

23 August 2021

Non-binding term sheet for the sale of up to 51% of shares in subsidiary SGH.

The Directors of Site Group International Limited ("Site" ASX:SIT) inform the market that Site has signed a non-binding indicative term sheet with a related party investor, an entity associated with Site's Chairman, Mr Alcantara (**Investor**), to partner with the Company's subsidiary Site Group Holdings Pty Ltd (SGH), the holder of the Clark lease. (**Proposed Transaction**). The non-binding term sheet is subject to a number of conditions, including satisfactory due diligence by the Investor, formal documentation being negotiated and Site obtaining required shareholder approval following completion of an independent experts report.

The non-binding term sheet represents a conditional and non-binding proposal which is subject to negotiation.

The Company intends to negotiate formal transaction documentation with the Investor. The non-binding term sheet provides that subject to due diligence to its satisfaction and all other conditions precedent being satisfied (including shareholder approval), the investor will pay a total of USD\$7.5m to subscribe for a 33.33% interest in SGH and SIT will grant a call option to transfer to the investor a further 17.67% interest held by SIT in SGH for up to a further USD\$3.975m, exercisable within 5 years. If the transaction proceeds and the call option is exercised, the investor would acquire a total of 51% of the issued equity in SGH. Site will retain the balance of 49% of SGH.

Site currently has a loan arrangement with the Investor pursuant to which Site owes the Investor USD\$4.5 million. The Investor will advance further funds to Site in the amount of USD\$500,000 per month for up to six months or the completion of the Proposed Transaction, whichever is earlier. If the Proposed Transaction completes, all amounts owed by Site to the Investor will be repaid by the issue of equity to the Investor in SGH, with that amount being deducted from the USD\$7.5 million payable to the Investor to Site for the initial 33.33% interest in SGH.

Further details of the Proposed Transaction will be provided upon finalisation of negotiation and execution of the form transaction documentation. Prior to completion, all assets and liabilities of SGH except for the Clark lease will be transferred to another wholly owned subsidiary of Site which will continue to operate the SGH business operations including the Site Skills Training International business.

The transaction will be subject to Site obtaining shareholder approval pursuant to Listing Rule 10.1 and Chapter 2E of the Corporations Act. As part of this approval, Site will be required to appoint an independent expert to opine on the fairness and reasonableness of the transaction, as required by Listing Rule 10.1

Background to Clark Project

Over the last 3 years Site has been considering development opportunities for its 30-hectare Clark leasehold property held by wholly owned subsidiary SGH.

During this period the Company has released information, including detailed reports from Palafox, a world-renowned urban renewal specialist, who has developed concept plans for the Clark Site. This consultation included Palafox completing an Urban Renewal Plan for the entire Clark estate as well as work for the Clark Global Gateway Logistics City (GGLC) estate.

Since COVID-19 impacted the globe, the Philippines has had significant rates of infections and a high number of lockdowns. Whilst this has not crippled the economy, it has had an adverse effect on many service industries. Interestingly some construction has continued with infrastructure projects commencing and nearing completion such as the new Clark airport, as well as the Luzon North–South Commuter Railway (NSCR), known as the Clark–Calamba Railway, which is a 148 km (92 mi) urban rail transit line running from New Clark City in Capas, Tarlac to Calamba, Laguna. Further roadworks including the Metro Manila Skyway is connecting to the Northern Luzon expressway to Clark. Development of new high-rise buildings has continued at Clark during the period albeit at a slower pace and is anticipated to return to greater activity levels as vaccination takes effect in 2022.

Authorised for release by the Board.

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Media and Investors

Craig Dawson

CFO

+61 (7) 3114 5188

craig.dawson@site.edu.au

Principal & Registered Office: Level 2, 488 Queen St, Brisbane QLD 4000

About Site

Site Group International Limited (“Site”) operates several businesses specialising in the delivery of education, training and labour services. Services are delivered to government, corporate and individual clients, predominately operating in energy, mining, construction, oil and gas and industrial sectors.

Site Group International Limited is an emerging company with a strategic business model pursuing earnings-accretive growth based on previous acquisitions along with organic growth.

Site Group International Energy

The Site Group International energy division based in Singapore and Malaysia builds immersive training environments for the purpose of undertaking competency development, specifically the Engineering, Procurement, Construction and Commissioning of Safe Live Process Plant environments.

Site Institute

Site Institute is an Australian Registered Training Organisation and International CRICOS education provider specialising in engineering, trade, and business qualifications. Site Institute has students studying from more than 25 countries including Brazil, China, Colombia, France, Germany, Hong Kong, Italy, Nepal, Taiwan, UK, and Zimbabwe.

Site Online Learning

Site Online Learning (SOL) services and hosts Site’s learning, student and competency management systems across its businesses, develops online learning programs, and converts existing learning content into online programs. SOL services clients within Government, Corporate, and Education and Training sectors to transform their training programs online, utilising advanced online engagement methodologies.

Site Skills Training, International

Site Skills Training, International focuses on developing workforces throughout Asia and the Middle-East. With its head office based in the Philippines 300,000sqm Clark Freeport Zone facility. It places students under real-world work situations utilising various immersive training environments, including an underground mine, safe live process plant, hydraulic power generation, and full service kitchen.

Site Skills Training, International works with governments and organisations of emerging and developed nations to meet the needs of workforce nationalisation targets to ensure locals are skilled for the future.

Site WorkReady

Site WorkReady (SWR) provides workforce solutions to companies in the mining, energy, construction, and hospitality industries. They ensure workers meet the experience and skill requirements of projects to reduce training lead times by clients. SWR works with Governments and Companies located throughout Australia, New Zealand, Asia, Africa, and the Middle-East; deploying over 3,500 skilled tradesmen who are cross-skilled to provide a level of flexibility to client project requirements.

TESOL Asia

TESOL Asia is a training and industry focussed organisation for Teachers in the English as a Second Language (ESL) sector. It provides access to training, consulting, industry conferences and academic journals around the world.

Wild Geese International

Wild Geese International (WGI) operate an Oil and Gas Competency Development and Design consultancy business unit. An Australian Registered Training Organisation, Wild Geese have integrated into Site’s broader national and international service capability.