29 February 2024

Appendix 4D and Half year Financial Statements

The Directors of Site Group International Limited ("Site", ASX:SIT)) are pleased to announce the release of:

- Appendix 4D – Half Year Report for the 6 months ended 31 December 2023; and
- Half year financial statements.

The attached half year report details the result of the group over the last 6 months.

Authorised for release by the Board.

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Media and Investors

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Site Group International Limited and Controlled Entities
ABN 73 003 201 910

ASX Half-Year Information – 31 December 2023

Lodged with the ASX under Listing Rule 4.2A

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Site Group International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

APPENDIX 4D
HALF-YEAR REPORT TO THE AUSTRALIAN STOCK EXCHANGE

Name of entity	Site Group International Limited
ABN	73 003 201 910
Half-Year Ended	31 December 2023
Previous corresponding reporting period	31 December 2022

Results for Announcement to the Market

	$'000	**Percentage increase / (decrease) over previous corresponding period**
Revenue from ordinary activities	$4,992	54% increase
Profit / (loss) from ordinary activities after tax attributable to members	$(815)	(104%) decrease
Net Profit / (loss) for the period attributable to members	$(815)	(104%) decrease

Dividends	**Amount per security**	**Franked amount per security**
Final dividend	Nil	Not applicable
Interim dividend	Nil	Not applicable
Record date for determining entitlements to the dividends (if any)	Not applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the Directors' Report on page 7.

Dividends

Date the dividend is payable	Not applicable
Record date to determine entitlement to the dividend	
Amount per security	
Total dividend	
Amount per security of foreign sourced dividend or distribution	
Details of any dividend reinvestment plans in operation	
The last date for receipt of an election notice for participation in any dividend reinvestment plans.	

NTA Backing

	Current Period	**Previous corresponding period**
Net tangible asset backing per ordinary security	0.0233 cents	(0.071 cents)

APPENDIX 4D
HALF-YEAR REPORT TO THE AUSTRALIAN STOCK EXCHANGE

Foreign Entities Accounting Framework

Same accounting principles have been applied for the overseas subsidiaries as the Australian entities.

Audit / Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	X
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification: Not Applicable			

Attachments Forming Part of Appendix 4D

Attachment #	Details

Signed by (Director / Company Secretary)	
Print Name	Craig Dawson
Date	29 February 2024

Site

Site Group International Limited and Controlled Entities
ABN 73 003 201 910

Financial Statements for the Half-Year ended 31 December 2023

Contents

Directors' Report

Your Directors submit their report for Site Group International Limited "the Company" and controlled entities "the Group" for the half-year ended 31 December 2023.

Directors

The names of the Directors of the Company in office during the half-year and until the date of this report are:

Nicasio Alcantara
Craig Dawson
Jason Anfield

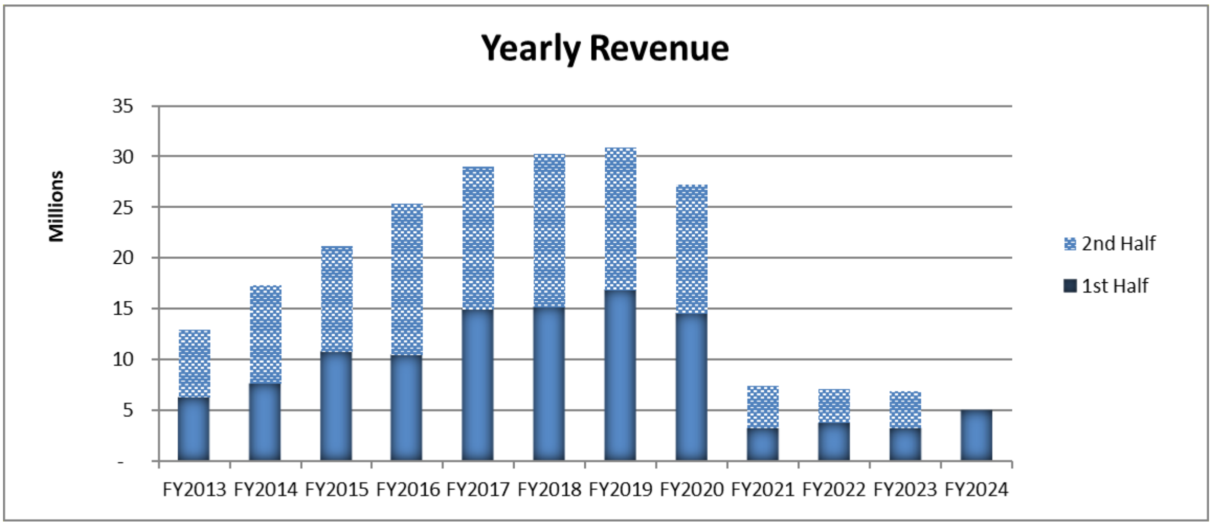
Principal activity

The principal activity of the Group during the half-year was the provision of training and education services in Australia and Internationally. The Group is delivering workforce solutions across a variety of industries to both retail and corporate clients. There has been no significant change in the principal activities of the consolidated entity during the period.

Review of operations and results

Group

The Group's 6 monthly business revenue is demonstrated in the below graph including the discontinued operations with total revenue from operations up 54% to $4,992,294 (2022: $3,248,225).



Half on Half revenue for the continuing business - December 2013 to December 2023

For the half-year ended 31 December 2023, Site Group International Limited reported a loss after tax from continuing operations of $815,343 compared to a $3,493,383 loss in the previous corresponding period. Operating loss for the period was $815,343 compared to a $20,908,753 profit in the corresponding period in 2022. The 2022 result includes the profit from the discontinued operation due in large part to non-recurring gain on disposal of subsidiary of $24,555,982.

Review of operations and results continued

The Group has a number of assets and business units that are now showing recovery from what has been a heavily Covid Impacted 4 years. As the Group's core assets relied on revenues generated from cross border transactions, they were impacted by closing of international borders preventing the transfer of labour and training services between jurisdictions.

The highlights of the opportunities for the Group include:

- the potential development of the Group's 30-hectare leasehold facility in Clark Philippines, now held through the 38.4% ownership of Site Group Holdings Pty Ltd;
- a recovery in training projects from customers such as OceanaGold (mining training at the Clark Underground Mine training facility);
- the open for business and development approach in the Kingdom of Saudi Arabia (KSA) including the recovery of existing projects and the winning of new contracts;
- the recovery of the PNG market following the signing of a new Manage and Operate agreement with Kumul Petroleum; and
- the focus on better aligning the CRICOS education (international student) market to Australia's current and future skills shortage needs.

For comparability with the trading result in the prior periods, the below table shows the results for the Group including the discontinued operation over the last 4 periods:

	31-Dec		Change 23-22	31-Dec	Change 22-21	31-Dec	Change 21-20
	2023	2022	%	2021	%	2020	%
Revenue	4,992,294	3,248,225	54%	3,760,384	(14%)	10,248,749	(63%)
Net profit / (loss)	(815,343)	20,908,753	(104%)	(3,108,909)	-	(6,356,383)	-
add back							
Depreciation and amortisation	592,413	622,160	(5%)	702,376	(11%)	1,393,344	(50%)
Interest paid	155,532	885,996	(82%)	591,618	50%	965,794	(39%)
Income tax expense / (benefit)	(69,185)	160,890	-	141,484	-	(124,361)	-
deduct							
Interest income	3,439	7,052	(51%)	6,465	9%	8,783	(26%)
EBITDA*	(140,022)	22,570,747	(101%)	(1,679,896)	1,444%	(4,130,389)	-
Non-recurring items							
Fair value adjustment of financial liabilities	-	4,566		(209,846)		(812,069)	
Gain on sale of disposal of subsidiary	-	(24,555,982)		-		-	
Impairment of PP&E, intangibles and ROU Assets	-	-		28,276		3,961,403	
EBITDA before non-recurring items	(140,022)	(1,980,669)	(93%)	(1,861,466)	(6%)	(981,055)	(90%)
Operating cash inflow /(outflow)	296,494	(2,160,963)	114%	(957,363)	-	(601,426)	-

** Earnings before interest, tax depreciation and amortisation (EBITDA) is a non-IFRS measure which is readily calculated and has broad acceptance and is used by regular users of published financial statements as a proxy for overall operating performance. EBITDA is not an audited/reviewed number.*
***This is a non-IFRS measure and is not an audited number.*

Table 1 Financial Summary

The earnings before interest, taxes, depreciation and amortisation (EBITDA*) excluding the non-recurring items was a loss of $140,022 compared to a loss of $1,980,669 in the prior comparative period.

The Group's equity accounted investment in Site Group Holdings Pty Ltd (SGH), the holder of the Clark lease, continues to be a focus for the group with work continuing with the other shareholders in SGH to maximise the value of the Clark asset and establish project timelines.

Site Skills Training - International

At the Clark Campus, Philippines, several clients are utilising the facility including:

- Assessment and deployment of suitably qualified scaffolders and riggers for the Snowy River Scheme. Following a delay, this project has restarted in the period to 6 months and expected to run for a further 6 months;
- Underground mining training;
- Driver training for deployment to New Zealand; and
- Potential new electrical assessment and training for several markets.

The recent signing of a significant contract with multinational gold producer OceanaGold Corporation (TSX: OGC) has seen the recommencement of 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. The initial cohort commenced in December and the graduation ceremony is scheduled for 1 March 2024.

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

In the Kingdom of Saudi Arabia, Site offers vocational programs in welding, pipefitting, electrical, instrumentation, and safety through its partnership with Al Ajmi Consortium. The Consortium supports the Saudi Government's nationalisation objectives as part of its Vision 2030 and is continuing to look at new opportunities as they arise with significant opportunities being identified.

Revenue for the 6 months increased 124% to $3,771,404 (2022: $1,679,138) with an improved EBITDA* of $826,531 compared to the EBITDA* loss of 412,323.

Energy Services

The Energy services division incorporates the Wild Geese International business in Perth and the international based Site Group International Energy division, provide specialist training and consultancy services to the Oil and Gas industry.

Revenue for the 6 months for the business was $80,100 (2022: $347,616) with an EBITDA* loss of $19,698 (2022: EBITDA $46,512).

Tertiary Education

This segment provides tertiary education in Australia for international students seeking to develop specialised English language capability and careers in a range of trade and technician level engineering and construction occupations.

The growth rate of this division slowed from the corresponding period in the previous year with reported revenue of $1,061,136 down from $1,176,825 in 2022 and an EBITDA* loss of $133,366 (2022: EBITDA of $66,579).

During December, Site Institute relocated all ELICOS, Engineering and Civil Construction Design courses to the new premises in South Brisbane, offering a more flexible and efficient learning environment with larger classrooms and multi-use learning spaces. Construction trade courses continue to be delivered at our purpose-built trade workshop and outdoor construction site in Coopers Plains.

Review of operations and results continued

New applications for CY24 and CY25 course commencements received during the quarter continued the steady growth momentum experienced earlier in the year. The $2.4m in applications received during this quarter are expected to convert into $1.8 - $1.9m of forward revenue as those students commence and progress through their courses during the coming 2 years. With commencing student numbers now consistently higher than those graduating, revenue will continue to build term-by-term throughout CY24

Cash position

At 31 December 2023, the Group had cash reserves of $397,727 and a net current asset deficiency of $2,758,645. No amount is reflected in the balance sheet for the receivable due from the Commonwealth Government Department of Education and Training (DET), even though the Group maintains the position that it is entitled to the funds.

The Company has received 2 of the 3 payments totalling $625,900 that make up the second earn out payment from the sale of Site Skills Training Domestic business.

Dividends

Subsequent to 31 December 2023 the Directors have not recommended the payment of an interim dividend.

Earnings per share

Basic earnings (losses) per share for the financial half-year is (0.03) cents (2022: 2.48 cents).

Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor independence

The Auditor's Independence Declaration to the Directors of Site Group International Limited, which forms part of the Directors' Report, is set out on page 39 of this report.

Signed in accordance with a resolution of the Directors this 29th day of February 2024.

....
Craig Dawson - Director

Condensed Consolidated Statement of Profit or Loss & Other Comprehensive Income

	Notes	Consolidated Group Half-year ended 31-Dec-23 $	Consolidated Group Half-year ended 31-Dec-22 $
Continuing operations			
Revenue from contracts with customers	4	4,992,294	3,248,225
Interest income		3,439	7,052
Other income		161,503	-
Total income		5,157,236	3,255,277
Contractor and other service providers		(1,791,480)	(609,772)
Other direct fees and costs		(463,015)	(420,664)
Employee benefits expense		(1,158,330)	(1,585,784)
Sales and marketing expense		(266,345)	(303,040)
Occupancy expenses		(264,638)	(192,819)
Depreciation and amortisation expense		(592,413)	(622,160)
Finance costs	2	(155,532)	(885,996)
Foreign currency loss		(179)	(726,807)
Fair value gain (loss) of financial liabilities at fair value through profit and loss		-	(4,566)
Options valuation expense		(157,347)	(13,152)
Other expenses	3	(963,755)	(1,251,593)
Share of net profit of associate accounted for using the equity method	19	(228,730)	28,583
Profit (Loss) before tax from continuing operations		(884,528)	(3,332,493)
Income tax expense	14	69,185	(160,890)
Profit (Loss) for the period from continuing operations		(815,343)	(3,493,383)
Profit for the period from discontinued operations	17	-	24,402,136
Profit (Loss) for the period		(815,343)	20,908,753
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent years (net of tax):			
Translation of foreign operations		(73,944)	(58,696)
Total other comprehensive income /(loss)		(73,944)	(58,696)
Total comprehensive profit (loss)		(889,287)	20,850,057
Earnings per share			
Earnings per share for (loss) attributable to the ordinary equity holders of the parent Basic and diluted (cents per share)		(0.03)	2.48
Earnings per share for (loss) from continuing operations attributable to the ordinary equity holders of the parent. Basic and diluted (cents per share)		(0.03)	(0.41)
Earnings per share for (loss) from discontinuing operations attributable to the ordinary equity holders of the parent. Basic and diluted (cents per share)		-	2.90

The above consolidated statement of profit or loss & other comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

	Notes	Consolidated Group 31-Dec-23 $	30-Jun-23 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		397,727	267,936
Trade and other receivables	6	1,430,619	939,024
Contract assets		13,840	32,551
Inventories		11,651	6,965
Prepayments		291,575	169,326
Financial assets at fair value through profit or loss	15	-	777,297
Current tax assets		5,635	5,678
TOTAL CURRENT ASSETS		2,151,047	2,198,777
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,767,725	2,924,640
Right-of-use assets	13	1,222,342	880,084
Intangible assets	12	10,076	2,060
Security deposits		424,428	495,320
Investments accounted for using the equity method	19	6,325,439	6,400,503
Other non-current financial assets		16,435	16,435
Deferred income tax asset		404,290	335,106
TOTAL NON-CURRENT ASSETS		11,170,735	11,054,148
TOTAL ASSETS		13,321,782	13,252,925
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	3,772,753	3,366,374
Contract liabilities	8	58,130	48,945
Lease liabilities	13	545,745	488,580
Provisions		533,064	505,610
Financial liabilities at fair value through profit or loss	15	-	3,530
TOTAL CURRENT LIABILITIES		4,909,692	4,413,039
NON-CURRENT LIABILITIES			
Trade and other payables	7	5,595,083	5,595,083
Provisions		114,919	102,927
Lease liabilities	13	863,119	574,496
TOTAL NON-CURRENT LIABILITIES		6,573,121	6,272,506
TOTAL LIABILITIES		11,482,813	10,685,545
NET ASSETS		1,838,969	2,567,380
EQUITY			
Issued capital	5	88,783,723	88,804,521
Reserves		2,817,856	2,710,126
Accumulated losses		(89,762,610)	(88,947,267)
TOTAL EQUITY		1,838,969	2,567,380

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

	Share Capital		Reserves		
	Ordinary	Accumulated Losses	Foreign currency translation reserve	Share based payments reserve	Total
Consolidated Group	$	$	$	$	$
Balance at 1 July 2022	83,719,540	(108,172,376)	1,161,870	1,538,362	(21,752,604)
Comprehensive income					
Profit for the period	-	19,220,287	-	-	19,220,287
Other comprehensive loss for the period	-	4,822	9,894	-	14,716
Total comprehensive income / (loss) for the period	-	19,225,109	9,894	-	19,235,003
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period	5,388,735	-	-	-	5,388,735
Transaction costs	(303,754)	-	-	-	(303,754)
Share-based payments	-	-	-	-	-
Total transactions with owners and other transfers	5,084,981	-	-	-	5,084,981
Balance at 30 June 2023	88,804,521	(88,947,267)	1,171,764	1,538,362	2,567,380
Comprehensive income					
Profit for the period	-	(815,343)	-	-	(815,343)
Other comprehensive loss for the period	-	-	(73,944)	-	(73,944)
Total comprehensive gain/ (loss) for the period	-	(815,343)	(73,944)	-	(889,287)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period	-	-	-	-	-
Transaction costs	(20,798)	-	-	-	(20,798)
Share-based payments	-	-	-	181,674	181,674
Total transactions with owners and other transfers	(20,798)	-	-	181,674	160,876
Balance at 31 December 2023	88,783,723	(89,762,610)	1,097,820	1,720,036	1,838,969

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

	Notes	Consolidated Group Half-year ended 31-Dec-23 $	Half-year ended 31-Dec-22 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,698,996	2,884,008
Payments to suppliers and employees		(4,329,809)	(4,696,903)
Interest received		409	537
Finance costs		(73,102)	(342,514)
Income tax paid		-	(6,090)
Net cash provided / (used) in operating activities		296,494	(2,160,962)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of property, plant and equipment	11	(134,153)	(6,577)
Payment for intangible assets		(9,172)	-
Payment for investments		(153,666)	-
Proceeds from sale of subsidiary	19	-	3,000,240
Proceeds from sale of business	17	625,900	605,789
Receipt of cash backed performance bonds		(119,478)	(13,820)
Net cash (used in)/ provided by investing activities		209,431	3,585,632
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	490,000
Repayment of principal on lease liabilities		(365,321)	(464,717)
Proceeds from (repayment of) borrowings		-	(1,225,000)
Net cash (used in)/ provided by financing activities		(365,321)	(1,199,717)
Net increase / (decrease) in cash held		140,604	224,953
Effect of exchange rates on cash holdings in foreign currencies		(10,813)	7,117
Cash and cash equivalents at beginning of the period		267,936	139,287
Cash and cash equivalents at end of the period		397,727	371,357

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Half-Year Ended 31 December 2023

1 Significant accounting policies

Reporting entity

Site Group International Limited (Parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX Code: SIT). The consolidated interim financial report of the Group as at and for the six months ended 31 December 2023 comprises the Parent Company and its subsidiaries (together referred to as 'the Group').

Statement of compliance

The half-year financial report is an interim financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The consolidated interim financial report was approved by the Board of Directors on 29 February 2024.

Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2023. The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, without material impact.

The financial statements provide comparative information in respect of the previous period. Where required, this information has been reclassified to comply with current period presentation.

Going concern

In the six months to 31 December 2023 the Group made a net loss of $815,343 (2022: net profit $20,908,753) and the cash inflow from operating activities for the year was $296,494 (2022: outflow of $2,160,963). At 31 December 2023, the Group had net assets of $1,838,969 and deficiencies in net current assets totalling $2,758,645. Notwithstanding the reported results, this financial report has been prepared on a going concern basis as the Directors consider that the Company and the Group will be able to realise their assets and settle their liabilities in the normal course of business and at amount stated in the financial report.

The directors have made enquiries of management, examined the Group current financial position and financial forecasts and have a reasonable expectation that the company and the Group has adequate financial resources to continue as a going concern.

Notes to the Financial Statements for the Half-Year Ended 31 December 2023 continued

Going concern continued

Significant matters identified by the directors include:-

- The reported loss after tax from continuing operations of $815,343 is not considered by the Directors to reflect the expected future performance of the Group.
- The Group has sold 61.6% of Site Group Holdings Pty Ltd for $US10.005m, retaining 38.4% ownership of the Clark property project. The Group has the ability to sell down further ownership interest in the project to raise funding as required.

The continuation of the company and the Group as a going concern is dependent on the ability to achieve the following objectives:-

- Forecast cash flow from operations including savings associated with restructuring and streamlining the corporate operations following completion of the asset sale of Site Skills Training in Australia;
- Forecast cash flow from realisation of the value of the Clark Property project in the form of third party investors providing funds to enable the Group to proceed with its strategy of maximising the value of the leasehold;
- Proposed capital expenditure management; and
- Support of its investors through capital raising by way of debt or equity.

Should the above actions not generate the expected cash flow, there would be a material uncertainty which would cast significant doubt as to whether the Group would be able to meets its debts as and when they fall due, and therefore continue as a going concern. The Group may be required to realise assets and extinguish liabilities other than in the course of business and at amount different from those stated in the financial statements.

The report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the company and the Group not continue as a going concern.

Basis of consolidation and equity accounting

The consolidated financial statements comprise the financial statements of the Group as at, and for the period ended. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- The rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(i) Associates
Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(ii) Equity method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities.

Basis of consolidation and equity accounting continued

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Changes in ownership interests
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year end 30 June 2023.

Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group measures derivative financial liabilities at fair value through profit and loss on a recurring basis. The valuation of these derivatives involves the use of unobservable inputs (level 3).

The carrying values of other financial assets and financial liabilities as disclosed in note 15 approximate their fair values.

Notes to the Financial Statements for the Half-Year Ended 31 December 2023 continued

Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Rounding of Amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest the nearest dollar.

2 Finance costs

	Half-year ended 31-Dec-23 $	Half-year ended 31-Dec-22 $
Finance costs		
Interest expense - third parties	94,953	218,168
Interest expense - related parties	-	341,402
Interest expense - lease liabilities	59,001	325,165
Facilities fee	1,578	1,261
	155,532	885,996

3 Other expenses

	Half-year ended 31-Dec-23 $	Half-year ended 31-Dec-22 $
Other expenses		
Legal, acccounting & other professional fees	214,241	536,937
Travel and accommodation	70,063	75,088
Consultants cost	211,337	268,857
Administration expenses	468,114	370,711
	963,755	1,251,593

4 Segment information

For management purposes Site Group International Limited has organised its business into four separate units based on the products and services offered – the Chief Operating Decision Makers ("CODM"), being the Directors and Executive Management of the Group, review the results on this basis.

The three reportable business segments of the Group are:

- **Site Skills Training - International** operates a 300,000m^2 facility at Clark Freeport Zone in the Philippines allowing the Group to deliver Australian standard training in a low cost and controlled environment. This facility has the capacity to complete large scale residential training programs customised to meet client specific requirements. This division also incorporates Site WorkReady being the recruitment and assessment division for international clients.

4 Segment information continued

- **Energy Services** provides specialised energy training and services delivered to the Oil and Gas industry.

- **Tertiary Education** delivers Diploma and certificate level courses at the Group's campuses in Australia through the Site Institute brand.

The CODM monitors the operating results of its business units separately for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit/loss consistent with the operating profit/loss in the consolidated financial statements. Group financing and corporate overheads are managed on a group basis and not allocated to operating segments. Transfer prices between the operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following is an analysis of the revenue and results for the period, analysed by reportable operating unit:

Period ended 31 December 2023

	Site Skills Training (International) $	Energy Services $	Tertiary Education $	Total Segments $	Corporate and Eliminations $	Total $
Revenue from contracts with customers						
Revenue from contracts with customers - external customer	3,771,404	80,100	1,061,136	4,912,640	79,654	4,992,294
Revenue from contracts with customers - inter-segment	-	-	-	-	-	-
Total segment revenue	3,771,404	80,100	1,061,136	4,912,640	79,654	4,992,294
Segment net operating profit/(loss) before tax	**639,569**	**(19,812)**	**(406,674)**	**213,083**	**(1,097,611)**	**(884,528)**
Interest revenue	(88)	-	-	(88)	(3,351)	(3,439)
Interest expense	(580)	(114)	(59,429)	(60,123)	(93,831)	(153,954)
Depreciation and amortisation	(186,294)	-	(213,879)	(400,173)	(192,240)	(592,413)
EBITDA	**826,531**	**(19,698)**	**(133,366)**	**673,467**	**(808,189)**	**(134,722)**
Segment assets as at 31 December 2023	3,369,666	27,748	1,995,219	5,392,633	7,929,149	13,321,782
Segment liabilities as at 31 December 2023	723,966	56,037	2,531,500	3,311,503	8,171,310	11,482,813
Capital expenditure as at 31 December 2023	65,794	-	77,500	143,294	-	143,294

Period ended 31 December 2022

	Site Skills Training (International) $	Energy Services $	Tertiary Education $	Total Segments $	Corporate and Eliminations $	Total $
Revenue from contracts with customers						
Revenue from contracts with customers - external customer	1,679,138	347,616	1,176,825	3,203,579	44,646	3,248,225
Revenue from contracts with customers - inter-segment	-	-	-	-	-	-
Total segment revenue	1,679,138	347,616	1,176,825	3,203,579	44,646	3,248,225
Segment net operating profit/(loss) before tax	**(1,025,032)**	**44,927**	**(35,061)**	**(1,015,166)**	**(2,317,327)**	**(3,332,493)**
Interest revenue	6,196	-	-	6,196	856	7,052
Interest expense	(306,836)	(1,585)	(27,354)	(335,775)	(550,221)	(885,996)
Depreciation and amortisation	(312,069)	-	(74,286)	(386,355)	(235,805)	(622,160)
EBITDA	**(412,323)**	**46,512**	**66,579**	**(299,232)**	**(1,532,157)**	**(1,831,389)**
Segment assets as at 31 December 2022	3,912,382	126,846	699,185	4,738,413	8,035,878	12,774,291
Segment liabilities as at 31 December 2022	968,349	213,815	1,012,289	2,194,453	9,564,603	11,759,056
Capital expenditure as at 31 December 2022	6,577	-		6,577	-	6,577

The segment disclosures above do not include the discontinued operations. Refer to note 17 for more information.

4 Segment information continued

	Consolidated Group	
	Half-year ended 31-Dec-23 $	Half-year ended 31-Dec-22 $
Reconciliation of loss		
Segment loss	213,083	(1,015,166)
Inter-company management fees	390,580	393,318
Head office occupancy costs	(136,106)	(6,246)
Corporate employee benefits including Directors costs	(571,735)	(605,695)
Legal accounting and other professional fees	(132,899)	(482,009)
Travel costs	(44,179)	(14,320)
Depreciation and amortisation expense	(192,240)	(235,805)
Finance costs	(12,787)	(550,221)
Fair value (loss)/gain of financial liabilities at fair value	(157,347)	(4,566)
Other corporate costs	(320,552)	(856,429)
Corporate income	79,654	44,646
Group profit (loss) before tax from continuing operations	**(884,528)**	**(3,332,493)**
Reconciliation of assets		
Segment operating assets	5,392,633	4,738,413
Discontinued operations	-	839,862
Corporate assets		
Cash at bank	44,878	50,323
Security deposits	68,487	258,912
Investments accounted for using the equity method	6,554,169	6,382,628
Other assets	1,261,615	1,344,015
Total assets per statement of financial position	**13,321,782**	**13,614,153**
Reconciliation of liabilities		
Segment operating liabilities	3,311,503	2,194,453
Discontinued operations	-	2,022,644
Corporate liabilities		
Corporate trade payables	6,100,470	7,132,735
Interest bearing debt	231,521	1,794,990
Other financial liabilities	-	13,152
Other liabilities	1,839,319	623,726
Total liabilities per statement of financial position	**11,482,813**	**13,781,700**

4 Segment information continued

Disaggregation of revenues

The Group derives its revenue from the transfer of services over time and at a point in time. The following table provides a disaggregation of revenue by major revenue class and by geographical location.

Period ended 31 December 2023

	Australia $	Asia $	Middle East $	Corporate and Eliminations $	Total $
Revenue from contracts with customers - external					
Course fees	1,141,236	943,111	2,706,691	-	4,791,038
Placement services	-	6,226	-	-	6,226
Project income	-	75,708	-	-	75,708
Other revenue	-	39,668	-	79,654	119,322
Total revenue from contracts with customers - external	**1,141,236**	**1,064,713**	**2,706,691**	**79,654**	**4,992,294**
Revenue from contracts with customers - inter segment	-	-	-	-	-
Total revenue from contracts with customers	**1,141,236**	**1,064,713**	**2,706,691**	**79,654**	**4,992,294**
Timing of revenue recognition					
Goods transferred at a point in time	-	-		4,705	4,705
Services transferred over time	1,141,236	1,064,713	2,706,691	74,950	4,987,590
Total revenue from contracts with customers	**1,141,236**	**1,064,713**	**2,706,691**	**79,654**	**4,992,294**

Revenue from the Middle East location is derived from one customer.

Revenue from the Asia location is derived by several customers with one customer equating for 40% of the revenue total.

Period ended 31 December 2022

	Australia $	Asia $	Middle East $	Corporate and Eliminations $	Total $
Revenue from contracts with customers - external					
Course fees	1,305,740	576,707	935,962	-	2,818,409
Placement services	-	35,934	-	-	35,934
Project income	130,008	88,693	-	-	218,701
Other revenue	-	130,535	-	44,646	175,181
Total revenue from contracts with customers - external	**1,435,748**	**831,869**	**935,962**	**44,646**	**3,248,225**
Revenue from contracts with customers - inter segment	-	-		-	-
Total revenue from contracts with customers	**1,435,748**	**831,869**	**935,962**	**44,646**	**3,248,225**
Timing of revenue recognition					
Goods transferred at a point in time	-	-		3,892	3,892
Services transferred over time	1,435,748	831,869	935,962	40,754	3,244,333
Total revenue from contracts with customers	**1,435,748**	**831,869**	**935,962**	**44,646**	**3,248,225**

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5 Issued capital

Issued capital as at 31 December 2023 amounted to $88,783,723 (2,603,606,215 ordinary shares) (30 June 2023: $88,804,521 (2,603,606,215 ordinary shares).

(a) Ordinary Shares

	No. Shares	$
30 June 2022 share capital	842,361,127	83,719,540
Share issue - 03 August 2022	210,000,000	735,000
Share issue - 08 March 2023	250,000,000	750,000
Share issue - 03 May 2023	53,091,217	159,274
Share issue - 10 May 2023	680,242,217	2,040,726
Share issue - 19 May 2023	433,333,324	1,300,000
Share issue - 09 June 2023	134,578,330	403,735
Transaction costs relating to capital raising		(303,754)
30 June 2023 share capital	2,603,606,215	88,804,521
Transaction costs relating to capital raising*		(20,798)
31 December 2023 share capital	2,603,606,215	88,783,723

**Transaction costs relating to capital raising ($20,798) represents the initial cost of the options issued to Reach Corporate Pty Ltd disclosed below.*

(b) Options

i. Employee share plan:

The table below shows the movement in employee shares on issue during the half-year. No new employee shares were issued during the period. For accounting purposes these shares are treated as if they were share options, as whilst the shares have been issued to the employee their rights to access the shares are subject to both a time-based requirement (continued employment to escrow dates) and valuation uncertainty (share price exceeds issue price at date of escrow release). Accordingly shares issued under the plan are valued using a Black Scholes Option Valuation Model with the expense being recognised over the escrow period as a share-based payment. All shares are exercisable at 4 cents per share.

	Dec 2023 No. of shares	Dec 2022 No. of shares
Exercisable (vested) at the end of the period	7,450,000	7,450,000

ii. Other Options:

No options were issued to key management personnel during the half year ended 31 December 2023.

Following approval at the AGM on 21 November 2023, options were issued to Reach Corporate Pty Ltd and various other parties. These options are valued using a Black-Scholes model and are summarised in the table below:

Option Holder	No of options	Exercise Price $	Expiry date
Lucerne Finance Pty Ltd	125,000,000	0.003	31/12/2024
Armada Trading Pty Ltd	75,000,000	0.003	2/03/2026
Reach Corporate Pty Limited	43,374,837	0.006	21/11/2025
Placement Recipients	125,000,000	0.006	8/03/2025

5 Issued capital continued

(c) Capital Management

Management controls the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

6 Trade and other receivables

	Consolidated Group	
	31-Dec-23	30-Jun-23
	$	$
Current		
Receivables from contracts with customers	22,083,573	21,884,971
Allowances for expected credit losses	(21,033,710)	(21,048,710)
	1,049,863	836,261
Other receivables	380,756	102,763
Total current trade and other receivables	1,430,619	939,024

Trade receivables includes an amount of $20,977,645, representing a portion of a total reconciliation payment of $28,969,145 receivable from the Commonwealth Government Department of Education and Training (DET) for services performed prior to 30 June 2017. The difference of $7,991,500 was impaired in an earlier period, which should not be taken as an assertion by the Group that the Group is not entitled to this amount.

The expected loss rate for this balance (refer below) has been set at 100% in light of the uncertain circumstances with regard to the reconciliation payment. The loss allowance will be re-assessed as the matter progresses and does not in any way alter the belief of the Board and Management that the Group is entitled to the full reconciliation amount of $28,969,145 in full and that the monies are legitimately due and payable under the relevant legislation as it then applied.

Other receivables includes an amount of $312,900, representing the balance receivable from Verbrec Ltd for the earn out clause component of the sale of Site Skills Training. The amount collected in February 2024 (refer note 17).

a) Allowance for expected credit losses

The Group applies the simplified expected credit loss model prescribed in AASB 9 to determine an allowance for expected credit losses on its receivables from contracts with customers (trade receivables) and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

6 Trade and other receivables continued

The expected loss rates are based on the payment profiles for sales over a period of 3 years before 31 December 2023 and 30 June 2023 respectively and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group identifies GDP growth conditions to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected change in this factor.

The tables below show the calculation of the expected credit loss provision at both 31 December 2023 and 30 June 2023

Consolidated Group	**Trade receivables - Days past due**					
	Total	0-30 days	31-60 days	61-90 days	+91 days	Discontinued Operation
31 December 2023						
Expected credit loss rate		2.0%	4.0%	14.0%	18.5%	
Estimated total gross carrying amount at default	**22,083,573**	529,790	238,630	55,368	21,259,785	-
Expected credit loss	**21,033,710**	10,415	9,606	7,733	21,034,604	-
30 June 2023						
Expected credit loss rate		2.0%	4.0%	14.0%	18.5%	
Estimated total gross carrying amount at default	**21,884,971**	529,031	48,852	26,855	21,280,233	
Expected credit loss	**21,048,710**	10,400	1,967	3,751	21,032,592	

7 Trade and other payables

	Consolidated Group	
	31-Dec-23 $	30-Jun-23 $
Current		
Unsecured liabilities		
Trade payables	771,559	1,064,407
Employee related payables	1,720,721	1,484,716
Accruals	1,041,176	722,192
Other payables	239,297	95,059
Total trade and other payables	3,772,753	3,366,374

	31-Dec-23 $	30-Jun-23 $
Non-current		
Unsecured liabilities		
Trade payables	4,581,310	4,581,310
Accruals	1,013,773	1,013,773
Total trade and other payables	5,595,083	5,595,083

Non-current trade payables and accruals balances include commission payable to agents on receipt of the reconciliation payment receivable from the DET. The non-current accruals account also includes $475,535 representing executive STI bonuses payable on receipt of the reconciliation payment receivable from the DET.

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7 Trade and other payables

Amounts have been classified as non-current as the Group has no contractual obligation to settle the liabilities unless payment of the outstanding receivable due from the Commonwealth Government as per note 6 is received. Although the Group intends to pursue recovery of the outstanding receivable in full, the recovery action is at the discretion of the Group, as such the Directors are satisfied that an unconditional right of deferral exists for the liabilities until such time as the debtor is received.

8 Contract liabilities

	Consolidated Group	
	31-Dec-23 $	30-Jun-23 $
At 1 July 2023	48,945	43,305
Deferred during the year	573,595	372,376
Released to statement of profit or loss	(564,410)	(366,736)
At 31 December 2023	58,130	48,945

The amount of the contract liability recognised at the beginning of the period was recognised as revenue during the 2023 year. All contract liabilities outstanding at 31 December 2023 are expected to be recognised as revenue within the next twelve months

9 Interest bearing debt

All current financial liabilities were paid in full as part of the sale of SGH and share rights issue in May 2023.

10 Related party transactions

(a) The Group's main related parties are as follows:

i. **Entities exercising control over the Group:**
The ultimate parent entity, which exercises control over the Group, is Site Group International Ltd which is incorporated in Australia.

ii. **Key Management Personnel:**
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of that entity are considered key management personnel.

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

On 23 November 2022, as part of the sale of Site Group Holdings Pty Ltd, outstanding payments for services rendered including an incentive fee owing to Punta Properties were paid in full (refer note 19).

10 Related party transactions continued

(c) Loans from related parties:

During the current and comparative period, the Group made use of unsecured loan facilities with Non-Executive Directors and their related parties, as follows:

Punta Properties Inc.

On 21 June 2018, the Group announced a financing facility of US$4million with Punta Properties, a company associated with Non-executive Director, Nicasio Alcantara. Repayment of funds drawn under the facility was to be via cash or equity to be issued at the last issue price of 4 cents per share subject to approval of shareholders. Settlement of the outstanding loan balance was expected to occur following a project realisation on the Clark property. The potential settlement of the loan balance (which is variable, based on the loan being denominated in a currency other than the Group's functional currency of Australian dollars) through issuance of shares represents an embedded derivative liability (see note 15).

On 23 November 2022, as part of the sale of Site Group Holdings Pty Ltd, the finance facility was repaid in full (Punta conversion amount) via the issue of equity in SGH.

Movements in the financing facility during the previous period were as follows:

	30-Jun-23 $AUD
Opening Balance	7,642,015
Drawdowns	-
Interest accrued during the year	291,402
Foreign Currency movement	445,032
Repayment of loan in full (via the issue of equity in SGH - refer Note 19)	(8,378,449)
Closing Balance	-

11 Property, plant and equipment

	Consolidated Group 31-Dec-23 $	Consolidated Group 30-Jun-23 $
Plant and equipment		
Leasehold improvements		
At cost	7,954,490	8,172,003
Accumulated depreciation and impairment	(7,205,670)	(7,206,676)
Net carrying amount - leasehold improvements	748,820	965,327
Capital works in progress		
At cost	1,976,398	1,893,206
Computer equipment		
At cost	801,958	802,142
Accumulated depreciation and impairment	(788,480)	(775,212)
Net carrying amount - computers	13,478	26,930
Furniture and fittings		
At cost	2,160,059	2,215,118
Accumulated depreciation and impairment	(2,131,030)	(2,175,941)
Net carrying amount - furniture and fittings	29,029	39,177
Vehicles		
At cost	280,979	241,227
Accumulated depreciation	(280,979)	(241,227)
Net carrying amount - vehicles	-	-
Total property, plant and equipment	2,767,725	2,924,640

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current period:

	Leasehold Improvements	Capital Works in Progress	Computers	Furniture & Fittings	Vehicles	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 30 June 2022	1,261,610	1,758,687	55,440	57,220	17,977	3,150,934
Additions	50,761	82,140	10,363	8,834	-	152,098
Disposals	-	-	-	-	-	-
Depreciation expense	(371,862)	-	(38,873)	(27,682)	(17,852)	(456,269)
Exchange rate differences	24,818	52,379	-	805	(125)	77,877
Balance at 30 June 2023	**965,327**	**1,893,206**	**26,930**	**39,177**	**-**	**2,924,640**
Additions	-	132,724	-	1,397	-	134,121
Transfers - in (out)	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation expense	(198,573)	-	(13,452)	(11,433)	-	(223,458)
Impairment expense	-	-	-	-	-	-
Exchange rate differences	(17,934)	(49,532)	-	(112)	-	(67,578)
Balance at 31 December 2023	**748,820**	**1,976,398**	**13,478**	**29,029**	-	**2,767,725**

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Notes to the Financial Statements for the Half-Year Ended 31 December 2023 continued

12 Intangible assets

	Consolidated Group 31-Dec-23 $	30-Jun-23 $
Non-Current		
Training licences and course material		
Cost	630,859	626,136
Accumulated amortisation and impairment	(620,783)	(624,076)
Net carrying value	10,076	2,060
Customer contracts		
Cost	1,615,542	1,615,542
Accumulated amortisation	(1,615,542)	(1,615,542)
Net carrying value	-	-
Software development		
Cost	115,745	115,745
Accumulated amortisation	(115,745)	(115,745)
Net carrying value	-	-
Total intangible assets	10,076	2,060

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of intangible assets between the beginning and the end of the current period:

	Training Licences Courses $	Total $
Consolidated Group:		
Balance at 30 June 2022	**2,034**	2,034
Additions	1,140	1,140
Amortisation expense	(1,114)	(1,114)
Balance at 30 June 2023	**2,060**	**2,060**
Additions	9,171	9,171
Amortisation expense	(1,156)	(1,156)
Balance at 31 December 2023	**10,076**	**10,076**

13 Right of use asset and lease liabilities

Leased assets

	Consolidated Group	
	31-Dec-23	30-Jun-23
	$	$
Right-of-use assets		
Buildings under lease arrangements		
At cost	1,538,319	3,250,741
Accumulated depreciation and impairment	(315,977)	(2,370,657)
	1,222,342	880,084
Total carrying amount of leased assets	1,222,342	880,084

Movements in carrying amounts for each class of right-of-use asset between the beginning and the end of the period:

	Land	Buildings	Total
	$	$	$
Balance at 30 June 2022	**2,812,839**	**844,986**	**3,657,825**
Additions	-	607,497	607,497
Depreciation	(105,815)	(583,711)	(689,526)
Transfers (out) - sale of subsidiary	(2,795,748)	-	(2,795,748)
Exchange rate differences	88,724	11,312	100,036
Balance at 30 June 2023	**-**	**880,084**	**880,084**
Additions	-	709,968	709,968
Depreciation	-	(366,593)	(366,593)
Exchange rate differences	-	(1,117)	(1,117)
Balance at 31 December 2023	**-**	**1,222,342**	**1,222,342**

13 Right of use asset and lease liabilities continued

Lease liabilities

	Consolidated Group	
	31-Dec-23	30-Jun-23
	$	$
Lease liabilities - current		
Buildings	545,745	487,720
Motor vehicles	-	860
	545,745	488,580
Lease liabilities - non-current		
Buildings	863,119	574,496
	863,119	574,496
Total carrying amount of lease liabilities	1,408,864	1,063,076

Movements in lease liabilities for each class of right-of-use asset between the beginning and the end of the period are as follows:

	Land	Buildings	Motor Vehicles	Total
	$	$	$	$
Balance at 30 June 2021	**6,164,575**	**1,293,361**	**10,994**	**7,468,930**
Additions	-	607,497	-	607,497
Lease repayments	(334,389)	(948,932)	(10,343)	(1,293,664)
Interest	260,626	102,083	209	362,918
Transfers (out) - sale of subsidiary	(6,503,486)	-	-	(6,503,486)
Exchange rate differences	412,674	8,207	-	420,881
Balance at 30 June 2022	**-**	**1,062,216**	**860**	**1,063,076**
Additions		709,968		709,968
Lease repayments		(420,866)	(860)	(421,726)
Interest		58,984		58,984
Exchange rate differences	-	(1,438)	-	(1,438)
Balance at 31 December 2023	**-**	**1,408,864**	**-**	**1,408,864**

14 Taxation

	Consolidated Group 31-Dec-23 $	31-Dec-22 $
a) Income tax expense		
The major components of income tax expense are:		
Statement of profit or loss and other comprehensive income		
Current income tax		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous years	-	(1,220)
Deferred income tax		
Relating to origination and reversal of timing differences	(69,184)	89,852
Income tax expense / (benefit) reported in the statement of profit or loss and other comprehensive income	(69,184)	88,632
b) Numerical reconciliation of income tax expense to prima facie tax payable		
Total loss before income tax	(1,007,582)	20,997,385
At the parent entity's statutory income tax rate of 30% (2022 - 30%)	(302,275)	6,299,216
Differential in overseas tax rate to Australian tax rate	(137,802)	88,632
Non-assessable income	(1,046,269)	(1,433,097)
Non-deductible expenses	796,304	1,715,884
Deferred tax asset not recognised	620,858	(6,582,003)
Income tax expense	(69,184)	88,632

15 Fair value measurement of financial instruments

The Group makes specific judgements and estimates in determining fair values of its financial instruments disclosed in the financial statements.

(a) Fair value hierarchy

The following tables present the Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2023 and 30 June 2023 on a recurring basis:

At 31 December 2023	Level 1 $	Level 2 $	Level 3 $	**Total $**
Financial assets				
Financial assets at fair value through the profit or loss				
Contingent consideration receivable (current)	-	-	-	**-**
Total finanical assets	**-**	**-**	**-**	**-**
Financial liabilities				
Financial liabilities at fair value through the profit or loss				
Derivatives (current)	-	-	-	**-**
Total finanical liabilties	**-**	**-**	**-**	**-**

At 30 June 2023	Level 1 $	Level 2 $	Level 3 $	**Total $**
Financial assets				
Financial assets at fair value through the profit or loss				
Contingent consideration receivable (current)	-	-	777,297	**777,297**
Total finanical assets	**-**	**-**	**777,297**	**777,297**
Financial liabilities				
Financial liabilities at fair value through the profit or loss				
Derivatives (current)	-	3,530	-	**3,530**
Total finanical liabilties	**-**	**3,530**	**-**	**3,530**

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15 Fair value measurement of financial instruments continued

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value the financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- for foreign currency options – option pricing models (eg Black-Scholes model), and
- for other financial instruments - discounted cash flow analysis.

The contingent consideration receivable is classified as level 3 and represents earn-out conditions associated with the sale of Site Skills Training – Domestic in April 2021 (see note 17).

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2023.

	Note	Contingent consideration receivable $	**Total** $
Opening balance 1 July 2023		777,297	**777,297**
Transfers		-	**-**
Additions			-
Disposals	17	(938,800)	(938,800)
Gains (losses) recognised through the profit or loss		161,503	161,503
Closing balance 31 December 2023		**-**	**-**

(i) Transfers between levels and changes in valuation techniques

There were no transfers between the levels of the fair value hierarchy in the six months to 31 December 2023. There were also no changes to made to any valuation techniques applied.

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

(iii) Valuation processes

The main level 3 inputs used by the Group in measuring the fair value of financial instruments are derived and evaluated as follows:

- Discount rates: these are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Expected cash inflows: these are estimated based on the terms of the sale contract, the Group's knowledge of the business and how the current economic environment is likely to impact it.

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16 Impairment

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The recoverable amount of property, plant and equipment and intangible assets is based on value-in-use calculations. Value-in-use is calculated based on the present value of future cash flow projections over a five-year period including a terminal value calculation.

The Group's three cash generating units are as follows:

- Site Skills Training - International
- Tertiary Education
- Energy Services

Due to the impacts of COVID-19, the Group sought to reassess the impairment of property, plant and equipment and intangible balances of all CGUs. As a result of the testing, there have been no impairment charges for the period.

Site Skills Training – International cash-generating unit

The recoverable amount of the *Site Skills Training – International CGU* of $3,410,032 as at 31 December 2023 has been determined based on the cash generating unit's value in use calculation using projected cash flows from financial budgets covering a 5-year period.

Key inputs into the impairment model included a pre-tax discount rate of 15.49%, annual revenue growth rate over the 5-year forecast period of 15-20%, annual EBITDA margins of 15-18%, and a terminal growth rate of 0%.

As a result of this analysis, management did not recognise an impairment charge.

Tertiary Education cash-generating unit

The recoverable amount of the *Tertiary Education CGU* of $1,698,978 as at 31 December 2023 has been determined based on the cash generating unit's value in use calculation using projected cash flows from financial budgets covering a 5-year period.

Key inputs into the impairment model included a pre-tax discount rate of 17.14% average revenue growth rate over the 5-year forecast period of 14%, annual EBITDA margins of 11-12%, and a terminal growth rate of 0%.

As a result of this analysis, management did not recognise an impairment charge.

Energy Services cash-generating unit

The recoverable amount of the *Energy Services CGU* remains $nil as at 31 December 2023 ($nil 30 June 2023).

17 Discontinued Operations

In December 2016, the Group publicly announced the closure of Productivity Partners Pty Ltd's business, and as a result was classified as a discontinued operation. The company is no longer included in the 'Tertiary Education' segment of the segment note.

In April 2021, the Group sold its Site Skills Training – Domestic business to Competency Training Pty Ltd, a subsidiary of Verbrec Ltd (ASX: VBC). The sale of the business is reported in the prior period as discontinued operations

On 7 March 2022, the Group announced a transaction involving the sale of its subsidiary Site Group Holdings Pty Ltd ACN 121 485 729 (SGH). The sale was finalised on 23 November 2022 with the Group retaining a 38.4% interest in SGH, and an Investor Group holding the balance of 61.6%.

The Group has determined that it no longer controls SGH and it is deconsolidated from that date. As a result, the SGH operations have been classified as discontinued and the company is no longer included in the 'SST International' segment of the segment note.

Revenue and expenses for the discontinued operations for the previous half-year are presented below.

	Half year ended 31-Dec-22 $
Revenue	-
Expenses	(226,104)
Profit / (loss) before income tax	(226,104)
Income tax benefit	72,258
Loss after income tax of discontinued operations	(153,846)
Gain / (loss) on sale of subsidairy after income tax	24,555,982
Profit / (loss) from discontinued operations	24,402,136

Earn out clause – Sale of Site Skills Training – Domestic

Part of the sale Site Skills Training included post settlement revenue target for the periods ended 30 June 2022 and 30 June 2023. Specified as an 'earn out' clause, the sale agreement noted additional cash consideration of up to $2,500,000 would be receivable.

At the time of sale, the fair value of the consideration was determined to be $1,504,269 and was recognised as a financial asset at fair value through profit or loss. For the period ended 30 June 2022, the Group received $605,789 from Competency Training Pty Ltd as an additional cash consideration. At 30 June 2023 the fair value of the consideration receivable was estimated to be $777,297.

During the period, the Group was notified of its right to receive $938,800 and as at 31 December had collected $625,900 of this amount. The remaining $312,900 was collected in February 2024 (disclosed as other receivable, refer note 6).

18 Contingencies

Legal claim contingency

As disclosed in the 30 June 2023 financial statements, the ACCC has commenced civil proceedings against the Company, Productivity Partners and two former executives in relation to enrolment practices of Productivity Partners. An estimate of the financial effect of the matter has not been disclosed as it is not yet practicable to determine such an estimate, having regard to the timing of proceedings (the case was heard in June 2020 and after an initial adverse finding on 2 July 2021, this decision was appealed in May 2022, with an adverse finding leading to an appeal in the high court heard in February 2024), and the prevailing uncertainty surrounding the outcome of these proceedings.

19 Sale of Subsidiary

On 7 March 2022, the Group announced a transaction involving the sale of its subsidiary Site Group Holdings Pty Ltd ACN 121 485 729 (SGH). The sale was finalised on 23 November 2022 with the Group retaining a 38.4% interest in SGH, and an Investor Group holding the balance of 61.6%.

The Group has determined that it no longer controls SGH and it is deconsolidated from that date. The Group considers its investment as an associate and is equity accounted from that date.

Background & Financial information

SGH is the holder of a long-term lease at Clark Freeport Zone in the Philippines consisting of 30.7136 hectares. At the date of sale, SGH was utilising only a small part of the site the subject of the Clark Lease for its training and competency assurance services operations.

The financial performance of SGH from 1 July 2022 to the date of completion of the sale (23 November 2022) is presented below:

	$
Income	
Revenue from contracts with customers	1,043,776
Interest income	5,157
Gain on intercompany debt forgiveness	3,044,320
Total income	4,093,253
Expenses	(2,123,894)
Profit before tax from continuing operations	1,969,359
Income tax expense	11,699
Profit for the period from continuing operations	1,981,058

On 23 November 2022, in accordance with the terms of the sale, the assets and liabilities of the training and competency assurance services business (Site Skills Training International) were transferred from SGH to a new company owned by the Group.

19 Sale of Subsidiary continued

Following the transfer, the carrying value of the net liabilities in SGH as at the date of sale (23 November 2022) were as follows:

	23-Nov-22 $
ASSETS	
Cash and cash equivalents	376,735
Right-of-use assets	2,577,376
Security deposits	210,721
TOTAL ASSETS	3,164,832
LIABILITIES	
Lease liabilities - Current	93,870
Lease liabilities - Non-current	6,217,735
TOTAL LIABILITIES	6,311,605
NET LIABILITIES	(3,146,773)

Transaction details

Consideration totalling $15,055,164 (US$10.05m) was provided through a combination of cash and the partial conversion of debt owed by the Group to some members of the Investor Group.

Calculation of the gain on sale is presented below:

	$
Consideration received	
Cash	3,000,240
Debt conversion amount	12,054,924
Total disposal consideration	15,055,164
Carrying value of (net assets) / liabilities deconsolidated	3,146,773
Fair value of equity interest retained	6,354,045
Gain on sale before income tax	24,555,982
Income tax	-
Gain on sale after tax	24,555,982

A breakdown of the consideration received and the Investor Group holding balance (61.6%) is provided below:

Investor Group	**% share of SGH**	**Consideration Received**	
		Debt conversion	**Cash**
Punta Properties	44.6%	11,004,924	-
Armada Trading Pty Ltd	9.8%	-	2,400,240
Wayburn Holdings Pty Ltd	2.6%	600,000	-
Lucerne Finance Pty Ltd	1.9%	450,000	-
Llwyn Pty Ltd ATF Llwyn York Trust & Llwyn Wentbridge Trust	2.6%	-	600,000
Total	**61.6%**	**12,054,924**	**3,000,240**

19 Sale of Subsidiary continued

The Punta Properties and Wayburn Holdings debt conversion amounts included outstanding payments for services rendered and reimbursement for costs paid on behalf of the Group. A breakdown of the debt conversion amounts are presented below:

The fair value of the equity interest retained by the Group (38.4%) is based on the independent valuation disclosed in the Independent Expert's Report prepared by Advisory Partner Connect Pty Ltd.

	Punta Properties $	Wayburn Holdings $
Repayment of loan in full (Note 21)	8,378,449	-
Incentive Fee*	316,260	103,194
Other fees & charges for services rendered	2,310,215	496,806
	11,004,924	600,000

** The incentive fee has been classified under legal, accounting, and other professional fees – refer to Note 3*

The fair value of the equity interest retained by the Group (38.4%) is based on the independent valuation disclosed in the Independent Expert's Report prepared by Advisory Partner Connect Pty Ltd.

The Group's share of net loss in SGH for the period 24 November 2022 to 30 June 2023 totalled $178,948 and was accounted for using the equity accounting method.

Movements to the fair value of equity interest retained by the Group between the beginning and the end of the period are as follows:

	31 Dec 2023	30 June 2023
Initial Fair value on date of sale	-	6,354,045
Opening balance, 1 July 2023	6400,503	
Investment contribution	153,666	225,406
Share of net loss	(228,730)	(178,948)
Closing investment value	**6,325,439**	**6,400,503**

20 Subsequent events

Other than as disclosed elsewhere in the report, there have been no significant events after balance date.

Directors' Declaration

In accordance with a resolution of the Directors of Site Group International Limited, I state that:

In the opinion of the Directors:

(a) The financial statements and notes of the Group for the half-year ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

ii. complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001.*

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Craig Dawson
Director
29 February 2024

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The Directors
Site Group International Limited
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SOUTH BRISBANE QLD 4101

Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2023, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Site Group International Limited and the entities it controlled during the period.

Pitcher Partners
PITCHER PARTNERS

J. Evans
JASON EVANS

Partner

Brisbane, Queensland
29 February 2024

Pitcher Partners

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Independent Auditor's Review Report

to the Members of Site Group International Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Site Group International Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Group does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to note 1 "Going Concern" in the half-year financial report. The conditions disclosed indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amount stated within the half-year financial report. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Pitcher Partners
PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
29 February 2024