ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Wednesday 26 February 2025

Appendix 4D and Interim Financial Report

PPK Group Limited (ASX Code: PPK) is pleased to provide its Appendix 4D and Interim Financial Report for the six months ended 31 December 2024.

This announcement has been made and authorised by the PPK Group Board.

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PPK GROUP LIMITED

APPENDIX 4D AND INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

CONTENTS TO INTERIM FINANCIAL REPORT

APPENDIX 4D

Results for announcement to the market

This information should be read in conjunction with the interim financial report for the six months ended 31 December 2024.

Comparison to previous corresponding period	**31 December 2024 $'000**	**31 December 2023* $'000**	**Change $'000**	**Change %**
Total revenues from continuing operations	12,240	16,618	(4,378)	(26)
Profit/(loss) from continuing operations before tax	(7,980)	(8,065)	85	1
Profit/(loss) from continuing operations after tax	(11,282)	(7,986)	(3,296)	(41)
Profit/(loss) from discontinued operations before tax [1]	10,459	(2,133)	12,592	590
Profit/(loss) from discontinued operations after tax [1]	7,291	(2,133)	9,424	442
Profit/(loss) after tax attributable to owners of PPK Group Limited	(3,273)	(7,391)	4,118	56
Basic and diluted earnings / (loss) per share – cents	(3.6)	(8.3)	4.7	56
Net tangible assets per share – cents [2]	48.2	49.4	(1.2)	(2)

*The comparative information has been re-presented due to a discontinued operation.

[1] The profit from discontinued operations relates to the deconsolidation of Li-S Energy Limited (LIS) as a controlled entity on 31 October 2024 and reclassification as an Investment in Associate at the same date, and the related non-cash tax expense.

[2] Net tangible assets backing excludes the right-of-use assets and excludes intangible assets and deferred tax assets.

Dividends

The Board has resolved not to issue an interim dividend for the six months ended 31 December 2024.

CHAIR'S REPORT

Dear fellow shareholder,

During the first half of the financial year, we continued to action our strategy of investing capital and expertise in innovative, growth stage companies in the energy storage, armour protection and nanomaterials sectors with a view to creating value and delivering shareholder returns. Both the divestment of Advanced Mobility Analytics Group (AMAG) and the restructure of our investment in Li-S Energy (LIS) are consistent with those objectives.

As part of the transactions associated with the sell-down in our ownership of Li-S Energy we were very pleased to be able to reward our shareholders during the half year with a special dividend with an implied valuation totalling $5.19 million via a fully franked *in-specie* distribution of LIS shares. Whilst we no longer control LIS, we retain one position on the LIS Board. The restructure also has the added benefit of simplifying our consolidated results and balance sheet for investor purposes. PPK remains the largest shareholder in LIS, thereby preserving significant opportunity for PPK shareholders to benefit from future LIS commercialisation. I encourage you to read the LIS financial report for a more fulsome update on their progress and future developments.

Our investments remain well aligned with our strategy, with LIS making significant technical improvements and the commissioning of the Phase 3 facility and Craig International Ballistics (CIB) delivered solid growth. PowerPlus Energy (PPE) is operating in a highly competitive market and has had a significant focus on reducing operating costs and growing the revenue pipeline.

Given they are at a much earlier stage, the commercialisation progress of the nanomaterials companies, BNNT Technology and White Graphene, has been slower than anticipated and carries market adoption risk. While we remain cautiously optimistic that adoption within several industry sectors with large addressable global markets is possible, both materials are reliant on external validation and testing processes meaning timelines are difficult to predict. Business development and industry support capabilities have been strengthened across both entities during this period, ensuring that all validation processes are well monitored and supported.

<u>Financial Results and deconsolidation of LIS Energy</u>

On 31 October 2024, our investment in LIS was deconsolidated from the consolidated PPK Group. LIS was previously accounted for as a controlled subsidiary and upon the disposal of LIS shares and distribution of LIS shares to PPK shareholders, PPK Group ceased to control the company.

As a result, PPK derecognised all the assets, liabilities, and goodwill associated with LIS, and the non-controlled interest (minority interest) recorded in equity was reversed. PPK's remaining interest in LIS after the transactions is circa 39%. This remaining interest was re-measured to fair value on the date of deconsolidation at the net tax effected value of $37.7 million based on the observable market price on 31 October 2024. PPK's interest in LIS is now recognised as an investment in an Associate on the balance sheet and the recognition of results from this date going forward is now a one-line entry in the Profit or Loss Statement. In accordance with the Accounting Standards, LIS' results for the four months ended 31 October 2024 are included in the consolidated result (and prior period comparatives) and have been reclassified into discontinued operations.

The sell down of LIS shares also contributed important working capital to the PPK Group which currently has sufficient cash, receivables and other liquid assets to fund its current operations for the next 2 to 3 years.

Appointment of Independent Non-Executive Director

Shareholders will recall that we announced the appointment of Rick Francis to the PPK board of directors at the November 2024 AGM.

Rick was the Managing Director and CEO of Spark Infrastructure Group (previously ASX: SKI), then a S&P/ASX 100 entity that made long-term investments in energy infrastructure assets. Rick has a depth of experience in energy infrastructure and renewable technologies, combined with over two decades of listed company experience and a strong background in finance, governance and strategy. I am delighted to welcome Rick to the PPK Board and look forward to working with him to optimise the performance of our portfolio of companies.

Outlook

Looking to the future, we are focused on continuing to strengthen the performance of the existing portfolio of investments while looking for new opportunities to expand PPK's footprint across the energy transition value chain.

On 30 January 2025 we released our most recent newsletter, which can be found on our website at: https://ppkgroup.com.au/investor-centre/presentations-all/. We are committed to continuing to improve the frequency and quality of shareholder communications and welcome your feedback on how we can improve our engagement with you.

In closing, thank you once again for your support.

Anne-Marie Birkill
Chair
26 February 2025

DIRECTORS' REPORT

Your Directors submit their report for the six months ended 31 December 2024.

Directors

The names of the Company's Directors in office during the six months ended 31 December 2024 and up until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Anne-Marie Birkill	Appointed Independent Non-Executive Chair 1 July 2024
Glenn Molloy	
Rick Francis	Appointed Independent Non-Executive Director on 2 December 2024
Marc Fenton	Appointed Managing Director 1 July 2024
Robin Levison	Retired 31 August 2024

Dividends

The Board has resolved not to issue an interim dividend for the six months ended 31 December 2024.

Previous dividends paid are as follows:

DIVIDENDS	Amount per share	Franked amount per share
2024 Special (in-specie)[1]	5.71 cents	5.71 cents
2024 Interim - ordinary	Nil	Nil
2023 Final - ordinary	Nil	Nil
2023 Interim - ordinary	Nil	Nil

[1] PPK paid a 5.71 cent per share special ordinary dividend, which was fully satisfied by an in-specie distribution of shares in Li-S Energy Limited (LIS).

REVIEW OF OPERATIONS AND RESULTS

Craig International Ballistics Pty Ltd (CIB)

CIB celebrated 25 years in business in October and has had an exceptional first half (H1) FY25 with a five fold increase in turnover compared to the prior corresponding period of H1 FY24. In H1 FY25 the business achieved over 90% of total revenue recorded for the entire previous financial year.

CIB commissioned their in-house research and development laboratory for ballistic and stab/spike testing to accelerate their research and development efforts before external independent certifications. The new hydraulic press, which is one of the largest in the southern hemisphere within the ballistic protection industry, was successfully commissioned and has generated strong market and partner interest. The autoclave also continues to deliver stronger and lighter composite armour products.

CIB appointed a Chief Technology Officer who brings extensive research and development experience for armour and protective products, and the production workforce continues to grow to meet the delivery of sales orders.

CIB has a strong order book for H2 FY25 and has attracted the attention of several international companies looking to work, partner and collaborate with CIB and utilise their cutting-edge manufacturing equipment.

Given its strong performance and future order book, CIB paid a dividend to all shareholders in H1 FY25, with forecasts indicating an increase in dividends likely for H2 FY25.

PowerPlus Energy (PPE)

Intense, price-driven competition, a slowing economy and dollar weakness has led to difficult market conditions for PPE. Reflecting these conditions, in the first quarter of FY25 PPE implemented a series of cost reduction measures and has seen an improvement in productivity as a result, which we expect to be sustainable. For H1 FY25 PPE delivered $11.9 million in revenue, which is a decrease of 29% to the prior corresponding period. The reduction was largely attributable to two large (one-off) orders delivered in H1 FY24, but the decrease nevertheless highlights the necessity of PPE's focus on major projects and innovation in its go-to-market strategy.

In the medium term we expect significant long-term growth in the stationary storage industry. PPE's strong brand and reputation, Australian-made credentials and increased cadence of product innovation mean that the business remains well positioned for sustainable, profitable growth.

Operationally, the focus in the last six months has been on the launch of the new Eco4847P battery in August, and the growth in Battery Energy Storage Systems (BESS) sales, which reflects an industry move towards end-to-end solutions.

Through social media PPE released a series of short use cases highlighting their BESS installations and benefits thereof at the Victoria Willow Pastoral robotic dairy, Red Plateau organic avocado farms in NSW and the South Australian Rumi luxury eco-tourism resort.

Li-S Energy Limited (LIS)

During the first half, Li-S Energy achieved significant technical achievements in battery cell performance, strengthened strategic partnerships, made advancements in production capabilities, and completed initial integration of their cells into battery packs.

Key events during the first half included:

- **Significant increase in partner engagement –** With the increasing industry recognition of the LIS advanced science and engineering, LIS are seeing a significant uptick in inbound enquiries from existing and new partners for data sheets, sample cells and ultimately full battery packs. Many of these engagements are subject to confidentiality agreements, but include multibillion dollar global technology leaders across transport, aviation and defence domains.

- **Completion and Commissioning of Phase 3 Production Facility** - LIS finalised the installation and commissioning of its state-of-the-art Phase 3 production facility in Geelong, which was officially opened in August. This facility, featuring Australia's largest dry room, can support an annual production capacity of up to 2MWh, making it the largest pouch cell manufacturing site in the country.

- **Breakthrough in Energy Density** – In late October, the GEN3 semi-solid-state lithium sulfur pouch cells produced from the Phase 3 line achieved an unprecedented 498Wh/kg on first discharge and 456Wh/kg after formation cycling. This positions LIS at the cutting edge of global battery technology, offering significant performance advantages for high-demand sectors.

- **Successful UAV Test Flights** – In early November, LIS completed its first uncrewed aerial vehicle (UAV) test flights powered by a twelve-cell lithium sulfur battery pack produced on the Phase 3 production line. The UAV achieved a flight time of 30 minutes, finishing with the battery pack only partially discharged.

- **Emerging Aviation Technology Partnership (EATP) $1.35 million Grant** - LIS commenced the EATP project during the half year, working in partnership with V-TOL Aerospace and Halocell on the development of a long endurance solar UAV using LIS batteries.

- **Industry Growth Program (IGP) $1.7 million Grant** – In early August, LIS secured a $1.7 million grant from the Federal Government to install and commission Australia's first lithium metal foil production line.

White Graphene Limited (WGL)

Over the last six months, the team at WGL completed preliminary optimisation of the manufacturing process, achieving a production rate of more than 20kg of high-quality white graphene or Boron Nitride Nanosheets per day, an order of magnitude higher than original targets and proving the scalability of the patented manufacturing process.

In parallel, WGL is continuing to develop partnerships to commercialise the use of white graphene and its unique properties in a range of industries and applications. In H1 FY25 there were several research and development sale quantities of white graphene. WGL added two new distributors, one in Europe and one in China, and these new relationships are in their early stages. Business development support from an experienced executive in the coatings industry has been added to support the pipeline development and progression.

As is evident from previously published results, the broad coatings industry is a major focus but testing regimes required by this industry remain protracted. In the clean energy industry, LIS Energy continues to validate the use of white graphene in its next generation lithium sulfur and lithium metal battery chemistries.

BNNT Technology Pty Ltd (BNNTTL)

Based on market feedback, the focus of BNNTTL in recent years has been to reduce the cost of manufacturing high quality BNNT, however, it is now acknowledged that initial industry excitement about these products has not yet translated into a commercial outcome irrespective of the lower price delivered. In H1 FY25 there were a handful of research and development sale quantities of BNNT. BNNTTL continues to seek market opportunities across the globe based upon application validation work completed. The space industry remains interested in evaluating BNNT and small quantities were provided to a large space agency.

Given these factors, BNNTTL has scaled back its production capacity and lowered its operating cost base. The Board will continue to assess whether further operational and cost synergies can be achieved by BNNT and WGL working more closely together.

The BNNT-X product has established lab scale production and there is one active validation in progress.

LIS continues to validate the use of boron nitride nanomaterials in its next generation lithium sulfur and lithium metal chemistries.

Advanced Mobility Analytics Group Pty Ltd (AMAG)

In October 2024 PPK disposed of its 30% shareholding in AMAG to Transoft Solutions Inc (Transoft) as part of the broader Transoft acquisition of all the shares in AMAG.

Over the next four calendar years PPK could receive additional earn-out payments from Transoft based on the combined revenue of AMAG's business and Transoft's safety and operations products exceeding certain annual thresholds. The potential earn-out is uncapped.

Further explanation of the PPK deconsolidation of LIS

Whilst going forward it will be much simpler for PPK shareholders to understand the impact of LIS on PPK's accounts, there were large movements in many of the balances in the current period as we transitioned our investment in LIS from that of a controlled subsidiary to an Associate. We have been required to report and reclassify the consolidated results of LIS for the period up to deconsolidation (31 October 2024), the gain on deconsolidation and the prior comparative period results for LIS separately as "Discontinued Operations". Further details have been set out in the notes to the financial statements.

PPK's remaining 39% investment in LIS is carried at fair value on the date of deconsolidation less PPK's share of the LIS loss for the period 1 November 2024 to 31 December 2024.

PPK no longer recognises the assets and liabilities of LIS in the PPK Group consolidated balance sheet. However, the capital and reserves attributable to PPK shareholders remains largely consistent period on period, noting the operating loss for H1 FY25 and the payment during the period of a fully franked in-specie dividend (implied value of $5.189 million) to PPK shareholders in October 2024.

	31 December 2024	**30 June 2024**
	$'000	**$'000**
Total Equity	**65,675**	93,919
Less: Non-controlling interests	**4,739**	26,176
Capital and reserves attributable to owners of PPK Group Limited	**60,936**	67,743

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Company under ASIC *Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191*. The Company is an entity to which the legislative instrument applies.

Signed in accordance with a resolution of the Directors.

Anne-Marie Birkill
Chair
26 February 2025

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Auditor's independence declaration to the directors of PPK Group Limited

As lead auditor for the review of the half-year financial report of PPK Group Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Madhu Nair
Partner
26 February 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 31 December 2024

	Notes	31 December 2024 $'000	31 December 2023* $'000
Revenue from contracts with customers	3.1	**12,240**	**16,618**
Cost of sales		**(8,445)**	**(11,628)**
GROSS PROFIT		**3,795**	**4,990**
Other operating income/(loss)	3.2	**(136)**	**895**
Energy Storage expenses		**(4,470)**	**(4,737)**
Technology expenses		**(1,474)**	**(2,283)**
Corporate expenses		**(3,373)**	**(5,843)**
Finance costs		**(579)**	**(653)**
Share of profit/(loss) of Associates	7.1	**(1,743)**	**(434)**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**(7,980)**	**(8,065)**
Income tax (expense)/benefit	5	**(3,302)**	**79**
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**(11,282)**	**(7,986)**
Discontinued operations:			
Profit before tax from discontinued operations	8(a)	**10,459**	**(2,133)**
Income tax expense from discontinued operations	5,8(a)	**(3,168)**	**-**
PROFIT/(LOSS) AFTER TAX EXPENSE FROM DISCONTINUED OPERATIONS		**7,291**	**(2,133)**
PROFIT/(LOSS) FOR THE PERIOD		**(3,991)**	**(10,119)**
PROFIT/(LOSS) IS ATTRIBUTABLE TO:			
Owners of PPK Group Limited		**(3,273)**	**(7,391)**
Non-controlling interests		**(718)**	**(2,728)**
		(3,991)	**(10,119)**
OTHER COMPREHENSIVE INCOME NET OF TAX		**-**	**-**
TOTAL PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**(3,991)**	**(10,119)**
TOTAL PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD IS ATTRIBUTABLE TO:			
Owners of PPK Group Limited		**(3,273)**	**(7,391)**
Non-controlling interests		**(718)**	**(2,728)**
		(3,991)	**(10,119)**

*The comparative information has been re-presented due to a discontinued operation.

The accompanying notes form part of the interim condensed consolidated financial report.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 31 December 2024

	31 December 2024	31 December 2023*
Earnings (loss) per share	**cents**	**cents**
Basic	**(3.6)**	**(8.3)**
Diluted	**(3.6)**	**(8.3)**
Earnings per share from continuing operations (in cents)		
Basic	**(9.7)**	**(7.2)**
Diluted	**(9.7)**	**(7.2)**
Earnings per share from discontinued operations (in cents)		
Basic	**6.1**	**(1.1)**
Diluted	**6.1**	**(1.1)**

*The comparative information has been re-presented due to a discontinued operation.

The accompanying notes form part of the interim condensed consolidated financial report.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Notes	31 December 2024 $'000	30 June 2024 $'000
CURRENT ASSETS			
Cash and cash equivalents		**5,480**	28,348
Trade and other receivables		**7,954**	4,555
Inventories		**9,209**	7,518
Financial assets held at fair value through profit or loss	9	**-**	2,000
Income tax receivable		**-**	-
Other assets		**286**	134
TOTAL CURRENT ASSETS		**22,929**	42,555
NON-CURRENT ASSETS			
Financial assets	9	**148**	2,795
Investments in Associates	7	**57,167**	9,236
Property, plant and equipment		**6,136**	13,032
Right-of-use assets		**4,962**	6,554
Intangible assets and goodwill	10	**7,872**	44,770
Deferred tax assets		**2,043**	3,197
Other non-current assets		**661**	707
TOTAL NON-CURRENT ASSETS		**78,989**	80,291
TOTAL ASSETS		**101,918**	122,846
CURRENT LIABILITIES			
Trade and other payables		**11,164**	9,771
Income tax provision		**998**	294
Lease liabilities		**944**	1,110
Deferred revenue		**1,069**	2,001
Provisions		**3,700**	4,174
Interest-bearing loans and borrowings		**2,886**	2,834
Other current liabilities		**1,647**	1,647
TOTAL CURRENT LIABILITIES		**22,408**	21,831
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings		**2,988**	604
Lease liabilities		**4,488**	5,862
Provisions		**94**	152
Other non-current liabilities		**115**	-
Deferred tax liability		**6,150**	478
TOTAL NON-CURRENT LIABILITIES		**13,835**	7,096
TOTAL LIABILITIES		**36,243**	28,927
NET ASSETS		**65,675**	93,919
EQUITY			
Contributed equity		**62,707**	62,377
Treasury shares		**(109)**	(109)
Reserves	12	**35,595**	43,558
Retained earnings/(accumulated losses)		**(37,257)**	(38,083)
Capital and reserves attributable to owners of PPK Group Limited		**60,936**	67,743
Non-controlling interests		**4,739**	26,176
TOTAL EQUITY		**65,675**	93,919

The accompanying notes form part of the interim condensed consolidated financial report.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 31 December 2024

	Notes	31 December 2024 $'000	31 December 2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**14,021**	**17,407**
Cash payments to suppliers and employees		**(19,834)**	**(24,118)**
Interest received		**369**	**794**
Interest paid		**(217)**	**(240)**
Government grants received		**66**	**-**
Income taxes paid		**(7)**	**103**
Net cash flows provided by/(used in) operating activities		**(5,602)**	**(6,054)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of plant and equipment		**(1,374)**	**(3,770)**
Proceeds from dividends received		**405**	-
Payments for acquisition of an investment – AMAG		**-**	**(370)**
Payment for purchase of financial assets at FVTPL	9	**-**	**(1,200)**
Payments for intangible assets		**(860)**	**(929)**
Payments for loans advanced		**-**	**(700)**
Proceeds from sale of investments in subsidiary		**2,760**	**-**
Proceeds from sale of financial assets at FVTPL		**-**	**264**
Proceeds from government grants for capital acquisitions		**799**	**1,945**
Proceeds from loans repaid		**-**	**2,535**
Net cash reversed on deconsolidation of subsidiary*		**(19,337)**	-
Net cash provided by/(used in) investing activities		**(17,607)**	**(2,225)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**800**	**-**
Proceeds from capital raising – controlled entities		**-**	**660**
Transactions with non-controlling interests		**-**	**946**
Transaction costs related to capital raising – controlled entities		**-**	**(65)**
Payment of lease liabilities		**(459)**	**(391)**
Net cash provided by/(used in) financing activities		**341**	**1,150**
Net increase/(decrease) in cash held		**(22,868)**	**(7,129)**
Cash at the beginning of the period		**28,348**	**39,999**
Cash at the end of the period		**5,480**	**32,870**

The accompanying notes form part of the interim condensed consolidated financial report.

*Cash attributable to LIS on the date of deconsolidation (31 October 2024).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2024

	Issued Capital $'000	Treasury Shares $'000	Accumulated Losses $'000	Capital Reserves $'000	Attributable to owners of PPK Group Limited $'000	Non-Controlling Interest $'000	Total Equity $'000
Balance as at 1 July 2024	**62,377**	**(109)**	**(38,083)**	**43,558**	**67,743**	**26,176**	**93,919**
Total comprehensive income/(loss) for the period							
Profit/(loss) for the period	**-**	**-**	**(3,273)**	**-**	**(3,273)**	**(718)**	**(3,991)**
Total comprehensive income/(loss) for the period	**-**	**-**	**(3,273)**	**-**	**(3,273)**	**(718)**	**(3,991)**
Issue of share capital for Short Term Incentive Plan	**330**	**-**	**-**	**-**	**330**		**330**
Issue of performance rights	**-**	**-**	**-**	**255**	**255**	**-**	**255**
Issue of performance rights in a subsidiary company	**-**	**-**	**-**	**87**	**87**	**-**	**87**
Dividends paid by in specie distribution	**-**	**-**	**(5,189)**	**-**	**(5,189)**	**-**	**(5,189)**
Deconsolidation of controlled subsidiary	**-**	**-**	**9,288**	**(8,218)**	**1,070**	**(20,806)**	**(19,736)**
Reserves attributable to non-controlling interests	**-**	**-**	**-**	**(87)**	**(87)**	**87**	**-**
Balance as at 31 December 2024	**62,707**	**(109)**	**(37,257)**	**35,595**	**60,936**	**4,739**	**65,675**

for the six months ended 31 December 2023

	Issued Capital $'000	Treasury Shares $'000	Accumulated Losses $'000	Capital Reserves $'000	Attributable to owners of PPK Group Limited $'000	Non-Controlling Interest $'000	Total Equity $'000
Balance as at 1 July 2023	**62,155**	**(109)**	**(27,340)**	**40,875**	**75,581**	**30,129**	**105,710**
Total comprehensive income/(loss) for the period							
Profit/(loss) for the period	**-**	**-**	**(7,391)**	**-**	**(7,391)**	**(2,728)**	**(10,119)**
Total comprehensive income/(loss) for the period	**-**	**-**	**(7,391)**	**-**	**(7,391)**	**(2,728)**	**(10,119)**
Issue of performance rights	**-**	**-**	**-**	**427**	**427**	**-**	**427**
Issue of performance rights in a subsidiary company	**-**	**-**	**-**	**749**	**749**	**-**	**749**
Reserves attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**333**	**333**
Issue of capital in a controlled entity	**-**	**-**	**-**	**-**	**-**	**660**	**660**
Change in a non-controlling interest held by a controlled entity, net of costs	**-**	**-**	**-**	**(276)**	**(276)**	**-**	**(276)**
Balance as at 31 December 2023	**62,155**	**(109)**	**(34,731)**	**41,775**	**69,090**	**28,394**	**97,484**

The accompanying notes form part of the interim condensed consolidated financial report.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT
for the six months ended 31 December 2024

NOTE 1 CORPORATE INFORMATION

The interim condensed consolidated financial report ("interim financial report") of consolidated entity, being PPK Group Limited and its 100% owned subsidiaries ("PPK" or "the Company") and its controlled entities ("the "Group") for the six months ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 26 February 2025 and covers PPK Group Limited and its controlled entities as required by the *Corporations Act 2001*.

PPK is a for-profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX Code: PPK). PPK is registered in Queensland and has its head office at Level 13, 120 Edward Street, Brisbane, Queensland, 4000.

Separate financial statements for PPK Group Limited ("Parent Company") as an individual entity are not required to be presented.

PPK invests capital and expertise to build a portfolio of innovative, growth stage companies where our state of-the-art Australian facilities deliver sovereign manufacturing capability, with the potential for global expansion.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Statement of Compliance

The interim financial report for the six months ended 31 December 2024 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This financial report also complies with IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board.

The interim financial report does not include all the information and disclosures required in the annual financial report and should be read in conjunction with the Company's annual report for the year ended 30 June 2024, and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial report has been prepared on an accruals basis and are based on historical costs, except for investments which have been measured at fair value.

The amounts contained in the interim financial report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Company under ASIC *Corporations (Rounding in Financial / Directors Reports) Instrument 2016/191*. The Company is an entity to which the legislative instrument applies.

Going Concern

The interim financial report has been prepared on a going concern basis, which contemplates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business. In making this assessment, Directors have identified and considered the following:

- During the whole period, and at all times subsequent, PPK has been able to meet its obligations as and when they fell due; and
- PPK, inclusive of its 100% owned subsidiaries, owns the following:
    - Cash of $3.898 million;
    - Current assets of $5.176 million;
    - Net working capital of $3.522 million; and
    - 251.5 million shares in ASX listed Li-S Energy which are tradeable securities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and revised standards that are effective for these financial statements

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2024, except for the adoption of new standards effective as of 1 July 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time for reporting periods beginning on or after 1 July 2024, but do not have a material impact on the interim financial statements of the Company.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's interim financial report requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

With the exception of those noted below, the judgements, estimates and assumptions applied in the interim financial report, including the key sources of estimation uncertainty were the same as those applied in the Company's annual financial report for the year ended 30 June 2024.

Determining Control of an Entity

With respect to the Group's assessment of its control of Li-S Energy Limited (LIS), management has used significant judgement to determine the power the Group has over LIS, the exposure or rights, to variable returns from its involvement with LIS and the ability to use its power over LIS to affect the amount of the returns from LIS to determine whether the Group controls the entity. Management has actively assessed the Group's control of Li-S throughout the reporting period. In assessing its power over LIS, management considers:

- the direct and indirect interest the Group holds which at 31 December 2024 was 39.24% (30 June 2024: total direct and indirect holding of 49.35%);
- the relationship the Group has with Deakin, the research and development provider and other large shareholder of LIS;
- the composition of the LIS Board;
- the provision of senior executives pursuant to the management services agreement between the companies;
- the make-up of the LIS share register; and
- the relationship the Group has with BNNTTPL, 51.02% owned by the Group and 28.57% owned by Deakin, which is the supplier of BNNT to the entity, and whether there is a long-term supply agreement in place.

Weighing all the factors, the Board considers that the Group ceased to control Li-S Energy Limited on 31 October 2024 as a result of its decrease in ownership interest in LIS to 39.24%.

As a result of the loss of control of LIS, management are required to estimate the retained investment in LIS at its fair value on the date of deconsolidation of the former subsidiary. This fair value has been estimated based on the closing share price of LIS on the date of deconsolidation, which was $0.20 per share. As this is a quoted price in an active market for identical assets at the measurement date, this is considered to be a Level 1 estimation input in the fair value hierarchy when estimating the fair value of the Group's retained investment.

The Company based its assumptions and estimates on parameters available when the interim financial report was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

3.1 Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from the operating segments and other income (as disclosed in Note 4) from contracts with customers:

Segments	31 December 2024 $'000	31 December 2023 $'000
Type of goods or services		
Sale of goods	**11,601**	**16,185**
Rendering of services	**639**	**433**
Total revenue from contracts with customers	**12,240**	**16,618**
Timing of revenue recognition		
Goods transferred at a point in time	**11,601**	**16,185**
Services rendered over time	**639**	**433**
Total revenue from contracts with customers	**12,240**	**16,618**

Geographic location of Customers

The Group primarily operates in Australia.

Customer Concentration

For the period ended 31 December 2024, two customers in the energy storage segment individually made up more than 44.0% of the Group's revenues from contracts with customers. Customer 1 made up circa $3.501 million, and Customer 2 made up circa $1.825 million of the Group's revenues from contracts with customers.

In addition, the Corporate segment earned revenues from subsidiary companies which were eliminated on consolidation, and also from an associate or a joint venture and recognised in the rendering of services category of revenue.

3.2 Other Operating Income/(Loss)

	31 December 2024 $'000	31 December 2023 $'000
Rental income	**26**	**21**
Finance income	**178**	**200**
Foreign exchange gain/(loss) on financial assets at FVTPL	**123**	**303**
Unrealised gain/(loss) on financial assets at FVTPL	**(434)**	**262**
Gain/(loss) on sale of financial assets at FVTPL	**(29)**	**108**
Gain/(loss) on sale of fixed assets	**-**	**-**
Other operating income/(loss)	**(136)**	**895**

NOTE 4 SEGMENT INFORMATION

The Group applies AASB 8 Operating Segments whereby segment information is presented using a management approach, i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision makers.

Operating segments have been determined on the basis of reports reviewed by the Directors. The Directors are considered to be the chief operating decision makers of the Group.

PPK deems that it controls the following companies and accounts for them as subsidiaries and discloses them for segment reporting as follows:

Subsidiary	Segment
• BNNT Technology Pty Ltd	Technology subsidiary
• White Graphene Limited	Technology subsidiary
• PowerPlus Energy Pty Ltd	Energy Storage

On 31 October 2024, PPK deconsolidated Li-S Energy Limited (LIS). As a result, PPK no longer controls nor consolidates LIS and now accounts for its remaining interest in LIS as an associate under the equity method of accounting. For the period 1 July 2024 to 31 October 2024, and for the prior comparative period, the results of LIS are shown in “Discontinued Operations”.

For those companies which PPK does not control the operations of the business and is reliant on the management to operate the business, PPK equity accounts these entities separately and discloses them as Associates for segment reporting. They include:

- Craig International Ballistics Pty Ltd
- Li-S Energy Limited – from 1 November 2024

On 16 October 2024, PPK completed the disposal of its 30% shareholding in Advanced Mobility Analytics Group Pty Ltd (AMAG) through a conditional agreement with Transoft Solutions (International) Inc, a Canadian software company specializing in transport safety systems.

Following the transaction, PPK has fully derecognised its investment in AMAG, and AMAG is no longer reported as part of the Group’s equity-accounted entities. A non-cash impairment reflecting the impact of the transaction has been recognised in the half-year accounts and is included in share of associate profit/(loss).

NOTE 4 SEGMENT INFORMATION (continued)

Period ended 31 December 2024

Reportable Segments	Energy Storage $'000	Technology Subsidiary Companies $'000	Associates $'000	Discontinued Operations $'000	(1)Corporate $'000	Total $'000
Revenue from contracts with customers	11,615	258	-	13	490	12,376
Rental income	-	-	-	-	26	26
Foreign exchange gain/ (loss) on financial assets at FVTPL	(434)	(1)	-	20	-	(415)
Gain/(loss) on financial assets at FVTPL	-	-	-	-	(47)	(47)
Gain/(loss) on sale of financial assets at FVTPL	-	-	-	-	19	19
Finance income	34	16	-	416	128	594
Gain/(loss) on sale of fixed assets	-	-	-	-	-	-
Gain on deconsolidation of subsidiary	-	-	-	12,181	-	12,181
Share of profit/(loss) of associates	-	-	(1,743)	-	-	(1,743)
Total revenue and other income	11,215	273	(1,743)	12,630	616	22,991
Segment expenses include						
Cost of sales	(8,442)	(2)	-	-	-	(8,444)
Administration expenses	(3,790)	(872)	-	(1,555)	(2,713)	(8,930)
Share based payment expense	-	(87)	-	(51)	(555)	(693)
Costs to defend a dispute associated with a historic business acquisition	-	-	-	-	-	-
Interest expense	(381)	(21)	-	(30)	(177)	(609)
Impairment expense	-	-	-	-		-
Depreciation and amortisation	(681)	(514)	-	(535)	(106)	(1,836)
Total expenses	(13,294)	(1,496)	-	(2,171)	(3,551)	(20,512)
Segment profit/(loss) before tax	(2,079)	(1,223)	(1,743)	10,459	(2,935)	2,479
Current assets	11,580	3,798	-	-	7,552	22,930
Non-current assets	8,125	15,622	57,167	-	5,073	85,987
Total assets	19,705	19,420	57,167	-	12,625	108,917
Current liabilities	17,311	3,426	-	-	1,671	22,408
Non-current liabilities	3,791	6,849	-	-	10,195	20,835
Total liabilities	21,102	10,274	-	-	11,866	43,242
Total net assets	(1,397)	9,146	57,167	-	759	65,675

(1) Excludes $0.442 million in management fees charged by PPK to provide shared support services to the subsidiary companies which are eliminated on consolidation.

NOTE 4 SEGMENT INFORMATION (continued)

Period ended 31 December 2023

Reportable Segments	Notes	Energy Storage $'000	Technology Subsidiary Companies $'000	Associates $'000	Discontinued Operations [1] $'000	Corporate $'000	Total $'000
Revenue from contracts with customers	3.1	16,185	86	-	-	347	16,618
Rental income	3.2	-		-	-	21	21
Foreign exchange gain/ (loss) on financial assets at FVTPL	3.2	314	(8)	-	(110)	(3)	193
Gain/(loss) on financial assets at FVTPL	3.2	-	108	-	-	-	108
Gain/(loss) on sale of financial assets at FVTPL	3.2	-	-	-	-	262	262
Finance income	3.2	14	28	-	640	159	841
Share of profit/(loss) of associates		-	-	(434)	-	-	(434)
Total revenue and other income		16,513	214	(434)	530	786	17,609
Segment expenses include							
Cost of sales		(11,577)	(51)	-	-	-	(11,628)
Administration expenses		(4,043)	(1,230)	-	(2,091)	(4,084)	(11,448)
Share based payment expense		-	(556)	-	(193)	(427)	(1,176)
Costs to defend a dispute associated with a historic business acquisition		-	-	-	-	(1,312)	(1,312)
Interest expense		(417)	(50)	-	(38)	(148)	(653)
Depreciation and amortisation		(694)	(496)	-	(340)	(60)	(1,590)
Total expenses		(16,731)	(2,383)	-	(2,662)	(6,031)	(27,807)
Segment profit/(loss) before tax		(218)	(2,170)	(434)	(2,132)	(5,244)	(10,198)
Current assets		15,608	1,595	-	30,697	7,103	50,356
Non-current assets		6,857	48,118	9,756	15,920	2,471	79,237
Total assets		22,465	49,713	9,756	46,617	9,574	129,593
Current liabilities		15,154	890	-	1,298	2,767	20,023
Non-current liabilities		6,420	9,374	-	759	(4,469)	12,086
Total liabilities		21,574	10,264	-	2,057	(1,702)	32,109
Total net assets		891	39,449	9,756	44,591	11,275	97,484

[1] Excludes $0.693 million in management fees charged by PPK to provide shared support services to the subsidiary companies which are eliminated on consolidation.

NOTE 5 INCOME TAX EXPENSE

	Notes	31 December 2024 $'000	31 December 2023 $'000
(a) The prima facie tax payable/(benefit) on the profit/(loss) before income tax is reconciled to the income tax expense as follows:			
Profit/(loss) before tax – Continuing Operations		**(7,980)**	(8,065)
Profit/(loss) before tax – Discontinued Operations		**10,459**	(2,133)
Profit/(loss) before tax		**2,479**	10,198
Prima facie tax payable/(benefit) at 25.0%		**620**	**(2,550)**
(Non-assessable income)/non-deductible expenses		**(493)**	189
Losses for which no deferred tax asset was recognised		**697**	2,211
Deferred tax assets related to equity transactions		**-**	
Temporary differences for which no deferred tax asset or liability was recognised [1]		**5,666**	-
Other		**(20)**	71
Total tax expense		**6,470**	(79)
Disclosed as:			
Income tax expense/(benefit) - Continuing Operations		**3,302**	(79)
Income tax expense/(benefit) - Discontinued Operations	8(b)	**3,168**	-
The applicable weighted average effective tax rate is as follows[1]:		**261.0%**	0.8%
(b) The components of tax expense comprise:			
Current tax		**1,107**	273
Deferred tax		**5,363**	(352)
(Over)/under provision in respect of prior years		**-**	-
Income tax expense (benefit)		**6,470**	(79)

Note 1: PPK re-measured its remaining 39% interest in LIS to fair value on the date of deconsolidation to $50.301 million and this required the initial recognition of a deferred tax liability (DTL) of $12.575 million (net tax effected value of $37.725 million). PPK has also recognised $30.900 million of gross carry forward tax losses available to partially offset the tax expense related to the initial recognition of the DTL recognising an associated income tax benefit of $7.725 million.

NOTE 6 SIGNIFICANT EVENTS AND TRANSACTIONS

6.1 Payment of In-specie dividend and deconsolidation of LIS

On 31 October 2024, PPK deconsolidated Li-S Energy Limited (LIS). This loss of control occurred after PPK reduced its investment in LIS by the distribution of a fully franked in-specie dividend to PPK shareholders of LIS shares, the sale of a number of LIS shares, a donation of LIS shares to Deakin University and the appointment of only one PPK nominee director (previously two) to the LIS Board.

As a result, PPK no longer considers it controls LIS and now accounts for its retained interest in LIS as an associate under the equity method of accounting. The deconsolidation required:

- The derecognition of all LIS's assets (including goodwill) and liabilities from PPK's consolidated financial statements and derecognition of the related Non-Controlling Interest recorded in Equity.
- Recognition of the remaining 39% interest in LIS at fair value (and associated deferred tax liability) as an Investment in an Associate.
- Recognition of a non-cash gain in the statement of profit or loss, reflecting the difference between the fair value of the remaining 39% investment in LIS and the net carrying value of LIS at 1 November 2024.

NOTE 6 SIGNIFICANT EVENTS AND TRANSACTIONS (continued)

6.2 Sale of AMAG

On 16 October 2024, PPK completed the disposal of its 30% shareholding in Advanced Mobility Analytics Group Pty Ltd (AMAG) through a conditional agreement with Transoft Solutions (International) Inc, a Canadian software company specializing in transport safety systems who acquired 100% of the shares in AMAG. The transaction involved:

- An initial consideration to all shareholders for the full acquisition of AMAG for $1.5 million, primarily used to settle AMAG's existing debt.
- An uncapped performance-based earn-out over four years, tied to revenue thresholds.

Following the transaction, PPK has fully derecognised its investment in AMAG, and AMAG is no longer reported as part of the Group's equity-accounted entities. A non-cash impairment of $3.25 million in relation to the investment in AMAG has been recognised in the period ended 31 December 2024. The performance earn-out is subject to a high level of uncertainty and as such no amount has been recognised in relation to the future potential earn-out in the current period.

6.3 PPE issues secured convertible note

On 16 August 2024, PPK Investment Holdings Pty Ltd (PPKIH) and PPE entered into a secured convertible note deed under which PPE issued up to $2 million in notes. PPKIH subscribed for up to $1 million in notes, with the remaining $1 million subscribed for proportionally by two entities associated with a related party (Mr Glenn Molloy).

The facility is available for drawdown by PPE in tranches on an as needs basis to meet its funding requirements. The notes issued under the facility are secured and include a redemption option in favour of PPE, with an early redemption premium applicable if the notes are redeemed before the maturity date. The notes bear interest at 10% per annum, have a maturity date of 16 August 2027, and include a conversion option allowing the notes to be converted into equity in PPE at a predetermined fixed conversion price.

As at 31 December 2024, $1.6 million has been advanced under the facility, with $800,000 advanced by PPKIH. As at the date of publication, $1.8 million has been advanced under the facility (with $900,000 having been advanced by PPKIH). Corresponding notes have been issued to PPKIH and the other subscribers in proportion to their advances. All transactions between PPKIH and PPE eliminate on consolidation.

6.3 Trailblazer Funding Grants

During the period PPK's subsidiaries and associates received a total of $832,000 in co-contributions from Deakin University under the Federal Government's Trailblazer funding program. LIS received $717,000, and BNNTTL received $115,000.

6.4 Update on court proceedings

The Company continues to defend a claim in the Supreme Court of NSW in relation to a dispute originally arising in relation to the vesting conditions of a business acquired in 2014 with a vendor employee for the issue of a second tranche of $500,000 of shares plus interest and costs.

As previously communicated, the Supreme Court of NSW issued its decision on relief and costs on 14 June 2024. The Company has satisfied the ordered award of 1,136,011 shares valued at $500,000. The plaintiff elected not to appeal the decision on relief but sought leave to appeal the decision on costs. This application for leave to appeal was unsuccessful and the Company now expects to proceed with the relevant cost assessment processes.

NOTE 7 INVESTMENTS IN ASSOCIATES

	Notes	31 December 2024 $'000	30 June 2024 $'000
Investment in associates		**57,167**	9,236
Craig International Ballistics Pty Ltd		**7,140**	5,674
Li-S Energy Limited	8	**50,027**	-
AMAG Holdings Australia Pty Ltd		**-**	3,562
Total		**57,167**	9,236

7.1 Share of profit/(loss) of an associate

	31 December 2024 $'000	31 December 2023 $'000
PPK's 39% interest of CIB's profit/(loss) for the 6 month period after income tax	**1,972**	627
PPK's 39% interest of Li-S' profit/(loss) for the period from 1 November 2024 after income tax	**(274)**	-
PPK's 30% interest in AMAG's profit/(loss) for the period ended 16 October 2024 after income tax (including impairment of investment)	**(3,441)**	(232)
PPK's share of profit/(loss)	**(1,743)**	395

NOTE 8 DISCONTINUED OPERATIONS

Deconsolidation of Li-S Energy Limited

On 31 October 2024, the deconsolidation of Li-S Energy Limited (ASX: LIS) was finalised following a series of transactions initiated by PPK Group Limited. These actions included:

- The distribution of a fully franked in-specie dividend of 25.95 million LIS shares, valued at $5.189 million, to PPK shareholders;
- The sale of approximately 34.7 million LIS shares through off-market transactions at fair value for consideration of $6.958 million of which $2.563 million has been received prior to 31 December 2024;
- A charitable donation of 2.5 million LIS shares to Deakin University in recognition of its contributions to PPK and its subsidiaries; and
- PPK reduced its influence on LIS by appointing only one nominee director to the LIS Board, previously PPK had appointed two directors.

As a result, PPK ceased to control LIS and deconsolidated it from its accounts. The remaining 39% interest in LIS is now recognised as an investment in Associate under the equity method of accounting.

The deconsolidation required PPK to derecognise all the assets, liabilities, and any related goodwill associated with LIS and the non-controlling interest and to re-measure its remaining interest at fair value as of the deconsolidation date. The resulting difference between these amounts was recognised as a non-cash gain in the statement of profit or loss.

The consolidated result for LIS for the period up to and including 31 October 2024, including the gain on deconsolidation, and the comparative consolidated statement of profit and loss has been re-presented to show the discontinued operation separately from continuing operations.

The results for LIS from 1 November 2024 are now shown in Associates income.

NOTE 8 DISCONTINUED OPERATIONS (continued)

(a) Financial performance and cash flow information of discontinued operation

The financial performance and cash flow information presented below are for the four months ended 31 October 2024 (2025 column) and the year ended 30 June 2024.

	Notes	31 October 2024 $000	31 December 2023 $000
Summarised statement of profit or loss for discontinued operation			
Revenue		-	-
Other income		495	741
Employee expenses		(482)	(575)
Administration expenses		(1,443)	(2,161)
Depreciation and amortisation		(535)	(341)
Finance costs		(30)	(39)
Foreign exchange gain/(loss) on investment at FVTPL		21	(80)
Profit/(loss) before income tax		(1,974)	(2,455)
Adjustment for elimination of intercompany transactions		253	322
Adjusted Profit/(loss) before income tax and before deconsolidation		(1,721)	(2,133)
Gain on deconsolidation of the subsidiary before tax	8(b)	12,180	-
Profit before tax from discontinued operations		**10,459**	**(2,133)**
Income tax expense from discontinued operations	8(b)	(3,168)	-
Profit after tax from discontinued operations		**7,291**	**(2,133)**
Summarised cash flow statement			
Net cash inflow/(outflow) from operating activities		(2,045)	(2,235)
Net cash inflow/(outflow) from investing activities		(1,358)	(3,244)
Net cash inflow/(outflow) from financing activities		(71)	(1,095)
Net cash outflow generated by deconsolidated operations		**(3,474)**	**(6,574)**

NOTE 8 DISCONTINUED OPERATIONS (continued)

Assets and liabilities of the disposal group

The following assets and liabilities were consolidated in relation to the LIS subsidiary as at 30 June 2024 and immediately prior to the disposal on 31 October 2024:

	31 October 2024 $000	30 June 2024 $000
Li-S Energy Limited's contribution to net assets		
Cash and cash equivalents	19,337	22,811
Trade and other current assets	2,451	2,219
Property, plant and equipment	7,278	6,244
Investments	4,632	4,610
Other non-current assets	1,709	2,205
Intangibles	7,384	7,056
Total assets	42,792	45,145
Liabilities		
Trade and other payables	627	746
Provisions	255	249
Other Liabilities	1,394	1,662
Total liabilities	2,276	2,657
Net Assets	40,515	42,488
Goodwill allocated to disposal group	29,271	-
Total Net Assets derecognised	69,786	-

(b) Gain on deconsolidation of Li-S Energy Limited

As a result of the loss of control of LIS, the net assets are derecognised, the retained investment in LIS is measured at its fair value and consideration for shares sold or distributed to shareholders is recognised.

The fair value of shares in LIS as at the date of deconsolidation has been determined to be $0.20 per share, which was the quoted closing market price for shares on 31 October 2024. This is considered to be a Level 1 Fair Value estimate.

This has resulted in the following items being recognised during the period.

	Notes	31 October 2024 $000
Fair value of equity interest in LIS before tax [1]		50,301
Less: Net assets of investment in a controlled subsidiary including goodwill	8(a)	(69,786)
Less: Non-controlling interests derecognised in relation to LIS		21,518
Less: Loan to PPK Group		(2,000)
Add: Consideration received for sale of shares		6,958
Add: Donation of 2.5 million shares transferred to Deakin at nil consideration		-
Add: Fair value of in-specie distribution of shares to PPK shareholders		5,189
Gain on deconsolidation of LIS		12,180
Income tax expense		(3,168)
Post tax gain on deconsolidation of LIS		9,012

Note 1: PPK re-measured its remaining 39% interest in LIS to fair value on the date of deconsolidation to $50.301 million and this required the initial recognition of a deferred tax liability (DTL) of $12.575 million (net tax effected value of $37.725 million).

NOTE 9 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of financial assets and liabilities listed below as well as those measured at amortised cost approximate their fair value.

Estimated discounted cash flows were used to measure fair value, except for fair values of financial assets that were traded in active markets that are based on quoted market prices.

Hierarchy

The following tables classify financial instruments recognised in the statement of financial position of the Group according to the hierarchy stipulated in AASB13 as follows:

- Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for financial instruments, either directly (ie as prices), or indirectly (ie derived from prices); or
- Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2024				
Non-current assets				
Listed equity investments	**148**	**-**	**-**	**148**
Other financial assets	**-**	**-**	**-**	**-**
Total	**148**	**-**	**-**	**148**
30 June 2024				
Non-current assets				
Listed equity investments	185	-	-	185
Other financial assets	-	-	2,610	2,610
Current Assets				
Other financial assets	-	-	2,000	2,000
Total	185	-	4,610	4,795

For assets and liabilities that are recognised on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTE 10 INTANGIBLE ASSETS AND GOODWILL

	31 December 2024 $'000	30 June 2024 $'000
Intangibles assets and goodwill	**7,872**	**44,770**
Intangibles		
BNNT application projects – at cost	**3,626**	**10,609**
Less: accumulated amortisation and impairment	**(853)**	**(720)**
	2,773	**9,889**
WGL application projects – at cost	**1,130**	**1,130**
Less: accumulated amortisation and impairment	**-**	**-**
	1,130	**1,130**
PPE Intangibles as a result of business combination	**1,680**	**1,680**
Less: accumulated amortisation and impairment	**(836)**	**(591)**
	844	**1,089**
Goodwill	**3,125**	**32,662**
Less: accumulated amortisation and impairment[1]	**-**	**-**
	3,125	**32,662**
Carrying amount at end of year	**7,872**	**44,770**

[1] As a result of PPK ceasing to control LIS, the deconsolidation resulted in the derecognition of goodwill related to the BNNT Applications CGU attributed to the Li-S Energy Limited disposal group. Remaining goodwill amounts are related to the Energy Storage CGU.

NOTE 11 COMMITMENTS

The Group had the following commitments at the end of the reporting period:

	31 December 2024 $'000	30 June 2024 $'000
Plant and equipment[1]	**-**	1,083
Intangible assets – commitments to Deakin University[2]	**413**	5,869
Intangible assets – Other[3]	**-**	178
	413	7,130

1. A number of PPK's subsidiaries have entered into certain contracts for plant and equipment that have performance milestones aligned with the commissioning and warranty periods of the equipment.
2. A number of PPK's subsidiaries have outstanding commitments to Deakin University relating to projects contracted under the various Research Framework Agreements entered into. These projects range in durations of up to 3 years (see Note 12).
3. Other commitments relates to non-Deakin University contractual commitments under various research collaboration and consulting agreements.

The above changes in the Group's commitments are primarily a result of the deconsolidation of LIS during the period and commitments primarily relating to the LIS manufacturing facility and payments required under government grant arrangements between LIS and Deakin University.

NOTE 12 RESERVES

		31 December 2024 $'000	30 June 2024 $'000
Reserves		**35,595**	**43,558**
Share options reserve	12.1	**2,229**	1,974
Share premium reserve	12.2	**31,427**	39,645
Dividend revaluation reserve	12.3	**1,939**	1,939
Total		**35,595**	43,558

Movement in reserves

12.1 Share options reserve

Opening balance	**1,974**	1,375
Issue of performance rights	**255**	599
Shares transferred to trust	**-**	-
Issue of performance rights in a subsidiary company	**87**	897
Reserves belonging to non-controlling interests	**(87)**	(897)
Closing balance	**2,229**	1,974

The share options reserve is used to recognise the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

The fair value of the options at issue date is deemed to represent the value of employee services received over the vesting period, recognised as a proportional share-based payment expense during each reporting period, with the corresponding credit taken to a share option reserve.

12.2 Share premium reserve

Opening balance	**39,645**	37,561
Change in PPK's and related entities interest in LIS's issued capital and reserves	**(8,218)**	256
Change in PPK's and related entities interest in WGL's issued capital and reserves	**-**	1,822
Change in PPK's and related entities interest in BNNTTL's issued capital and reserves	**-**	-
Other movements	**-**	6
Closing balance	**31,427**	39,645

The share premium reserve is used to recognise gains and losses on the change of PPK's interest in subsidiaries that do not result in a change of control. During prior periods, PPK's interest in LIS and WGL has decreased due to capital raises and share disposal transactions to non-controlling interests. As these changes did not result in PPK losing control, the corresponding gains were recognised in the share premium reserve.

12.3 Dividend revaluation reserve

Balance	**1,939**	1,939

The dividend revaluation reserve was used to recognise the internal profit generated from the issue of LIS shares to PPK shareholders in the form of a special dividend of $0.025 per PPK share held by PPK shareholders on 17 December 2020.

NOTE 13 RELATED PARTY TRANSACTIONS

During the period, PPK deconsolidated Li-S Energy Limited. LIS continues to be a related party, being an Associate of PPK.

13.1 The Group entered the following related party agreements during the six months ended 31 December 2024

Deakin University

During the six months ended 31 December 2024, LIS, WGL, and BNNTTL participated in Deakin's Recycling and Clean Energy Commercialisation Hub ('REACH'). REACH was established after being awarded a $50 million grant from the Australian Government's inaugural Trailblazer Universities Program to address Australia's national manufacturing priorities.

Under REACH, LIS, WGL, and BNNTTL entered into three new Research Framework Agreements ('RFA') with Deakin and committed to several new projects under their respective new RFAs. The new RFAs govern all research projects conducted between LIS, WGL, BNNTTL, and Deakin under the REACH program, as set out in Project Schedules entered into under the respective RFAs. Under the terms of the RFAs, LIS, WGL, and BNNTTL all retain their project intellectual property ('IP') arising from REACH.

13.2 Related party transactions

Management Services

PPK charged the following companies for management support services for the six month period ended 31 December 2024:

COMPANY	31 December 2024 $'000	31 December 2023 $'000
LIS	**470**	410
BNNTTL	**66**	121
WGL	**66**	121
PPE	**120**	24
CIB	**7**	-
AMAG	**44**	-
TOTAL	**773**	676

Office Space Rent

PPK recharged LIS for corporate office rent for the six month period ended 31 December 2024:

COMPANY	31 December 2024 $'000	31 December 2023 $'000
LIS	**6**	3
TOTAL	**6**	3

Loan Interest Charged to Related Party

COMPANY	31 December 2024 $'000	31 December 2023 $'000
PPE	**56**	13
Strategic Alloys	**-**	5
WGL	**35**	-
TOTAL	**91**	39

NOTE 13 RELATED PARTY TRANSACTIONS (continued)

Loan Interest Charged by Related Party

	31 December 2024 $'000	31 December 2023 $'000
LIS	101	101
TOTAL	**101**	101

Sale of BNNT and White Graphene

During the period, LIS purchased $1,400 of nanomaterials from WGL. There were no sales of BNNT to related parties during the period.

Research and Development & Property Leases

Deakin University charged the following companies for research and development and property leases during the period:

Research and Development Payments to Deakin University

	31 December 2024 $'000	31 December 2023 $'000
LIS	**2,230**	4,478
BNNTTL	**313**	
WGL	**57**	-
	2,600	4,478

Property Lease Payments to Deakin University

	31 December 2024 $'000	31 December 2023 $'000
LIS	**278**	177
BNNTTL	**31**	121
WGL	**39**	44
	348	342

NOTE 14 EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There have been no matters or circumstance that has arisen since the end of the financial period which is not otherwise dealt with in this report or in the interim financial report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

1. In the opinion of the Directors of PPK Group Limited;

   a) The interim financial report and notes of PPK Group Limited are in accordance with the *Corporations Act 2001*, including:

      (i) Giving a true and fair view of its financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

      (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

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

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*:

Anne-Marie Birkill
Chair
26 February 2025

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Independent auditor's review report to the members of PPK Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of PPK Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2024 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, notes comprising 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 half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial 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* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group 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.

Directors' responsibilities for the half-year financial report

The directors of the Company 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 responsibilities for the review of the half-year 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 2024 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*.

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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.

Ernst & Young

Ernst & Young

Madhu Nair
Partner
Brisbane
26 February 2025