

29 July 2022

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 June 2022.

The results for the quarter saw revenues of \$1.7m with an EBITDA loss of (\$0.5m) after excluding the unrealised forex loss of \$1.0m. The cash position of Site at the end of the June quarter was \$139k. Operating cash for the quarter was a net outflow of (\$113k) as the company prepares for the completion of the Clark property transaction.

Clark Land

Following the announcement in March of the sale of the majority interest in the Company's subsidiary company Site Group Holdings Pty Ltd (SGH), the holder of the Clark lease, management continue to work with the investment group on the structure of the investment.

Site expects to announce further details in the coming days.

International Training

The reopening of international borders is leading to a significant lift in enquiry for utilisation of the Clark facility in the Philippines. Site is in discussion with historical customers, Fieldcore and OceanaGold regarding recommencement of training at Clark.

Site is expecting to announce a further significant skills training contract in a new Saudi jurisdiction expanding the operations in the country. Site's Executive are currently back in KSA with a focus on increasing numbers at the existing NCTC facility for the next intake of students in September and also the positive response to tendered projects.

ACCC / Litigation

The company is awaiting the outcome of the full bench hearing in the Federal court for Site's challenge to the decision in the litigation with the ACCC which was held on 4-6 May 2022.

Authorised for release by the Board.

--- END ---

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

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 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..12...months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,760	7,503
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(2)	(22)
(d) leased assets		
(e) staff costs	(837)	(3,890)
(f) administration and corporate costs	(955)	(4,337)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	1
1.5 Interest and other costs of finance paid	(95)	(842)
1.6 Income taxes paid	16	(3)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(113)	(1,590)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(7)	(33)
(d) investments	-	-
(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		
	(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)	-	196
2.6	Net cash from / (used in) investing activities	(7)	163

3.	Cash flows from financing activities		
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	180	2,196
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)	(144)	(779)
3.10	Net cash from / (used in) financing activities	36	1,417

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	222	166
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(113)	(1,590)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	163

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12...months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	36	1,417
4.5	Effect of movement in exchange rates on cash held	1	(17)
4.6	Cash and cash equivalents at end of period	139	139

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	139	222
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)	139	222

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	89
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

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	12,150	12,150
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	12,150	12,150
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.		
<ul style="list-style-type: none"> - On 21 June 2018, the Company announced a financing facility of \$US4 million with Punta Properties (Punta), a company associated with the Chairman Nicasio Alcantara. Interest charged will be at a fixed rate of 10% per annum. - On 7 March 2022, the Company announced a non-binding term sheet for the sale of 62.5% of shares in subsidiary Site Group Holdings (SGH) to a group of investors including Punta for \$US10 million. Site balances outstanding to Punta including the loan described above and other advances made is \$US6.5 million. As part of the sale, the amount owed by Site to Punta will be repaid by the issue of equity in SGH interest in SGH. - On 31 December 2019 the Company announced a funding agreement with Lucerne Investment Partners for \$AUD 15 million with an initial drawdown of \$AUD 2 million on 31 December 2019. On 27 March 2020 the Company announced that due to market circumstances and 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. 		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(113)
8.2 Cash and cash equivalents at quarter end (item 4.6)	139
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	139
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.23
<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 improve significantly following the removal of costs due to the sale of equity of wholly owned subsidiary Site Group Holding expected to be completed in September following shareholder approval. In addition to the cost savings, there is renewed activity in international operations post COVID-19 border closure and lockdowns as highlighted in the review of activities attached.</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?

Answer: The entity is continuing to focus on its plan to maximise international asset values through the development of its 30-hectare Clark leasehold property. As outlined above, the entity has announced that it has entered into agreements to sell equity of its wholly owned subsidiary Site Group Holdings Pty Ltd, the holder of the Clark lease for in excess of US\$10 million.

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: 29 July 2022.....

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.