



Quarterly Activities Report and Appendix 4C

Quarterly Activities Report & Appendix 4C

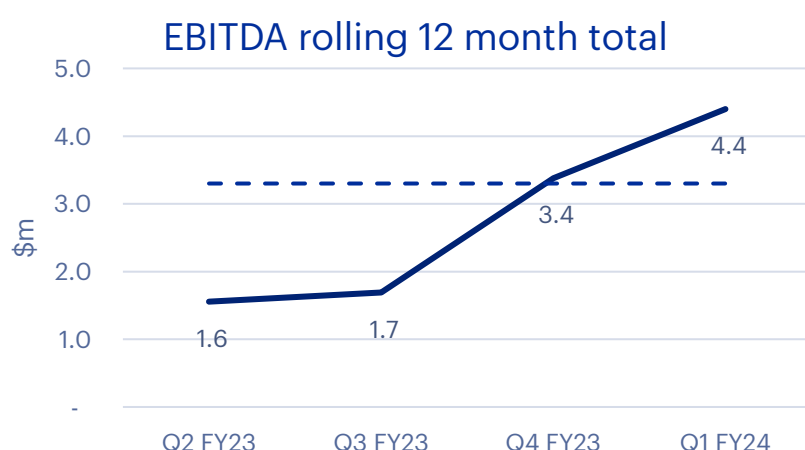
| Q1 FY24 Cash Receipts | Cash Balance | Operating Cash Flow |
|----------------------------|--------------------------|---------------------|
| \$9.2m | \$1.47m | Positive |
| In receipts from customers | As of 30 September 2023. | For QTR 1 FY24 |

- ▶ **\$5m+ Contracts secured in new wins and renewals.**
- ▶ **Positive operating cashflow of \$0.5m for the quarter.**
- ▶ **Significant growth in EBITDA vs prior corresponding period of over \$1m+.**
- ▶ **New CFO appointment with exceptional industry experience**
- ▶ **\$5.3m new assets acquired in KMH and Tru Fleet with immediate deployment on secured contracts**

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

Strong EBITDA Growth

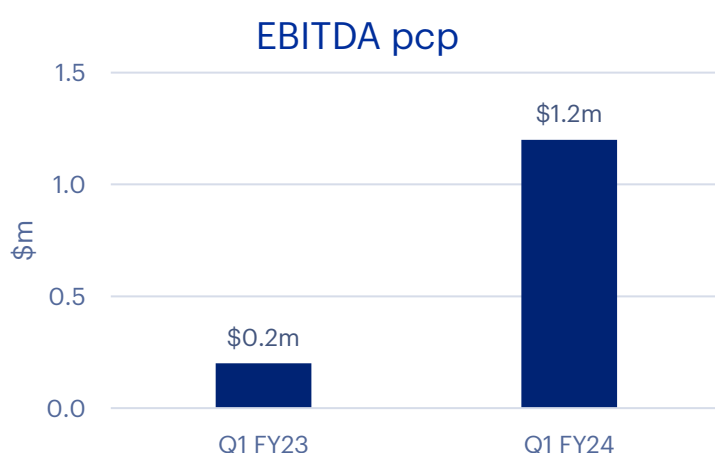
EBITDA for the 12 months ending 31 October 2023 is \$4.4m, demonstrating growth against the FY23 full year EBITDA of \$3.3m. Furthermore, ongoing EBITDA improvement is evident with this latest result being nearly \$1.1m increase on the Q1 FY23 comparable period.



| Quarter | EBITDA |
|-----------------------|--------------------|
| Q2 FY23 | \$599,295 |
| Q3 FY23 | \$988,176 |
| Q4 FY23 | \$1,575,746 |
| Q1 FY24 | \$1,246,199 |
| 12-month total | \$4,439,162 |

Positive Financial Results and Developments for the Quarter

The SSH Group is pleased to present its financial performance for the September quarter, demonstrating steady growth for the second consecutive quarter, with EBITDA continuing to surpass \$1 million. The quarter EBITDA result is 14% of revenue, and signals continued momentum following the strong results in the previous quarter (FY23 Q4). Notably, the latest quarter's performance is particularly significant when compared to the corresponding quarter in FY23, where EBITDA stood at \$180,422.



| Quarter | EBITDA |
|-----------------|--------------------|
| Q1 FY23 | \$180,422 |
| Q1 FY24 | \$1,246,199 |
| Variance | \$1,065,777 |

Revenue for the quarter was diversified, with 62.5% derived from our Recruitment & Workforce Management service line and 37.5% from our Machinery & Fleet Hire service line, compared to 85.6% and 14.4% in the corresponding FY23 quarter. This increase in revenue diversification reflects our efforts to balance our revenue streams, whilst building a quality revenue pipeline.

The SSH Group's dedication to sound financial management is evident in the positive cashflows from operations, totalling \$0.5 million for the quarter. This marks the sixth time in the last seven reporting periods that we have achieved positive operating cashflow.

During the quarter, the SSH Group continued its strategic investment in building and maintaining an optimal fleet. A total of \$5.3 million was allocated to capital expenditures, including the acquisition of light vehicle assets in Tru Fleet (\$3.8 million) and additional asset acquisitions in KMH amounting to \$1.5 million. These investments were funded through debt facilities within the respective entities. It's worth noting that Tru Fleet has now reached an asset size that allows it to be self-sustaining, and further substantial investments are not anticipated in the upcoming quarters. Furthermore, surplus assets in KMH were identified and sold, with the proceeds primarily used to retire debt funding associated with those assets.

In summary, the SSH Group is pleased with its financial performance and the progress made in diversifying our revenue sources. We remain steadfast in our commitment to our long-term strategy of achieving steady, profitable growth in our core business and creating sustained value for our shareholders whilst we continue to evaluate additional value accretive growth opportunities.

During the quarter ending 30 September 2023, the Company appointed Anna Lane as interim CFO of SSH Group. Anna has over 30 years' experience as an executive/CFO, non-executive director, and consultant in Australia and the UK. She is a Fellow Chartered Accountant and Graduate of the AICD programme. Anna is the current Vice Chair of the WA Regional Council for Chartered Accountants of Australia and New Zealand and has worked at KPMG, Accenture, Leightons, Chevron, Bankwest, Prudential UK, APM, and Western Power in a variety of roles.

The Company announced the appointment of Mr Sonu Cheema (BCom, CPA, GradDipACGRM), as Company Secretary effective from 1 September 2023.

Operational Summary

Equipment Vertical (KMH & Tru Fleet)

The Equipment Vertical of the SSH Group, comprising Machinery Hire (KMH) and Fleet Hire (Tru Fleet), played a pivotal role in driving significant growth for the Group during the FY24 Q1 period. This helped in achieving a more balanced revenue distribution, with 37.5% of the group's revenue originating from the Machinery & Fleet Hire service lines, as opposed to the 14.4% recorded in the corresponding quarter of Q1 FY23.

In response to increased customer demand and high asset utilisation, the division expanded its asset fleet across the two divisions with an investment of \$5.3 million, which was directly deployed during the quarter.

Tru Fleet allocated \$3.8 million for the procurement of new fleet hire vehicles, while KMH acquired an additional \$1.5 million worth of assets to meet client demand. These investments underscore KMH's and Tru Fleet's commitment to growth and modernisation, enabling both companies to enhance their service offerings and align with evolving market demands.

Operational Summary

Recruitment & Workforce Management Vertical (Bridge Resources & SSH Group Safety)

The Recruitment & Workforce Management Vertical (Bridge Resources and SSH Group Safety) secured \$5m+ in new contract wins and contract renewals during the FY24 Q1 period.

In the construction domain, SSH Group Safety has been awarded two contracts for security, patrol, and access control services. These contracts have been granted by Multiplex, a prominent construction company, for their projects at ECU City in Perth's CBD and the new development at Elizabeth Quay Lot 6 – 9 The Esplanade Project. These engagements are anticipated to yield an estimated value of approximately \$3.8 - \$4 million, with completion expected in late 2025. Furthermore, our subsidiary, 'Bridge Resources,' has been approved to provide Labor Hire services to Multiplex across their construction projects.

In the government sector, SSH Group Safety has extended its partnership with the City of Cockburn, a local government authority, to provide community patrols, CCTV monitoring officers, and Asset Protection services. The total value of this contract extension is estimated at approximately \$1.2 million, and it is set to continue until June 2024.

Corporate

As per the ASX release dated 4 September 2023, the Company announced the release of 22,193,750 fully paid ordinary shares and 22,300,000 unquoted options from escrow.

In accordance with the SSH Group Incentive Securities Plan, the Company issued 1,250,000 performance rights and notified the lapse of 500,000 unvested performance rights.

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 (\$) |
|--|--------------------|------------------------------------|
| Site Services Holdings Group Operational Expenditure | | |
| 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 |
| Total Funds Allocated | 6,694,000 | 6,694,000 |

As of 31 December 2022, the Company has fulfilled all “use of funds” commitments outlined in the SSH Group Prospectus, post this quarterly report the group will no longer report on the use of funds.

2. **ASX Listing Rule 4.7C.3:** Payments to related parties of the SSH and their associates during the quarter: \$230,290. These payments relate to executive and non-executive directors’ fees and remuneration payments for executive directors and related parties as per the Executive Service Agreements.

ASX Announcements

This Quarterly Activities Report contains information reported in the following announcements released during the September quarter:

| Date | ASX Release Title |
|------------|--|
| 26/09/2023 | Notification regarding unquoted securities - SSH |
| 22/09/2023 | Notification of cessation of securities - SSH |
| 18/09/2023 | Cleansing Notice |
| 18/09/2023 | Application for quotation of securities - SSH |
| 18/09/2023 | Application for quotation of securities - SSH |
| 18/09/2023 | Over \$5m in Contracts Secured for New Wins and Renewals |
| 13/09/2023 | SSH Appointment of Interim CFO |
| 4/09/2023 | Release of Escrow Securities |
| 1/09/2023 | Change of Company Secretary |
| 30/08/2023 | FY23 Results Presentation |
| 30/08/2023 | Annual Report to shareholders |
| 30/08/2023 | Appendix 4E |
| 30/08/2023 | Appendix 4G and Corporate Governance Statement |
| 31/07/2023 | Quarterly Activities/Appendix 4C Cash Flow Report |
| 25/07/2023 | Tru Fleet Delivers 121% EBITDA ROC |

Authorisation

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.

About SSH Group

SSH Group Ltd is an industrial company that has a portfolio of essential service businesses, focused on service delivery to industries reliant on outsourced resourcing. SSH Group Ltd builds and acquires quality businesses that are scalable and demonstrate a strong potential for high return on investment.

SSH Group Ltd is committed to improving outcomes for Australian projects and communities.

Disclaimer: Caution Regarding Forward Looking Statements

This announcement may contain forward looking statements which involve a number of risks and uncertainties. Forward-looking statements are expressed in good faith and are believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information.

Should one or more risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. The forward- looking statements are made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward looking statements, whether as the result of new information, future events or results, or otherwise.

Further Details

ASX Market Data

www2.asx.com.au/markets/company/ssh

Registered Office

SSH Group Ltd
Level 2/10 Ord St
West Perth, WA 6005

Email

Company Secretary
cosec@sshgroup.com.au

Investor Portal

www.sshgroup.com.au/investors-media

9:00am - 5:00pm (WST)
Monday to Friday

Post

SSH Group Ltd
PO Box 189
WELSHPOOL DC 6986

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

30 September 2023

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|--|-------------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | 9,225 | 9,225 |
| 1.2 | Payments for | | |
| | product manufacturing and operating costs | (5,584) | (5,584) |
| | advertising and marketing | (22) | (22) |
| | leased assets | (180) | (180) |
| | staff costs | (1,718) | (1,718) |
| | administration and corporate costs | (659) | (659) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | (540) | (540) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.9 | Net cash from / (used in) operating activities | 521 | 521 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|--|-------------------------------|---------------------------------------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | entities | - | - |
| | businesses | - | - |
| | property, plant, and equipment | (5,376) | (5,376) |
| | investments | - | - |
| | intellectual property | - | - |
| | other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | | |
| | entities | - | - |
| | businesses | - | - |
| | property, plant, and equipment | 597 | 597 |
| | 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 | (4,779) | (4,779) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 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 | (15) | (15) |
| 3.5 | Proceeds from borrowings | 5,240 | 5,240 |
| 3.6 | Repayment of borrowings | (1,550) | (1,550) |
| 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 | 3,675 | 3,675 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 2,049 | 2,049 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 521 | 521 |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (4,779) | (4,779) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 3,676 | 3,676 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 1,467 | 1,467 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 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 | 1,467 | 1,467 |
| 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) | 1,467 | 1,467 |

| 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 | 230 |
| 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. | Financing facilities 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 | 29,480 | 27,146 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Debtor Funding Facility | 5,000 | 2,812 |
| 7.4 | Total financing facilities | 34,480 | 29,958 |
| 7.5 | Unused financing facilities available at quarter end | | 143 |

| Consolidated statement of cash flows | Total Facility at Quarter End \$A'000 | Amount Drawn at Quarter End \$A'000 |
|--|---|---|
| 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 Group has funded current period capex expenditure through increased facilities with NAB, a facility with Caterpillar Finance and a new facility with DLL. Assets financed under these agreements are fixed for the period of the loans at interest rates prevailing at the time of the loan inception.</p> <p>The Company also 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 facilities are provided by Toyota Financial Services Limited, Nissan Financial Services and Daimler Financial Services. The Company has access to a further \$0.4m 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 \$5m, at 30 June the company had access to approx. \$0.15m of funding over invoices that had not been drawn down but \$2.2m in overall facility head room.</p> | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 |
|---|--|----------------------------|
| 8. | Estimated cash available for future operating activities | |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | 521 |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 1,467 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | 143 |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 1,610 |
| 8.5 | Estimated quarters of funding available (item 8.4 divided by item 8.1) | N/A Cashflow positive |
| 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 | <div>N/A</div> | |
| 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: | <div>N/A</div> | |
| 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: | <div>N/A</div> | |
| 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: 31 October 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.