



ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Thursday, 3 October 2024

Special dividend –in-specie distribution of shares in Li-S Energy Limited

PPK Group Limited (ASX Code: PPK) is pleased to announce that the Board has determined to pay to PPK shareholders a fully franked, special in-specie dividend via a distribution of shares in Li-S Energy Limited (ASX:LIS).

Li-S Energy Limited is a public company listed on the Australian Securities Exchange since September 2021. LIS is a leading Australian battery manufacturer focused on commercialising novel lithium-sulfur and lithium metal battery technology.

The Board has determined that it will cede control of LIS and deconsolidate from an accounting perspective, including via an in specie distribution of just under 26m LIS shares currently held by PPK to all holders of PPK shares on the record date. A further update on this deconsolidation will be provided prior to the payment date.

Managing Director Marc Fenton commented:

“PPK is thankful for the continued support of its shareholders. The Board is pleased to determine to pay this special dividend as a means of recognising that support and returning value to shareholders, in a manner that aligns with our business model.

The Board believes that the deconsolidation of LIS will simplify the PPK financials making them easier to interpret for shareholders and investors, both current and future. The increasing separation will also allow us to more clearly emphasise the performance of the other group companies, such as PowerPlus Energy and Craig International Ballistics .

Further, the PPK team has provided significant support to LIS over the past five years during which time LIS has transitioned from a research focused organisation to a customer and engineering-led manufacturer with Australia’s largest pouch cell manufacturing facility. LIS has the resources in place to operate as a fully independent company. Consequently, the PPK Board determined that this was the right moment for PPK to cease to control LIS and to deconsolidate from an accounting perspective.

PPK remains confident in the long-term value of LIS and, after deconsolidation, PPK expects to continue to rank as the largest shareholder in LIS, preserving this value opportunity for PPK shareholders into the future.”

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Nature of the special dividend

PPK shareholders will receive 1 existing share in LIS for every 3.5 shares held in PPK on the record date. The indicative value of this dividend will ultimately depend on the closing price of LIS shares on the day prior to the payment date.

In total, around 25.95m LIS shares held by the Company will be distributed to eligible PPK shareholders. This distribution will be fully franked.

The record date for this special dividend will be Wednesday 16 October 2024.

The ex date will be Tuesday 15 October 2024.

The payment date will be Thursday 31 October 2024.

Shareholders will only receive a whole number of LIS shares, with any entitlement to a fraction being rounded down to the nearest whole share.

Foreign Shareholders

In respect of shareholders whose registered address is in a place outside Australia or New Zealand (**Foreign Shareholders**), unless the Foreign Shareholder notifies the Company with alternate instructions, the Company will appoint an agent (**Sales Agent**) and will instruct the Sales Agent to sell the Li-S shares to be distributed (**Dividend Shares**) to the Foreign Shareholders (or that the Foreign Shareholders would be entitled to), with the proceeds from the sale being remitted to the Foreign Shareholders in their respective proportions.

The Sales Agent will sell the Dividend Shares at such price and on such other terms as the Sales Agent determines in good faith (and at the risk of Foreign Shareholders) having due regard for the desire to achieve the best price reasonably available at the time of sale.

The payment of the proceeds from the sale of Dividend Shares will be in full satisfaction of the rights of Foreign Shareholders in respect of their entitlements to the Dividend Shares.

Authorised by the Board.

For further information contact:

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