



**ASX ANNOUNCEMENT**

**FOR IMMEDIATE RELEASE TO THE MARKET**

**PPK Group Limited – ASX Code: PPK**

**Tuesday 30 November 2021**

**Presentation by the Executive Chairman**

PPK Group Limited (ASX Code: PPK) is pleased to provide the following materials which will be presented at the Annual General Meeting held later today.

This announcement has been made and authorised by the Board.

For further information contact:

**Robin Levison**

Executive Chairman of PPK Group Limited  
On 07 3054 4500

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# **ANNUAL GENERAL MEETING**

Tuesday, 30 November 2021

# ONLINE ATTENDEES – TEXT QUESTION PROCESS



When the question function is available, the messaging tab will appear at the top of the screen



To submit a question, type your question in the “Ask a question” box and press the send arrow



Your question will be sent immediately for review



Received

123-456-789

HOME

MESSAGING

VOTING

Messaging

Ask a question



**Moderator**

Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic

# ONLINE ATTENDEES – AUDIO QUESTION PROCESS



When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue

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## Instructions

### Watching the Webcast

Press **play** to begin the broadcast. Ensure your device isn't muted and the volume is turned up. On mobile devices, the broadcast can be minimised and audio will continue to play.

### Asking Text Questions

Select the **MESSAGING** tab at the top of this page, then type your question in the box provided and press the send arrow.

### Asking Audio Questions

If you would like to ask a question verbally, **pause the broadcast** and then click **HERE**. You will be connected to the audio questions line where you can listen to the meeting while waiting to ask your question. Please return to this page if you have any issues.

### Voting

When voting opens, a **VOTING** tab will appear at the top of the screen. Selecting this tab will open a list of resolutions, select **For**, **Against** or **Abstain** to cast your vote. There is no enter or send button. You may however cancel your vote and enter a new selection while voting is open.

# ONLINE ATTENDEES – VOTING

When open, the vote will be accessible by selecting the voting tab at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For



Against



Abstain



There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed



123-456-789

HOME

MESSAGING

VOTING

Poll Open

You have voted on 0 of 2 items

## Resolution 1

Select a choice.

For



Against



Abstain



CANCEL

## Question 2

Select a choice.

Yes



No



Unsure



## CHAIRMAN'S ADDRESS

- | In the last 12 months, PPK has had three key focus areas:
  - honing and fine tuning its University incubation and commercialisation model
  - leveraging its expertise to diversify its business operations
  - realising its first commercialisation outcome
  
- | The IPO/listing of Li-S Energy earlier this year was an exciting representation of PPK's commercialisation model in action. Further projects are progressing in the commercialisation model and PPK anticipates the LIS process being repeated on at least one occasion in 2022.
  
- | The divestment of PPKME is underway and progressing well.
  
- | PPK believes that 2022 will be the year when its commercialisation model generates another result like LIS. PPK is targeting significant progress with multiple industry applications of BNNT technology maturing in 2022.
  
- | PPK Group is fully funded for the next 24 months and no further fundraising is expected in the short to medium term.

# COVID UPDATE

## Very pleasing that:

- For the second year, all PPK businesses operated throughout the pandemic period without jobkeeper support.
- No employees lost work due to COVID-19; appropriate OH&S precautions continue to be taken.

## Constraints:

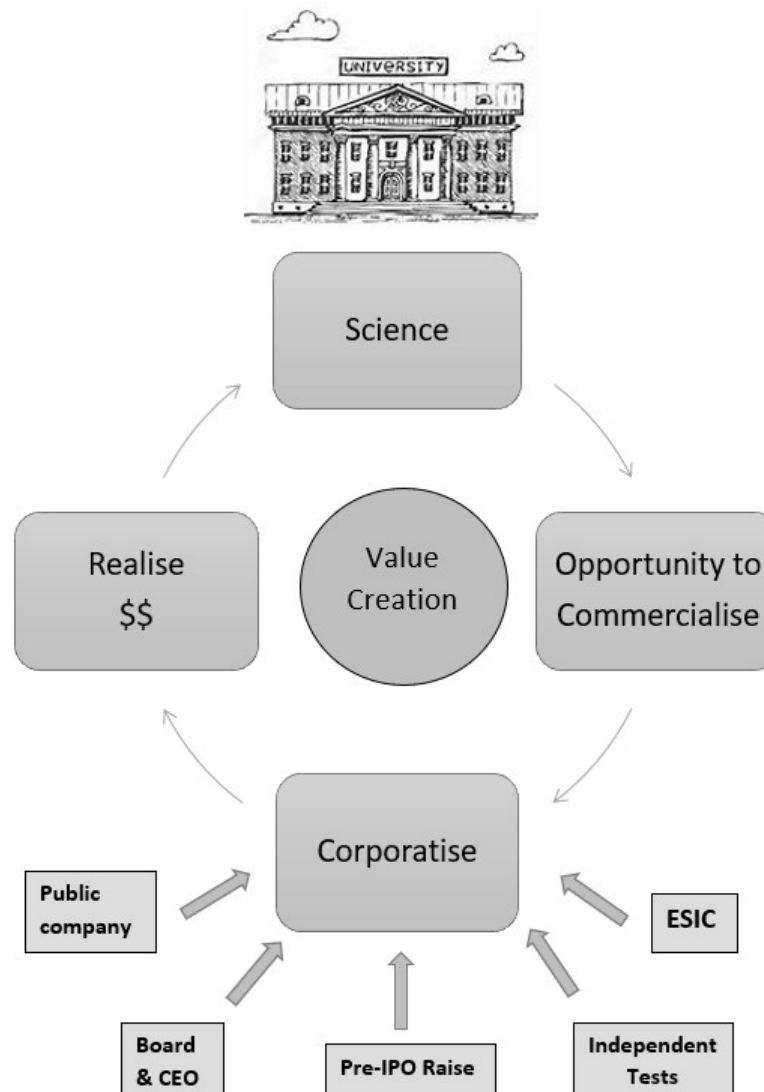
- Ongoing impact on Deakin R&D, limited access to laboratories and buildings due to Vic State regulations.
- Some difficulties collaborating across State borders.
- Ongoing supply chain delays for equipment and materials, especially internationally.

## Resulting in:

- A renewed focus on seeking out Australian opportunities and partners for onshoring.
- Exploring the possibility for more operations to be based in Queensland to diversify site and staff risks.

# THE PPK MODEL

7



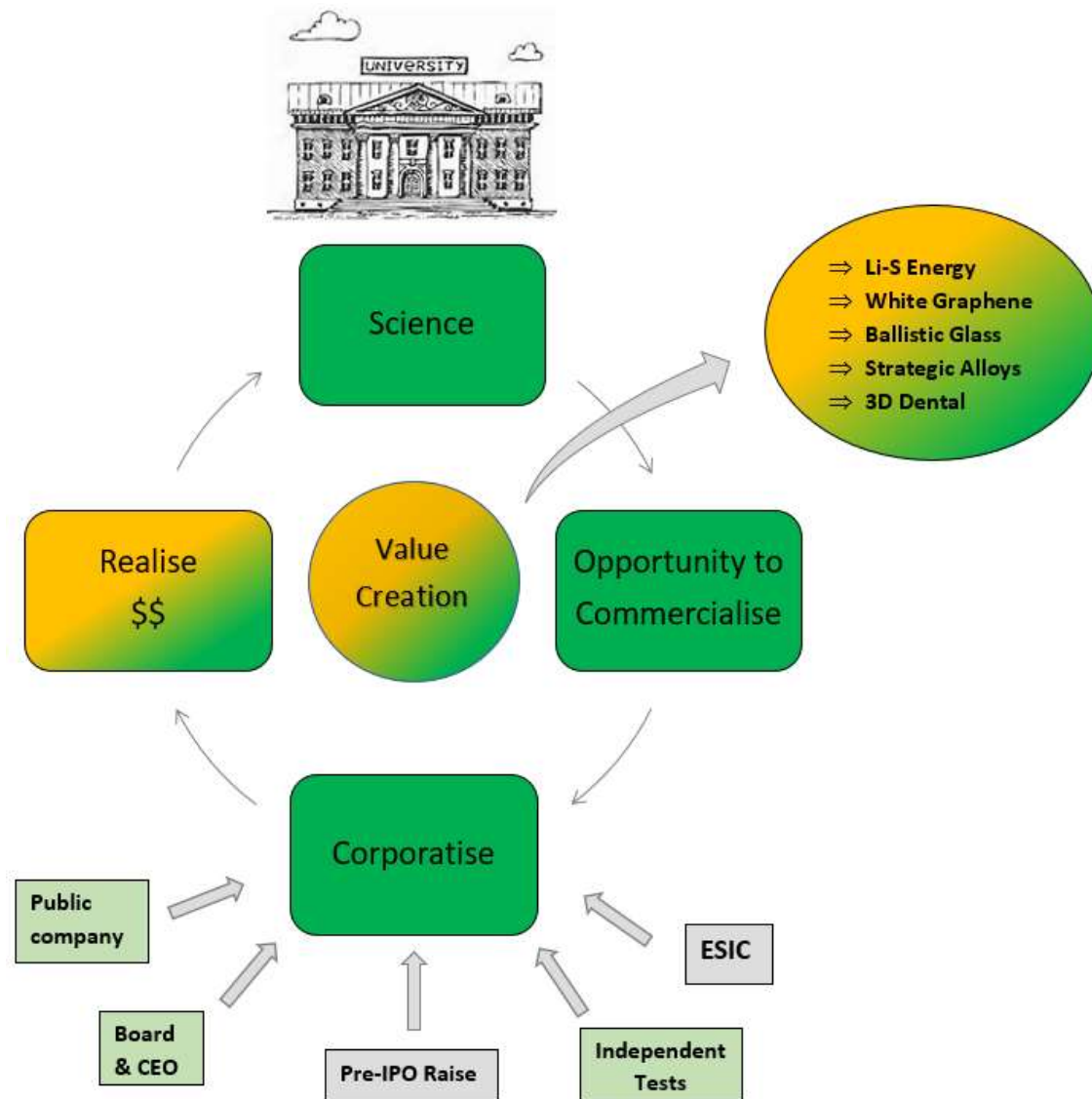


## BNNTTL UPDATE



# PPK MODEL - BNNTTL

9



# BNNTTL UPDATE

## PPK Founding Moment - BNNT JVRA with Deakin University

- BNNTTL becomes the world's lowest cost BNNT producer
- BNNT production @ 95% purity
- Currently using two 4 furnace modules
- 2 new x 6 furnace modules on site ready for installation, testing and certification
- Total manufacturing capacity to be > 500 Kilograms per annum
- Due to automation and robotics, BNNTTL's total workforce remains at 8 staff

## PPK Founding Moment - BNNT as a value creator has made possible:

- Li-S Energy Limited
- White Graphene Limited
- Strategic Alloys Pty Limited
- Ballistic Glass Pty Limited
- 3D Dental Technology Pty Limited
- BNNT Precious Metals Limited

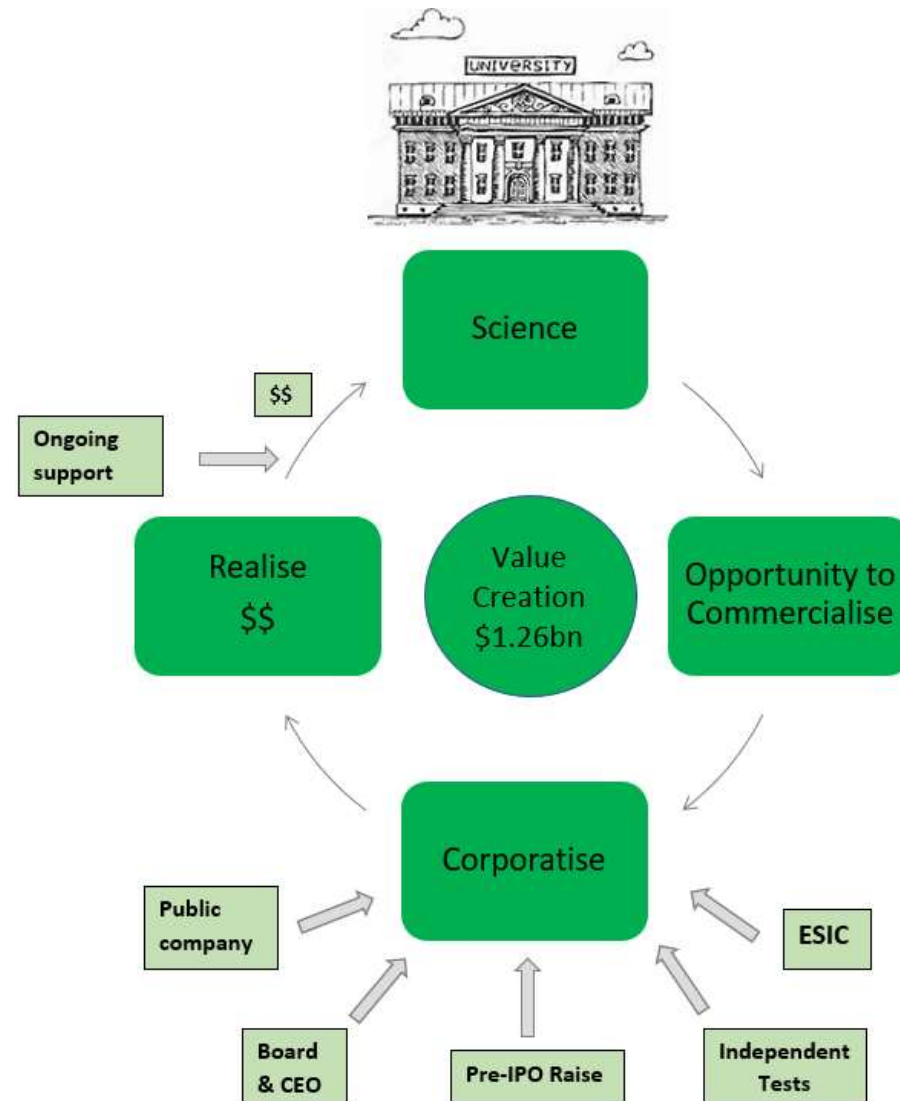
PPK Group owns 51.02% of BNNTTL

# LIS ENERGY UPDATE



# PPK MODEL APPLIED TO LIS ENERGY

12



## THE PPK MODEL APPLIED TO LIS ENERGY

Timeframe	Comment	\$m
February 2020	Deakin presents LIS research project to PPK (sunk cost)	(\$10.0)
April 2020	PPK completes project analysis, opportunity to commercialise	
June 2020	PPK raises initial risk capital from ESIC investors	2.8
December 2020	PPK issues special 2.5c dividend in the form of LIS shares	
February 2021	PPK completes business plan and corporatises the LIS opportunity	
April 2021	PPK completes pre-IPO capital raise (\$300M valuation)	20.0
September 2021	LIS completes IPO capital raise, (\$544M valuation)	34.0
September 2021	Market capitalisation after completion of IPO	1,492

Share price has LIS at a **CURRENT** market capitalisation of \$1.2 Billion

# BENEFIT OF LIS ENERGY DIVIDEND FLOWS TO PPK SHAREHOLDERS

**PPK Special Ordinary 2.5 cent Dividend – 11 December 2020**  
**Paid by Distribution of 1 LIS Share for every 2.6 PPK Shares Held**

Share Value per share at distribution	\$0.065		
Share value per share at IPO	\$2.33		
Increase in value per share	\$2.27	←	Individual benefit to PPK shareholder
Total dividends paid	\$2.22 Million		
Total value of LIS shares at IPO	\$79.58 Million		
Increase in value to PPK shareholders	\$77.36 Million	←	Total benefit to all PPK shareholders

PPK created additional value to its shareholders by distributing shares in LIS as a fully franked dividend prior to the IPO, rather than as cash, allowed individual PPK shareholders to get the upside of \$2.27 per LIS share at the IPO.

# LIS BENEFITS TO PPK GROUP – BALANCE SHEET

## Non-Statutory Effect of LIS on PPK Balance Sheet

	As Reported	Adjusted
	\$000	\$000
<b>Current Assets</b>	60,930	13,295
<b>Non-current Assets</b>		
Investments in associates	28,126	25,868
Investments	4,472	632,078
Other	3,074	1,039
	35,672	658,985
<b>Total Assets</b>	96,602	672,280
<b>Total Liabilities</b>	8,338	460
<b>Net Assets</b>	88,264	671,820
<b>Net Tangible Assets per Share</b>	\$72.34	\$753.71

LIS has a market capitalization of \$1,216 million and PPK Group's combined interest is \$627 million, about \$625 million more than reported.

\$681.4 million uplift

PPK Group owns 50.32% of LIS

Assumptions for Adjustment presentation

- eliminate subsidiary balances for LIS
- market value of LIS closing ASX price on 25 November 2021

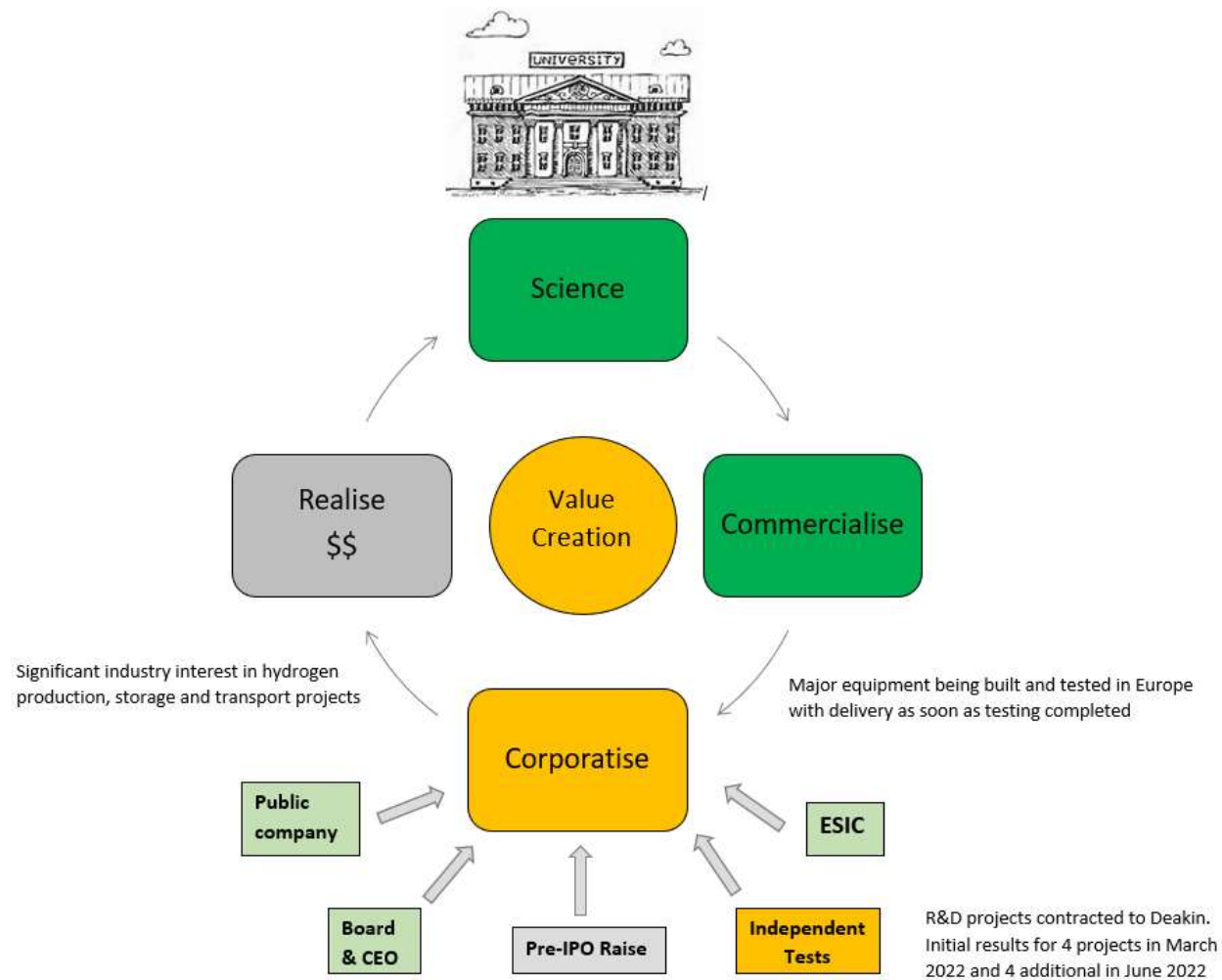


## WHITE GRAPHENE UPDATE



# PPK MODEL - WHITE GRAPHENE

17



PPK AGM 30 November 2021

## WHITE GRAPHENE UPDATE

- Following Vic lockdowns, the factory is open and nearing completion. Additional equipment identified and currently under testing in Germany prior to shipment.
- The first collaboration agreement was signed with Sun Metals/Korea Zinc (see announcement dated 5 October 2021) to develop specialised protective coatings for industrial plant. The focus of the collaboration is a coating to slow the degradation of large-scale sulphuric acid pumps, which currently often fail in less than 12 months. Further collaboration agreements are currently being negotiated.
- Multiple novel uses for white graphene include:
  - manufacture, transportation and storage of large-scale chemicals & materials
  - manufacture, transportation and storage of hydrogen, including pipelines and tankers
  - creation of advanced nano-composite coatings with enhanced chemical and mechanical protection in paints, varnishes and protective surfaces
  - thermally conducting, electrically insulating and radiation absorbing coatings and composite materials.

PPK Group owns 63.26% of White Graphene Limited.

## PPK MINING EQUIPMENT

PPKME returns to profitability and is generating free cash-flow each month.

New technology developed by PPKME creates significant customer interest.

- Australia's first ceramic particulate and gases filter improves underground coal mine safety
- Australia's first 12 forward seating battery EV intrinsically safe man transport vehicle in customer evaluation phase
- WiFi mesh for new and existing underground vehicles for data collection allowing data productivity and safety evaluation

As highlighted in PPK's 2021 Annual Report, PPK current holds PPKME as disposal group assets held-for-sale. Since that time, PPKME has continued to undertake a comprehensive and competitive process and is now significantly advanced with its preferred acquirer. PPK is currently targeting that the divestment of PPKME will:

- be signed and announced to the market early in the new year
- complete before the end of the financial year.

## DIVERSIFICATION

- PPK is presented with many opportunities and is highly focused on delivery of its current opportunities.
- On three separate occasions, PPK has seized the opportunity to create shareholder value through application of its knowledge and expertise to a new technology.
- PPK's decision to diversify from its core focus in a limited number of ways has been driven by a focus on immediate revenue generating opportunities, along with the following further considerations:
  - A redeployment or reinvestment of capital, including the provision of additional funding to drive revenue growth
  - Best initial use cases for BNNT
  - Evaluation of AI opportunities generally
  - Diversification of industry and tertiary relationships
  - Exploring opportunities originating or based in Queensland
- Each of those three opportunities operate in multi billion-dollar global total addressable markets and will be the focus of the next three slides.



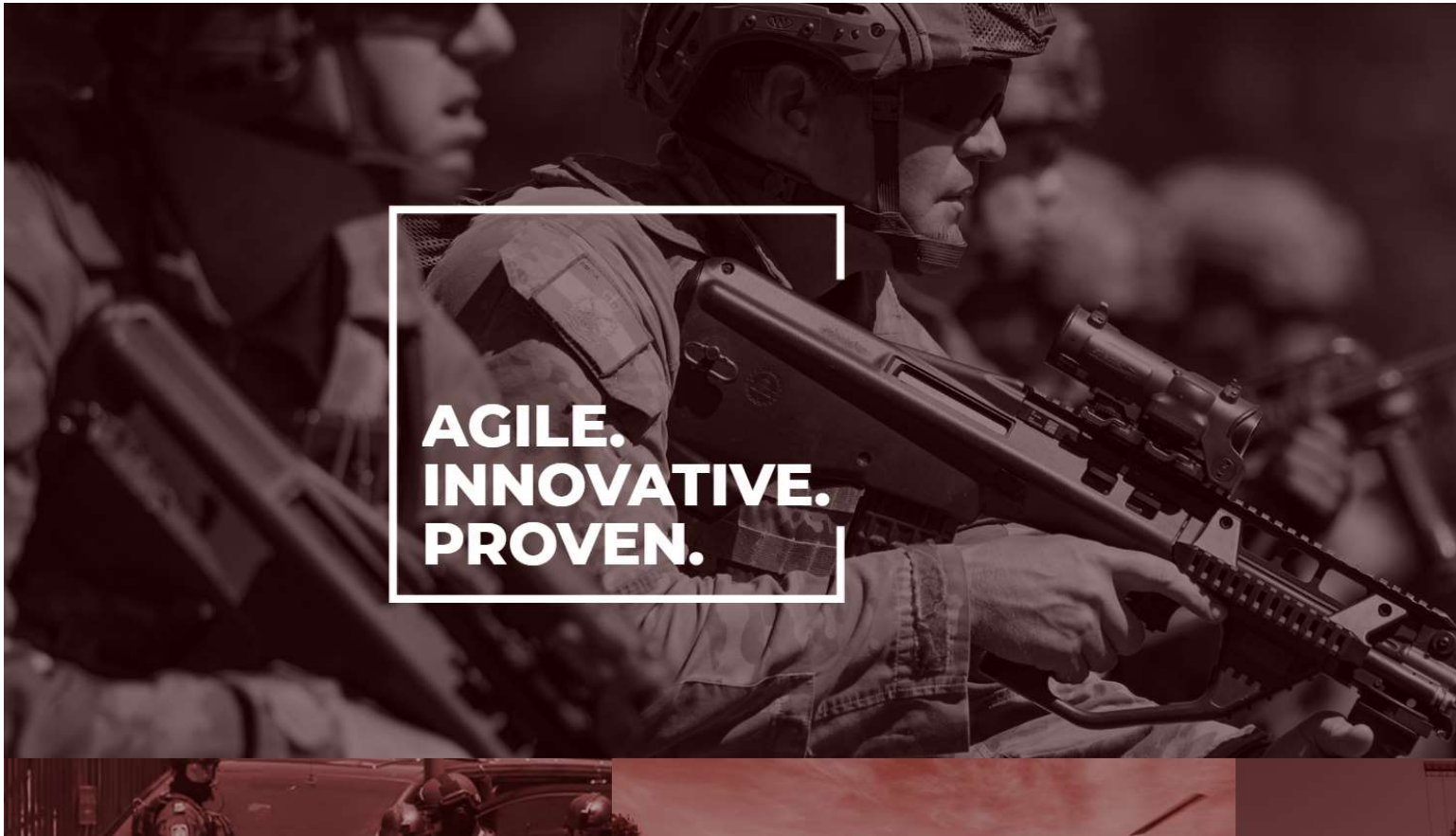
## AMAG UPDATE

- Advanced Mobility Analytics Group (AMAG) continues to win SaaS contracts in Canada, the United States and Australia. AMAG has won (or is currently in discussion for) deployment in numerous high-profile cities including Toronto, Las Vegas, Denver and Sydney. Growth is funded for the next 12 months.
- AMAG will release two new products in Q1 2022 to appeal across multiple government use-cases. AMAG is currently in discussions with QTMR about an 'enterprise solution' across six divisions interested in AMAG products.
- AMAG formed key technology and reseller partnerships focused on revenue growth (e.g. Stantec, Matrix, AWS, Dell, CIMA+, DKS Associates, etc).
- Acquisition and international investor interest in AMAG is evident and building.
- Annual recurring revenue (ARR) is growing nicely in large total addressable market (TAM).

PPK Group owns 24.0% of AMAG.



## CIB UPDATE





## CIB UPDATE

- Craig International Ballistics has seen a significant improvement in market conditions, with an increased amount of new tender opportunities within the Asia Pacific region.
- There has also been an increase in customer enquiries over the past 2 months resulting in a large increase in secured sales for FY 21/22.
  - Body armour orders received from the Australian Defence Force. Combined with new export business this will translate into increased revenue and profitability
  - Body armour contracts received in Asia Pacific from new law enforcement customers
  - New \$1m+ 20-bar autoclave vessel, partially funded by a SICP federal government grant, is due to arrive in Brisbane in February 2022. This will allow CIB to further diversify its product portfolio via an additional method of manufacturing and assist with reducing product manufacturing costs
  - Growth funded for the next 12 months
- Continued focus on product development, cost reduction and plant efficiency. A further 6 additional employees are being sought to assist with current business growth.

PPK Group owns 45.0% of CIB.

## SURVIVON LIMITED



## SURVIVON LIMITED

- PPK acquired the manufacturing equipment, stock and business operations of a face mask manufacturer.
- PPK then partnered with the IP owner of a new Deakin University developed copper infused PPE technology that inactivates the COVID-19 virus in under 5 minutes and created Survivon Limited.
- Separately, PPK acquired the land and property for the mask business and leases to Survivon.
- Survivon is currently manufacturing and selling anti-viral, antibacterial face masks and has acquired additional equipment to meet demand.
- Survivon is currently negotiating a distribution agreement with a major European company.

PPK Group owns 47.62% of Survivon.

## BUILDING OUT PPK CORPORATE SERVICES TEAM

- With the anticipated divestment of PPKME, PPK is prepared for a potential restructure of certain head office functions. PPK has seized this opportunity to reassess the future structure of the PPK Corporate Services team and the needs of its “shared services model” across the group.
- PPK Corporate Services remains fully funded for the next two years. PPK will look closely at efficiencies, synergies and cost savings as part of this process. Earlier this year, PPK appointed its first permanent General Counsel as well as additional Senior Finance staff.
- PPK will make further investments in technology and people where PPK believes that this will create shareholder value. The various group project companies will contribute to these costs where appropriate.

## BOARD REVIEW PROCESS

- Due to the loss of one of PPK's founders, PPK is currently undertaking an evaluation and review of the board composition.
- PPK has utilised a board skills matrix as part of the evaluation and will seek independent input and guidance if the board believes this would be useful.
- PPK's promotion to the S&P/ASX 300 Index has also been a great catalyst for this process. PPK expects to establish a formal Remuneration and Nomination Committee in the CY 2022.
- The board fully expects Environmental, Social and Governance (ESG) to be a concerted focus area next year. PPK anticipates providing commentary on this important topic in our next annual report.
- PPK expects to appoint two additional non-executive directors prior to end of CY 2022. This would result in the majority of the Board being non-executive directors.

# SUMMARY

- PPK's intrinsic balance sheet valuation is strong and has increased by around \$600m due to its 51% shareholding in LIS. Several other technology projects are due to commercialise in 2022 and PPK remains fully funded for the next 24 months. The board and key management are aligned with creating shareholder value via their share ownership.
- PPK anticipates that 2022 will be the most 'value creating' year in its history.
- Board evaluation and renewal process has commenced:
  - Additional non-executive directors expected to be appointed prior to the end of CY 2022
  - Additional senior key management personnel to join
  - Environmental, Social and Governance (ESG) is expected to be a concerted focus area for next year
- Li-S Energy IPO proves up PPK's university incubation and commercialisation model and provides significant shareholder wealth creation
  - WGL signs first collaboration with Sun Metals/Korea Zinc
  - CIB continues to win ballistic contracts and is expecting to generate healthy dividends for PPK
  - AMAG wins multiple contracts in Australia, Canada and the USA and builds two new SaaS products
- Lastly, BNNT continues to be the catalyst for current commercialisation opportunities. BNNTTL continues to attract multiple new industry vertical opportunities. There has also been M&A interest in some of our other investee companies.



# FORMAL BUSINESS OF THE MEETING

Tuesday, 30 November 2021

# FORMAL BUSINESS OF THE MEETING

## ITEM 1 – RECEIPT OF FINANCIAL REPORT



## FORMAL BUSINESS OF THE MEETING

### ITEM 2 – REMUNERATION REPORT

RESOLUTION 1	FOR	AGAINST	DISCRETION
	32,555,108	1,646,856	293,787

# FORMAL BUSINESS OF THE MEETING

## ITEM 3 – RE-ELECT MR. DALE MCNAMARA AS A DIRECTOR

RESOLUTION 2	FOR	AGAINST	DISCRETION
	53,924,800	3,062,058	292,734

## FORMAL BUSINESS OF THE MEETING

### ITEM 4 – APPROVAL OF TOTAL AGGREGATE AMOUNT OF DIRECTORS' FEES PAYABLE TO ALL NON-EXECUTIVE DIRECTORS

RESOLUTION 3	FOR	AGAINST	DISCRETION
	31,939,423	2,803,585	297,360

# FORMAL BUSINESS OF THE MEETING

## ITEM 5 – APPROVAL OF THE COMPANY’S LONG TERM INCENTIVE PLAN

RESOLUTION 4	FOR	AGAINST	DISCRETION
	54,748,805	1,674,912	294,620

## CONCLUSION OF THE MEETING

RESULTS OF MEETING TO BE ANNOUNCED SHORTLY AFTER MEETING