

28 April 2023

Appendix 4C and Quarterly Activities Report and Business Update

Announcement highlights:

- Site Group delivers \$2.1m cash receipts for Q3 FY23 - the highest quarter for FY23 so far.
- Net cash used in operating activities reduced to \$0.3m in Q3 (vs \$2.1m in H1 FY23).
- The company raised \$0.75m in a placement and launched an Entitlement Offer to raise up to approximately \$3.9m, with results to be announced next week.
- Subsequent to Q3, the company entered into a significant MOU with Tolu Minerals, as well as announced an additional intake for programs at the Maharat Construction Training Centre.
- Management remains focussed on progressing its commercial land asset (stake in a leasehold in Clark in the Philippines) and pursuing its global revenue pipeline.
- International Operations Director of Site Group, Vernon Wills, will be holding a live investor briefing at 11am (AEST) today, Friday 28th April, to discuss the company's growth plans. [Register here or request a recording.](#)

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 31 March 2023.

Cash receipts for Q3 FY23 were \$2.1m - the highest quarter for FY23 so far. The results for the quarter was revenue of \$1.7m with an EBITDA loss of \$0.3m.

The cash position of Site at the end of the June quarter was \$0.2m. Operating cash for the quarter was a net outflow of \$0.3m in Q3 (vs \$2.1m in H1 FY23).

Business Update - significant MOU with Tolu Minerals Limited

Subsequent to Q3, Site signed a significant Memorandum of Understanding (MOU) with Tolu for the Tolukuma Gold Mine in PNG. The agreement was signed following a visit by Iain Macpherson, CEO of Tolu, to the Site Skills Training Centre in Clark, the Philippines to inspect the underground training facility. This facility was previously used to train in excess of 500 skilled mining personnel for OceanaGold's Didipio mine.

Under the terms of the MOU with Tolu, Site will deliver training for up to 500 skilled mining personnel, commencing in Q4 2023. An initial batch of 200 workers will focus on exploration, safety, equipment operation and maintenance.

The MOU represents a significant contract win for Site and is not included in Site's previously announced revenue forecast of circa \$31 million by FY25.

Tolukuma Mine is a historically operated high-grade gold/silver mine which has produced 1 million+ oz gold at a recovered grade of 15 g/t Au, and 2.4 million oz Ag.

Tolu has interests in exploration and mining. Tolu has expressed interest in training a skilled mining workforce for its Tolukuma Gold Mine and potential further development at its Mt Penck mining lease areas in PNG. Tolu is committed to providing quality training and competency management to develop a skilled workforce to service its PNG projects.

Capital Raise Update

During Q3, the company completed a placement of \$750,000 to sophisticated and professional investors at an issue price of \$0.003 per share (ASX Release, 1 March 2023).

Site subsequently launched an Entitlement Offer for shareholders to raise up to approximately \$3.9m during the quarter, with results to be announced next week. The Entitlement Offer was offered at an issue price of \$0.003 per share, allowing shareholders the opportunity to participate at the same price as the initial placement.

Funds raised will be used to progress the development of the remaining share in the leaseholding at the Clark site in the Philippines, support ongoing working capital requirements for the purpose of pursuing Site's global revenue pipeline, pay down shareholder loans, and cover the costs of the Offer.

Join a Briefing

International Operations Director of Site Group, Vernon Wills, will be holding a live and interactive online investor briefing at 11am (AEST), today Friday 28th April. Vernon will discuss the company's growth plans and an update on recent progress.

Register for the session or request a recording:

<https://site.investorportal.com.au/investor-briefing/>

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:

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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")

31 March 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (..9...months) \$A'000 |
|---|----------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 2,109 | 4,993 |
| 1.2 Payments for | | |
| (a) research and development | | |
| (b) product manufacturing and operating costs | | |
| (c) advertising and marketing | (1) | (3) |
| (d) leased assets | | |
| (e) staff costs | (1,089) | (3,952) |
| (f) administration and corporate costs | (1,169) | (2,953) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 1 | 2 |
| 1.5 Interest and other costs of finance paid | (192) | (534) |
| 1.6 Income taxes paid | (1) | (7) |
| 1.7 Government grants and tax incentives | | |
| 1.8 Other (provide details if material) | | |
| 1.9 Net cash from / (used in) operating activities | (342) | (2,454) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | | |
| (b) businesses | | |
| (c) property, plant and equipment | - | (7) |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) other non-current assets | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (..9...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) | (35) | (49) |
| 2.6 | Net cash from / (used in) investing activities | (35) | 3,502 |

| | | | |
|-------------|---|------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 550 | 1,040 |
| 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 | - | - |
| 3.6 | Repayment of borrowings | - | (1,225) |
| 3.7 | Transaction costs related to loans and borrowings | | |
| 3.8 | Dividends paid | | |
| 3.9 | Other (Repayment of principle on lease liabilities) | (285) | (749) |
| 3.10 | Net cash from / (used in) financing activities | 265 | (934) |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 371 | 139 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (342) | (2,454) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (35) | 3,502 |

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (..9...months) \$A'000 |
|---|--|------------------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 265 | (934) |
| 4.5 | Effect of movement in exchange rates on cash held | (33) | (27) |
| 4.6 | Cash and cash equivalents at end of period | 226 | 226 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 226 | 371 |
| 5.2 | Call deposits | | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 226 | 371 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|------------------------------------|
| 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> | | |

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <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 | 1,225 | 1,225 |
| 7.2 Credit standby arrangements | | |
| 7.3 Other (please specify) | | |
| 7.4 Total financing facilities | 1,225 | 1,225 |
| 7.5 Unused financing facilities available at quarter end | | - |
| 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. | <p>- The original facility with Lucerne and Armada was reduced in the Dec quarter to \$775,000 and 450,000 and the facility remains in place. This is expected to be repaid from the current capital raise.</p> | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (342) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 226 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 Total available funding (item 8.2 + item 8.3) | 226 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 0.66 |
| <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? | |
| <p>Answer: Net operating 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.</p> | |
| 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? | |
| <p>Answer: Site is currently undertaking a non-renounceable pro-rata entitlement offer of one new share for every one share held at the record date of Wednesday 29 March 2023 at an issue price of \$0.003 per new share. If the offer is fully subscribed the company will raise \$3.9m. Site reserves the right to subsequently place any shortfall of new shares not subscribed for by eligible shareholders. As announced on 24 April 2023, Site has received bids of circa \$2m from professional and institutional investors.</p> | |

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: 28 April 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.