



# Quarterly Activities Report & Appendix 4C

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## Highlights

FY23 Cash Flow	Cash Balance	Operating Cash Flow
<b>\$40.6m</b>	<b>\$1.5m</b>	<b>Positive</b>
In receipts from customers YTD	As of 31 March 2023.	YTD

- 48% EBITDA Growth on prior quarter.
- +50% Asset Growth in Equipment Division (Tru Fleet) on prior quarter.
- Tru Fleet's asset value is now in excess of \$12m.
- SSH Group Ltd and Four Hills Group Pty Ltd partner to launch Four Hills Services.
- Corporate Head Office now established in West Perth.

SSH Group Ltd. (ASX:SSH) (**Company** or **SSH**) is pleased to release its March 2023 Quarterly Activities Report and Appendix 4C.

## March FY23 Quarter Financial Position

Revenue from Company operations for the quarter totalled \$9m, a decrease on the prior quarter due to a continuing expansion of the Company's equipment hire business which is driving a transition to lower revenues but higher Gross Margins and EBITDA than in corresponding quarters.

EBITDA for the March quarter was \$1m increasing from \$0.7m in the December quarter. The Company finalised the consolidation of its office spaces during the quarter, reducing ongoing operating expenditure by the exit of 2 office leases in Belmont WA, and establishment of a smaller & lower cost corporate head office in West Perth.

During the quarter the Company incurred the payment for its annual insurance premiums which impacted operating cashflow, this along with a slow ramp up of operations in January (following a number of clients shutting for the Christmas period) resulted in a cash outflow from operations of \$1.3m, and a decrease in cash of balance.

Capital expenditure for the quarter was \$3.9m relating to the further expansion of the Tru Fleet light vehicle fleet. The value of the fleet is now in excess of \$12m. The acquisition of vehicles was funded via lease funding facilities secured over the vehicles acquired. The Tru Fleet business is now operating at above minimum efficient scale and is not expected to require significant ongoing capex, rather capex growth in future quarters will be driven by targeted fleet acquisition for specific customer requirements.

## Four Hills Services

During the quarter, the Company announced it had commenced a partnership with Four Hills Group Pty Ltd (**Four Hills Group**), which operates as Four Hills Services Pty Ltd (**Four Hills Services**). Four Hills Group was the coming together of four respected Indigenous Traditional Owner Directors and their families from across the Pilbara, Kimberley, and Goldfield's regions.

Four Hills Services provides a wide range of plant and equipment hire, commercial fleet vehicle hire, and recruitment and staffing solutions. Adopting the Aboriginal Economic Participation Standard designed by Four Hills Group, the business is structured around providing focus on cultural safety, management systems, Aboriginal employment and training, Aboriginal procurement, Aboriginal business capacity building, and community.



***Image 1: Four Hills Services light vehicles deployed in the Pilbara.***

Four Hills Services have been received favourably within the market with the business already pre-qualified and accepted as a supplier for the likes of Rio Tinto and BHP. A number of tier one and two contractors have already engaged Four Hills Services and introduced Four Hills to new sites and clients. We are pleased as to the performance of this partnership to date.

Four Hills Services has already deployed a range of equipment to customers in the Pilbara, notably providing light vehicles to a major oil and gas service provider delivering large Pilbara-based projects.

Four Hills Services is also in the final stages of achieving Supply Nation Certification and we look forward to confirming this accomplishment during the next reporting period.

## Corporate

### Additional Information

The SSH Group provides the following additional information relating to expenditure during the quarter and since listing:

1. ASX Listing Rule 4.7C.2: The quarter was included in a period covered by a “use of funds” statement following the SSH’s admission to the Official List of ASX on 17 September 2021. Pursuant to listing rule 1.1 condition 3, a comparison of the entity’s actual expenditure on the individual items in the “use of funds” statement in the prospectus since the date of admission against the estimated expenditure on those items in the “use of funds” is set out below:

Use of Funds	Prospectus \$	Actual Expenditure to date \$
<b>Site Services Holdings Group Operational Expenditure</b>		
Retire extended short-term payables	1,105,000	1,105,000
Reduce short-term debt	645,000	645,000
Capital equipment purchases	2,500,000	2,500,000
Site Services Holdings Group Operational Expenditure Sub-Total	4,250,000	4,250,000
Corporate and administration costs	-	-
Costs of the Offers and Acquisition	637,414	429,000
Working capital	1,806,586	2,015,000
<b>Total Funds Allocated</b>	<b>6,694,000</b>	<b>6,694,000</b>

As of 31 December 2022, the Company has fulfilled all “use of funds” commitments outlined in the SSH Group Prospectus.

2. ASX Listing Rule 4.7C.3: Payments to related parties of the SSH and their associates during the quarter: \$175,125. These payments relate to executive and non-executive directors’ fees and remuneration payments for executive directors as per the Executive Service Agreements.

This release has been authorised in accordance with the Company’s published continuous disclosure policy and approved for release by the Board of SSH Group Ltd.

### ASX Announcements

This Quarterly Activities Report contains information reported in the following announcements released during the March quarter.

13 March 2023	Change of Director's Interest Notice
8 March 2023	Change of Director's Interest Notice
28 February 2023	SSH Group Ltd - 1H FY23 Half Year Results Presentation
28 February 2023	SSH Group Half Yearly Report and Accounts
28 February 2023	SSH Group Ltd - Appendix 4D
15 February 2023	Partnership Focus Driving Direct Aboriginal Economic Impact
31 January 2023	Quarterly Activities/Appendix 4C Cash Flow Report
30 January 2023	Details of Company Address

### Authorisation

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This announcement has been authorised for release by the Board.

### About SSH Group

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SSH Group Ltd operates businesses working with the construction, resources, and civil market sectors within Australia.

SSH Group Ltd builds and acquires quality businesses within growth markets that demonstrate scalability and the strong potential for high return on investment. Through our businesses, SSH Group Ltd is committed to improving outcomes for Australian projects and communities.

### Further Details

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#### ASX Market Data

[www2.asx.com.au/markets/company/ssh](http://www2.asx.com.au/markets/company/ssh)

#### Investor Portal

[www.sshgroup.com.au/investors-media](http://www.sshgroup.com.au/investors-media)

#### Telephone

Registered Office  
SSH Group Ltd

+61 8 9226 2011  
9:00am – 5:00pm (WST)  
Monday – Friday

#### Post

Company Secretary  
SSH Group Ltd

Level 2, 10 Ord St  
West Perth, WA 6005

## Appendix 4C

### Quarterly cash flow report for entities

subject to Listing Rule 4.7B

Name of entity

SSH Group Limited

ABN

Quarter ended ("current quarter")

79 140 110 130

31 March 2023

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	9,059	40,616
1.2	Payments for		
	product manufacturing and operating costs	(8,226)	(30,970)
	advertising and marketing	(16)	(60)
	leased assets	(101)	(389)
	staff costs	(1,375)	(5,143)
	administration and corporate costs	(239)	(1,141)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(391)	(1,180)
1.6	Income taxes paid	-	(13)
1.7	Government grants and tax incentives	-	-
1.9	Net cash from / (used in) operating activities	(1,289)	1,720

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	entities	-	-
	businesses	-	(1,688)
	property, plant, and equipment	(3,987)	(9,361)
	investments	(13)	(13)
	intellectual property	-	-
	other non-current assets	-	-
2.2	Proceeds from disposal of:		
	entities	-	-
	businesses	-	-
	property, plant, and equipment	898	1,714
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3,102)	(9,348)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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	-	(5)
3.5	Proceeds from borrowings	5,236	9,351
3.6	Repayment of borrowings	(1,340)	(5,555)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,896	3,791
Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,004	5,346
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,289)	1,720
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,102)	(9,348)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,896	3,791
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,509	1,509

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
5.	Reconciliation of cash and cash equivalents at the end of the quarter to the related items in the accounts (as shown in the consolidated statement of cash flows)		
5.1	Bank balances	1,509	1,509
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)	1,509	1,509
Consolidated statement of cash flows		Current quarter \$A'000	
6.	Payments to related parties of the entity and their associates		
6.1	Aggregate amount of payments to related parties and their associates included in item 1		175
6.2	Aggregate amount of payments to related parties and their associates included in item 2		-
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.			

Consolidated statement of cash flows		Total facility at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.	<b>Financing facilities</b> 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.		
7.1	Loan and asset finance facilities	23,967	21,226
7.2	Credit standby arrangements	-	-
7.3	Debtor Funding Facility	8,000	2,834
7.4	Total financing facilities	31,967	24,060
7.5	Unused financing facilities available at quarter end		160
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.		
	<p>Through its Subsidiaries SSH Group Machinery Hire Pty Ltd and Complete Equipment Australia, the Company has drawn loans from NAB, which funded the acquisition of Karratha Machinery Hire. The loans are amortising monthly over a five-year period. A \$9m equipment loan is fixed at 5.9%, whilst a \$2m Business markets loan is subject to floating interest rates for the period of the loan.</p> <p>The Company has a number of finance lease/hire purchase agreements, secured only over light vehicles funded. Interest charges are fixed at the time of entry into the arrangement. The facility is provided by Toyota Financial Services Limited, Nissan Financial Services and Daimler Financial Services. The Company has access to a further \$5.6m in its facilities to fund further vehicle acquisitions which is sufficient to meet current capex forecasts.</p> <p>Through its subsidiary Site Services Enterprises Pty Ltd (as trustee of the Company's unit trusts), the Company has an agreement with National Australia Bank for an advance against all trade receivables owed by its customers, (Debtor funding facility). The agreement secures the debtors to National Australia Bank, interest charges are variable linked to BBSY rates plus an agreed margin.</p> <p>Funding is available based on total debtor balances and cannot exceed 80% of the debtor book. The total limit of the facility is \$8m, at 31 March the company had access to approx. \$0.2m of funding over invoices that had not been drawn down.</p>		

Consolidated statement of cash flows		\$A'000
8.	Estimated cash available for future operating activities	
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,289)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,509
8.3	Unused finance facilities available at quarter end (item 7.5)	160
8.4	Total available funding (item 8.2 + item 8.3)	1,669
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.3
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.		
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:	No.  Significant timing differences in the quarter impacted cashflows from operations including annual insurance payments. Normalised cashflows for the quarter demonstrate positive underlying cashflows and the YTD cashflow position remains positive.	
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:	No actions required	
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:	Yes, "one-off" cash outflows in the current quarter will not be incurred again this year, operations are expected to remain profitable and self-sustaining in future. One off payments for the period included \$878,707 for annual workers comp insurances + \$100,250 for other annual insurance premiums.	
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.		

### Compliance statement

This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A. This statement gives a true and fair view of the matters disclosed.

Date: 27 April 2023

Authorised by: The SSH Group Ltd Board of Directors

### 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 – e.g., 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.