

31 October 2018

Appendix 4C and Market Update

The Directors of Site Group International Limited ("Site", ASX:SIT) release the Appendix 4C quarterly cash flow for the quarter ended 30 September 2018.

The results for the quarter saw revenues of \$9.21m and an EBITDA loss of \$324k (unaudited). This includes the results of the discontinued Productivity Partners (PP) business being a cost of circa \$322k. Operating cash flow for the quarter was an outflow of \$1.5m with a closing cash balance of \$1.3m.

The group has experienced the ramp up in new international contracts in the first quarter which have delayed payments due to new compliance requirements with procurement and invoicing systems. As announced on 21 June 2018, group has access to a \$US4m financing facility which has been drawn in the quarter to \$US1.5m. Recent contract wins demonstrate the growth opportunities for Site in its international divisions. These are expected to continue into FY19, as the group continues to focus on the expansion and optimisation opportunities across its international assets.

Site Skills Group continues to be impacted with customers postponing training until the appeal process in the AAT is finalised. Site continues to expend significant operational resources and professional fees ensuring compliance to achieve the favourable outcome in the AAT and focus on ensuring the best interests of clients and students.

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Media and Investors

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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.

Wild Geese International

Site operate a Perth based specialist Oil and Gas Competency Development and Design consultancy business unit, out of Perth, and had been operating for ~15 years prior to joining Site.

An Australian Registered Training Organisation, Wild Geese have integrated in to Site's broader national and international service capability.

Site Skills Training

An Australian Registered Training Organisation, Site Skills Training delivers Accredited and Non-Accredited High Risk Licence, Health and Safety and industry programs extensively throughout Australia and internationally. Site deliver ~25,000 short course programs in Australia each year including delivery of Apprenticeships and Traineeships, and VET in Schools programs.

Site Institute

Site Institute is an Australian Registered Training Organisation and International CRICOS education provider. Site Institute has students studying in Australia from countries including Argentina, Brazil, Chile, Colombia, Mexico, Peru and South Korea, with additional networks being established in other countries.

Site Online

Site established an online learning, learning software and platform development business. Site Online services and hosts Site's learning, student and competency management systems across its businesses, develops online learning programs, and converts existing learning content in to online programs.

Site Online is also established to service requirements of clients including those of other business units.

Site Group International Pte Ltd

The Site Group International business division builds immersive training environments for the purposes of undertaking competency development, specifically the Engineering, Procurement, Construction and Commissioning of Safe Live Process Plant environments.

SGL is based in Singapore and Malaysia and services predominately oil and gas industry clients throughout the world, utilising industry best practice and international standards for the development of competency frameworks and implementation of training programs.

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.

Teaching English to Speakers of Other Languages (TESOL) focusses on bringing English language acquisition academics together with professional teachers to support and develop the industry globally.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Site Group International Limited

ABN

73 003 201 910

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,865	7,865
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(291)	(291)
(d) leased assets	(20)	(20)
(e) staff costs	(3,358)	(3,358)
(f) administration and corporate costs	(5,670)	(5,670)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	(6)	(6)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,484)	(1,484)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(696)	(696)
(b) businesses (see item 10)	-	-
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1	(d) intellectual property (e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) 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)	(16)	(16)
2.6	Net cash from / (used in) investing activities	(712)	(712)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	2,039	2,039
3.6	Repayment of borrowings	(51)	(51)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	1,988	1,988

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,533	1,533
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,484)	(1,484)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(712)	(712)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,988	1,988

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	3	3
4.6	Cash and cash equivalents at end of quarter	1,328	1,328

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	1,328	1,533
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)	1,328	1,533

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

116

The payments at 6.1 are for directors fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
6,862	2,337

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9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development

9.2 Product manufacturing and operating costs

9.3 Advertising and marketing

9.4 Leased assets

9.5 Staff costs

9.6 Administration and corporate costs

9.7 Other (provide details if material)

9.8 Total estimated cash outflows

(200)

(20)

(3,400)

(5,000)

(8,620)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)

Acquisitions

Disposals

10.1 Name of entity

10.2 Place of incorporation or registration

10.3 Consideration for acquisition or disposal

10.4 Total net assets

10.5 Nature of business

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.

Sign here:



(Director/Company secretary)

Date: ..31 October 2018

Print name: ...Vernon Wills.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.