Government funding provides greater expansionary capability than on a standalone basis.

Further, GoStudy Australia and ELICOS students will have greater choice of MergeCo courses due to the complementary course mix of RedHill and ICT, providing an opportunity to attract higher volumes of students as well as lengthen their life cycle within the combined business.

**Your Board believes that a combination of the two businesses will provide cost synergies in the short term as RedHill and ICT collaboratively work through integration, meaningful cost synergies in the medium term as the combined business or each business unit seeks to expand nationally, and scope for real revenue synergies / cross-selling opportunities by lengthening the life cycle of international students within MergeCo.**

<sup>15</sup> Regulatory approval required to add new campuses to the scope of existing CRICOS course accreditations.

## 5) Well credentialed MergeCo Board and management team leveraging strengths and experience from both companies

MergeCo will benefit from the combined management talent of both organisations. The MergeCo Board and management team is proposed to initially comprise the following personnel who bring their existing sector and business knowledge, financial management experience and corporate governance experience to the combined company:

Figure 8: MergeCo Board and management team

Names	Role in MergeCo	Previous role
Simon Tolhurst	Chair	ICT Non-Executive Chair
William Deane	Non-Executive Director	RedHill Non-Executive Director
Ash Katta	Non-Executive Director	ICT Managing Director
Sandra Hook	Non-Executive Director	RedHill Non-Executive Director
Badri Gosavi	Executive Director & Head of Growth	ICT Executive Director and CFO
Glenn Elith	Chief Executive Officer	RedHill MD & CEO
Michael Fahey	Chief Financial Officer	RedHill CFO
Lisa Jones	Company Secretary	RedHill Company Secretary

The MergeCo Board and management team has been carefully selected to ensure business stability and continuity. Your Board believes that leveraging the existing strengths and experience of each company's existing boards and management teams to oversee the integration of the two companies and execution of the various cost and revenue synergy opportunities discussed in point 4 above will deliver the greatest value to Shareholders.

## 6) There is no other Offer for your RedHill Shares

It has been 8 months since UCW's initial off-market takeover bid of 4.5 UCW shares for each RedHill Share, with the UCW offer lapsing on 2 July 2021.

In the interests of maximising value for Shareholders, your Directors have undertaken a wide ranging assessment of potential alternatives to drive shareholder value, which included RedHill and its advisers having discussions with a number of parties identified as having potential interest in a corporate transaction with RedHill.

As at the date of this Supplementary Target's Statement, the Revised ICT Offer is the only offer available to Shareholders. No alternative proposals are currently under consideration by RedHill and your Directors are not aware of any other offer or proposal that might be an alternative to the Revised ICT Offer.

Your Board has unanimously recommended that you accept the Revised ICT Offer in the absence of a Superior Proposal. On the same basis, each RedHill Director intends to accept the Revised ICT Offer in respect of any RedHill Shares that they own or control within 10 business days from 18 August 2021 being the date of lodgement of the Supplementary Bidder's Statement.

### 3. Your choices as a Shareholder

Your Directors unanimously recommend that you **ACCEPT** the Revised ICT Offer in the absence of a Superior Proposal.

You have the following three choices available to you:

#### 1. ACCEPT THE REVISED ICT OFFER

Shareholders who wish to accept the Revised ICT Offer should refer to Section 2 of the Supplementary Bidder's Statement for directions on how to accept the Revised ICT Offer.

If you **ACCEPT** the Revised ICT Offer:

- you will receive the Revised ICT Offer consideration after each of the Conditions of the Revised ICT Offer are satisfied or waived; and
- you will not be able to withdraw your acceptance or sell your RedHill Shares even if RedHill Shares trade above the implied Revised ICT Offer value, except in certain limited circumstances. See Section 6.3(a) of the Target's Statement.

If iCollege increases the Revised ICT Offer consideration, all Shareholders, whether or not they have already accepted the Revised ICT Offer before then, will be entitled to receive the increased Revised ICT Offer consideration.

#### 2. REJECT THE REVISED ICT OFFER

You are not required to take any action to reject the Revised ICT Offer.

If you decide to do nothing, you should be aware of the risks associated with rejecting the Revised ICT Offer, including that you will be exposed to the continuing risks of being a Shareholder as outlined in Section 4.2 and, in certain circumstances, iCollege will have the right to compulsorily acquire your RedHill Shares.

#### 3. SELL YOUR REDHILL SHARES ON THE ASX

During the Offer Period, you may sell your RedHill Shares on-market through ASX at the prevailing market price for cash (less any brokerage), provided you have not already accepted the Revised ICT Offer for those Shares.

As at the date of this Supplementary Target's Statement, the VWAP of RedHill Shares since iCollege announced its Offer is A\$0.842 per Share<sup>16</sup>.

The latest trading price for RedHill Shares may be obtained from the ASX website [www.asx.com.au](http://www.asx.com.au) using the code 'RDH'.

If you sell your RedHill Shares on-market, you will receive the consideration for that sale of your Shares sooner than if you accept the Revised ICT Offer. If you sell your RedHill Shares on-market, you:

- will lose the ability to accept the Revised ICT Offer and receive the Revised ICT Offer consideration in relation to those Shares;
- will lose the ability to accept any offer from a competing bidder if one eventuates;
- may incur a brokerage charge;
- will lose the opportunity to receive future returns from RedHill in relation to those RedHill Shares; and
- may receive consideration for your Shares the value of which is lower than the control value of your RedHill Shares.

You should contact your broker for information on how to sell your RedHill Shares through ASX and your tax adviser to determine your tax implications from such a sale.

<sup>16</sup> Calculated using the cumulative volume and cumulative value of RedHill Shares traded over the period on and from 22 February 2021 to 21 August 2021 inclusive (source: IRESS).

## 4. Risks

### 4.1 Risks specific to the creation of the Merged Group

The risks identified in this Section are not an exhaustive list of all of the risks relevant to the acquisition of RedHill by iCollege to create a merged group (**Merged Group** or **MergeCo**). The risks in this Section 4.1 should also be read in conjunction with the risks outlined in Section 4.2 and 4.3, which represent risks specific to both iCollege and RedHill – given the scrip nature of the transaction, shareholders in MergeCo will also continue to be exposed to these risks.

No assurances or guarantees are given as to the future performance, profitability, dividend payments or share price of the Merged Group.

Risks specific to the Merged Group	
<b>Integration risk</b>	<p>There is a risk that the expected synergies may not be realised to their full extent or at all. Furthermore, the expected synergies may be realised over a longer period of time, or involve greater costs to achieve, than anticipated.</p> <p>The ability to realise the expected synergies will be dependent on, among other things, the success of management in integrating the RedHill and iCollege businesses in an efficient, effective and timely manner without disruption to the respective businesses.</p> <p>Integration risk factors include:</p> <ul style="list-style-type: none"><li>▪ difficulty in consolidating corporate and administrative infrastructures and removing duplicative operations;</li><li>▪ difficulty in aligning and executing the strategy of the Merged Group;</li><li>▪ difficulty in integrating information systems;</li><li>▪ difficulty in merging the culture and management styles of the two organisations;</li><li>▪ unexpected losses of key employees;</li><li>▪ unanticipated market conditions; and</li><li>▪ changes in regulations, or regulatory conditions imposed in connection with the Revised ICT Offer, impacting the ability of the Merged Group to use its scale and presence to achieve anticipated benefits.</li></ul> <p>Integration planning is expected to mitigate the risk of these issues occurring. Regardless, a risk remains that difficulties may arise in integrating the two businesses.</p>
<b>Regulatory risk</b>	<p>As noted in Sections 4.2 and 4.3, the education industry in Australia is highly regulated. MergeCo will hold various tertiary education registrations and accreditations, which are governed by legislation and standard authorities in Australia, as well as funding contracts with various State Governments.</p> <p>Your Directors believe, following the completion of the transaction, that relevant Government regulators are likely to undertake compliance audits of relevant MergeCo businesses, registrations and accreditations. Should there be compliance breaches, there is a risk of fines and penalties, as well as the risk that relevant courses, accreditations and registrations may be suspended or cancelled indefinitely. There is a risk that MergeCo may not have sufficient time to rectify any material compliance issues in advance of any potential regulatory audit. This may have a significant adverse impact to MergeCo's revenues and future earnings.</p> <p>Furthermore, changes to regulations and legislation in the future, or failure to renew or receive new registrations / accreditations, or the cancellation of registrations / accreditations may also adversely impact the financial performance of MergeCo.</p>



Risks specific to the Merged Group	
<b>Future earnings and forecasts</b>	<p>RedHill and iCollege have not provided any guidance or estimates to the market with respect to their respective or collective future financial performance. Accordingly, RedHill cautions against any reliance on any external publications or views relating to RedHill's or iCollege's individual or collective future financial performance. The future financial performance of MergeCo is subject to a number of risks, as outlined in this Section 4.1, 4.2 and 4.3, and includes (but is not limited to):</p> <ul style="list-style-type: none"> <li>▪ external market risks, including the ongoing impact of COVID-19;</li> <li>▪ regulatory and compliance risks, including the receipt of new, and renewal of existing, registrations, accreditations and funding contracts;</li> <li>▪ operational risks;</li> <li>▪ competition risks;</li> <li>▪ government policies; and</li> <li>▪ reputational risks.</li> </ul>
<b>International disruption and the impact of the coronavirus (COVID-19) pandemic</b>	<p>The circumstances relating to COVID-19 have resulted and continue to result in domestic and international governments and regulatory authorities implementing and enforcing travel bans, lockdowns, quarantines and social-distancing requirements which if they continue will be out of MergeCo's control. These actions and other COVID-19 pandemic circumstances may have a material adverse effect on MergeCo's future operations and financial performance, especially given the uncertainty as to the duration and further impacts of COVID-19.</p>
<b>Potential variation in the value of New iCollege Shares</b>	<p>iCollege has offered 9.5 iCollege Shares for each RedHill Share under the terms of the Revised ICT Offer. As this share ratio is fixed, the number of new iCollege Shares to be received by Shareholders in the context of the takeover bid will remain unchanged even if the market value of iCollege Shares differs relative to the market values of iCollege Shares and RedHill Shares prior to the Revised ICT Offer being announced.</p> <p>No adjustment will be made to the ratio due to fluctuations in the market price of iCollege Shares or RedHill Shares. Any such fluctuations may adversely affect the market value of iCollege Shares (including the market value of the new iCollege Shares).</p>
<b>Employees</b>	<p>Many of RedHill's and iCollege's key personnel are highly qualified and highly experienced with in-depth industry and client knowledge. Any loss of key personnel may have a material adverse impact on the respective financial performance of the Merged Group. Employee retention may be particularly challenging during the integration of iCollege and RedHill, as employees may experience change fatigue or uncertainty about their future roles.</p> <p>Since the respective businesses are heavily dependent on their professional staff, which represents a material proportion of the cost base, this may have an adverse impact on revenue and/or profitability. Furthermore, the Merged Group may have to incur significant costs in identifying and hiring replacements for departing employees and may lose significant expertise relating to the business. Accordingly, the Merged Group's ability to realise the anticipated benefits of the Revised ICT Offer may be adversely affected.</p> <p>Successful completion of the Revised ICT Offer may result in the termination of management positions or employment contracts of certain employees of iCollege or RedHill, which may result in significant redundancy or termination payments. Certain key executives and other employees of iCollege or RedHill may terminate their positions or their employment contracts on their own initiative as a result of or following the completion of the Revised ICT Offer. If members of the Merged Group's senior management depart, the Merged Group may not be able to find effective replacements in a timely manner, or at all, and its business may be disrupted.</p>

Risks specific to the Merged Group	
<b>Due Diligence</b>	<p>The negotiations between RedHill and iCollege were conducted on the basis of the information that was publicly available to each party and on voluntary limited disclosure by each party to the other. While RedHill and iCollege consider the due diligence investigations to have been adequate and consistent with market practice for a transaction of this type, the investigations were undertaken within a limited timeframe and both parties have not been able to verify the accuracy, reliability or completeness of all of the information provided to them against independent data.</p> <p>As a result, following the potential completion of the Revised ICT Offer, unknown risks and liabilities of RedHill or iCollege may arise, or expected types of risks and liabilities may be greater than anticipated, and this may impact negatively on profitability, results of operations, financial position, market value and share price of the Merged Group, which the relevant party might otherwise have discovered if it had conducted a complete due diligence review and obtained extensive warranties from the other party.</p>
<b>Competing Proposal</b>	<p>There is a risk that RedHill receives, and recommends, a competing proposal before the Revised ICT Offer is declared unconditional by iCollege. If this were to occur, the Bid Implementation Agreement would likely be terminated.</p> <p>As at the date of this Supplementary Target's Statement, RedHill has not received a competing proposal and the RedHill Board continues to unanimously recommend the Revised ICT Offer in the absence of a Superior Proposal.</p>

#### 4.2 Risks specific to iCollege

Please refer to section 8 of the Bidder's Statement for risks specific to ICT.

#### 4.3 Risks specific to RedHill

Set out below is a summary of the key risks to which Shareholders will continue to be exposed to if they reject the Revised ICT Offer and retain their current investment in RedHill Shares or will be indirectly exposed to if they accept the Revised ICT Offer and RedHill becomes a subsidiary of ICT.

The risks identified in this Section are not an exhaustive list of all of the risks relevant to RedHill. No assurances or guarantees are given as to RedHill's future performance, profitability or dividend payments.

RedHill specific risks	
<b>International disruption and the impact of the coronavirus (COVID-19) pandemic</b>	<p>A large proportion of RedHill's operational and financial performance is dependent on, and will continue to be impacted by, the demand for providing services and courses to international students undertaking studies in Australia. A range of possible disruptive circumstances or events (for example, outbreak of disease, political unrest and tensions, restrictions on movements between countries and negative international relations) may reduce the appeal of Australia as a study destination and may result in a decline in the demand from international students seeking to study in Australia from RedHill's source markets.</p> <p>Any present or future circumstances which reduce the attractiveness of Australia as a study destination may have a material adverse impact on RedHill's financial position and performance.</p> <p>The circumstances relating to COVID-19 have resulted in domestic and international governments and regulatory authorities implementing and enforcing formal travel bans, lockdowns, quarantines, and social-distancing requirements which are completely out of RedHill's control. These actions and other COVID-19 pandemic implications are having a material adverse effect on RedHill's operations and performance.</p> <p>There is continued uncertainty as to the duration and further impact of COVID-19 including (but not limited to) in relation to government policy, legislation, regulatory or health authority actions, work stoppages, lockdowns, quarantines, travel restrictions, social instability and the impact on global economies. There is no certainty that demand for RedHill's services or courses will normalise to a level that existed prior to the impact of COVID-19, or how long a process of normalisation could take, even after the lifting of travel restrictions.</p> <p>While RedHill expects it will have sufficient liquidity to deal with the circumstances relating to COVID-19, there is a risk that if the duration of events surrounding</p>

RedHill specific risks	
	<p>COVID-19 are prolonged, RedHill may need to take additional measures in order to respond appropriately.</p> <p>There are other changes in the domestic and global economic outlook associated with the events relating to COVID-19 that are beyond the control of RedHill and may affect RedHill's financial position and performance. These include (but are not limited to) changes in inflation rates, interest rates, foreign currency exchange rates, employment rates, labour costs, international travel costs, and changes in general economic conditions (for example, an economic recession or downturn).</p> <p>RedHill has already taken decisive steps in an effort to mitigate the impact of COVID-19, including but not limited to revoking its FY20 interim dividend, migrating all courses to 100% online delivery, standing down a large portion of the workforce, suspending non-executive director fees for Q4 of FY20, pausing of major capital expenditure, renegotiating rental agreements, freezing of non-essential operating expenses, and accessing available government relief funding (including the Australian Federal Government's 'JobKeeper' scheme). Having already taken these measures, RedHill has more limited options available to it to further reduce costs should domestic and global economic conditions not improve.</p>
<b>Competition</b>	<p>RedHill operates in highly competitive markets across its geographies, addressable markets, products and services. If the actions of competitors or potential competitors become more effective, or if new competitors enter the market and RedHill is unable to appropriately respond to or counter these actions, RedHill's financial performance could be adversely affected or RedHill may be unable to compete successfully.</p> <p>An increase in competition in the markets in which RedHill operates could result in RedHill needing to increase its marketing and/or capital expenditure, reduce its tuition and service fees, revise its business strategy or alter other aspects of its business model to remain competitive. All of these factors could have a material adverse effect on RedHill's financial position and performance.</p>
<b>Reliance on third party agents</b>	<p>RedHill's business includes a network of third-party international student agents who provide student recruitment services into RedHill's English language, vocational and higher education courses and programmes. All of these relationships are non-exclusive and can be renegotiated or terminated at short notice. RedHill seeks to mitigate risk by having a diverse network of international student agents representing a wide range of international student nationalities, so as to reduce the reliance on any particular agent or student nationality. RedHill also owns Go Study agency business.</p> <p>Third party international student agents often collect fees from students which are required to be passed onto RedHill at the time that students undertake their studies, and there is a risk (particularly if an agent is facing financial distress, including as a result of COVID-19) that one or more of these agents fails to pay RedHill when payment is due, seeks to renegotiate or terminate its relationship with RedHill, does not provide a level of service consistent with that expected and required by RedHill, contravenes or is alleged to have contravened laws or regulations, incurs fines or penalties, or undertakes actions that cause other negative impacts to RedHill. Any of these matters could adversely affect RedHill's brand and business strategy, and may have an adverse effect on the operating and financial performance of RedHill.</p>
<b>Regulatory registrations and accreditations</b>	<p>The education industry in Australia is highly regulated. RedHill holds various tertiary education registrations and accreditations which are governed by legislation and standards authorities in Australia. Future changes to commonwealth, state or territory legislation or regulations, or an inability to retain any registrations or accreditations, or any delays to the approval of any registrations or accreditations, may adversely impact RedHill's financial position and performance.</p>
<b>International student visa and immigration policies</b>	<p>RedHill's business includes recruiting international students into its vocational and higher education courses to be delivered in Australia. Any future changes which are made to international student visa requirements in Australia, including working rights for certain visa types, or to Australian immigration policies for students from RedHill's source markets, may adversely impact the financial position and performance of RedHill.</p>

RedHill specific risks	
<b>Exposure to Australian government funding and tuition loan arrangements</b>	<p>RedHill's business includes being accredited to offer eligible domestic students Australian Government assistance for financing of their tertiary studies under the Higher Education Loan Program (<b>HELP</b>). RedHill is accredited to offer FEE-HELP to eligible domestic students undertaking higher education courses, and VET Student Loans to eligible domestic students undertaking certain vocational courses. Future changes to HELP legislation or regulations, or an inability by RedHill to retain or renew HELP accreditations, could have a material and adverse impact on RedHill's financial position and performance.</p> <p>The Commonwealth, State and Territory governments in Australia provide various forms of direct and indirect funding to certain tertiary education organisations and for certain courses and qualifications. Future changes by commonwealth, state or territory government to direct and indirect funding arrangements could directly impact RedHill's ability to successfully compete in certain areas, which could have a material and adverse impact on RedHill's financial position and performance.</p>
<b>Fair Work Act and industrial Awards</b>	<p>The employment arrangements for most of RedHill's employees fall under the jurisdiction of <i>the Fair Work Act</i>, and the <i>Educational Services Award</i>. Future changes to the Fair Work Act or the Educational Services Award, or any possible contraventions by RedHill of the Fair Work Act or the Educational Services Award, could have a material and adverse impact on RedHill's financial position and performance.</p>
<b>Human resources</b>	<p>RedHill's ability to operate successfully depends on the continuing efforts of its senior executives and other key employees who have certain competencies and expertise in the Australian tertiary education industry. The loss of one or more senior executive or key employee may have an adverse effect on RedHill's operations, and there is a risk it may not be able to attract and retain senior executives or key employees, or be able to recruit suitable replacements in a timely manner. Any loss of a senior executive or key employee, or any delay in recruiting their replacement, could impact the RedHill's ability to operate and achieve its growth strategies, which could have a material and adverse impact on RedHill's financial position and performance.</p> <p>Any outbreak of COVID-19 within RedHill's workforce may cause disruption to operations or reduced productivity during any period of employee quarantine or illness. Remote working arrangements to meet social distancing or quarantine requirements during the COVID-19 outbreak may have a material and adverse impact on RedHill's financial position and performance.</p>
<b>Service delivery quality and student satisfaction</b>	<p>RedHill delivers its courses and services in purpose built quality campuses and online, and engages experienced teachers and trainers to deliver its internally developed learning materials. Student surveys are regularly undertaken to measure satisfaction levels in a broad range of aspects of their study experience, and findings from these surveys are used to provide performance feedback to employees and to identify continuous improvement activities. RedHill also invests in providing other support services to students including assistance with internship placements, hosting of industry events and holding of events and exhibitions to showcase student works. Any factors or actions which undermine the service delivery quality and student satisfaction could have a material and adverse impact on RedHill's financial position and performance.</p>
<b>Inability to execute business strategy</b>	<p>RedHill may fail to implement or achieve its strategic objectives due to a range of factors, including management not prioritising delivery of the key initiatives, changes to the competitive environment that result in a change to the underlying assumptions of the strategy, poor cost management, loss of key employees, failure to effectively execute a project, or adverse economic shocks and uncertainty.</p> <p>As part of its strategy, RedHill may undertake acquisitions or divestments from time to time, or invest capital into new projects or initiatives, including possible campus footprint expansions. While RedHill is focused on maintaining a disciplined approach to its capital expenditure, such actions could result in a variability of earnings over time, which may have a material and adverse impact on RedHill's financial position and performance.</p>

RedHill specific risks	
<b>Recruiting international students for other education organisations</b>	<p>RedHill's business includes agreements to recruit students to be enrolled into other third party education organisations. These agreements are non-exclusive with no fixed term and can generally be terminated on short notice.</p> <p>There is a risk (particularly to the extent that the other education organisations are facing financial distress, including as a result of COVID-19) that the other education organisation could fail to pay RedHill when payments are due, terminate or vary the terms of the agreements, enter into relationships with any of RedHill's competitors, or undertake recruitment activities in their own right. Any of these actions could have a material and adverse impact on RedHill's financial position and performance.</p>
<b>Changes in graduate employment prospects</b>	<p>A measure of RedHill's operational success is its students achieving desired learning outcomes, which may include gaining relevant employment on graduation. Any factors which adversely impact the employment prospects of RedHill's graduating students may reduce the appeal or demand for certain courses, which could have a material and adverse impact on RedHill's financial position and performance.</p>
<b>Industry and brand reputation</b>	<p>The success of RedHill is dependent on its industry and brand reputation. Maintaining a good reputation will assist RedHill to maintain its market position, its registrations and accreditations, its relationship with international student agents and other service providers, its relationship with client education organisations, its ability to attract and retain capable employees, and its ability to attract students. Any factors or actions which undermine the strength of RedHill's industry and brand reputation could have a material and adverse impact on RedHill's financial position and performance.</p> <p>Allegations of wrongdoing on the part of RedHill or any other tertiary education organisation, could attract negative media coverage or Australian regulatory authority scrutiny which focuses not only on the individual education organisation in question but on the tertiary education sector as a whole. Any factors which result in negative media coverage or Australian regulatory authority scrutiny towards RedHill or the tertiary education sector could have a material and adverse impact on RedHill's financial position and performance.</p>
<b>Leased premises</b>	<p>RedHill does not own any properties for the purpose of its operations, but instead enters into commercial leasing agreements for suitable premises. There is a risk that RedHill may not be able to retain existing leased premises on favourable commercial terms, or secure suitable new leased premises on favourable commercial leasing terms to meeting the operating needs and growth aspirations of the business. Failure to enter into commercial leasing agreements on favourable terms could have a material and adverse impact on RedHill's financial position and performance.</p>
<b>Impairment of intangibles</b>	<p>RedHill's intangible assets comprise of right of use assets, goodwill, and copyrights.</p> <p>Intangible assets are assessed for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that an impairment might be required. There is a risk that changes in circumstances may require an impairment charge which could have a material and adverse impact on RedHill's financial position and performance. This risk has been reduced as RedHill impaired certain right of use assets, goodwill and copyrights as a result of the impacts of COVID-19 in the financial year ended 30 June 2020.</p>
<b>Technology platforms may be disrupted, fail or be insufficient</b>	<p>RedHill relies on third party software products and services from a number of different providers to enable internal data management and reporting and the delivery of services to students. Although RedHill has back-up and recovery procedures in place, any significant interruption to its technology systems or a major loss of data could impair the ability of RedHill to continue to provide its services.</p> <p>Technology licences may be terminated or not renewed, or the technology suppliers may be subject to events, such as insolvency or technical failures, leading to temporary or permanent loss of services and failure to complete developments or upgrades when anticipated.</p> <p>If any of RedHill's third party provided technology platforms prove to be insufficient for its needs, or are disrupted or fail, this could adversely affect operations and require that RedHill outlays additional capital to improve, replace or fix the platforms. This investment could have a material and adverse impact on RedHill's financial position and performance.</p>

RedHill specific risks	
<b>Protection and security of personal information and data</b>	<p>In order to conduct its operations, RedHill collects a wide range of personal and financial data from its students. This information includes, but is not limited to, students' personal address and contact details, copies of passports and visas, and banking details. RedHill's efforts to protect such information may be unsuccessful due to potential cyber-attacks, software bugs, technical malfunctions, employee error or other factors.</p> <p>Allegations of, or actual, unauthorised access or loss of such sensitive data could occur, resulting in a breach of RedHill's obligations under applicable laws or regulations, and legal or regulatory action against RedHill could be initiated in connection with any such breaches. In addition, the breach could impact student satisfaction and confidence in RedHill's security arrangements. Any such allegations or breaches of laws or regulations could have a material and adverse impact on RedHill's reputation, financial position and performance.</p>
<b>Overseas operations</b>	<p>RedHill operates in several overseas jurisdictions, which may change over time. It is required to comply with all applicable overseas laws and regulatory regimes, and future changes or non-compliances with these laws and regulations could have a material and adverse impact on RedHill's financial position and performance. In addition, the impacts of the COVID-19 pandemic may be different in each jurisdiction which may result in the impacts taking longer to resolve in some of RedHill's operations.</p>
<b>Protection of intellectual property</b>	<p>RedHill relies on laws relating to trade secrets, copyright and trademarks to assist with protecting its proprietary rights. However, there is a risk that unauthorised use of its intellectual property could occur. In addition, there is a risk that the validity, ownership or authorised use of intellectual property relevant to the business could be successfully challenged by third parties. This could involve significant expense and potentially result in RedHill being unable to use the intellectual property in question. Such an outcome could potentially have a material and adverse impact on RedHill's financial position and performance.</p>
<b>Ability to access capital or debt markets on favourable terms</b>	<p>If RedHill requires access to funding at any stage in the future, it may be adversely affected in a material way if, for any reason, access to that funding is not available. RedHill may seek capital funding or debt funding in the future. If RedHill is unable to access capital, or to obtain, renew, refinance, or repay any debt facilities on favourable terms within an acceptable time, it could have a material and adverse impact on RedHill's financial position and performance.</p> <p>There can be no assurance that additional funding will become available. Developments in global financial markets, such as the volatile and uncertain impact of COVID-19, may adversely affect the liquidity of domestic and global credit markets and RedHill's ability to access those markets.</p> <p>If funds are raised by issuing new equity securities in RedHill, it may result in dilution to the current Shareholders of RedHill at that time.</p>
<b>Risk of litigation, claims and disputes</b>	<p>RedHill may be subject to litigation, claims and disputes in the course of its business, including employment disputes, contractual disputes, indemnity claims, and occupational and personal claims. Any such matters could involve prosecution, defence, and settlement costs, and consume management time in the dealing with any such litigation, claims and disputes. Any litigations, claims and disputes arising could have a material and adverse impact on RedHill's financial position and performance.</p>
<b>Maintenance of adequate insurance cover</b>	<p>RedHill maintains adequate insurance cover that is consistent with prudent business practice, including workers' compensation, directors and officers, travel, public liability, property damage, business interruption, and other risks that may arise in the course of its operations. However, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any insurance cover will be adequate and available to cover all claims. Should RedHill be unable to maintain adequate insurance cover, or experience claims for losses in excess of the level of its insurance coverage, it could have a material and adverse impact on RedHill's financial position and performance.</p>

**RedHill specific risks****Currency fluctuations**

RedHill invoices for all of its courses and services in Australian dollars, meaning international currency fluctuations (including in connection with COVID-19) may affect the cost of courses for international students, and also may affect their cost of living while studying in Australia. Some international students will be price sensitive, and may choose not to travel to Australia to study or will travel to a different country if course or living costs increase as a result from any appreciation of the Australian dollar relative to other countries which are sources of students. As such, any appreciation of the Australian dollar relative to source markets may have a direct impact on demand for RedHill's courses and services, and could have a material and adverse impact on RedHill's financial position and performance.

## 5. Additional Information

### 5.1 Effect of the Revised ICT Offer on RedHill incentive options plan and performance rights plan

(a) Options

RedHill will procure the cancellation of all unlisted options for no consideration on or about the date of, and subject to, the reconstitution of the RedHill board in accordance with the Bid Implementation Agreement.

(b) Performance Rights

RedHill will issue and vest the following Performance Rights before the end of the Offer Period, subject to the offers being unconditional, such that the shares issued on vesting of the Performance Rights can be accepted into the Revised ICT Offer:

Number of Performance Rights issued or to be issued	Holder	Number of Performance Rights vested or to be vested
1,150,101	Glenn Elith	884,556
336,122	Michael Fahey	226,045
116,040	Ruby Biscuit	78,036
81,995	Roxana Ene	55,141
95,349	Simon Costain	64,121
74,939	Eve Ollerenshaw	50,396
114,225	Shin Shimizu	76,815
85,747	Emma Thompson	57,664

### 5.2 Your Directors' interests and dealings in RedHill Shares

(a) Interests in RedHill securities

As at the date of this Supplementary Target's Statement, the RedHill Directors and their respective interests in RedHill Shares are set out in the table below.

Name	RedHill Shares held by or on behalf of Director	RedHill Options held by or on behalf of Director	RedHill Performance Rights held by or on behalf of Director
Mr Stephen Heath	41,667	-	-
Mr Glenn Elith	325,000	225,000	1,150,101
Mr William Deane	254,667	-	-
Ms Sandra Hook	41,667	-	-
<b>Total</b>	<b>663,001</b>	<b>225,000</b>	<b>1,150,101</b>

(b) Dealings in RedHill Shares

Managing Director Glenn Elith was issued 408,586 Performance Rights and 402,257 Performance Share Appreciation Rights on 18 December 2020, in accordance with the RedHill Rights Plan and as approved by Shareholders at RedHill's annual general meeting on 19 November 2020.

No other RedHill Director has disposed of, or acquired, a relevant interest in any RedHill Shares in the four months ending on the date immediately before the date of this Supplementary Target's Statement.



- (c) Intentions in relation to the Revised ICT Offer

Your Directors intend to **ACCEPT** the Revised ICT Offer in the absence of Superior Proposal within 10 Business Days from the date of the Supplementary Bidder's Statement.

### **5.3 Your Directors' interests and dealings in iCollege securities**

- (a) Interests in iCollege securities

As at the date of this Supplementary Target's Statement, no Director has a relevant interest in any securities of iCollege.

- (b) Dealings in iCollege securities

No RedHill Director has acquired or disposed of a relevant interest in any securities of iCollege in the four months ending on the date immediately before the date of this Supplementary Target's Statement.

### **5.4 Benefits and agreements**

- (a) Directorships

As at the date of this Supplementary Target's Statement, no Director of RedHill is a director of iCollege.

- (b) Benefits in connection with retirement from office

As a result of the Revised ICT Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of RedHill.

- (c) Agreements connected with or conditional on the Revised ICT Offer

iCollege intends to appoint two Directors, William Deane and Sandra Hook, to the board of directors of iCollege if it acquires 90% of the Shares. In those circumstances, Glenn Elith is also proposed to be appointed the Chief Executive Officer of ICT. Other than those proposed appointments, there are no agreements made between any Director and ICT in connection with, or conditional on, the outcome of the Revised ICT Offer other than in their capacity as a holder of RedHill Shares.

- (d) Benefits from iCollege

No Director has agreed to receive, or is entitled to receive, any benefit from iCollege which is conditional on, or is related to, the Offer, other than as noted above in Section 5.4(c) arising from the appointment of those Directors as directors of iCollege or in the Director's capacity as a holder of RedHill Shares.

- (e) Material interests of Directors in contracts with iCollege

No Director has any interest in any contract entered into by iCollege.

### **5.5 Material litigation**

Your Directors do not believe that RedHill is involved in any litigation or dispute which is material in the context of RedHill and the RedHill group of companies taken as a whole.

## 5.6 RedHill's issued capital

As at the date of this Supplementary Target's Statement, RedHill's issued capital comprises:

- (a) 50,852,123 RedHill Shares;
- (b) 1,150,101 RedHill Performance Rights; and
- (c) 465,000 RedHill Options.

## 5.7 ICT's issued capital

ICT's capital structure is set out in Annexure A.

## 5.8 Substantial holders

As at the date of this Supplementary Target's Statement, the following persons held an interest in RedHill Shares of more than 5% as disclosed in substantial holding notices provided to the ASX and RedHill's 2020 Annual Report:

Name	Number of RedHill Shares	Percentage of RedHill Shares <sup>17</sup>
Perpetual Limited	6,945,023	13.66%
Wylie Group	6,504,658	12.79%
Pendal Group Limited	6,292,455	12.38%
Regal Funds Management Pty Ltd	4,917,484	9.7%
Anthony Wales	3,737,632	7.35%
Acorn Capital Ltd	2,617,384	5.16%

## 5.9 Bid Implementation Agreement

RedHill and iCollege entered into the Bid Implementation Agreement and announced its terms to the ASX on 12 August 2021. The Bid Implementation Agreement contains customary terms, restrictions, warranties and indemnities for both parties.

A high level summary of certain material terms of the Bid Implementation Agreement are set out below.

### (a) Facilitating the Revised ICT Offer

The Bid Implementation Agreement contains customary obligations on the parties to promote and facilitate Shareholder acceptance of the Revised ICT Offer in the absence of a Superior Proposal.

### (b) Variation, waiver and extension

iCollege is permitted to vary the terms of the Revised ICT Offer in any permitted manner, provided the varied terms are no less favourable to the Shareholders than the Agreed Terms. iCollege may not extend the Offer Period or waive any of the Conditions unless it obtains a relevant interest in 90% of the Shares or with the prior written consent of RedHill (which cannot be unreasonably withheld or delayed).

<sup>17</sup> Calculated as a percentage of RedHill's current Shares on issue of approximately 50.9m. All percentages shown are as per substantial holding notices filed except for Anthony Wales (as per FY20 Annual Report) and Wylie Group and Regal Funds Management Pty Ltd (as per responses to tracing notices).

**(c) Restraints**

The Bid Implementation Agreement contains customary terms and restrictions in relation to business conduct of both parties, such as taking reasonable steps to preserve the value of the business, not varying or entering into any Material Contracts, not appointing any person as a director and consulting in good faith with the other party on material business decisions.

**(d) Board and management changes**

As soon as reasonably practicable after the Revised ICT Offer is or becomes unconditional and iCollege has a relevant interest in more than 90% of Shares, iCollege must use its best endeavours to reconstitute the board and management of iCollege to consist of the following:

- Simon Tolhurst (Chair);
- William Deane (Non-Executive Director);
- Ashish Katta (Non-Executive Director);
- Sandra Hook (Non-Executive Director);
- Badri Gosavi (Executive Director and Head of Growth);
- Glenn Elith (Chief Executive Officer); and
- Michael Fahey (Chief Financial Officer).

**(e) Exclusivity**

RedHill is subject to customary exclusivity restrictions under the Bid Implementation Agreement, including:

- ceasing existing discussions in relation to a Third Party Proposal;
- no talk and no due diligence;
- no shop; and
- notification of Third Party Proposal,

in respect of an actual, proposed or potential competing proposal (subject to standard fiduciary carve outs with respect to the above no talk, no due diligence and notification of Third Party Proposal obligations).

**(f) Break Fee**

RedHill and iCollege have agreed to a reciprocal break fee of \$515,830, payable by either party in certain circumstances such as an unremedied material breach of the Bid Implementation Agreement by a party, there being a change of recommendation by RedHill in relation to the Revised ICT Offer (other than following an iCollege Material Adverse Change or an iCollege Prescribed Occurrence), a successful Third Party Proposal or iCollege withdrawing the Revised ICT Offer or failing to provide the Revised ICT Offer consideration).

The break fee is not payable where the Bid Implementation Agreement and Revised ICT Offer is terminated as the parties enter into a scheme implementation deed under clause 3.3(d) of the Bid Implementation Agreement.

The break fee is the sole and exclusive remedy for either party under the Bid Implementation Agreement.

**(g) Termination rights**

The Bid Implementation Agreement may be terminated in certain circumstances, including:

- a party is in material breach of its obligations which has not been remedied within 5 business days;
- a change in recommendation by the RedHill Board or a determination by the RedHill Board that there is a Superior Proposal;
- a break fee is paid;
- a Condition is breached;
- the End Date is reached and iCollege does not have a relevant interest in Shares of at least 90% or the Revised ICT Offer is still subject to Conditions; or
- the parties agree in writing to terminate the Bid Implementation Agreement.

**(h) Conversion to scheme of arrangement**

If on or before 2 months from the date of the Bid Implementation Agreement it appears reasonably likely that the Revised ICT Offer will not result in iCollege acquiring a relevant interest in 90% of the Shares, the parties must promptly consult in good faith to negotiate and execute a scheme implementation deed to propose a scheme of arrangement between RedHill and its Shareholders on terms reasonably practicable similar to the Bid Implementation Agreement.

**5.10 Consents**

MinterEllison has consented to being named in this Supplementary Target's Statement as the legal adviser to RedHill and has not withdrawn that consent at the date of this Supplementary Target's Statement.

E&P has consented to being named in this Supplementary Target's Statement as the financial adviser to RedHill and has not withdrawn that consent at the date of this Supplementary Target's Statement.

Each person named in this Section 5.7 of this Supplementary Target's Statement as having given its consent to the inclusion of a statement or to being named in this Supplementary Target's Statement:

- has not authorised or caused the issue of this Supplementary Target's Statement;
- does not make, or purport to make, any statement in this Supplementary Target's Statement or any statement on which a statement in this Supplementary Target's Statement is based other than a statement included in this Supplementary Target's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Supplementary Target'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 Supplementary Target's Statement with the consent of that party.

**5.11 Other consents**

As permitted by ASIC Class Order 13/521, this Supplementary Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to ASX. In accordance with this class order, the consent of iCollege is not required for the inclusion of such statements in this Supplementary Target's Statement. Any Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting RedHill.

## 5.12 Authorisation

This Supplementary Target's Statement has been approved by a resolution passed by the Directors.

This Supplementary Target's Statement is dated 19 August 2021.

Signed for and on behalf of RedHill by:

A handwritten signature in black ink, appearing to be 'S. Heath', written in a cursive style.

Mr Stephen Heath  
Chairman

Date: 19 August 2021

## 6. Glossary and interpretation

### 6.1 Glossary

Term	Meaning
Acceptance Form	the acceptance form for the Revised ICT Offer included in the Supplementary Bidder's Statement
Agreed Terms	the terms set out in Schedule 1 of the Bid Implementation Agreement
Bidder's Statement	means iCollege's bidder's statement originally dated 25 March 2021 and as amended by its subsequent supplementary and replacement bidder's statements
Bid Implementation Agreement	the Bid Implementation Agreement between RedHill and iCollege dated 12 August 2021
Condition	A Condition set out in the Bidder's Statement
Corporations Act	Corporations Act 2001 (Cth)
Educational Services Award	<i>Educational Services (Post-Secondary Education) Award 2000 (Cth)</i>
End Date	the earlier of: (a) two calendar months after the date of the Bid Implementation Agreement, or any earlier date on which the Offers otherwise lapses or are withdrawn; and (b) the termination of the Bid Implementation Agreement
Fair Work Act	<i>Fair Work Act 2009 (Cth)</i>
iCollege or ICT	iCollege Limited ACN 105 012 066

Term	Meaning
<b>iCollege Material Adverse Change</b>	<p>an act, omission, event, change, condition, matter, thing or circumstance (either individually or aggregated with other acts, omissions, events, changes, conditions, matters, things or circumstances) which:</p> <ul style="list-style-type: none"> <li>(a) has diminished, or could reasonably be expected to diminish, the net assets of the iCollege Group by \$580,000.00 or more;</li> <li>(b) has resulted, or could reasonably be expected to result, in any material rights under any of the material agreements in which a member of the iCollege Group has an interest being suspended, revoked, invalidated, varied, terminated, or otherwise coming to an end;</li> <li>(c) has resulted, or could reasonably be expected to result, in a material restraint on or hindrance to the feasibility, development, timely completion, operation, or profitability of the material projects in which a member of the iCollege Group has an interest: <ul style="list-style-type: none"> <li>(i) has resulted, or could reasonably be expected to result, in any member of the iCollege Group incurring any obligations, liabilities, costs or expenses (whether contingent or otherwise) where the quantum (whether individually or when aggregated) exceeds \$500,000.00, except in the ordinary course of business; or</li> <li>(ii) results in a third party acquiring or proposing to acquire a relevant interest in iCollege Shares of at least 20%;</li> </ul> </li> <li>(d) results in a regulator taking action against iCollege which is or is likely to have a materially adverse impact on iCollege's business or financial performance;</li> </ul> <p>but does not include any of the following, which are taken not to constitute a material adverse effect:</p> <ul style="list-style-type: none"> <li>(e) matters that are Fairly Disclosed: <ul style="list-style-type: none"> <li>(i) in the iCollege Disclosure Materials or otherwise widely known publicly on or before the Announcement Date; or</li> <li>(ii) in iCollege's public filings with the ASX and ASIC prior to the Announcement Date;</li> </ul> </li> <li>(f) any event, occurrence, circumstance or matter affecting the tertiary education sector generally;</li> <li>(g) changes in general economic conditions, currency exchange rates, securities markets;</li> <li>(h) changes occurring as a result of any matter, event or circumstance required by this document, the Revised ICT Offer or the transactions contemplated by them or is otherwise consented to in writing by RedHill; or</li> <li>(i) arising as a result of any generally applicable change in accounting standards required by law or government policy in Australia</li> </ul>

Term	Meaning
<b>iCollege Prescribed Occurrence</b>	<p>any of the following:</p> <ul style="list-style-type: none"> <li>(a) iCollege converts all or any of its shares into a larger or smaller number of shares;</li> <li>(b) iCollege or a subsidiary of iCollege resolves to reduce its share capital in any way;</li> <li>(c) iCollege or a subsidiary of iCollege: <ul style="list-style-type: none"> <li>(i) enters into a buy-back agreement; or</li> <li>(ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;</li> </ul> </li> <li>(d) iCollege or a subsidiary of iCollege: <ul style="list-style-type: none"> <li>(i) issues shares or agrees to issue shares; or</li> <li>(ii) grants an option over its shares or agrees to grant an option over its shares;</li> </ul> </li> <li>(e) iCollege or a subsidiary of iCollege issues, or agrees to issue, convertible notes;</li> <li>(f) iCollege or a subsidiary of iCollege disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;</li> <li>(g) iCollege or a subsidiary of iCollege charges, or agrees to charge, the whole, or a substantial part, of its business or property;</li> <li>(h) iCollege or a subsidiary of iCollege resolves to be wound up;</li> <li>(i) a liquidator or provisional liquidator of iCollege or of a subsidiary of iCollege is appointed;</li> <li>(j) a court makes an order for the winding up of iCollege or of a subsidiary of iCollege;</li> <li>(k) an administrator of iCollege, or of a subsidiary of iCollege, is appointed under section 436A, 436B or 436C of the Corporations Act;</li> <li>(l) iCollege or a subsidiary of iCollege executes a deed of company arrangement; or</li> <li>(m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of iCollege or of a subsidiary of iCollege</li> </ul>
<b>iCollege Share</b>	a fully paid ordinary share in the capital of iCollege
<b>Implied Offer Price</b>	\$1.235 per RedHill Share
<b>Material Contracts</b>	<p>any agreement, contract, deed or other arrangement or instrument which:</p> <ul style="list-style-type: none"> <li>(a) involves the provision of financial accommodation to either party or any member of either party of a value greater than: <ul style="list-style-type: none"> <li>(i) in the case of RedHill, \$500,000.00; and</li> <li>(ii) in the case of iCollege, \$250,000.00; and</li> </ul> </li> <li>(b) imposes obligations or liabilities on any party over the life of the agreement, contract, deed or other arrangement or instrument of at least: <ul style="list-style-type: none"> <li>(i) in the case of RedHill, \$500,000.00; and</li> <li>(ii) in the case of iCollege, \$250,000.00.</li> </ul> </li> </ul>
<b>MergeCo</b>	has the meaning given in the Chairman's Letter
<b>MergeCo Board</b>	MergeCo's board of directors



<b>Term</b>	<b>Meaning</b>
<b>Merged Group</b>	the merged group of RedHill and iCollege
<b>Offers</b>	offers by iCollege to Shareholders by way of the takeover bid on terms no less favourable than the Agreed Terms in respect to the Shares on issue as at the date of the Offers and those Shares that are issued during the Offer Period as a result of the exercise of the other securities (subject always to any necessary ASIC modifications being obtained and to the extent they are permitted to vest in accordance with the Offers) that are on Issue as at the date of the Bidder's Statement
<b>Offer Period</b>	the period during which the Offers will remain open for acceptance as specified in the Supplementary Bidder's Statement, as extended in accordance with the Corporations Act and with the written agreement of RedHill
<b>Option</b>	any entitlement to acquire a Share by issue in RedHill prior to the date of this document, details of which are set out in Schedule 2 of the Bid Implementation Agreement
<b>Performance Rights</b>	any entitlement to a Share issued as a 'performance right' under the rules of the RedHill rights plan, details of which are set out in Schedule 2 of the Bid Implementation Agreement
<b>RedHill</b>	RedHill Education Limited ACN 119 952 493
<b>RedHill Board</b>	the board of RedHill Directors
<b>RedHill Director or Director</b>	a director of RedHill
<b>RedHill Group</b>	RedHill Group means RedHill and each of its related entities
<b>Revised ICT Offer</b>	has the meaning given in Section 1 of this Supplementary Target's Statement
<b>Share or RDH Share</b>	a fully paid ordinary share in the capital of RedHill
<b>Shareholder</b>	a person who is registered in the RedHill share register as a holder of one or more Shares
<b>Superior Proposal</b>	a bona fide Third Party Proposal received after the date of the Bid Implementation Agreement which the RedHill Board: <ul style="list-style-type: none"> <li>(a) acting in good faith and reasonably; and</li> <li>(b) in order to satisfy what the RedHill Board reasonably considers to be its fiduciary or statutory duties after consultation with and receipt of written advice from its external legal and financial advisers who have relevant expertise to provide advice in this area, determines is or is likely to become more favourable to Shareholders (as a whole) than the Offers (taking into account, among other things, all legal, financial, regulatory, conditionality, certainty, timing and other aspects of the Third Party Proposal and the identity of the offeror)</li> </ul>
<b>Supplementary Bidder's Statement</b>	the second supplementary bidder's statement lodged by iCollege on 18 August 2021
<b>Target's Statement</b>	RedHill's target's statement dated 30 April 2021 in respect of iCollege's takeover bid for RedHill

Term	Meaning
Third Party Proposal	<p>(a) a transaction which, if completed, would mean a person (other than iCollege or iCollege's nominee) would, directly or indirectly:</p> <p>(i) acquire all or a substantial part of the assets or business of the RedHill Group;</p> <p>(ii) acquire a relevant interest (or a right to acquire a relevant interest) in 20% or more of RedHill's voting shares or of the share capital of any of its related bodies corporate or enter into or acquire any option, cash settled equity swap or other derivative contract arrangement in respect of (when aggregated with any shareholding) 20% or more of the relevant company's share capital; or</p> <p>(iii) acquire control of RedHill;</p> <p>(b) a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, purchase of main undertaking or other business combination involving RedHill and/or its related bodies corporate;</p> <p>(c) a transaction involving the formation of a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as a takeover bid for, or scheme of arrangement in respect of RedHill and/or its related bodies corporate; or</p> <p>(d) any agreement, arrangement or understanding requiring RedHill to abandon, or otherwise fail to proceed with, the Offers or which is otherwise materially prejudicial to the Offers</p>
UCW	UCW Limited ACN 105 012 066

## 6.2 Interpretation

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

- the singular includes the plural and vice versa and words importing one gender include other genders;
- terms defined in the Corporations Act as at the date of this Supplementary Target's Statement have the meanings given to them in the *Corporations Act 2001 (Cth)* at that date;
- a reference to dollars, A\$, AUD, \$ and cents is a reference to Australian currency;
- a reference to a statute of any parliament or any section, provision or schedule of a statute of any parliament includes a reference to any statutory amendment, variation or consolidation of the statute, section, provision or schedule and includes all statutory instruments issued under the statute, section, provision or schedule;
- a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- a reference to a Section is a reference to a section of this Supplementary Target's Statement;
- a reference to time is a reference to Melbourne time; and
- headings and bold type are used for reference only.

**Annexure A**  
**iCollege's Capital Structure**

**Shares**

iCollege has 581,564,649 iCollege shares on issue.

**iCollege shares to be Issued in lieu of historical directors fees**

iCollege has the following shares to be issued subject to shareholder approval at its 2021 annual general meeting:

<b>Number of iCollege shares issued</b>	<b>Recipient</b>	<b>Conditions</b>
655,647	Simon Tolhurst	N/A
1,317,723	Ashish Katta	N/A
1,317,723	Badri Gosavi	N/A

**iCollege Shares to be issued under the new employee incentive scheme**

In relation to its new employee incentive scheme, iCollege has the following shares to be issued subject to shareholder approval at its 2021 annual general meeting:

<b>Number of iCollege shares issued</b>	<b>Recipient</b>	<b>Conditions</b>
200,000	Apoorv Chandel	Tenure. 100% vest immediately as they are retrospective for past performance
150,000	Mitesh Raghvani	As above
50,000	So Young Kwon	As above
300,000	Simon Moore	As above
500,000	Stuart Manifold	As above

**iCollege short term incentive shares**

iCollege has the following performance shares to be issued subject to shareholder approval at its 2021 annual general meeting:

<b>Number of iCollege shares issued</b>	<b>Recipient</b>	<b>Conditions</b>
183,655	Simon Tolhurst	Achievement of minimum 75% of FY21 revenue and EBITDA targets of \$15.0m and \$1.5m respectively
771,350	Ashish Katta	As above
771,350	Badri Gosavi	As above
183,655	Simon Tolhurst	Subject to achievement of

<b>Number of iCollege shares issued</b>	<b>Recipient</b>	<b>Conditions</b>
		minimum 75% of FY22 performance conditions of revenue and EBITDA of \$18.75m and \$2.25m respectively. Issued price based on the 15-day VWAP at the end of the respective financial year.
771,350	Ashish Katta	As above
771,350	Badri Gosavi	As above
183,655	Simon Tolhurst	Subject to achievement of minimum 75% of FY23 performance conditions of revenue and EBITDA of \$23.5m and \$2.81m respectively. Issued price based on the 15-day VWAP at the end of the respective financial year.
771,350	Ashish Katta	As above
771,350	Badri Gosavi	As above

**Note:** ICT short term incentive and long term incentive scheme to be revisited by the new iCollege board post the Offer completing.

#### **iCollege options**

iCollege has the following unlisted options on issue and that are proposed to be issued:

<b>Number of iCollege unlisted options</b>	<b>Expiry Date</b>	<b>Exercise Price</b>
10,000,000	10/07/2023	\$0.05
12,000,000	09/11/2023	\$0.15
5,000,000	09/11/2023	\$0.15

## iCollege Performance Options

iCollege upon receiving all necessary shareholder approvals at its 2021 annual general meeting, will grant the following iCollege Performance Options:

<b>Number of iCollege Performance Options to be issued</b>	<b>Holder</b>	<b>Exercise price</b>	<b>Vesting Conditions</b>	<b>Number of iCollege Performance Options vested</b>
122,436	Simon Tolhurst	\$0.1361	Tenure-based, achievement of market capitalisation target. Options vest from 60% up to 100% at 1% increments for every 1% increase in the market capitalisation target over 20%. If there is less than 20% growth in market capitalisation nil options will vest	122,436
514,233	Ashish Katta	\$0.1361	As above	514,233
514,233	Badri Gosavi	\$0.1361	As above	514,233
122,436	Simon Tolhurst	\$0.1361	As above	Vesting in FY22 subject to continued tenure and achievement of market capitalisation target. Options vest from 60% up to 100% at 1% increments for every 1% increase in the market capitalisation target over 20%. If there is less than 20% growth in market capitalisation nil options will vest
514,233	Ashish Katta	\$0.1361	As above	As above
514,233	Badri Gosavi	\$0.1361	As above	As above
122,436	Simon Tolhurst	\$0.1361	As above	Vesting in FY23 subject to continued tenure and achievement of market capitalisation

Number of iCollege Performance Options to be issued	Holder	Exercise price	Vesting Conditions	Number of iCollege Performance Options vested
				target. Options vest from 60% up to 100% at 1% increments for every 1% increase in the market capitalisation target over 20%. If there is less than 20% growth in market capitalisation nil options will vest
514,233	Ashish Katta	\$0.1361	As above	As above
514,233	Badri Gosavi	\$0.1361	As above	As above

**Note:** ICT short term incentive and long term incentive scheme to be revisited by new iCollege board post the Offer completing

#### **iCollege convertible notes**

iCollege has the following convertible notes on issue:

Value of iCollege convertible notes	Expiry Date	Strike Price
\$500,000	30/09/2021	\$0.05
\$150,000	30/09/2021	\$0.05

#### **Options**

As announced in the Appendix 3B on 12 August 2021, the iCollege board has approved the proposed issue of 5 million options to Taurus Capital and Matthew Banks for services provided in direct connection to the share placement to institutional and sophisticated investors completed and announced to the ASX on 10 November 2020. These options will have a \$0.15 per option strike price and an expiry date of 9 November 2023. These options were ultimately issued on 12 August 2021.

#### **Veritas Securities Limited share based payment**

iCollege engaged Veritas Securities Limited (**Veritas**) to act as joint corporate advisor with the lead corporate advisor Ord Minnett in connection with the Offer.

In consideration for the services provided by Veritas iCollege agreed to pay Veritas a success fee which includes a share based payment.

Veritas is entitled to a success fee comprising 0.75% of the value of the consideration provided by iCollege to acquire RedHill Shares and 0.75% of the market capitalisation of iCollege based on the closing sale price for iCollege shares at the close of trading on the ASX on the trading day proceeding the announcement of the Offer.

Veritas must issue a tax invoice within 5 days of the earliest to occur of the Offer being declared unconditional or the Conditions being satisfied (whichever occurs first) and iCollege acquiring a relevant interest in 50.1% of RedHill and iCollege must satisfy the invoice within 14 days after the date of the tax invoice.

By way of example, if the sum of the consideration paid by iCollege for RedHill Shares and the market capitalisation of iCollege is \$120 million, the success fee payable by iCollege to Veritas will be \$900,000 of which \$450,000 must be satisfied by an issue of iCollege shares.