

31 January 2024

Appendix 4C and Quarterly Activities Report

Announcement highlights:

- Site Group maintains positive operating cash flow for the quarter.
- Further growth in revenue anticipated in subsequent periods as operations recover.
- Cash balance boosted by the receipt of \$626k from 2 out of 3 instalments of the Second Earn out payment from the asset sale agreement between Site and Competency Training
- Site relocates the registered office to South Brisbane as Site Institute signs a new lease for a tier 1 educational tenancy 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 31 December 2023 (Q2 FY24).

Revenue in Q2 FY24 was \$2.4m, consistent with the previous quarter (Q1 FY24). 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 \$20k in the quarter, a significant improvement on the EBITDA loss of \$242k in the previous quarter. The cash position of Site at the end of the December quarter was \$398k assisted by the receipt of 2 out of the 3 instalments of the second earn out payment from the asset sale agreement between Site and Competency Training.

Operating cash for the quarter was a net inflow of \$40k. The company anticipates continual improvement in net operating cash flow in subsequent quarters, on the back of the continuing revenue growth.

As at 31 December 2023, Site continues to maintain no interest-bearing debt.

Continued Training momentum

Site Institute – Growth and Strategic Progress

During December, Site Institute relocated all ELICOS, Engineering and Civil Construction Design courses to the new premises in South Brisbane, offering a more flexible and efficient learning environment with larger classrooms and multi-use learning spaces. Construction trade courses continue to be delivered at our purpose-built trade workshop and outdoor construction site in Coopers Plains.

New applications for CY24 and CY25 course commencements received during the quarter continued the steady growth momentum experienced earlier in the year. The \$2.4m in applications received during this quarter are expected to convert into \$1.8 - \$1.9m of forward revenue as those students commence and progress through their courses during the coming 2 years.

With commencing student numbers now consistently higher than those graduating, revenue will continue to build term-by-term throughout CY24.

Site Institute's focus recruiting of high-quality, genuine students, and providing courses in skills shortage areas positions the business strongly particularly in light of the upcoming changes in the

operating environment that will result from the Government's recently released *MIGRATION STRATEGY: Getting migration working for the nation*. Key changes to international student policy for which Site Institute is well placed include:

- Prioritising of student visa applications linked to low-risk providers (Site Institute is assigned Level 1 Provider Risk Rating by DHA), whilst slowing the processing of students applying to Level 2 (including some TAFEs) and Level 3 Providers.
- Changing from the Genuine Temporary Entrant to the Genuine Student test which will enable prospective students applying for skills shortage qualifications to state their intentions to stay and contribute to the Australian economy.
- Strengthening and simplifying Temporary Graduate (post-study) visas pathways for skills shortage occupations which will enable our graduates a quicker and smoother pathway into employment in Australia.

Site Institute remains committed to adapting to the regulatory changes resulting from the Migration Strategy and leveraging them to sustain and enhance our educational offerings and financial performance.

International Training – Philippine facility

The recent signing of a significant contract with multinational gold producer OceanaGold Corporation (TSX: OGC) has seen the recommencement of underground mining training at the Clark facility in the Philippines.

Site, in conjunction with OceanaGold, constructed the Underground Mine Training Environment with strong support from industry including Monark Equipment, Mynesight, Orica, Indodrill, Immersive Technologies and MineARC at Site Skills Training in the Philippines. With 250 metres of metalliferous tunnelling, the environment has been purpose built for competency assessment and training of Underground Mine Personnel across a range of programs designed for all levels of experience and specialised crews and can accommodate 100 trainees simultaneously in the underground mine.

The initial cohort commenced in December and the graduation ceremony is scheduled for 1 March 2024.

International Training – Papua New Guinea

In PNG, Site's wholly owned subsidiary, Site WorkReady Pty Ltd has been contracted by Kumul Petroleum Academy (the training arm of Kumul Petroleum Holdings Limited) to expand the countries training capacity through a new Manage and Operate Agreement encompassing both the existing facility at Idubada and a new larger scale facility being constructed at Caution Bay, Port Moresby.

The scope of the Manage and Operate Agreement will see provision of industry orientated skills training in oil and gas, mining, marine as well as general infrastructure activity. Site will be retained for the first 2 years at USD \$50k per month to oversee the new development with the ability to enter profit sharing agreements as new training opportunities are commenced.

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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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 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..6...months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,506	4,699
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(2)	(3)
(d) leased assets		
(e) staff costs	(1,414)	(2,906)
(f) administration and corporate costs	(1,002)	(1,421)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(48)	(73)
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	40	296
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(66)	(134)
(d) investments	(154)	(154)
(e) intellectual property	(1)	(9)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..6...months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	626	626
	(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)	(94)	(119)
2.6	Net cash from / (used in) investing activities	311	210

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)	(132)	(365)
3.10	Net cash from / (used in) financing activities	(132)	(365)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	190	268
4.2	Net cash from / (used in) operating activities (item 1.9 above)	40	296
4.3	Net cash from / (used in) investing activities (item 2.6 above)	311	210

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..6...months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(132)	(365)
4.5	Effect of movement in exchange rates on cash held	(12)	(11)
4.6	Cash and cash equivalents at end of period	398	398

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	398	190
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)	398	190

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>		

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

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.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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)	41
8.2 Cash and cash equivalents at quarter end (item 4.6)	398
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	398
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 January 2024.....

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.