

30 April 2024

Appendix 4C and Quarterly Activities Report

Announcement highlights:

- Site Group maintains momentum during seasonally lower training quarter which included the Ramadan holiday period and corporate restructuring in KSA. For context 3Q volumes in the domestic and businesses are lower during the first 3 months of the calendar year. The domestic business is returning to expected growth with active students at the Site Institute up 80% year-on-year.
- The group maintains a ~38% interest in key property asset in Clark Philippines, a 30ha strategic asset in the growing special economic zone 2 hours from the capital Manila. The consortium continues to progress the rezoning process which should see a revaluation of the asset.
- During the quarter the group continues to formalise its presence in KSA and entered a strategic partnership with the Al Ajmi Company to pursue ambitious growth initiatives starting in the second half of this year. The first of the new centres is expected to commence in Q4 2024 with a total capacity of approximately 400 trainees representing ~\$4m USD/year. Further negotiations are in progress to extend vocational training.
- Management and Operation contract executed to expand the existing tier one international training facility in PNG.
- Graduation ceremony held in March for the first cohort of mining new-starts for Oceana Gold (OGC) at Philippine training facility.
- Completed restructure of the business to capitalise on existing opportunities with no debt and \$367k cash position at the end of March. The cash balance was boosted by the receipt of \$313k from the final instalment of the Second Earn out payment from the asset sale agreement between Site and Competency Training.

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 March 2024 (Q3 FY24).

Revenue in the seasonally weaker Q3 FY24 was \$2.2m, consistent with the previous quarter (Q2 FY24). The company anticipates significant growth in revenue in subsequent quarters as the business continues to recover from the impact of Covid lockdowns.

Site recorded an EBITDA loss of \$500k in the quarter. The cash position of Site at the end of the March quarter was \$367k.

Operating cash for the quarter was a net inflow of \$144k. The company anticipates continual improvement in net operating cash flow in subsequent quarters, off the back of the revenue growth driven by structural and operational change. As at 31 March 2023, Site continues to maintain no interest-bearing debt.

Continued Training momentum

Site Institute – Growth and Strategic Progress

New student applications for course commencements continued the steady growth momentum experienced since late last year, now totalling \$2.6m during the quarter (up from \$2.4m in the previous quarter). In line with historical conversion rates, Site Institute expects ~80% of these will convert to active enrolments during CY24 and CY25, representing approximately \$2m of additional forward revenue.

Site Institute's Term 2 intake on April 15 welcomed 89 new students, increasing enrolments to 290 active students, up 80% from the same time last year. Following the upcoming Term 3 intake in July, we project active enrolments will exceed pre-COVID all-time highs.

As part of the Migration Strategy announced late last year, on 23 March the Australian Government replaced the Genuine Temporary Entrant (GTE) requirement for a Student visa, with a Genuine Student (GS) requirement. Together with the new GS requirements, the minimum English Language proficiency requirement has increased. In response to the changes, the admissions team has implemented a revised application assessment process requiring each new applicant to detail comprehensive responses to the new GS requirements and provide further supporting evidence.

The end of March saw the Department of Home Affairs' bi-annual updating of Institutional risk ratings. Site Institute is pleased to advise that we have maintained our Assessment Level 1 rating (best possible rating), ensuring student visa applications associated with our college receive and priority processing by the Department and streamlined evidence requirements.

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.

International Training – Philippine facility

The restarting of training with multinational gold producer OceanaGold Corporation (TSX: OGC) has seen increased activity in 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 graduation ceremony for the first cohort of Nippers (underground mining new-starts) occurred in March 2024 with fresh cohorts expected this quarter.

Additionally, a continuation of training and assessment for the Snowy River Scheme project in Australia serviced 326 candidates in the quarter. This training is ongoing.

International Training – Papua New Guinea

In PNG, Site's wholly owned subsidiary, Site WorkReady Pty Ltd was contracted by Kumul Petroleum Academy (the training arm of Kumul Petroleum Holdings Limited) to expand the country's 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 the 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.

To maximise this opportunity Mr Russell Brenchley (lead training and facility Manager from KSA) is conducting a full Gap Analysis on the Idubada facility whilst meeting with clients and prospective customers to ensure maximizing of utilization and range of courses.

International Training – KSA

In the Kingdom of Saudi Arabia (KSA), Site continues to formalise its corporate presence through the incorporation of a local entity as announced last month. This move significantly enhances Site's ability to directly engage in market activities and service delivery within the Kingdom, without reliance on a local consortium.

A strategic partnership has been forged with Al Ajmi Company, which delineates the roles in developing infrastructure and managing operations for new training centres. Importantly in the new model, the scope of the training will be expanded with Site teaching both the vocational trades skills and the English language components of the programs.

This initiative is currently advancing two locations geared to meet the critical skills demand of the Kingdom's growing construction sector. The first of these centres is expected to commence in this quarter with a total capacity of approximately 400 trainees representing ~\$4m USD/year per centre.

Site's expansion in the Eastern Province will initially focus on construction whilst further negotiations are in progress to extend vocational training for a broader demographic, including sectors like oil & gas, mining and coeducational hospitality.

Financially, Al Ajmi Company will shoulder the capital expenses, while Site will handle comprehensive operational management, encompassing vocational and foundational training. Each new centre is anticipated to accommodate between 400 to 600 trainees, reflecting Site's commitment to fulfilling the educational and vocational requirements of the industry, in alignment with the Kingdom's workforce development ambitions.

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 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..9...months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,592	7,291
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(1)	(5)
(d) leased assets		
(e) staff costs	(1,273)	(4,178)
(f) administration and corporate costs	(1,424)	(2,845)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(38)	(111)
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	(144)	153
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(35)	(169)
(d) investments	(41)	(195)
(e) intellectual property	0	(9)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9...months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	313	939
	(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)	-	(119)
2.6	Net cash from / (used in) investing activities	237	447

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)	(135)	(501)
3.10	Net cash from / (used in) financing activities	(135)	(501)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	398	268
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(144)	153
4.3	Net cash from / (used in) investing activities (item 2.6 above)	237	447

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9...months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(135)	(501)
4.5	Effect of movement in exchange rates on cash held	11	0
4.6	Cash and cash equivalents at end of period	367	367

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	367	398
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)	367	398

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	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	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.		
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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(144)
8.2 Cash and cash equivalents at quarter end (item 4.6)	367
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	367
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.54
<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: N/A	
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: N/A	
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: N/A	
<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: 30 April 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.