



ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Thursday, 31 October 2024

Update on deconsolidation of LIS

Further to the announcement of 3 October 2024, PPK Group Limited (ASX Code: PPK) wishes to provide an update on the upcoming deconsolidation of Li-S Energy Limited (ASX:LIS).

As previously notified, the Board has determined to pay a special dividend through the in-specie distribution of 25.95m LIS shares held by the Company to PPK shareholders. As the closing price of LIS shares on 30 October 2024 was \$0.20, this results in an implied valuation of the in-specie dividend of **\$5,189,286**. PPK confirms that this dividend will be fully franked.

In addition, PPK has entered into a number of other transactions to allow deconsolidation to occur.

Firstly, the Board has resolved to make a charitable donation of 2.5m LIS shares to Deakin University in recognition of the significant contributions and additional support Deakin has provided to PPK and its subsidiaries in the previous five years, including support to LIS, BNNT and White Graphene. For example, Deakin has assisted these subsidiaries to obtain key government grants to further their development.

Further, PPK has sold around 11m LIS shares in two off-market transactions, which will complete after the market closes today. Details of these transactions will be set out in the Form 604 lodged with ASX on Friday 1 November 2024.

The effect of the above, when combined with the reduction to one nominee director on the board of LIS, is that PPK will cease to control LIS and will therefore deconsolidate from an accounting perspective.

Managing Director Marc Fenton commented:

“These additional steps finalise the deconsolidation outcome and we thank our shareholders for their continued support. The donation to Deakin highlights our support for Australian education, research and innovation.”

Accounting consequences

As a result of the Company ceasing to control LIS, the accounting standards require the Company to deconsolidate LIS. This will result in the derecognition of LIS' assets and liabilities including any related goodwill, associated non-controlling interests attributable to LIS and the

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

recognition of the Company's retained investment at fair value. The fair value of the retained investment will be calculated based on the share price on the day when the Company ceases to control LIS.

The resulting difference between these amounts is required to be recognised as a non-cash gain or loss through the statement of profit and loss.

The deconsolidation of LIS from the Company will trigger an impairment assessment of the remaining assets held in the 'BNNT Application CGU' and is likely to result in the non-cash impairment of goodwill related to this CGU.

The Company will provide a more detailed explanation of these matters in its upcoming half year accounts.

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