

31 October 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 September 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 \$0.9m. The cash position of Site at the end of the June quarter was \$142k. Operating cash for the quarter was a net outflow of (\$350k) as the company prepares for the general meeting of shareholders to approve the Clark property transaction and operate going forward as a much leaner and focused business.

### Clark Land

Further to the announcement on 1 August 2022 of the sale of 61.6% in the Company's subsidiary Site Group Holdings Pty Ltd (SGH), the holder of the Clark lease, the general meeting of shareholder to approve this transaction is being held on 2 November 2022. The US\$10.005m consideration will be provided through a combination of cash and conversion of moneys owed by Site to existing financiers into SGH Equity. The total cash consideration (less an amount of US\$0.25m) will be applied by SGH to the repayment of loans it owes to Site. The transaction values the Clark Property asset at US\$16.25 million.

Following the transaction to be approved by Shareholders Site will retain 38.4% of SGH which is intended to be developed over the next few years subject to achieving the various lease extensions and building approvals.

### Training

International markets continue to show signs of increased activity with reopening of international borders and historical customers, Fieldcore having recommenced training in July at Clark.

Site Institute is also seeing a return of international student numbers undertaking its programs. A continual focus on pathways, maximising utilisation of classrooms and workshop space as well as potential new locations being considered should drive increasing revenue into CY 2023.

*Authorised for release by the Board.*

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### Media and Investors

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## 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 2022

<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	1,685	1,685
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(1)	(1)
(d) leased assets		
(e) staff costs	(1,238)	(1,238)
(f) administration and corporate costs	(719)	(719)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(75)	(75)
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>(350)</b>	<b>(350)</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	-	-
(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	490	490
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	-	-
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Repayment of principle on lease liabilities)	(141)	(141)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>349</b>	<b>349</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	139	139
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(350)	(350)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..3...months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	349	349
4.5	Effect of movement in exchange rates on cash held	4	4
4.6	<b>Cash and cash equivalents at end of period</b>	<b>142</b>	<b>142</b>

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	142	139
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>142</b>	<b>139</b>

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	116
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>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	13,542	13,542
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	13,542	13,542
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	<p>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> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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 \$US6.87 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.</li> <li>- 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.</li> </ul>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(350)
8.2	Cash and cash equivalents at quarter end (item 4.6)	142
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	142
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.41
	<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: 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 November following shareholder approval at a general meeting on 2 November 2022. 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.

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 the sale of 61.6% equity of its wholly owned subsidiary Site Group Holdings Pty Ltd, the holder of the Clark lease for US\$10.005 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: 31 October 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.