



ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Friday, 11 October 2024

Entry into conditional agreement to dispose of interest in AMAG

PPK Group Limited (ASX Code: PPK) wishes to announce that it has entered into a conditional agreement to dispose of its 30% shareholding in AMAG Holdings Australia Pty Ltd (**AMAG**), pursuant to an offer from Transoft Solutions (International) Inc (**Transoft**) to acquire all of the shares of AMAG.

Transoft is a leading provider of software and services in connection with the development and operation of safe transport systems, based in British Columbia, Canada. See www.transoftsolutions.com for more information.

The consideration in the conditional agreement is significantly weighted towards the future performance of the combined businesses. It contemplates the payment of \$1.5m by Transoft at completion, the bulk of which is expected to be used to pay out existing AMAG debt. Further, Transoft will pay an earn-out to AMAG shareholders over the four calendar years following completion based on the combined revenue of AMAG's business and Transoft's safety and operations products exceeding certain annual thresholds. Such earn-out is uncapped and, on a medium forecast, PPK's share of the consideration received by shareholders could be in the order of \$0.8 – \$1.2m. On achievement of stretch targets by the combined businesses, the return to PPK could be over \$2m.

The transaction documents are subject to customary conditions, such as entry into an employment agreement with a senior executive of AMAG, termination of the shareholders deed and the winding up of the employee share option plan. There is no finance condition in favour of Transoft in relation to the payment of the upfront purchase price.

Managing Director Marc Fenton said:

“PPK has been an investor in AMAG since December 2020, when it first acquired a 20% holding. PPK remains a firm believer in AMAG's vision of improving the safety and operation of transport networks. However, as we noted in our FY24 annual report, it has become increasingly apparent to the PPK Board that this cutting-edge technology needs to be positioned in a large, global business as part of its go-to-market strategy.

We wish Transoft and AMAG every success moving forward and are optimistic that we will receive a financial return through the four-year uncapped earn out.”

PPK GROUP LIMITED

ABN: 65 003 964 181

Level 13, 120 Edward St, Brisbane QLD 4000
GPO Box 754, Brisbane Qld 4001
Tel: +61 7 3054 4500 Fax: +61 7 3054 4599

PPK will provide a further update to the market if and when this transaction completes, which is anticipated to occur imminently.

Authorised by the Board.

For further information contact:

Anne-Marie Birkill

Chair of PPK Group Limited
On 07 3054 4500

Marc Fenton

Managing Director of PPK Group Limited
On 07 3054 4500