

31 July 2023

## Appendix 4C and Quarterly Activities Report

### Announcement highlights:

- Site Group delivers \$2.0m of revenue in Q4 FY23, the highest quarter this financial year.
- The company anticipates significant growth in revenue in subsequent periods as operations recover from impact of Covid.
- EBITDA loss reduced to \$39k for Q4 FY23, down 87% compared to previous quarter.
- Strengthened balance sheet with the repayment of debt and liabilities. Net assets of \$2.9m at quarter end (pre-audited) compared to net liability of \$21.7m in FY22.
- Successful capital raise of \$3.9m to existing shareholders and sophisticated investors.
- Management remains focussed on pursuing its global revenue training pipeline with a return to previous milestones and beyond, as announced previously.
- Management continues to progress its commercial land asset (stake in a leasehold in Clark in the Philippines).

**Site Group International Limited** ("Site", ASX:SIT), leading provider of education and training services, has released the Appendix 4C quarterly cash flow for the quarter ended 30 June 2023 (Q4 FY23).

Revenue in Q4 FY23 was \$2.0m, representing the highest revenue quarter of FY23. The company anticipates significant growth in revenue in subsequent quarters as the business continues to recover from the impact of Covid lockdowns on operations.

Site recorded an EBITDA loss of \$39k in the quarter, down 87% from Q3 FY23 loss of \$0.3m. The cash position of Site at the end of the June quarter was \$268k. Operating cash for the quarter was a net outflow of \$1.2m covering a number of one-off payments including paying creditors, complete repayment of the interest-bearing debt and payments made to reduce the principal on lease liabilities. The company anticipates net operating cash flow to improve significantly in subsequent quarters, with most operating outflows this quarter not recurring.

Due to the capital raise and other activities completed during the financial year the pre-audited balance sheet of the company includes significant improvement on the previous financial year with positive net assets of \$2.9m versus a net liability in the previous year of \$21.7m. As at 30 June 2023 Site has no interest-bearing debt compared to a \$10.5m debt level at 30 June 2022.

### Successful capital raise

During Q4, the company successfully completed a capital raise of \$3.9m through an entitlement offer for existing shareholders and a placement to sophisticated and professional investors at an issue price of \$0.003 per share. The capital raise met the initial raise target and was conducted at a discount to the 30-day VWAP.

### Continued Training momentum

Site has seen increasing numbers of trainees for KSA (Kingdom of Saudi Arabia) in line with the forecast revenue targets for the region. The rapid growth led to an establishment of a partnership

with the Saudi Water Academy to increase the training capacity for the current trades being delivered and also to expand on the course offering in the region.

Site Institute is continuing to see improving demand for its CRICOS Engineering and Trade courses at existing facilities. The value of new student applications received during the quarter increased to \$1.6m, up 44% compared to the previous quarter, demonstrating a return to pre-covid levels. This increase in new international student applications is encouraging, despite some evidence of visa processing delays and inconsistencies with visa issued for VET-sector international students increasing uncertainty around conversion rates and new student commencement projections.

The fit out of Site Institute's new regional campus at the Gold Coast commenced during Q4. With works expected to be completed during the current quarter (Q1 FY24), the new campus is projected to be operational and accepting students by Q2 FY24, adding a regional presence and increased capacity to Site Institute's offering.

The company will update the market on further expected contract developments throughout the 2023 calendar year.

## Related party payments

Item 6.1 of Appendix 4C identifies payments made to related parties in the quarter of \$134k. These payments represent the salaries paid to executive directors of the Company.

*Authorised for release by the Board.*

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To stay up to date on company news and announcements, [register your details](#) on the Site Group investor portal.

## Further information:

### Company

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## About Site Group:

**Site Group International Ltd (ASX: SIT)** provides training services for the oil and gas, construction, mining, hospitality and industrial sectors. Having served global blue-chip clients such as ExxonMobil, GE and OceanaGold, the Site team have extensive experience in developing and upskilling international workforces at scale within a niche featuring high barriers to entry competencies. Following years of disruption due to Covid, the company is being recapitalised by existing and new investors so it can pursue a number of growth opportunities, most notably in developing and upskilling the workforce in Saudi Arabia in partnership with oil giant Saudi Aramco under the Kingdom's Vision 2030.

Site's balance sheet is bolstered by a significant investment in a large commercial land holding in Clark, the Philippines, representing an added tangible development-for-sale opportunity on the back of the Philippines government's efforts to decentralise the country away from Manila.

## Appendix 4C

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

**Name of entity**

Site Group International Limited

**ABN**

73 003 201 910

**Quarter ended ("current quarter")**

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..12...months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,646	6,639
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(3)	(6)
(d) leased assets		
(e) staff costs	(1,114)	(5,066)
(f) administration and corporate costs	(1,587)	(4,540)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(149)	(683)
1.6 Income taxes paid	-	(7)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,207)</b>	<b>(3,661)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(112)	(119)
(d) investments	(225)	(225)
(e) intellectual property	-	-
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12...months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	3,000
	(b) businesses	-	558
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (cash securing bank guarantees)	9	(40)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(328)</b>	<b>3,174</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,904	4,944
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(304)	(304)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,302)	(2,527)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (repayment of principal on lease liabilities)	(740)	(1,490)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,558</b>	<b>623</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	226	139
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,207)	(3,661)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(328)	3,174

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (..12...months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,558	623
4.5	Effect of movement in exchange rates on cash held	19	(7)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>268</b>	<b>268</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	268	226
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>268</b>	<b>226</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	134
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	0	0
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>0</b>	<b>0</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
- The facility with Lucerne and Armada was reduced in the Dec quarter to \$775,000 and 450,000 and then fully repaid in the current quarter.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,207)
8.2 Cash and cash equivalents at quarter end (item 4.6)	268
8.3 Unused finance facilities available at quarter end (item 7.5)	-
<b>8.4 Total available funding (item 8.2 + item 8.3)</b>	<b>268</b>
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>0.22</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Net operating cash flow will improve significantly in subsequent quarters due to the current quarter consisting of higher than normal working capital payments following the receipt of funds from the capital raise conducted in the quarter. Further net cash flow will continue to improve significantly in subsequent quarters due to the anticipated growth of revenue as the business continues to recover from the impact of Covid 19 lockdowns in key markets.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Site has successfully raised \$3.9m via a a non-renounceable pro-rata entitlement offer of one new share for every one share held at an issue price of \$0.003 per new share.	

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

Answer: The entity fully expects to continue to meet its business objective and to continue existing operations.

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

## Compliance statement

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

Date: 31 July 2023.....

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

## Notes

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