

APPENDIX 4D

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*FOR THE HALF-YEAR ENDED
31 DECEMBER 2021*

A series of seven parallel white diagonal lines slanted upwards from left to right, located above the company name.

**SSH GROUP LIMITED
31 DECEMBER 2021**

SSH Group Ltd Appendix 4D - 31 December 2021

SSH Group Ltd. (ASX:SSH) (**Company** or **SSH**) is pleased to enclose the Appendix 4D and Half Yearly Report & Accounts for the six-month period to 31 December 2021.

SSH's gross profit from operations for 31 December 2021, excluding one off non-cash costs incurred with respect to the IPO, showed a significant improvement at \$1,227,459 (73% up on the 31 December 2020 result of \$707,891) whilst EBITDA was \$1,739,704 (51% up on the 31 December 2020 result of \$1,148,807).

The Company's reported result shows an accounting loss for the period of \$2,027,095 which is due to the accounting standards' treatment of non-cash, once-off non-reoccurring items related to the reverse acquisition by the Company of the entities associated with Site Services Holdings as part of the IPO, along with the cost of the Options issued (also as part of the IPO). These costs are further detailed in the notes to the Half Yearly Report along with the notes to the Prospectus issued by the Company.

The Company's operational performance has enabled an increase to its cash balances over and above the amounts raised as part of the IPO after allowing for the short-term debt reduction.

Managing Director, Daniel Cowley-Cooper commented

"We are pleased to release a very positive first half yearly financial report for SSH Group Ltd. This first six months of FY22 has been highlighted by the ASX listing of the Company which has allowed us to strengthen the balance sheet, remove debt repayments, and improve liquidity.

We are extremely proud of the Group's commitment to achieving our operating goals whilst successfully dealing with the requirements of the IPO process. The Group's revenue increase of 84% and operating profit increasing by 73% for the period has established a sound foundation for the Group's future growth and provides support for our strategy to pursue acquisitions during the second half of the year."

Appendix 4D

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

SSH Group Ltd
ABN 79 140 110 130

1. Company details

SSH Group Ltd

ABN or equivalent company reference	Financial period ended (‘current period’)	Financial period ended (‘previous period’)
79 140 110 130	31 December 2021	31 December 2020

2. Results for announcement to the market

2.1. Revenue	Up	\$23,598,023 (84%) to	\$51,700,105
2.2. Profit (loss) after tax from ordinary activities	Down	\$3,264,731 (264%) to	(\$2,027,095)
2.3. Net profit (loss) for the period attributable to members	Down	\$3,264,731 (264%) to	(\$2,027,095)
2.4. Dividends	It is not proposed to pay dividends.		
2.5. Record date for determining entitlements to the final dividend.	N/A		

2.6. Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.

Review of operations

During the six months to 31 December 2021 the Group continued to focus on its core operating activities within the entities controlled by the Site Services Holdings Trust. As detailed below and included in the notes to these financial statements these entities all contributed positively to the operations of the Group. The Group listed on the ASX on 17 September 2021, the listing through SSH Group Limited has resulted in a number of one-off noncash costs have that effected the results of this period.

Revenue for the period was \$51,700,105 (31 December 2020: \$28,102,082), which was an increase of \$23,598,023, or 84%.

The Group's Profit from operations excluding costs incurred with respect to the IPO for 31 December 2021 was \$1,227,459 (31 December 2020: \$707,891) whilst EBITDA was \$1,739,704 (31 December 2020: \$1,148,807) a 51% increase period on period. The EBITDA and Normalised profit from operating activities is reconciled as follows:

	31 December 2021	31 December 2020	% Increase
Accounting (Loss) / profit before income tax expense for the period:	(1,716,221)	1,237,636	
<i>Add Back: Non-cash transactions incurred as part of, and for the benefit of the IPO:</i>			
Share based payment to recognise Options and Performance Rights issued on Initial Public Offering	1,214,372		
Cost of reverse acquisition arrangement for Initial Public Offering	1,729,308		
Less Operating loss of acquired subsidiaries		(529,745)	
Normalised profit from operating activities	1,227,459	707,891	73%
Add Back:			
Interest and Financing Costs	355,452	309,257	
Depreciation and amortisation	156,793	32,137	
Interest, Financing Costs and Depreciation of acquired subsidiaries	-	99,522	
EBITDA	1,739,704	1,148,807	51%

Under accounting standards, the comparative period reflects the results only for the Site Services Holdings Trust but not the other Group entities acquired being Complete Workforce Solutions and Site Services Holdings Pty Ltd, therefore, to normalise the results and show a true operating comparison, the loss has been added back in.

The net result for the period was impacted by transactions related to the listing of the Group, these are non-recurring and of a non-cash nature. The cost of the options issued have been valued through the profit and loss, whilst the cost relating to the reverse acquisition of SSH Group Limited (for IPO purposes) has been taken through the profit and loss, resulting in a loss for the Group after providing for income tax of \$2,027,095 (31 December 2020: profit of \$1,237,636).

The cash balances of the Group improved during the period resulting in a position as at 31 December 2021 of \$6,687,463. Funds raised through the IPO have contributed to this, along with the operating performance and the reduction of debt. The debt reduction relates to the successful repayment of all ATO payment plans that were agreed to during the 2020 and 2021 financial years along with other working capital facilities with short term lenders. The repayment of these balances now completes the retirement of all short-term debt/payables as noted in the Group's prospectus and further strengthens the liquidity position of the Group.

The Group also achieved a key milestone in its interstate expansion growth strategy during the period ended 31 December 2021, with the securing of an operating licence for its People Division in Queensland, along with being granted a Security Agent Licence for South Australia, which is aiding the Company's national licence and accreditation strategy with operating licences for its Safety Division. The Group is currently awaiting granting of its operating licences for the Safety Division in Queensland and New South Wales.

Significant changes in the state of affairs

The Company executed a binding terms sheet agreement to acquire 100% of the entities which constitute the businesses known as Site Services Holdings Group ('SSHG'). The SSHG includes Site Services Holdings Pty Ltd, Complete Workforce Australia Pty Ltd and Site Services Holdings Trust. Completion of the acquisition of the SSHG occurred on 9 September 2021, as part of the Initial Public Offer ('IPO') of the Company on the ASX included a capital raising of \$6.25 million. The Company's Prospectus was lodged with ASIC on 23 July 2021 with the listing on ASX on 17 September 2021.

On 15 November 2021 the Company announced it had established a Share Sale Facility for holders of Unmarketable Parcels of shares in the Company ('Facility'). The ASX Listing Rules define "Unmarketable Parcel" as one with a market value of less than A\$500.

The Facility was open to all shareholders holding 1,961 or less shares in the Company, based on the closing price on the ASX of \$0.255 the day before 12 November 2021 ('Record Date'). The Company provided the Facility to enable Unmarketable Parcels to be sold without the shareholder incurring any brokerage or handling costs. In accordance with the ASX Listing Rules and the Company's constitution, a copy of the letter and Share Retention Form was sent to eligible shareholders.

Shareholders with an Unmarketable Parcel were not obliged to sell their shares. Eligible shareholders who wanted to participate in the Facility and have their shares sold by the Company did not need to take any action. The closing date for receipt of Share Retention Forms was 28 December 2021 and a total of 260,077 ordinary shares from 1,704 unmarketable parcel holders will be sold. The sale process will be finalised in due course.

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	\$0.1124	\$0.0069 ⁽¹⁾
<i>⁽¹⁾ the denominator for the previous corresponding period has been adjusted to be the same as the current period (which includes issuance of shares for Initial Public Offering, and reverse acquisition that occurred in the current period) to provide a more accurate comparative.</i>		

4. Control gained over entities

Name of entity (or group of entities)	Site Services Holdings Pty Ltd Complete Workforce Australia Pty Ltd Site Services Holdings Trust
Date control gained	9 September 2021

The contribution of each entity to the reporting entity's profit from ordinary activities

	31 December 2021 \$	31 December 2020 \$
Operating profit / (loss)		
Site Services Holdings Pty Ltd	13,057	(645,713)
Complete Workforce Australia Pty Ltd	128,780	58,209
Site Services Holdings Trust	1,060,472	1,237,638
	1,202,309	650,134

5. Dividend Payment

The company has not paid a dividend.

6. Dividend Reinvestment Plans

The company does not have a dividend reinvestment plan.

7. Details of associates and joint venture entities

The company does not have any associates or joint ventures.

8. Statement of compliance in regards to review

If the accounts are subject to audit dispute or qualification, details are described below

The accounts are not subject to a modified opinion, emphasis of matter or other matters.
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Sign here:



Managing Director

Date: 28 February 2022

Print name: Daniel Cowley-Cooper