

29 October 2021

## Appendix 4C and Quarterly Activities Report

The Directors of Site Group International Limited ("Site", ASX:SIT) have released the Appendix 4C quarterly cash flow for the quarter ended 30 September 2021.

The results for the quarter saw revenues reduce to \$1.8m with an EBITDA loss of (\$1.3m). This result included a non-cash unrealised forex loss of \$540k for the quarter. The cash position of Site at the end of the June quarter was \$0.47m with undrawn facilities of \$2.56m. Operating cash for the quarter was a net outflow of (\$0.85m). The reduction in revenues is a reflection of the sale of Site Skills Group Australia and EBITDA loss is significantly reflective of commencement of redundancies and other costs associated with the transfer of the business to Verbrec.

Post the settlement of the Site Skills Australia training business last quarter, management has focused on the previously stated objectives of the build of the international business and a potential pathway for the development of the Clark land. On 23 August 2021, the group announced the signing of a non-binding term sheet for the sale of up to 51% of shares in subsidiary Site Group Holding (SGH), the holder of the Clark lease to an entity associated with the Chairman, Mr Alcantara. This transaction will allow Site to reduce debt whilst retaining an equity stake in the land project. As this transaction will be subject to Site obtaining shareholder approval pursuant to Listing rule 10.1 and Chapter 2E of the Corporations Act, Site will delay holding its annual general meeting as provided for by *ASIC Corporations (Extension of Time to Hold AGM) Instrument 2021/770* which allows for an extension of 2 months.

The Site WorkReady business continues to experience a growing demand for workers as industries in Australia and the world experience shortages in skilled workers. Australia and in particular Western Australia has a rapidly increasing skills shortage across a number of sectors including industrial, construction, mining as well as oil and gas maintenance trades. This business is fielding significant enquiry from new customers in Australia, Europe, MENA and broader Africa.

### Philippines Training

#### OceanaGold

OceanaGold has been granted a 25-year extension of its mining licence at Didipio Gold Mine in central Luzon, Philippines. As a result of the extension, recent discussions with OceanaGold have focused on training and procurement methods for reskilling and ramping up their workforce. Site has a long relationship training workers for Didipio utilizing the purpose-built Underground Training Mine at Site's Clark, Pampanga facility.

#### Fieldcore

Fieldcore continues to maintain its physical presence at Clark and have been in constant contact during the pandemic with their intention to move some of their training out of the MENA region to Clark. This will occur once they can get their international people in to the Philippines when the travel ban is lifted.

## **Kingdom of Saudi Arabia**

The extension of contracts in the Kingdom of Saudi Arabia (KSA) at the existing NCTC for a further 3 years highlight the recovery of training in KSA following the wind down and closure of the Centre during COVID. The second cohort of student has commenced in October as activity builds back towards previous levels. In addition, new projects are being negotiated and expect to be announced in 2022.

## **ACCC / Litigation**

Litigation with the ACCC in the Federal court is ongoing with Site recently seeking leave to challenge the decision. Site expects a full bench hearing will occur in 2022.

*Authorised for release by the Board.*

--- END ---

## **Media and Investors**

**Craig Dawson**

CFO

+61 (7) 3114 5188

[craig.dawson@site.edu.au](mailto: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.*

## 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 September 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (..3...months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,914	1,914
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(9)	(9)
(d) leased assets		
(e) staff costs	(1,032)	(1,032)
(f) administration and corporate costs	(1,487)	(1,487)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(237)	(237)
1.6 Income taxes paid	(2)	(2)
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>(852)</b>	<b>(852)</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	(10)	(10)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..3...months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses	-	-
	(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)	45	45
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>35</b>	<b>35</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	1,366	1,366
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Repayment of principle on lease liabilities)	(242)	(242)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,124</b>	<b>1,124</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	166	166
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(852)	(852)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	35	35

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (..3...months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,124	1,124
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>471</b>	<b>471</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	471	166
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>471</b>	<b>166</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	110
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>		

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

<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	12,440	9,875
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>12,440</b>	<b>9,875</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>2,564</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.		
<ul style="list-style-type: none"> <li>- On 21 June 2018, the Company announced a financing facility of \$US4 million with Punta Properties a company associated with the Chairman Nicasio Alcantara. Repayment of fund drawn will be via cash or equity to be issued at 4 cents per share subject to the approval of shareholders. Interest charged will be at a fixed rate of 10% per annum.</li> <li>- On 23 August 2021, the Company announced a non-binding term sheet for the sale of up to 51% of shares in subsidiary Site Group Holdings (SGH) to Punta Properties. Site balances outstanding to the investor including the loan described above and other advances made was US\$ 4.5m. As part of the sale, it was agreed that the investor will advance further funds to Site in the amount of \$US 500k per month for 6 months or until completion of the proposed transaction taking the total loan amount up to US\$7.5m. If the transaction completes all amounts owed by Site to the investor will be repaid by the issue of equity to the investor in SGH</li> <li>- On 31 December 2019 the Company announced a funding agreement with Lucerne Investment Partners for \$A15 million with an initial drawdown of \$2 million on 31 December 2019. On 27 March 2020 the Company announced that due to market circumstances and and the COVID-19 further drawdowns have ceased and the facility is suspended until market conditions become clearer. The existing \$2 million facility remains in place. Interest charged will be 9.5% per annum</li> </ul>		

<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)	(852)
8.2 Cash and cash equivalents at quarter end (item 4.6)	471
8.3 Unused finance facilities available at quarter end (item 7.5)	2,564
8.4 Total available funding (item 8.2 + item 8.3)	3,035
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>3.56</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:

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:

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:

*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: 29 October 2021.....

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.