

31 October 2023

Appendix 4C and Quarterly Activities Report

Announcement highlights:

- Site Group delivers \$2.4m of revenue in Q1 FY24, a 20% increase on the previous quarter.
- Significant growth in revenue anticipated in subsequent periods as operations recover from impact of Covid.
- Management remains focussed on pursuing global revenue training pipeline with the current student level in KSA passing 1,000.
- Site Institute signs a new lease for a tier 1 educational tenancy in South Brisbane to enhance course delivery.

Site Group International Limited ("Site", ASX:SIT), leading provider of education and training services, releases the Appendix 4C quarterly cash flow and operational activity review for the quarter ended 30 September 2023 (Q1 FY24).

Revenue in Q1 FY24 was \$2.4m, representing a 20% improvement from the previous quarter (Q4 FY23). The company anticipates significant growth in revenue in subsequent quarters as the business continues to recover from the impact of Covid lockdowns on operations.

Site recorded an EBITDA loss of \$0.2m in the quarter. The cash position of Site at the end of the September quarter was \$190k. Operating cash for the quarter was a net inflow of \$0.3m. The company anticipates continual improvement in net operating cash flow in subsequent quarters, on the back of the continuing revenue growth.

As at 30 September 2023 Site continues to maintain no interest-bearing debt.

Continued Training momentum

International Training - Kingdom of Saudi Arabia

The recent graduation of 180 students from the Maharat Construction Training Centre (MCTC), marked the completion of a comprehensive 12-month training cycle.

In line with the Company's strategic growth, Site is now set to welcome an additional 330 students who will replace the graduating cohort. This intake increases the concurrent student base, pushing total enrolments to over 1000 students. This achievement has Site surpassing this significant milestone six months earlier than initial financial projections had anticipated.

Site's 12-month 6G welding course continues to gain attention, reflecting the growing demand in pipeline construction and affirming the value of the Company's welding and pipefitting programs. Site is exploring opportunities to increase capacity of welding and pipefitting programs at Saudi Water Academy in Jubail by approximately 200 students. Any additional supply of placements would quickly be absorbed to meet the needs of the booming construction sector.

In addition to growth at MCTC, the Company continues work on the Saline Water Conversion Corporation (SWCC) Fire and Safety Training Centre. Site is currently assisting SWCC with essential improvement works at the facility including the installation of ignition systems across various staging areas. With works continuing, Site is fielding multiple inquiries from prospective clients, highlighting the demand for fire safety training in the region and the potential of the facility once

operational. The Company looks forward to the completion of the ignition system installations and the commencement of training programs at the centre in 2024.

Site remains optimistic about sustaining the Company's growth trajectory and supporting growth in the province and across the Kingdom.



Left: Maharat executives, Sami Musali (Managing Director) and Waheeb Hajjat (Training Quality Director).
Right: Mohammed Akbery (Site Group's Regional CEO) and Consortium partner, Nazmi M Nazmi (Canadian Petroleum Services).



Graduation Ceremony



Graduation Ceremony

Site Institute – Growth and Strategic Progress

The Site Institute business unit has exhibited continued growth and strategic progress during the quarter. Demand has been strong for Site’s signature Engineering and Trade CRICOS courses at existing facilities, driving an increase in new applications and enrolment numbers.

Since January, the Company has converted \$2.8 million in new student applications with course offers accepted and initial deposits paid. Currently, there are a further \$837K of applications-in-process pending offer acceptance. The Company anticipates 75% of this cohort will be converted to enrolled students. This demonstrates strong market interest in the Company’s programs and confidence in the quality of the education provided.

Site continues to maintain the Level 1 Provider Risk Rating (determined by Department of Home Affairs), underscoring the focus on recruiting high-quality, genuine students and demonstrating the effectiveness of the admissions team. The Company is poised for continued growth, with projections indicating an increase in student numbers to approximately 230 concurrent enrolments by January 2024 - an increase of approximately 60% compared to January 2023.

In a strategic move to accommodate Site’s expanding student body and enhance course delivery, the Company has signed a new lease for a tier 1 educational tenancy in South Brisbane. This new space offers equivalent floor space to the current campus but boasts larger classrooms, providing the ability to conduct classes in a more flexible and efficient manner. Additionally, this relocation is set to result in a reduction of both lease and outgoings expenses, contributing to the financial position of the group, reducing costs by circa \$250K per annum.

Overall, these developments mark a significant milestone for Site Institute, as the Company continues to solidify our presence in the international educational sector and offer unparalleled learning experiences to students.

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")

30 September 2023

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	2,193	2,193
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(2)	(2)
(d) leased assets		
(e) staff costs	(1,491)	(1,491)
(f) administration and corporate costs	(419)	(419)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(25)	(25)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	256	256
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(69)	(69)
(d) investments	-	-
(e) intellectual property	(9)	(9)
(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)	(24)	(24)
2.6	Net cash from / (used in) investing activities	(102)	(102)

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	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (repayment of principal on lease liabilities)	(233)	(233)
3.10	Net cash from / (used in) financing activities	(233)	(233)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	268	268
4.2	Net cash from / (used in) operating activities (item 1.9 above)	256	256
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(102)	(102)

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

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)	(233)	(233)
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	Cash and cash equivalents at end of period	190	190

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	190	268
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)	190	268

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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	0	0
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	0	0
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.	-	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	256
8.2 Cash and cash equivalents at quarter end (item 4.6)	190
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	190
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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:	
<i>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.</i>	

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 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.