

28 March 2024

## Kingdom of Saudi Arabia Market Update

### Announcement highlights:

- Significant changes to structure and partnership to enable a multi-faceted growth strategy through multiple new venues in the Kingdom of Saudi Arabia including:
- **Incorporation in KSA:** Site Group International has formalized its business presence in KSA, enabling a new model including direct market engagement and service delivery. Whilst formally, business in KSA was conducted through the Site Work Ready subsidiary, the incorporation of the operating business in KSA is the next step in cementing our partnership in the Kingdom of Saudi Arabia.
- **New Structure allows for per centre revenue uplift:** The new incorporation allows full-delivery by Site group in KSA, putting the operations in country in line with similar global projects, equating to roughly a doubling of potential revenue per centre.
- **Strategic Partnership with Al Ajmi formalised:** An incorporated partnership has been established, detailing responsibilities for infrastructure development and operational management for new training centres.
- **A Specialist Training Centre in Eastern Province:**
  - Initial capacity: Approximately 400 trainees at and above previously announced pricing structure.
  - Double shift potential: Doubling the capacity to meet peak demands increasing capacity to approximately 800 trainees.
- **Focused Expansion:** Site is initiating its growth plan in the Kingdom, with future centres for vocational and hospitality training under operational and planning development.
- **New Centre Rollout:** Up to 5 new centres expected during 2024/25 which in turn should create a 5-fold increase in student capacity in long and short term courses replacing the current revenues from Maharat.
- These development centres will provide the capacity to meet previously announced targeted annualised revenues of USD \$17m in 2025.

**Site Group International** (ASX: SIT) has achieved a significant strategic milestone within its expansion planning in the Kingdom of Saudi Arabia (KSA) through the successful incorporation of a local company meeting the in-country requirements. This development allows Site to independently engage in commercial activities and extends its training program offerings within the Kingdom, replacing the need of a local consortium. This capability results in Site offering full turnkey solutions similar to its operations in other regions, which is projected to at least double revenue per centre.

Further, Site has entered into an agreement with Al Ajmi Company, outlining a collaborative framework to bolster Site's growth and presence within the KSA. Al Ajmi will be responsible for the provisioning and preparation of training centres, while Site will manage and operate these establishments. The agreement will facilitate Site's expansion plans starting with a specialist

training centre in the Eastern Province. This centre is designated to provide critical training in high-demand trades crucial to the Kingdom's burgeoning construction projects.

### **Operational Capacity and Training Programs:**

The Eastern province training centre is projected to begin with an operational capacity of around 400 trainees. This figure is projected to scale up to approximately 600 as demand increases. The partnership strategically includes the option to employ a double shift operational model, effectively doubling the centre's capacity, contingent on market needs.

Site's planned expansion prioritizes the Industrial populated Provinces, initially focusing on in demand training for crane operation, heavy equipment, rigging, scaffolding and construction safety. Negotiations are currently underway to establish additional centres, aiming to cater to an expanded demographic including vocational training for men and women in sectors such as oil & gas and construction, as well as coeducational hospitality training.

### **Financial and Capacity Projections:**

- Al Ajmi will undertake the capital expenditure for these new ventures.
- Site will be responsible for the complete operational management, inclusive of delivering both vocational and foundational training, resulting in an approximate two-fold increase in revenue.
- Each new centre is estimated to hold a capacity ranging from 400 to 1200 trainees.
- The Saline Water Commission facilities continue to prepare for the installation of the `ignition` system to enable firefighting to commence in 2024.
- Site sees this strategy enabling the growth necessary to achieve its previously stated objectives of returning revenues to previous levels and beyond.

This strategic initiative is indicative of Site Group International's capability and commitment to meeting the vocational and educational needs of industry in the rapidly developing Kingdom. The company's operational readiness to extend its educational services and training programs, aligns with the Kingdom's industry demand and workforce development goals.

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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, Shell and OceanaGold, the Site team have extensive experience in developing and upskilling international workforces at scale within a niche featuring high barrier 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.