



ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Thursday 29 August 2024

Preliminary Final Report and Annual Report to Shareholders

Please find attached our Preliminary Final Report and Annual Report to Shareholders – Year Ended 30 June 2024.

Authorised by the Board.

For further information contact:

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ASX Announcement
Appendix 4E – Preliminary Final Report

This information should be read in conjunction with PPK Group Limited's 30 June 2024 Annual Report.

Name of Entity

PPK Group Limited

ABN 65 003 964 181

Results for announcement to the market

Comparison to previous corresponding period	30 June 2024 \$M	30 June 2023 \$M	Change \$M	Change %
Total revenues from ordinary activities ¹	\$28.186	\$6.352	\$21.834	344
Profit / (loss) from ordinary activities after tax attributable to owners	(\$10.743)	(\$7.815)	(\$2.928)	37
Net Profit / (loss) after tax attributable to owners ²	(\$10.743)	(\$7.815)	(\$2.928)	37
Earnings / (loss) per share – cents (basic)	(12.1)	(8.8)	(3.3)	38
Earnings / (loss) per share – cents (diluted)	(12.1)	(8.8)	(3.3)	38
Net tangible assets per share – cents	43.79	58.29	(14.50)	(25)

¹ Revenue includes \$27.471M from PowerPlus Energy Pty Ltd (PPE). PPE joined the Group on 4 May 2023 and revenue in FY23 for May/June was \$5.081M.

² Losses attributable to owners from ordinary activities includes a \$3.940M loss from subsidiary companies (i.e. predominantly Li-S Energy Limited's loss of \$2.068M, White Graphene Limited's loss of \$1.134M and BNNT Technology Pty Limited's loss of \$0.740M) and a loss from PPE of \$1,959k.

³ The net tangible assets per share excludes right of use assets recognised in accordance with AASB 16.

Dividends

The Board has resolved not to issue a final dividend.

Audit

This report is based on financial statements which have been audited.

Commentary on results for the period

A commentary on the results for the period is contained in the Annual Report that accompanies this announcement.

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ANNUAL REPORT 2024

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CHAIR'S REPORT

Dear fellow shareholder,

Welcome to my first annual report as the new Chair of your company, a role I am honoured to assume. I am excited about the future of PPK based on the underlying opportunities presented through our portfolio of companies in the energy storage, safety and nanomaterials sectors.

Following the divestment of PPK Mining Equipment in June 2022, which provided a return to PPK shareholders, PPK has been refining its mandate and developing a plan to pivot to a new position in the market. This process has necessarily included a reconciliation of our assets and a redefinition of our business model.

We feel confident that our future focus on investment in growth stage companies participating in the transition to renewable energy, addressing human safety and applying proprietary nanomaterials to solve the challenges of industry is well aligned with our investment mandate and the skills and experience of our executive leadership team.

Our mandate, based on the opportunities we see in the market, the performance of our existing portfolio, and the experience the PPK team has amassed is 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.

We will apply the skills and resources of our talented executive leadership team and board to support the continued growth of these assets and seek opportunities to monetise them delivering returns to PPK shareholders. Current examples of assets that illustrate this principle in action include PPK portfolio companies Li-S Energy (LIS), Craig International Ballistics (CIB) and PowerPlus Energy (PPE) who are performing well and progressing towards their growth targets. While at a much earlier stage, our nanomaterials companies, BNNT Technology Pty Ltd and White Graphene Limited, remain important to the future success of LIS, but broader adoption of these proprietary materials is a long game.

ENERGY TRANSITION MARKET OPPORTUNITY

LIS and PPE are well positioned to support Australia's National Battery Strategy released in May 2024 by the Australian Government Department of Industry, Science and Resources, building local battery capability, knowledge, skills and jobs that align with Australia's national interests.

PPE focuses on stationery battery storage solutions in the off-grid and on-grid markets, historically in Australia in industry but with a vision to expand into domestic settings and international markets. We expect market consolidation to occur over time across the Australian battery supply chain and will be opportunistic in our pursuit of synergistic deals that will create value.

LIS is focused on next-generation lithium sulfur and lithium metal batteries, offering higher energy density, lighter weight, and improved safety. These batteries will be ideal for applications where weight is crucial, such as drones, electric aviation, and defence.

LIS has been successful in obtaining key grants to progress building sovereign capability with a \$1.35M Commonwealth Government Emerging Aviation Technology Partnership with V-TOL Aerospace and Halocell as key partners. In August 2024 LIS was awarded a \$1.7M Industry Growth Program Grant¹ to develop Australia's first lithium foil production line and the Minister for Industry and Science The Hon. Ed Husic officially opened the LIS Phase 3 facility, which will deliver test battery cells to partners in the coming months.

¹ [Li-S Energy Limited awarded \\$1.7m industry growth program grant](#)

STRONG GROWTH IN HUMAN SAFETY

CIB provides its customers with personal protection, and opaque and transparent survivability solutions for vehicles, aircraft and marine vessels. CIB's manufacturing facilities are located on the Gold Coast in Queensland. CIB has strategically invested, with some government support, to build leading edge in-house capability including a ballistics testing capability, autoclave and a new press that will provide increased output and improved ballistics performance.

During the financial year, CIB won significant contracts to supply transparent armour and wiper systems for the future Hunter Class Frigates being built in Australia, and the Government placed a \$30 million order for body armour that will be used by the Australian Defence Force (ADF) personnel, including in combat and counter-terrorism operations.

A LONG ROAD TO IMPROVING ROAD SAFETY

The AMAG vision is to improve the safety and operation of transportation networks to enable customers to more efficiently reduce congestion, fatalities, and serious injuries on their transport networks. While AMAG now has over 20 clients globally, conversion of these government enterprise clients from initial trials to ongoing recurring revenue with expanded scope is taking significantly longer than anticipated. AMAG may well be better positioned for growth as part of a larger global entity where the company can take advantage of deeper business development and customer support resources, and AMAG is actively exploring this opportunity.

NANOMATERIAL MARKET CREATION

Bringing novel, disruptive products to market requires significant capital investment and expertise and timeframes are typically long. While as reported in October 2023 BNNT has achieved a lowered production cost, unfortunately this did not translate to significant market uptake. From market research, distributor feedback and prospect discussions we are not aware of any substantial volume-based sales of BNNT today. While the qualities of BNNT have the potential to address many materials industry challenges, to date there has been limited market pull for BNNT despite the company investing significantly to identify and realise market opportunities globally.

As mentioned previously, the team continues to validate a derivative of BNNT, now called BNNT-X. A lab scale manufacturing process is now operational at Deakin in Geelong, and there is one active BNNT-X partner validation in progress with interest from several others.

Boron nitride nanomaterials remain a key component in the LIS solution to improve performance and cycle life, and we will continue to supply to LIS requirements. We will also explore alternate value realisation opportunities in the broader market.

As White Graphene has a much lower entry cost, we have seen strong interest based upon the research findings in coatings and lubricants. However, the validation timeframes can span multiple years and partner priorities change. There are currently three active validations underway and eight collaborations in progress. While this market engagement is encouraging, the pathway to revenue generation is long and we do not expect any material revenue from White Graphene during FY25.

THE PATH FORWARD

The Group is focused on strengthening the performance of the existing portfolio of investments while looking for new opportunities to expand PPK's footprint in energy storage. The PPK leadership team's collective experience in investment, manufacturing, business growth, finance, governance and legal across sectors including energy, plastics, agriculture, mining, and technology is a significant resource accessed by PPK portfolio companies to

support them in their growth aspirations. I am exceptionally proud of the work this team does to support the PPK portfolio, and of their laser like focus on delivering shareholder value.

PPK continues to defend a claim in the Supreme Court of New South Wales in relation to a dispute concerning a business acquired in 2014. The Supreme Court of New South Wales has now issued decisions on both relief and costs. PPK has satisfied the award of \$500,000 of shares, which were issued on 28 June 2024. The parties have yet to conclude negotiations on costs.

You will be aware that in recent months the PPK Board has undergone a restructure. I take this opportunity to thank outgoing Chair Robin Levison for his service to PPK and for all the many contributions he has made to the PPK portfolio during his tenure. I welcome to the Board our CEO Marc Fenton as Managing Director and acknowledge Glenn Molloy for his ongoing role as Executive Director. Our global search for a new director with experience across the energy storage sector continues and we will advise an appointment in due course.

In closing, thank you once again for your support. PPK expects to hold its Annual General Meeting at PowerPlus Energy in Scoresby, Victoria on Thursday, 28 November 2024, and I encourage shareholders to attend on site to tour the facility and engage with members of the PPK team in person.

The AGM will be the first of several opportunities for shareholders to engage with members of the PPK board and executive leadership team in the year ahead.

Nominations from persons wishing to be considered for election as a director will close on Wednesday, 9 October 2024.



ANNE-MARIE BIRKILL
Non-Executive Chair

DIRECTORS' REPORT

Your directors present their report together with the financial statements of the consolidated entity, being PPK Group Limited and its 100% owned subsidiaries ("PPK") and its controlled entities (the "Group") for the financial year ended 30 June 2024.

DIRECTORS

The names of directors in office at any time during or since the beginning of the financial year and up until the date of this report are:

Robin Levison	Retires 31 August 2024
Glenn Robert Molloy	
Anthony John McDonald	Retired 23 November 2023
Anne-Marie Birkill	Appointed Non-Executive Chair 1 July 2024
Marc Fenton	Appointed Managing Director 1 July 2024

Directors have been in office since the start of the financial year to the date of this report, unless otherwise noted.

INFORMATION ON DIRECTORS

Details of the current directors' qualifications, experience and special responsibilities are detailed below:

Robin Levison CA MBA F.A.I.C.D.
Chairman

Member of the PPK Group Limited Board since 22 October 2013.

Executive Chairman from 22 October 2013 to 29 April 2015 and re-appointed from 28 February 2016 to 30 June 2022.

Non-Executive Chairman from 29 April 2015 to 28 February 2016 and from 1 July 2022 to 30 June 2024.

Member of the Audit Committee from 14 August 2017 to 25 January 2018 and from 1 July 2022 to 31 August 2024.

Member of the Remuneration and Nomination Committee since 21 December 2021; Chair of the Remuneration and Nomination Committee from 30 January 2024 to 31 August 2024.

Robin Levison has more than 25 years of public company management and board experience. During this time, he has served as Managing Director at Industree Limited and Spectrum Resources Limited and has held senior roles at KPMG, Barclays Bank and Merrill Lynch. He is a Non-Executive Director of a number of PPK's related companies including ASX listed Li-S Energy Limited, unlisted public company White Graphene Limited (retired 11 July 2024) and private companies including BNNT Technology Pty Ltd, BNNT Precious Metals Pty Ltd, 3D Dental Technology Pty Ltd, Ballistic Glass Pty Ltd, Strategic Alloys Pty Ltd, AMAG Holdings Australia Pty Ltd and Craig International Ballistics Pty Ltd (retired from all private companies 11 July 2024, other than AMAG).

Robin holds a Master of Business Administration from the University of Queensland, is a Member of the Institute of Chartered Accountants Australia and NZ and is a Graduate and Fellow of Australian Institute of Company Directors. Robin recently retired as Chair of the University of Queensland Business, Economics and Law Alumni Ambassador Council.

Other listed public company directorships held in the last 3 years:

- Chairman of Mighty Craft Limited (formerly Founders First Limited), Non-executive Director & Chairman (From 17 December 2019 to 22 November 2022)
- Non-Executive Director of Li-S Energy Limited (appointed 12 July 2019)

Glenn Molloy
Executive Director

Member of the PPK Group Limited Board since listing on 21 December 1994.

Chairman of the Audit Committee from 14 August 2017 to 21 December 2021. Member of the Audit Committee from 21 December 2021 until 30 June 2022 and from 30 January 2024 onwards.

Member of the Remuneration and Nomination Committee since 30 January 2024.

Founder of the former entity Plaspak Pty Limited in 1979, appointed Executive Director in September 2009.

Glenn Molloy founded the former entity Plaspak Pty Ltd in 1979 and has acted as a director of PPK since that time. He has extensive experience on public company boards, and in advising publicly listed and private entities on commercial aspects of mergers, acquisitions and divestment activities. He is Executive Chairman of PPK's unlisted subsidiaries BNNT Technology Pty Ltd ("BNNTTPL") and White Graphene Limited and a Non-Executive Director of PPK's related companies BNNT Precious Metals Pty Ltd, 3D Dental Technology Pty Ltd, PowerPlus Energy Pty Ltd, Ballistic Glass Pty Ltd and Craig International Ballistics Pty Ltd.

Other listed public company directorships held in the last 3 years: Nil

Anthony John McDonald LL.B
Non-Executive, Independent Director

Member of the PPK Group Limited Board since 13 September 2017; retired 23 November 2023.

Member of the Audit Committee since 25 January 2018, Chairman of the Audit & Risk Committee from 21 December 2021; retired 23 November 2023.

Chairman of the Remuneration and Nomination Committee since 21 December 2021; retired 23 November 2023.

Tony McDonald graduated with a Bachelor of Laws from the Queensland University of Technology in 1981 and was admitted as a solicitor in 1981. He has been involved in the natural resource sector for many years both within Australia and internationally and for the past 20 years has held senior management roles in this sector. He was a Non-Executive Director of a number of PPK's related companies including ASX listed Li-S Energy Limited, unlisted public company White Graphene Limited and private company Strategic Alloys Pty Ltd.

Other listed public company directorships held in the last 3 years:

- Santana Minerals Limited, Non-Executive Director (Appointed: December 2019, Executive Director 15 January 2013 to December 2019). Retired 1 January 2024
- Li-S Energy Limited, Non-Executive Director (Appointed 12 July 2019, retired 14 November 2023)

Anne-Marie Birkill BSc (Hons) MBA GAICD
Non-Executive, Independent Director

Member of the PPK Group Limited Board since 1 July 2022. Appointed Non-Executive Chair 1 July 2024.

Member of the Audit & Risk Committee since 1 July 2022; Chair of the Audit & Risk Committee since 30 January 2024.

Member of the Remuneration and Nomination Committee since 1 July 2022.

Anne-Marie is an experienced Executive and Non-Executive Director with private, public, industry and government boards and committees that support and finance technology companies. She has more than 30 years' experience in commercialising and developing products for the innovation and investment sectors.

Anne-Marie is a co-founder and director for OneVentures, a venture capital firm that invests in technology and healthcare companies with global potential. She is an active participant in the innovation community, including Chairing the Investment Committee for the \$150M UQ-lead Food and Beverage Accelerator and is a non-executive director for UniQuest Pty Ltd (The University of Queensland's main commercialisation company) and InterFinancial

Corporate Finance Ltd. She is passionate about increasing diversity in the entrepreneurial, science and finance sectors.

Other listed public company directorships held in the last 3 years: Nil

Marc Fenton BSc (Hons) IT Grad Dip Business Management
Managing Director

Appointed as Managing Director on 1 July 2024.

Marc is the Chief Executive Officer & Managing Director of PPK Group. Prior to PPK Marc was the Head of Technology with Australian Agricultural Company and held various General Manager technology roles with Rio Tinto across technology strategy, organization design, technology governance, outsourcing and cost reduction. Earlier in his career Marc worked in Deloitte across a broad range of industries and projects. Marc has worked and lived across Australia and internationally.

Marc holds a Bachelor of Science (Hons) from Dublin City University, Ireland and a Graduate Diploma in Business from the AGSM, Sydney.

Other listed public company directorships held in the last 3 years:

- Non-Executive Director of Li-S Energy Limited (appointed 1 February 2024)

INFORMATION ON COMPANY SECRETARIES

Will Shiel BA (Hons) in Law FGIA

Appointed as General Counsel and Company Secretary on 16 August 2021.

Will specialises in all aspects of commercial law, with a particular focus on contracts and cutting-edge technology transactions.

Before joining PPK, Will was Head of Technology (Legal) at ASX Limited where he managed a team responsible for technology, intellectual property and data matters. Before this, he held a variety of senior positions in Brisbane, Sydney and London at leading national and international law firms, including Allens Linklaters, Gilbert+Tobin and Clifford Chance.

Liam Fairhall BLaw (Hons); BMed Rad Sci; Grad Dip ACGRM

Appointed Company Secretary on 30 June 2022.

Liam is the Deputy General Counsel for PPK Group Limited. He specialises in all aspects of corporate law and governance and has acted on a wide range of complex transactions, assisted multiple companies list on the ASX and advised Boards on a diverse range of regulatory and compliance issues. Before joining PPK, Liam was Head of Legal and Company Secretary at a technology focussed bank that specialises in the provision of payment products and financial crimes services. Before this, he was a Senior Associate in the Corporate Advisory Group of one of Brisbane's largest independent law firms.

PRINCIPAL ACTIVITIES

PPK invests capital and expertise in high potential opportunities with a current focus on energy storage, safety related products and nanomaterials. Our goal is to strengthen each investment and, when appropriate, exit the investment.

The portfolio includes:

- energy storage assets Li-S Energy and PowerPlus Energy
- defense safety related products delivered through Craig International Ballistics
- traffic safety products delivered with artificial intelligence through AMAG
- nanomaterials scope inclusive of BNNT Technology and White Graphene.

PPK provides Finance, IT, Legal, and other strategic and transactional shared services to its portfolio companies. The strategic and transactional services include financial planning across multiple years, commercial activities, contract establishment, capital raising, risk management, IT architecture, cyber security, accounts payable, accounts receivable and payroll. PPK portfolio companies pay for these shared services, and those fees partially cover PPK's corporate costs.

REVIEW OF ACTIVE OPERATIONS

Below is an update on each of our significant investments.

PowerPlus Energy (“PPE”)

PPE designs and manufactures reliable and modular batteries and Battery Energy Storage Systems (BESS) adapted to the unique range of stationary storage solutions required by the off grid, on grid and fringe of grid customers across Australia. Utilising an established network of distributors and installers across the country, the company's products are proudly Australian 'Made and Owned'.

PPE has a strong and trusted brand with local onshore support, especially in the commercial and industrial sectors. The commitment to customer care is a legacy of PPE's origins and continues to be a key point of differentiation. The brand awareness has increased through participation at key energy tradeshow and conferences such as All Energy in Melbourne, and Solar & Storage in Brisbane. It has an active social media presence highlighting battery installations, energy storage use cases and publishes a quarterly PPE newsletter named 'Currents' through its website.

The National Battery Strategy, released by the Australian Government Department of Industry, Science and Resources, in May 2024 is a long-term commitment to the battery industry in Australia. PPE is already active across many of the priorities outlined within it for building manufacturing capabilities that strengthen economic resilience and creating Australian made jobs.

During FY24, PPE continued to evolve its strategy by expanding beyond numerous small 20-50KWh installations to include more substantial projects. Notable large-scale installations during this period included:

1. An installation on Louth Island installation in South Australia, showcasing opportunities in ecotourism for the company.
2. Installation at a major mine site in Western Australia, where containerised Stand-alone Power Systems for a wireless mesh network demonstrated the resilience of the PPE products in harsh conditions.
3. The McNeil Dairy Project for Willows Pastoral in regional Victoria, driven by a compelling business case for using solar and batteries to enable a fringe off grid farm to operate milking machines 24/7.

Engaging with the installer customer network is a key focus to ensure the PPE product offerings match a customer need. For example, the Escape Series of BESS products are a unique and easy to install solution adapted to Australia's varied climatic conditions. Equally, this constant engagement provides feedback to PPE on customer needs to inform future product roadmap development as the battery landscape will continue to evolve with new products and solutions.

Demonstrating its commitment to customer care, throughout the year PPE delivered approved training to installers in the industry that awarded Continuing Professional Development (CPD) points.

The manufacturing process maintains a focus on continuous improvement and greater efficiency and productivity from battery assembly to testing and full system production. With the continued downward price pressure from overseas battery suppliers, PPE must maintain a constant focus on cost measures and key points of differentiation, for example its local warranty and support.

PPE recently attained ISO-9001 certification, which is a globally recognised standard for quality management, reflecting the investment the company has made in its manufacturing processes.

Li-S Energy Limited (“LIS”)

LIS continues to commercialise over a decade of research from Deakin University in the development of lithium-sulfur and lithium-metal batteries that utilises boron nitride nanomaterials to improve performance and cycle life. The battery cell will offer higher energy density, lighter weight, and improved safety. These batteries will be ideal for applications where weight is crucial, such as drones, electric aviation, and defence.

In FY24 the LIS team focussed on commissioning the \$10m Phase 3 facility to allow the manufacture of commercial size and quality cells using their unique chemistry. In addition, the LIS team completed the installation of a comprehensive Battery Testing Centre, with all required cell performance and safety testing facilities to enable drop testing, crush testing, external short circuit, nail penetration, vibration, high altitude and thermal extreme testing. The Battery Test Centre includes extensive cell cycle testing channels linked to the Byterat cell data management and analysis systems. These sophisticated systems enable LIS to simulate partner mission profiles to test how the cells would perform in real-world applications, and to identify and predict any performance anomalies.

In the fourth quarter of FY24, in response to an evolving partner requirement for small format cells for smaller devices, LIS commenced the installation of an additional small format cell production line in the dry room. Installation is expected to be completed in Q1 FY25. This will expand the opportunity for LIS' partners to use its cells in a broader range of applications with both small and large cell formats available.

The Phase 3 facilities have been supported by the Trailblazer Universities program from the Federal Government and enables LIS to undertake additional significant programs such as the \$1.35m Emerging Aviation Technology Program (EATP) Grant they were awarded in June 2024 to develop a battery for a drone that will fly “from dawn until dusk”.

The Phase 3 facility was officially opened on 9 August 2024 by the Minister for Industry and Science Ed Husic with the announcement of the \$1.7m grant from the Industry Growth Program (IGP) to develop a sovereign capability in lithium foil manufacture.

LIS are on track to deliver the first sample battery cells to customers in the coming months and with the support of the IGP funding are able to accelerate the development of the lithium foil and laminate products. LIS are also well advanced in the development of a battery management system (BMS) for their cells, building on an earlier initial prototype. This is complex for any new battery system but the IP LIS is creating through this development should be critical to allow them to develop battery modules for customers as well as providing raw cells.

The LIS core partners such as VTOL Aerospace and Magnix Aviation continue to work in concert with the LIS technical team to ensure that the LIS test cells meet their specific requirements for power, energy density and cycle life.

LIS is targeting four key strategic objectives over the next two years as part of its long-term value proposition for investors, partners, and customers:

1. **Pathway to core revenue** – through development of data sheets and test cells for its partners and investment in battery pack development.
2. **Additional funding and revenue streams** – through significant Government Grants and new products such as lithium foils and laminates.
3. **Strong partnerships with offtake agreements** – once test cells are available, LIS will seek to evolve its end-user partnerships into conditional offtake agreements.
4. **A pathway to scale** – offtake agreements and proven manufacturing processes will allow LIS to develop options for the next scale of commercial facility and open a range of licensing and funding models.

Craig International Ballistics (“CIB”)

CIB provides customers with personal protection, and opaque and transparent survivability solutions for vehicles, aircraft and marine vessels. CIB’s manufacturing facilities are located on the Gold Coast in Queensland. CIB is a leading supplier of ballistic protection to the Australian Defence Force.

CIB has been the stand-out performer in PPK’s portfolio of companies during FY24. CIB achieved 65% revenue growth in FY24, with prospects for further growth in FY25.

During the financial year, CIB won significant contracts to supply transparent armour and wiper systems for the future Hunter Class Frigates being built in Australia, and the Government placed a \$30 million order for body armour that will be used by the Australian Defence Force (ADF) personnel, including in combat and counter-terrorism operations.

CIB continues to invest in its future, with onsite ballistic and stab testing facilities commissioned and in use, providing rapid testing of product development in-house before external certification. In addition, the new state-of-the-art hydraulic press equipment has been installed and is in the final stages of commissioning. The new press equipment will increase the size and production output of flat-pressed UHMWPE and para-aramid panels whilst improving ballistic performance. The new equipment with increased capacity will better position CIB to participate in larger military projects in the region.

The autoclave commissioned in the prior financial year continues to contribute to the product diversification and provides a good improvement to CIB’s prior production processes.

CIB enters the FY25 financial year with its largest confirmed order book in the company’s history.

Advanced Mobility Analytics Group (“AMAG”)

The AMAG vision is to improve the safety and operation of transportation networks to enable customers to more efficiently reduce congestion, fatalities, and serious injuries on their transport networks. This vision aligns with governments around the world targeting zero road deaths. The AMAG artificial intelligence led predictive analytics technology disrupts and replaces decades of government reliance on old, limited sensor technologies and reliance on historical crash and injury data to manage network fatalities and injuries.

AMAG has more than 20 customers across countries and has expanded its distribution network in Canada (Ramudden Digital) with the addition of Urban Connection in New Zealand as an exclusive distributor, and GovTechLabs in the US as a non-exclusive distributor.

Despite the growing pipeline of sales opportunities, the time required to acquire, and on-board customers remains significantly protracted because of the procurement processes of government clients. With a combination of cost savings and modest overall revenue growth the cash runway requires continuous assessment. Given these delays, AMAG undertook a cost reduction exercise and completed an internal funding round from existing shareholders, in which PPK participated for its full pro rata entitlement.

AMAG may well be better positioned for growth as part of a larger global entity where the company can take advantage of deeper business development and customer support resources, and the company has been exploring opportunities for this.

White Graphene (“WGL”)

White Graphene (boron nitride nanosheet) is a super-strong, thermally conductive, thermally and chemically stable 2D material consisting of hexagonal arrays of boron and nitrogen atoms that can be used as additives in a wide range of applications to improve performances.

In late March 2024, the new white graphene production line was installed with a focus now on the optimisation of production processes to maximise efficiency and minimise cost. The new production line is capable of producing in excess of 2kg per shift.

During FY24 WGL completed required regulatory tests including independent toxicity tests. The initial third-party toxicity testing results show that white graphene has no gene mutation or acute inhalation, oral, dermal toxicity or acute eye and dermal irritation or skin sensitisation concerns.

The Collaborate, Validate and Trade approach to gaining customers continues. There are a number of active validations underway across industries with a focus on coatings, lubricants and composite materials. Some validations have not progressed as far as originally anticipated due to competing priorities within the partner organisation. WGL is actively looking to progress validations to supply agreements but the processes of testing and incorporating new materials into existing production processes is time consuming and is taking longer than anticipated.

LIS is testing white graphene in its next generation lithium sulfur and lithium metal battery chemistries. Filgen, an existing BNNT distributor is now a distributor of white graphene and has purchased some R&D quantities for its customers.

BNNT Technology Pty Ltd (“BNNTTPL”)

BNNT Technology Pty Ltd manufactures boron nitride nanotubes (BNNTs), which are a type of nanotube composed of boron and nitrogen atoms arranged in a hexagonal lattice structure that can provide a nanoscale structural reinforcement in a variety of materials. This form enables them to be many times stronger, more flexible, thermally conductive, heat resistant, and more durable than any metal or carbon fibre.

BNNTTPL believes it is the lowest cost producer of BNNT globally based on market available information, but despite significant progress on reducing the production cost, as communicated globally in October 2023, it has not translated to an increase in market participation. BNNTTPL is not aware of any material volume sales of BNNT by competitors across the globe, which suggests BNNT is still in the early stages of industry research and development with application use cases, and remains too expensive for the market use cases.

As mentioned previously, the team continues to validate a derivative of BNNT, now called BNNT-X. A lab scale manufacturing process is now operational at Deakin in Geelong, and there is one active BNNT-X partner validation in progress with interest from several others.

Importantly, the LIS BNNT supply and distribution agreement remains in place and BNNTTPL will continue to supply LIS with the required volume of boron nitride nanomaterials. Filgen, an existing BNNT distributor purchased some R&D quantities for its customers. Other validation work has not progressed as originally anticipated due to competing priorities within the partner organisation.

To maintain a BNNT production and research capability we have reduced the operating costs accordingly and reduced our production footprint.

A research project is in progress with Deakin for BNNT and BNNT-X with gold and aluminium given their market demand and underlying cost structure being able to afford the price performance of these nanomaterials. This work is still underway with results due in the first half of FY25.

DIVIDENDS PAID OR DECLARED

There were no dividends declared or paid during the period.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs during the period.

REVIEW OF FINANCIAL CONDITION

Financial Performance

The financial results in PPK's profit or loss statement as summarised in Note 4 Segment Information show:

- Revenue from contracts with customers of \$28.186 million (2023: \$6.352 million)
- Other operating income/(losses) and finance income of \$2.497 million (2023: \$1.084 million)
- Share of profit/(loss) from associates of \$1.125 million (2023: \$0.135 million)
- Finance costs of \$1.565 million (2023: \$0.382 million)
- Technology Segment expenses of \$9.339 million (2023: \$7.229 million)
- Energy Storage Segment expenses of \$10.475 million (2023: \$1.578 million)
- Corporate expenses of \$7.509 million (2023: \$7.579 million)

Financial Position

The Group continues to maintain a strong balance sheet as evidenced by:

- \$28.348 million of cash and cash equivalents (2023: \$39.999 million) of which \$4.456 million is directly held by PPK (2023: \$3.840 million);
- PPK received current year management fees of circa \$1.400 million from non-wholly owned subsidiary companies and associates for providing shared support services;
- PPK has strategic ownership in ASX listed companies which have a market value of approximately \$0.185 million (2023: \$0.287 million) and would be available for sale, if required;
- LIS (a subsidiary in which PPK owns 290.849 million shares) listed on the ASX on 28 September 2021;
- WGL undertook a capital raise in FY23 of \$3.623 million, and received subscriptions for 7,246,500 shares at 50 cents per share, valuing PPK's 74.688 million shares at \$37.344 million. The shares would be available for sale, if required; and
- PPK has access to sufficient working capital funds to finance the planned research and development programs of the nanomaterial businesses.

The consolidated balance sheet reflects the strength of the underlying subsidiaries. The \$28.348 million of cash is predominantly in relation to that held by LIS due to its capital raise in September 2021 (and earlier pre-IPO raise). The increase in property, plant and equipment at balance date to \$13.032 million (2023: \$10.642 million) and intangible assets and goodwill to \$44.770 million (2023: \$44.617 million) reflects the strategy of PPK to grow and commercialise the underlying subsidiaries.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 16 August 2024, PPK Investment Holdings Pty Ltd (PPKIH) and PPE entered into a secured convertible note deed under which PPE will issue up to \$2 million in notes. PPKIH has subscribed for up to \$1 million in notes, with the remaining \$1 million subscribed for proportionately by two entities associated with 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 this 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 of 29 August 2024, \$400,000 has been advanced under the facility, with \$200,000 advanced by PPKIH. Corresponding notes have been issued to PPKIH and the other subscribers in proportion to their advances.

There are no other matters or circumstances which have arisen since the reporting date that have significantly affected or may affect the operations, results or state of affairs of the Company in the financial years subsequent to the financial year ended 30 June 2024.

FUTURE DEVELOPMENTS

The likely developments in the operations of PPK and the expected results of those operations in financial years subsequent to the year ended 30 June 2024 are included in the Chair's Report set out on pages 2 to 4 and in the Review of Active Operations, which form part of this report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PPK is pleased to set out its third sustainability report, building on the work achieved last financial year. PPK is committed to building a sustainable future that encompasses environmental, social, and governance (ESG) considerations.

We continue to monitor the changing ESG reporting landscape so we will align with future reporting milestones.

Our Investment Portfolio and ESG

PPK's investment portfolio aligns with United Nations' Sustainable Development Goals 7, 9, and 11 - from clean energy technologies and renewable energy to safety and community well-being,



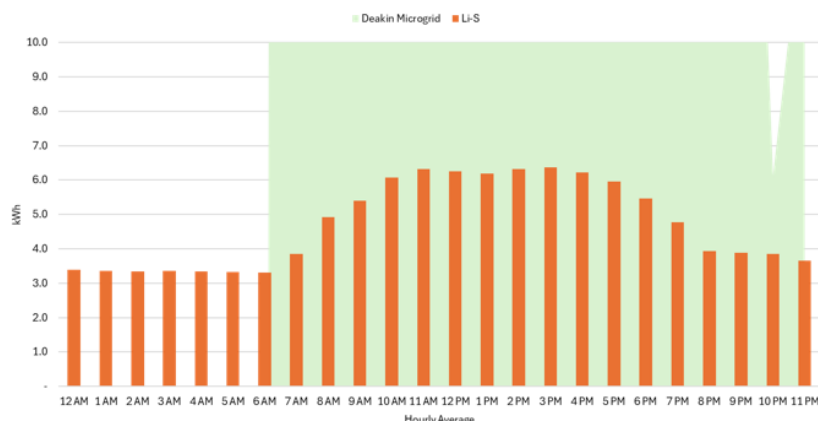
Environment

Through a phased approach across the next three years we will increasingly measure our Scope I and Scope II emissions, including our portfolio companies.

Understanding our Carbon Footprint

This year, we reviewed purchased energy, including the proportion derived from renewable sources. We assessed electricity supplied to our investee companies operating on Deakin University's Waurn Ponds Campus and energy consumption at PPK's headquarters in Brisbane.

LIS, BNNT, and White Graphene's laboratories and manufacturing facilities at Deakin University's Waurn Ponds campus, gain significant access to renewable energy from Deakin's 7-megawatt solar energy farm. For instance, LIS sourced 54% of its total energy consumption from Deakin's solar grid in FY24. As Deakin progresses towards Climate Active Carbon Neutral certification and a 100% renewable energy supply from January 2025, our companies will directly benefit from these initiatives.



The PPK head office is located in the Brisbane CBD, with a small direct environmental footprint, primarily consisting of electricity and water consumption, waste generation and emissions from employee commuting.

Approximately 42% of energy supplied to our head office was from renewable sources.

Business Travel and Commuting

As part of our FY24 goals, we partnered with Corporate Traveller to enhance our oversight of business travel and understand associated greenhouse gas emissions. By centralising travel management, we aim to optimise routes, reduce unnecessary travel, and minimise our environmental impact. We will continue to prioritise virtual meetings whenever feasible to further reduce our carbon footprint.

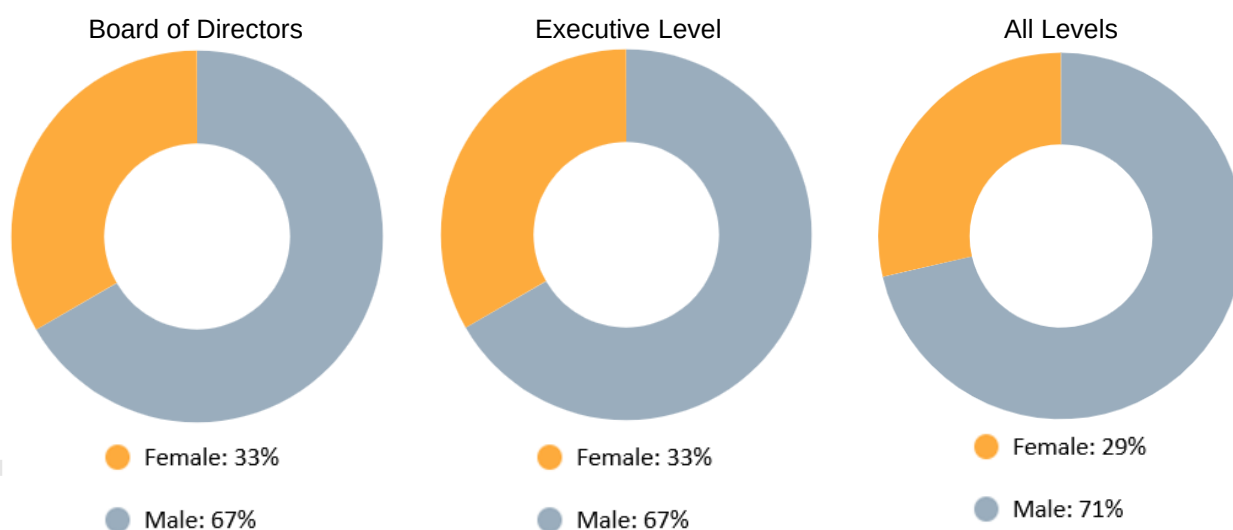
We also assessed how our staff commute to work with most choosing low carbon or carbon-neutral modes of transportation resulting in our emissions from commuting remaining low. In future reports, we will work towards quantifying the CO₂ emissions from these various forms of transportation in addition to quantifying CO₂ emissions from business travel.

Social

PPK is committed to building a diverse and inclusive workplace where individuals from all backgrounds can thrive. We believe that a rich tapestry of perspectives, experiences, and ideas is essential to our success. Our dynamic environment demands agility, curiosity, and a collaborative spirit. By fostering a culture of inclusion, we create a workplace where employees feel valued, empowered, and inspired to contribute their best.

Diversity, Equity, and Inclusion

Our representation as at 30 June 2024:



Our team also comprises individuals from six different nationalities, reflecting a diversity of culture and experiences.

This year we partnered with three Queensland universities, offering internships to promising students from a range of cultural backgrounds and academic disciplines. These partnerships provided invaluable opportunities for students to gain practical experience, contribute fresh perspectives, and develop their professional skills. Interns were immersed in the dynamic environment of our portfolio companies, gaining firsthand exposure to real-world challenges and collaborating with experienced professionals to develop innovative solutions. By investing in the next generation of talent, we not only strengthened our organisation but also contributed to the development of Australia's future workforce.

Thriving people

This year, we prioritised employee well-being and development by continuing to offer flexible work arrangements and supporting sustainable transportation choices through a novated lease program for electric vehicles. To foster a high-performance culture, we also invested in our employees' professional development by providing opportunities to work across and within portfolio companies on specific projects.

Next year we will continue to foster professional growth and broaden employee perspectives as our team members engage and work with our portfolio companies to deliver value.

A cyber focus

The cyber threat landscape continues to evolve at pace that requires a proactive and adaptive approach to cybersecurity. We are committed to safeguarding our organization through robust cybersecurity measures.

This year PPK:

- Deployed artificial intelligence powered email security tools
- Implemented new endpoint controls in early H2 FY24, which saw PPK move away from CrowdStrike months before the broader CrowdStrike bug that had global impacts
- Attended a number of Australian Cyber Security Centre Network Partner events to understand the cyber trends and lessons learnt from other organisations
- Continued to provide the Board with regular cyber security updates, including PPK specific examples and broader industry references
- Continued to internally publish cyber insights, examples, hints and tips
- Engaged a third-party cyber security firm to conduct wireless network penetration tests across the Group, including onsite penetration tests at the Group Head Office and facilities at ManuFutures
- Engaged a third-party cyber security firm to conduct a Microsoft Office 365 security audit and provide a series of recommendations to strengthen controls and leverage the broader Microsoft functionality within our license agreement

Next year PPK will:

- Resolve the High and Medium risk rated recommendations from the penetration tests
- Implement a series of Microsoft Office 365 security features
- Review and test existing cyber playbooks

Governance

The Company has structured its approach to corporate governance around the principles of ensuring effective contributions by the Board and its sub-committees that add value.

Risk

The PPK board receives periodic risk updates as the risks can be PPK specific or originate from a portfolio company. The key risks assessed today include:

- Limited revenue generating opportunities from the subsidiaries impact PPK cashflow and ability to provide shareholder value
- Investee company may not be adequately capitalised to meet strategic objectives
- A cyber breach results in a loss of critical IP that impacts research and development progress, or impacts PPK ability to operate
- A subsidiary is negatively disrupted through an alternate innovation or alternate supply chain economics

Recognition of the complexities of the group structure

The nature of the Company's operations and investments necessarily leads to complex governance arrangements, including common directors, conflicts and related party transactions. The directors and executives have long been conscious of this, and a high degree of care has always been taken to identify and manage such matters correctly.

The Company has nevertheless implemented an uplift program in this area which has included ensuring separate legal representation is provided on intra-group arrangements and where required seeking external legal advice on the terms of those arrangements.

The Board has also completed an audit of previous disclosures of conflicts of interest and duty and has adopted a revised conflicts register.

Refresh of board composition

The Board is currently undergoing a refresh of its composition in light of the retirement of Mr Robin Levison. The Board appointed Ms Anne-Marie Birkill as Chair, and Mr Marc Fenton as managing director, to serve as a strengthened bridge between management and the directors.

Finally, the Board is currently undertaking a search for a new non-executive, independent director. The Board made use of a board skills matrix as part of this process and has engaged an external specialist third-party search firm to lead a process.

Remuneration

PPK Group retains its historical commitment to fair and responsible remuneration practices sufficient to attract, retain and motivate suitably qualified individuals.

The Remuneration and Nomination committee is empowered under its charter to bring independent judgement to all remuneration decisions, in particular remuneration packages, short-term incentives and long-term incentives. The charter is available on the company's website.

The committee is currently undertaking a review of both the short term and long-term incentive plans to ensure they remain fit for purpose, particularly in light of the small number of participants and the high administrative burden of operation. The Board expects that any changes to the long-term incentive plan will be considered by shareholders at the AGM in November 2024.

PROCEEDINGS INVOLVING THE COMPANY

The Company continues to defend a claim in the Supreme Court of NSW in relation to a dispute pertaining to the vesting conditions of a business acquired in 2014 with a vendor employee for the issue of a second tranche of \$0.500M of shares plus interest and costs.

As previously communicated, the Court of Appeal found in favour of the plaintiff. The Company sought special leave to appeal to the High Court of Australia however this was not granted. The matter was then remitted back to the Supreme Court of NSW for determination of relief and costs, which occurred on 14 June 2024. The Company has satisfied the award of 1,136,011 shares valued at \$500,000 and is currently awaiting either an appeal in those proceedings or the passing of the appeal deadline. The Company has incurred expenses of \$357,786 this financial year to defend this position.

No other matter or circumstance has arisen which is not otherwise dealt with in this Annual Report that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of the consolidated entity in subsequent years.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

REMUNERATION REPORT (AUDITED)

The Directors of PPK present the Remuneration Report for non-executive directors, executive directors and other Key Management Personnel (KMP), prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors have determined that they (including the Managing Director), along with the Chief Financial Officer (CFO) are KMP.

Remuneration Policy

The remuneration policy of the Company is designed to align directors', executives' and senior managers' objectives and performance with shareholder and business results by providing a fixed remuneration component and offering specific Short-Term Incentives (STIs) based on key performance indicators affecting PPK's financial results and Long Term Incentives (LTIs) based on vesting conditions designed to measure enhancement of PPK's shareholders' value. The Board reviewed the existing remuneration policy and adopted amendments and updates in December 2021. The Remuneration and Nomination Committee was established on 21 December 2021 and acts as the primary safeguard to ensure proper governance on remuneration matters, including an absence of undue influence by members of the key management personnel. The Board believes that the Remuneration and Nomination Committee continues to function well and otherwise remains fit for purpose, but will continue to keep this under review given the relatively few numbers of participants.

The PPK Board believes the revised remuneration policy continues to be appropriate and effective in its ability to attract, retain and motivate directors, executives and senior managers of high quality and standard to manage the affairs of the Group, as well as create goal congruence between directors, executives, senior managers and shareholders.

The Company prepared a new long-term incentive plan in September 2021. That plan was put to the shareholders of the Company at the AGM in November 2021. The Company is currently reassessing whether this long-term incentive plan remains appropriate, particularly given the small number of participants and the high administrative burden associated with its operation. The Company expects to put any amendments or changes to the plan to shareholders at the AGM held in November 2024. The Company has not obtained any external advice from a remuneration consultant during this reporting period.

The policy for determining the nature and amount of remuneration for board members, executives and senior managers of the consolidated entity is detailed in the paragraphs which follow.

Remuneration of non-executive directors is recommended by the Remuneration & Nomination Committee and approved by the Board from the maximum amount available for distribution to the non-executive directors as approved by shareholders. Currently this amount is set at \$800,000 per annum in aggregate as approved by shareholders at the Annual General Meeting in November 2021.

In determining the appropriate level of directors' fees, data from publicly available surveys undertaken of other public companies similar in size or market section to the Company is taken into account.

PPK's non-executive directors are remunerated by means of cash benefits in respect of their duties as Directors of PPK. They are not entitled to participate in performance-based remuneration practices unless approved by shareholders. The Company will not generally use options as a means of remuneration for non-executive directors and will continue to remunerate those directors by means of cash benefits. PPK does not provide retirement benefits for its non-executive directors. Executive directors do not receive director's fees as they are remunerated by salary.

The Committee will conduct its review annually between June and September based on established criteria which includes:

- the individual's performance;
- reference to market data for broadly comparable positions or skill sets in similar organisations or industry;
- the performance of the Group during the relevant period; and
- the broad remuneration policy of the Group.

Executive directors, executives and senior managers may receive bonuses and/or fees based on the achievement of specific goals of the consolidated entity. T

Company Performance and Shareholder Wealth for Executive and Senior Managers Remuneration

The two methods employed by the Committee to implement the Remuneration Policy are as follows.

Short Term Incentives ("STI")

PPK has an STI program in place which is ordinarily paid as salary and superannuation to Executives and Senior Management above their normal contracts and aligned with key performance indicators (KPIs) as recommended by the Remuneration and Nomination Committee and adopted by the Board. The KPIs are developed from the strategic and operating plans and are chosen to reflect the core drivers of short-term performance and delivery of sustainable value to the Company, its shareholders and its customers. Participation in the STI is considered on an annual basis. Any STI awards are ordinarily paid in September or October reflecting performance in the previous financial year. Any STI awards to participants that join the company mid-year will be appropriately pro-rated.

Long Term Incentives ("LTI")

PPK reviewed and modified its LTI Plan in 2021 consistent with the change in its business strategy and the role in which it performs going forward. That new plan is called the Executive Rights Plan. The Executive Rights Plan was approved by shareholders at the annual general meeting held in November 2021 and the Company will treat that approval as valid for a period of three years.

The Company is currently reassessing whether this long-term incentive plan remains appropriate, particularly given the small number of participants and the high administrative burden associated with its operation. The

Company will seek external guidance or expertise on this matter where the Remuneration & Nomination Committee believes this is necessary.

The Company expects to seek fresh approval of the Executive Rights Plan (whether or not amended) at the annual general meeting to be held in November 2024.

Executive Rights Plan

The Remuneration & Nomination Committee will, on an annual basis, make recommendations to the Board on who should be offered Performance Rights, the number of Performance Rights to be offered and the vesting conditions that should attach to each Performance Right. The Board will consider those recommendations and seek further information as required.

A summary of the plan rules operated by the Company during the reporting period is as follows:

Plan Structure	The Executive Rights Plan is managed by a Trust. The Board has appointed PPK Plans 2 Pty Ltd as the Trustee.										
Term	Each Right has a Term of 15 years and, if not exercised within that Term, the Rights will lapse.										
Performance Rights	Each vested Right can be exercised for one share in PPK Group Limited.										
Measurement Period	The Measurement Period for the FY24 Performance Rights is a period of 3 years from 1 July 2023.										
Vesting Conditions	The nature and weighting of the vesting conditions are broadly consistent for each Participant but are tailored for the role that each Participant performs. The Remuneration and Nomination Committee will use its judgement to assess and recommend to the Board whether the vesting conditions have been met. The measurements used for the FY24 Performance Rights grant are a blend of internal and external metrics, as follows: <table> <tr> <td><u>Nature</u></td><td><u>Weighting</u></td></tr> <tr> <td>Strategic Goals</td><td>30%</td></tr> <tr> <td>Operational Goals</td><td>35%</td></tr> <tr> <td>ESG Goals</td><td>10%</td></tr> <tr> <td>aTSR</td><td>25%</td></tr> </table> The aTSR metric requires the Company to achieve a CAGR of at least 30% over the Measurement Period by reference to the VWAP used to calculate the initial grant of FY24 rights.	<u>Nature</u>	<u>Weighting</u>	Strategic Goals	30%	Operational Goals	35%	ESG Goals	10%	aTSR	25%
<u>Nature</u>	<u>Weighting</u>										
Strategic Goals	30%										
Operational Goals	35%										
ESG Goals	10%										
aTSR	25%										
Gates	No Gates have been attached to these Tranches of Rights.										
Vesting and Vesting Date	Rights will typically vest following the completion of the Measurement Period based on an assessment of the Vesting Conditions, however Rights may vest before the end of the Measurement Period in some limited circumstances.										
Exercise Restrictions	No Exercise Restrictions have been attached to these Tranches of Rights.										
Disposal Restrictions	Rights may not be disposed of at any time but they may be exercised following vesting. No additional Restrictions have been attached to the Shares that may be acquired when vested Rights are exercised. Thus, the Disposal Restrictions that apply to the Shares will arise from the Company's Securities Trading Policy and the insider trading provisions of the Corporations Act.										

Exercise and Exercise Price	The Exercise Price is nil (no amount needs to be paid by the Participant in order to exercise the Rights). Vested Rights may be exercised at any time after the Vesting Date and before the end of their Term. In order to exercise vested Rights, a Participant must validly submit an Exercise Notice. On exercise of Vested Rights, the Board will issue a Settlement Notice and ensure that there are a sufficient number of Shares available to satisfy the exercised Rights.
Termination of Employment	If a Participant's employment with the Company ceased during FY24, the FY24 Performance Rights would ordinarily have been forfeited in the proportion that the remainder of the FY24 bears to the full FY24. Remaining unvested Rights will be retained by the Participant, subject to the Malus and Clawback provisions, with a view to testing for possible vesting having regard to performance during the Measurement Period up to the date of cessation of employment. The Remuneration and Nomination Committee will be convened where required to consider any such off-cycle assessment of vesting conditions. Vested Rights held following a termination of employment may now continue to be held by the Participant unless the Board determines otherwise.
Malus and Clawback	Rights may be forfeited at any time, including during and subsequent to a Participant's employment with the Company, should the Malus and Clawback provisions come into play.
No Hedging	Participants must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Rights (vested or unvested) or Restricted Shares. This is a Corporations Act requirement.
Change of Control	If a de-listing is imminent Vesting will automatically occur at the level derived from application of the following formula: $\begin{array}{rclcl} \text{Number of} & & \text{Unvested} & & \text{\% of First} \\ \text{Performance} & = & \text{Performance} & \times & \text{Year of} \\ \text{Rights in} & & \text{Rights in} & & \text{Measurement} \\ \text{Tranche to Vest} & & \text{Tranche} & & \text{Period} \\ & & & & \text{Elapsed} \end{array}$ Additional vesting will occur to the extent, if any, determined by the Board and any remaining unvested Rights will lapse; and Restricted Shares will cease to be subject to Specified Disposal Restrictions, and any CHES holding locks will be removed if applicable, unless otherwise determined by the Board. In other cases of a change of control the Rights will remain on foot, subject to possible modification of Vesting Conditions, for testing for vesting at the end of the Measurement Period.

As at 30 June 2024, the Trust for PPK Plans 2 Pty Ltd held nil shares in PPK to satisfy the 1,451,754 performance rights issued under the Executive Rights Plan.

Previous LTI Plan

PPK previously had an LTI in place which is still managed as a Trust on behalf of the remaining participants, being one previous director, and one previous senior manager of PPK. The vested Performance Rights can be converted to PPK shares on a one-for-one basis. The previous LTI plan was approved by shareholders at the Annual General Meeting on 27 November 2018.

A McDonald was offered 50,000 performance rights due to the time and services provided in connection with the BNNTTPL acquisition and its subsequent development and advancement and this was approved by the shareholders at the Annual General Meeting on 26 November 2019. The performance rights have all vested but remain unexercised.

As at 30 June 2024, the Trust held 90,000 shares in PPK to satisfy the 90,000 relevant vested but unexercised performance rights.

Consequences of company performance on shareholder wealth

	2024	2023	2022	2021	2020
Net profit (loss) after tax attributable to owners (\$000)	(\$10,743)	(\$7,815)	(\$2,564)	(\$5,479)	\$8,254
Earnings per share (cents)	(12.1)	(8.8)	(2.9)	(6.4)	9.8
Full year ordinary dividends (cents) per share	-	-	2.81	3.5	2.0
Year-end share price	\$0.38	\$1.38	\$2.04	\$15.95	\$3.11
Shareholder return (annual)	(72%)	(32%)	(86%)	414%	13%

The above table shows the annual returns to shareholders calculated to include the difference in percentage terms between the dividend yield for the year (based on the average share price during the period) and changes in the price at which shares in the Company are traded between the beginning and the end of the relevant financial year.

Remuneration Details for the year ended 30 June 2024 and 30 June 2023 for Directors' and Key Management Personnel

Details of the nature and amount of each element of the remuneration of each director and key management personnel ('KMP') of PPK Group Limited are shown in the table below, including remuneration paid to KMP by subsidiaries directly:

		Short Term Benefits				Post-employment Superannuation	Long Term Benefits	Termination Payments	Share Based Payments	Total	Performance Related
		Salary & Fees	Cash Bonus	Non- Monetary							
		Year	(\$)	(\$)	(\$)						
Directors											
A McDonald ⁽¹⁾	2024										
	PPK	39,722	-	-	-	-	-	-	39,722	0%	
	LIS	-	-	-	-	-	-	7,297	7,297	0%	
	WGL	7,944	-	-	-	-	-	-	7,944	0%	
	Total	47,666	-	-	-	-	-	7,297	54,963	0%	
	2023										
	PPK	100,000	-	-	-	-	-	-	100,000	0%	
	LIS	-	-	-	-	-	-	48,183	48,183	0%	
	WGL	20,000	-	-	-	-	-	-	20,000	0%	
	Total	120,000	-	-	-	-	-	48,183	168,183	0%	
R Levison ⁽²⁾	2024										
	PPK	208,333	-	-	27,500	-	-	-	235,833	0%	
	LIS	13,333	-	-	-	-	-	10,251	23,584	0%	
	WGL	20,000	-	-	-	-	-	-	20,000	0%	
	Total	241,666	-	-	27,500	-	-	10,251	279,417	0%	
	2023										
	PPK	212,500	-	-	27,500	-	-	-	240,000	0%	
	LIS	-	-	-	-	-	-	48,183	48,183	0%	
	WGL	20,000	-	-	-	-	-	-	20,000	0%	
	Total	232,500	-	-	27,500	-	-	48,183	308,183	0%	
A Birkill	2024										
	PPK	100,000							100,000	0%	
	2023										
PPK	100,000	-	-	-	-	-	-	100,000	0%		
G Molloy ⁽³⁾	2024										
	PPK	340,000	-	-	-	-	-	-	340,000	0%	
	LIS	105,000	-	-	-	-	-	-	105,000	0%	
	WGL	20,000	-	-	-	-	-	-	20,000	0%	
	Total	465,000	-	-	-	-	-	-	465,000	0%	
	2023										
	PPK	240,000	-	-	-	-	-	-	240,000	0%	
	LIS	70,000	-	-	-	-	-	-	70,000	0%	
	WGL	20,000	-	-	-	-	-	-	20,000	0%	
	Total	330,000	-	-	-	-	-	-	330,000	0%	
Total Directors	2024	854,332	-	-	27,500	-	-	17,548	899,380	0%	
	2023	782,500	-	-	27,500	-	-	96,366	906,366	0%	

(1) A McDonald retired 14 November 2023 (LIS) and 23 November 2023 (PPK and WGL)

(2) R Levison retired 31 August 2024

(3) G Molloy received \$100k for discretionary effort in relation to a potential transaction

		Short Term Benefits			Post-employment Superannuation	Long Term Benefits	Termination Payments	Share Based Payments	Total	Performance Related
		Salary & Fees	Cash Bonus ⁽⁷⁾	Non- Monetary						
	Year	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	%
Other KMP										
M Fenton ⁽⁴⁾	2024									
	PPK	372,500	126,000	-	27,500	-	-	159,953	685,953	42%
	LIS	-	-	-	-	-	-	-	-	-
	WGL	-	-	-	-	-	-	-	-	-
	Total	372,500	126,000	-	27,500	-	-	159,953	685,953	42%
	2023									
	PPK	287,500	30,000	-	27,133	-	-	148,500	493,133	36%
	LIS	-	-	-	-	-	-	-	-	-
	WGL	-	-	-	-	-	-	-	-	-
	Total	287,500	30,000	-	27,133	-	-	148,500	493,133	36%
K Hostland⁽⁵⁾	2023									
	PPK	378,125	225,000	-	25,208	-	-	278,219	906,552	56%
	LIS	-	-	-	-	-	-	-	-	-
	WGL	-	-	-	-	-	-	-	-	-
	Total	378,125	225,000	-	25,208	-	-	278,219	906,552	56%
S Price⁽⁶⁾	2024									
	PPK	292,622	75,000	-	27,500	-	-	127,962	523,084	39%
	LIS	-	-	-	-	-	-	-	-	-
	WGL	-	-	-	-	-	-	-	-	-
	Total	292,622	75,000	-	27,500	-	-	127,962	523,084	39%
	2023									
	PPK	38,795	-	-	5,205	-	-	7,710	51,710	15%
	LIS	-	-	-	-	-	-	-	-	-
	WGL	-	-	-	-	-	-	-	-	-
	Total	38,795	-	-	5,205	-	-	7,710	51,710	15%
Total Other KMP	2024	665,122	201,000	-	55,000	-	-	287,915	1,209,037	40%
	2023	704,420	255,000	-	57,546	-	-	434,429	1,451,395	48%
Total Key Management Personnel	2024	1,519,454	201,000	-	82,500	-	-	305,463	2,108,417	24%
	2023	1,486,920	255,000	-	85,046	-	-	530,795	2,357,761	33%

(4) M Fenton Appointed CEO (PPK) 1 July 2023 and Non-Executive Director (LIS) 1 February 2024

(5) K Hostland former Chief Financial Officer resigned 23 May 2023

(6) S Price Chief Financial Officer appointed 23 May 2023

(7) The cash bonuses recorded are bonuses from PPK for the FY23 financial year approved by the Board

The above tables present the Directors and key management personnel of PPK and the amounts they have been remunerated in respect of their management of the Group.

Performance Income as a Proportion of Total Remuneration

In FY24, M Fenton received an STI award of \$126,000 and S Price an STI award of \$75,000 for work undertaken in the year ended 30 June 2023. The KPIs against which Mr Fenton and Mrs Price were assessed were as follows:

- Finance performance reporting across PPK Group and subsidiaries, including monthly cashflow reporting and business plans linked to budgets
- Portfolio optimisation, including mining divestment, and Nanomaterial Business Development
- Continuous improvement delivery across cyber security, enabling productivity software tools and ERP

Consultancy and Employment Agreements

R Levison

A consultancy agreement is in place between the parties on the following terms:

Term: Commencing on 1 October 2013 – retires 31 August 2024.

Remuneration: Base remuneration under the agreement is \$240,000 per annum.

Duties: Non-Executive Chairman for this financial year.

Termination: The agreement may be terminated at any time by PPK Group Limited giving not less than 12 months written notice or by Mr Levison giving not less than 6 months written notice.

G Molloy

A consultancy agreement is in place between the parties on the following terms:

Term: Commencing on 1 July 2019 – no fixed term.

Remuneration: Base remuneration under the agreement is \$240,000 per annum.

Duties: Executive Director.

Termination: The agreement may be terminated at any time by PPK Group Limited giving not less than 12 months written notice or by Mr Molloy giving not less than 6 months written notice.

G Molloy also has a consultancy agreement with LIS

M Fenton

Employment agreement is in place between the parties on the following terms:

Term: Commenced 12 January 2022 – employment as CEO began 1 July 2023.

Remuneration: Base remuneration of \$400,000 per annum was changed effective 1 July 2023. Marc also participated in the STI, where he could receive a maximum bonus of 40% of his total base salary for meeting key performance indicators set by the Directors, and the LTI.

Duties: Chief Executive Officer (now Managing Director).

Termination: The agreement may be terminated at any time by either party giving 6 months written notice.

S Price

Employment agreement is in place between the parties on the following terms:

Term: Commenced 28 March 2022 – employment as CFO began 23 May 2023.

Remuneration: Base remuneration of \$320,000 per annum was changed effective 1 July 2023. She also participated in the STI, where she could receive a maximum bonus of 40% of her total base salary for meeting key performance indicators set by the Directors, and the LTI.

Duties: Chief Financial Officer

Termination: The agreement may be terminated at any time by either party giving 6 months written notice.

There are no formal employment agreements in place for Mr A McDonald (now retired) or Ms A Birkill, however Ms Birkill was formally appointed as a director pursuant to an appointment letter dated 22 June 2022.

Shareholdings and Rights

PPK Group Limited

As at the end of the financial year, the number of ordinary shares in PPK Group Limited held by directors and Key Management Personnel during the 2024 and 2023 reporting periods is set out below:

2024	Share Balance at Start of Year	Shares Transferred from PPK LTIP	Shares Acquired	Shares Sold	Adjustment for KMP Ceasing in the Year	Shares Held at the End of the Reporting Period
Directors						
<i>Non-Executive</i>						
R Levison	4,050,153	-	-	-	-	4,050,153
G Molloy	22,237,457	-	-	-	-	22,237,457
A Birkill	17,400	-	-	-	-	17,400
A McDonald ⁽¹⁾	484,120	-	-	-	(484,120)	-
Total Directors	26,789,130	-	-	-	(484,120)	26,305,010
Other Key Management Personnel						
M Fenton	-	-	-	-	-	-
S Price	-	-	-	-	-	-
Total Other	-	-	-	-	-	-
Total	26,789,130	-	-	-	(484,120)	26,305,010

(1) A McDonald retired on 23 November 2023

2023	Share Balance at Start of Year	Shares Transferred from PPK LTIP	Shares Acquired	Shares Sold	Adjustment for KMP Ceasing in the Year	Shares Held at the End of the Reporting Period
Directors						
<i>Non-Executive</i>						
R Levison	4,050,153	-	-	-	-	4,050,153
G Molloy ⁽¹⁾	21,277,987	-	959,470	-	-	22,237,457
A Birkill	-	-	17,400	-	-	17,400
A McDonald	409,120	-	75,000	-	-	484,120
Total Directors	25,737,260	-	1,051,870	-	-	26,789,130
Other Key Management Personnel						
M Fenton	-	-	-	-	-	-
S Price	-	-	-	-	-	-
K Hostland ^{(2) (3)}	559,500	-	-	(15,000)	(544,500)	-
Total Other	559,500	-	-	(15,000)	(544,500)	-
Total	26,296,760	-	1,051,870	(15,000)	(544,500)	26,789,130

(1) Shares acquired by Trust of which the Director is a Trustee

(2) Shares sold to family member

(3) K Hostland resigned as CFO on 23 May 2023

As at the end of the financial year, the number of Performance Rights in PPK held by directors and Key Management Personnel during the 2024 and 2023 reporting periods is explained and summarised below:

2024		Executive Rights Plan								
Name	Balance at Start of the Year		Granted During Year	Vested		Exercised	Forfeited		Balance at End of Year Unvested	
	Vested	Unvested	No.	No.	%	No.	No.	%	No.	Maximum \$ value to vest ⁽³⁾
M. Fenton										
FY22 Performance Rights ⁽¹⁾	-	6,221	-	-	-	-	-	-	6,221	32,971
FY23 Performance Rights ⁽²⁾	-	112,500	-	-	-	-	-	-	112,500	148,500
FY24 Performance Rights	-	-	217,668	-	-	-	-	-	217,668	150,626
S. Price										
FY22 Performance Rights ⁽¹⁾	-	3,111	-	-	-	-	-	-	3,111	16,488
FY23 Performance Rights ^{(2) (4)}	-	57,619	-	-	-	-	-	-	57,619	76,057
FY24 Performance Rights	-	-	174,134	-	-	-	-	-	174,134	120,501

(1) These rights were granted prior to M. Fenton and S. Price being appointed as KMP. The performance rights are due to be assessed against the vesting conditions by the Directors after 30 June 2024.

(2) The performance rights will be assessed against the vesting conditions by the Directors after 30 June 2025.

(3) The maximum value of the Performance Rights yet to vest has been determined as the amount of the grant date fair value of the Performance Rights that is yet to be expensed which was calculated using the number of Performance Rights that were granted.

(4) These rights were granted prior to S. Price commencing as KMP.

2024		Executive Rights Plan								
Name and Grant Dates	Balance at Start of the Year		Granted During Year	Vested		Exercised	Forfeited		Balance at End of Year Unvested	
	Vested	Unvested	No.	No.	%	No.	No.	%	No.	Maximum \$ value to vest ⁽¹⁾
A McDonald										
Tranche 1	12,500	-	-	-	-	-	-	-	-	-
Tranche 2	12,500	-	-	-	-	-	-	-	-	-
Tranche 3	12,500	-	-	-	-	-	-	-	-	-
Tranche 4	12,500	-	-	-	-	-	-	-	-	-

(1) The performance rights fully vested on 1 July 2021.

The fair value of the rights issued was \$5.30. There is no exercise price for the executive rights which will expire in March 2037.

OTHER TRANSACTIONS WITH RELATED PARTIES OF THE GROUP

Li-S Energy Directors

R Levison and T McDonald participated in the Li-S Energy Non-Executive Director (NED) Equity Plan. Both Directors sacrificed their director fees of \$80,000 per annum over a three-year period and were granted 160,000 Service Rights per year over a three-year period. The Service Rights were issued as at 1 May 2021 and vested in three equal tranches on 30 April 2022, 2023 and 2024. Each consecutive tranche commenced annually on the vesting date of the prior tranche. The NED Equity Plan expired during the reporting period and the directors have now reverted to cash payments.

The number of Service Rights were calculated by dividing the amount of sacrificed fees by the Share price of \$0.50 per Share being the price at which Shares were issued in the April 2021 capital raise. The fair value of these Service Rights at the time that they were granted were independently valued at \$0.50 each. There is no amount payable other than the sacrificed fees for the Service Rights.

Each Service Right is an entitlement, upon exercise, to an ordinary fully paid Share in Li-S Energy Limited. Service Rights may not be disposed of at any time except by force of law such as on death and Service Rights may be exercised at any time once they have vested.

Each Service Right has a term ending 15 years after the grant date. If not exercised before the end of their term the Service Rights will lapse. If a NED ceased to hold the office of a NED during a tranche then Service Rights for that tranche will vest in proportion to the time elapsed as served in the tranche. All subsequent tranches would lapse.

A NED must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Service Rights (.

If the Board forms the view that a NED has committed an act of fraud, defalcation or gross misconduct in relation to the Company then all unexercised Service Rights will be forfeited.

Li-S Energy Limited

As at the end of the financial year, the number of ordinary shares in LIS held by directors and Key Management Personnel during the 2024 and 2023 reporting periods is set out below:

2024	Share Balance at Start of Year	Shares Acquired	Shares Sold	Share Balance at End of Year
Directors				
<i>Non-Executive</i>				
R Levison	2,540,549	-	-	2,540,549
A McDonald	866,961	-	(866,961)	-
M Fenton ⁽¹⁾		17,540		17,540
Total Directors	3,407,510	17,540	(866,961)	2,558,089
Other KMP of LIS				
G Molloy	10,325,778	-	-	10,325,778
S Price	-	40,500	-	40,500
Total Other	10,325,778	-	-	10,366,278
Total KMP	13,733,288	58,040	(866,961)	12,924,367

(1) Holding on date appointed as a Director (1 February 2024)

2023	Share Balance at Start of Year	Shares Acquired	Shares Sold	Transferred/ Other Mvmt	Share Balance at End of Year
Directors					
<i>Non-Executive</i>					
R Levison ⁽²⁾	2,790,549	-	(250,000)	-	2,540,549
A McDonald	866,961	-	-	-	866,961
Total Directors	3,657,510	-	(250,000)	-	3,407,510
Other KMP of LIS					
G Molloy⁽¹⁾	6,440,784	-	-	3,884,994	10,325,778
S Price	-	-	-	-	-
K Hostland	529,066	-	-	(529,066)	-
Total Other	6,969,850	-	-	3,355,928	10,325,778
Total KMP	10,627,360	-	(250,000)	3,355,928	13,733,288

(1) Other movements relates to adjustments for appointment or retirement as Trustee of various entities that hold LIS shares

(2) Transfer to family members

As at the end of the financial year, the number of Service Rights in LIS held by directors and Key Management Personnel during the 2024 and 2023 reporting periods is set out below:

2024

Name	Balance at Start of the Year		Movements during the year						Balance at End of Year Unvested	
			Granted	Vested	Exercised	Forfeited				
	Vested	Unvested	No.	No.	%	No.	No.	%	No.	Maximum \$ value to vest
R Levison	320,000	160,000	-	160,000	100	-	-	-	-	-
A McDonald	320,000	160,000	-	86,795	54	-	73,205	46	-	-
Total Directors	640,000	320,000	-	246,795	77	-	73,205	23	-	-

(1) All service rights under the plan have vested or been forfeited.

2023

Name	Balance at Start of the Year		Movements during the year						Balance at End of Year Unvested	
			Granted	Vested	Exercised	Forfeited				
	Vested	Unvested	No.	No.	%	No.	No.	%	No.	Maximum \$ value to vest
R Levison	160,000	320,000	-	160,000	100	-	-	-	160,000	64,251
A McDonald	160,000	320,000	-	160,000	100	-	-	-	160,000	64,251
Total Directors	320,000	640,000	-	320,000	100	-	-	-	320,000	128,502

(1) The maximum value of service rights to vest has been calculated as the amount of the grant date fair value of the service rights yet to be expensed.

White Graphene Limited

As at the end of the financial year, the number of ordinary shares in WGL held by directors and Key Management Personnel during the 2024 and 2023 reporting periods is set out below:

2024	Share Balance at Start of Year	Shares Acquired	Shares Sold	Commenced as KMP	Ceasing to be a KMP	Shares Held at the End of the Reporting Period
Directors						
R Levison	750,000	-	-	-	-	750,000
G Molloy	1,500,000	1,000,000	-	-	-	2,500,000
A McDonald ⁽¹⁾	375,000	-	-	-	(375,000)	-
Total Directors	2,625,000	1,000,000	-	-	(375,000)	3,250,000
Other KMP						
M Fenton	15,000	25,000	-	-	-	40,000
S Price	50,000	-	-	-	-	50,000
Total Other	65,000	25,000	-	-	(375,000)	(285,000)
Total	2,690,000	1,025,000	-	-	(375,000)	3,340,000

(1) A McDonald ceased as Director on 23 November 2023

2023	Share Balance at Start of Year	⁽¹⁾ Shares Acquired	Shares Sold	Commenced as KMP	Ceasing to be a KMP	Shares Held at the End of the Reporting Period
Directors						
R Levison	500,000	250,000	-	-	-	750,000
G Molloy	1,000,000	500,000	-	-	-	1,500,000
A McDonald	250,000	125,000	-	-	-	375,000
Total Directors	1,750,000	875,000	-	-	-	2,625,000
Other KMP						
M Fenton ⁽²⁾	-	15,000	-	-	-	15,000
S Price ^{(2) (4)}	-	-	-	50,000	-	50,000
K Hostland ⁽³⁾	250,000	125,000	-	-	(375,000)	0
Total Other	250,000	140,000	-	50,000	(375,000)	65,000
Total	2,000,000	1,015,000	-	50,000	(375,000)	2,690,000

(1) Shares were increased as a result of 1 for 2 bonus issue on 17 August 2022

(2) Share were acquired at \$0.50 per share as part of the capital raise process

(3) K Hostland ceased as CFO on 23 May 2023

(4) Sarah Price was appointed CFO on 23 May 2023

There were no other transactions with directors and/or their related parties during the year.

(End of Audited Remuneration Report)

MEETINGS OF DIRECTORS

During the financial year, meetings of directors (including committee meetings) were held. Attendances were:

	DIRECTORS' MEETINGS		AUDIT & RISK COMMITTEE MEETINGS		REMUNERATION & NOMINATION COMMITTEE MEETINGS	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
R Levison	13	13	3	2	1	1
G Molloy	13	13	2	2	-	-
A Birkill	13	13	3	3	1	1
A McDonald	6	6	1	1	1	1

CORPORATE GOVERNANCE STATEMENT

PPK's directors and management are committed to conducting the Group's business ethically and in accordance with high standards of corporate governance. A copy of PPK's 2024 Corporate Governance Statement can be found in the corporate governance section of PPK's website at www.ppkgroup.com.au.

RISK & CONTROL COMPLIANCE STATEMENT

The Board has:

- received and considered reports from management regarding the effectiveness of the Company's management of its material business risks; and
- received assurance from the people performing each of the Chief Executive Officer and Chief Financial Officer functions regarding the consolidated financial statements and the effective operation of risk management systems and internal controls in relation to financial reporting risks.

Material associates and joint ventures, which the company does not control, are not dealt with for the purposes of this statement.

AUDIT & RISK COMMITTEE

The details of the composition, role and Terms of Reference of the Audit & Risk Committee are available on the Company's website at www.ppkgroup.com.au.

During the reporting period, the Audit & Risk Committee consisted of the following:

- A McDonald (Appointed Chairman: 21 December 2021; retired 23 November 2023): Non-Executive Independent Director
- R Levison (Appointed: 1 July 2022; retires 31 August 2024): Non-Executive Chairman
- A Birkill (Appointed 1 July 2022; Chair from 30 January 2024; Appointed PPK Group Non-Executive Chair 1 July 2024): Non-Executive Independent Director
- G Molloy (Appointed: 30 January 2024): Executive Director

The Company's External Audit Partner, Chief Executive Officer (now Managing Director), General Counsel, Chief Financial Officer and selected consultants attend meetings of the Audit and Risk Committee by standing invitation.

REMUNERATION & NOMINATION COMMITTEE

The details of the composition, role and Terms of Reference of the Remuneration and Nomination Committee are available on the Company's website at www.ppkgroup.com.au.

During the reporting period, the Remuneration & Nomination Committee consisted of the following:

- R Levison (Appointed: 21 December 2021; Chair from 30 January 2024; retires 31 August 2024): Non-Executive Chair
- A McDonald (Appointed Chair: 21 December 2021; retired 23 November 2023): Non-Executive Independent Director
- A Birkill (Appointed 1 July 2022, Appointed PPK Group Non-Executive Chair 1 July 2024): Non-Executive Independent Director
- G Molloy (Appointed: 30 January 2024): Executive Director

The Company's General Counsel, Chief Financial Officer, Chief Executive Officer (now Managing Director) and selected consultants attend meetings of the Remuneration and Nomination Committee by standing invitation.

OPTIONS AND UNISSUED SHARES

As at the date of this report, there are 1,541,754 performance rights on issue. No options have been granted over unissued shares or interests in the Company or its controlled entities to any of the Directors or the five most highly remunerated officers of the entity as part of their remuneration subsequent to 30 June 2024. With the exception of 33,815 shares in Li-S Energy Limited that were acquired on market by Marc Fenton on 22nd and 23rd August 2024, there has been no changes to the shares held by the Directors in the Company or its related bodies corporate as disclosed in the Remuneration Report.

Rights holders do not have any right to participate in any share issue of PPK.

DIRECTORS' INDEMNIFICATION

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

Each of the Directors, the Company Secretaries and other Executive Officers of PPK have entered into a deed whereby the company has provided certain contractual rights of access to books and records of PPK to those Directors, the Company Secretaries and other Executive Officers. The company has insured all its Directors and Executive Officers. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The *Corporations Act 2001* does not require disclosure of the information in these circumstances.

No Directors, Company Secretaries or other Executive Officers have sought leave under Section 237 of the Corporations Act.

AUDITOR'S INDEMNIFICATION

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

NON-AUDIT SERVICES

Non-audit services provided by the Group's auditor, Ernst & Young, in the current financial period and prior financial year included taxation advice and other advisory services to either the Company or other entities within the Group. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided to the Group means that auditor independence was not compromised.

During the year, the following fees were paid or payable for non-audit services provided by the auditor of the Group and its related practices:

	2024 \$	2023 \$
Taxation advice and other advisory services	76,000	145,100
Total remuneration	76,000	145,100

AUDIT INDEPENDENCE

The lead auditor has provided the Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2024 and a copy of this declaration forms part of the Directors' Report.

ROUNDING OF ACCOUNTS

The amounts contained in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$000) 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 this legislative instrument applies.

Signed in accordance with a resolution of the Board of Directors.



ANNE-MARIE BIRKILL
Non-Executive Chair



GLENN MOLLOY
Executive Director

Brisbane, 29 August 2024



Building a better
working world

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

As lead auditor for the audit of the financial report of PPK Group Limited for the financial year ended 30 June 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 audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Brad Tozer
Partner
29 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Consolidated Entity	
		2024 \$'000	2023 \$'000
Continuing operations			
Revenue from contracts with customers	3.1	28,186	6,352
Cost of sales		(20,165)	(3,446)
Gross Profit		8,021	2,906
Share of profit (loss) of associates and joint ventures	20	1,125	135
Other operating income (loss)	3.2	2,497	1,084
Finance costs		(1,565)	(382)
Technology Segment expenses	4.1	(9,339)	(7,229)
Energy Storage Segment expenses	4.1	(10,475)	(1,578)
Corporate expenses	4.1	(7,509)	(7,579)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	4.1	(17,245)	(12,643)
Income tax (expense) benefit	7	1,354	770
PROFIT (LOSS) FOR THE YEAR		(15,891)	(11,873)
PROFIT (LOSS) IS ATTRIBUTED TO:			
Owners of PPK		(10,743)	(7,815)
Non-controlling interests		(5,148)	(4,058)
		(15,891)	(11,873)
OTHER COMPREHENSIVE INCOME		-	-
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(15,891)	(11,873)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR IS ATTRIBUTABLE TO:			
Owners of PPK Group Limited		(10,743)	(7,815)
Non-controlling interests		(5,148)	(4,058)
		(15,891)	(11,873)
Earnings per share (in cents)			
Basic	10	(12.1)	(8.8)
Diluted	10	(12.1)	(8.8)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		Consolidated Entity	
		2024	2023
	Notes	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	13	28,348	39,999
Trade and other receivables	14	4,555	2,995
Inventories	15	7,518	12,077
Financial assets	17	2,000	-
Income Tax Receivable		-	610
Other current assets	16	134	2,246
TOTAL CURRENT ASSETS		42,555	57,927
NON-CURRENT ASSETS			
Financial assets	17	2,795	2,895
Investments in associates and joint ventures	20	9,236	9,814
Property, plant and equipment	21	13,032	10,642
Right-of-use assets	22	6,554	6,146
Intangible assets and goodwill	23	44,770	44,617
Deferred tax assets	7	3,197	2,900
Other non-current assets	16	707	639
TOTAL NON-CURRENT ASSETS		80,291	77,653
TOTAL ASSETS		122,846	135,580
CURRENT LIABILITIES			
Trade and other payables	24	9,771	10,050
Income tax payable	7	294	469
Lease liabilities	25	1,110	803
Deferred revenue	26	2,001	1,984
Provisions	27	4,174	4,751
Interest-bearing loans and borrowings	28	2,834	-
Other current liabilities	29	1,647	-
TOTAL CURRENT LIABILITIES		21,831	18,057
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	28	604	3,346
Lease liabilities	25	5,862	5,524
Provisions	27	152	60
Other non-current liabilities	29	-	1,417
Deferred tax liability	7	478	1,466
TOTAL NON-CURRENT LIABILITIES		7,096	11,813
TOTAL LIABILITIES		28,927	29,870
NET ASSETS		93,919	105,710
EQUITY			
Contributed equity	31	62,377	62,155
Treasury shares	31.4	(109)	(109)
Reserves	32	43,558	40,875
Retained earnings (accumulated losses)		(38,083)	(27,340)
Capital and reserves attributable to owners of PPK		67,743	75,581
Non-controlling interests		26,176	30,129
TOTAL EQUITY		93,919	105,710

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

		Consolidated Entity	
		2024	2023
	Notes	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		31,659	8,816
Cash payments to suppliers and employees		(42,978)	(18,637)
Interest received		1,406	1,544
Interest paid		(490)	(311)
Income taxes refunded (paid)		493	(961)
Net cash provided by (used in) operating activities	6.1	(9,910)	(9,549)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchases of plant and equipment		(6,202)	(3,468)
Proceeds from sale of investment property		-	5,503
Payments for acquisition of investments		(2,440)	(540)
Proceeds from sale of financial assets at FVTPL		308	673
Payments for intangibles		(2,377)	(3,664)
Proceeds from government grants for capital acquisitions		3,592	-
Payments for loans advanced		(700)	(5,235)
Proceeds from loans repaid		2,535	3,400
Proceeds from sale of investment in associates		2,750	-
Payment for acquisition of business - net of cash acquired		-	(401)
Net cash provided by (used in) investing activities		(2,534)	(3,732)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for shares acquired under the minimum holding buy-back		(278)	-
Proceeds from borrowings		-	4,000
Repayment of borrowings		-	(6,250)
Proceeds from capital raisings in controlled entities		660	2,963
Proceeds from sale of shares in controlled entities		1,387	-
Transaction costs on issue of shares in controlled entities		(62)	(126)
Principal payment for lease liabilities		(914)	(315)
Net cash provided by (used in) financing activities		793	272
Net increase (decrease) in cash held		(11,651)	(13,009)
Cash at the beginning of the financial year		39,999	53,008
Cash at the end of the financial year	6.2	28,348	39,999

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Issued Capital (Note 31) \$'000	Treasury Shares (Note 31.4) \$'000	Accumulated Losses \$'000	Capital Reserves (Note 32) \$'000	Reserve of Disposal Group Held for Sale \$'000	Total Attributable to Owners of PPK Group Ltd \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
CONSOLIDATED ENTITY									
At 1 July 2023		62,155	(109)	(27,340)	40,875	-	75,581	30,129	105,710
Total comprehensive income (loss) for the year									
Profit (loss) for the year		-	-	(10,743)	-	-	(10,743)	(5,148)	(15,891)
Total comprehensive income (loss) for the year		-	-	(10,743)	-	-	(10,743)	(5,148)	(15,891)
Issue of share capital in settlement of dispute	31.2	500	-	-	-	-	500	-	500
Issue of performance rights	32.1	-	-	-	599	-	599	897	1,496
Transaction costs for issue of share capital	32.1	-	-	-	-	-	-	-	-
Return of capital via share buyback	31.2	(278)	-	-	-	-	(278)	-	(278)
Change in a non-controlling interest held by a controlled entity, net of costs	32.2	-	-	-	2,084	-	2,084	298	2,382
Other movements	32.2	-	-	-	-	-	-	-	-
At 30 June 2024		62,377	(109)	(38,083)	43,558	-	67,743	26,176	93,919

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

The accompanying notes form part of these financial statements

	Notes	Issued Capital (Note 31) \$'000	Treasury Shares (Note 31.4) \$'000	Accumulated Losses \$'000	Capital Reserves (Note 34) \$'000	Reserve of Disposal Group Held for Sale \$'000	Total Attributable to Owners of PPK Group Ltd \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
CONSOLIDATED ENTITY									
At 1 July 2022		62,175	(109)	(19,525)	38,969	-	81,510	31,075	112,585
Total comprehensive income (loss) for the year									
Profit (loss) for the year		-	-	(7,815)	-	-	(7,815)	(4,058)	(11,873)
Total comprehensive income (loss) for the year		-	-	(7,815)	-	-	(7,815)	(4,058)	(11,873)
Issue of share capital for Long Term Incentive Plan	31.2	-	-	-	-	-	-	-	-
Issue of performance rights	32.1	-	-	-	775	-	775	-	775
Issue of performance rights in a subsidiary company	32.1	-	-	-	274	-	274	-	274
Reserves attributable to non-controlling interests	32.1	-	-	-	(274)	-	(274)	274	-
Transaction costs for issue of share capital	31.1	(20)	-	-	(32)	-	(52)	-	(52)
Issue of capital in a controlled entity	32.2	-	-	-	1,833	-	1,833	1,573	3,406
Non-controlling interest arising in PPE business combination	30	-	-	-	-	-	-	595	595
Other movements	32.2	-	-	-	(670)	-	(670)	670	-
At 30 June 2023		62,155	(109)	(27,340)	40,875	-	75,581	30,129	105,710

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1 CORPORATE INFORMATION

The financial statements of the consolidated entity, being PPK Group Limited and its 100% owned subsidiaries ("PPK" or "the Company") and its other controlled entities ("the Group") for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 29 August 2024 and covers PPK Group Limited and its controlled entities as required by the *Corporation Act 2001*.

PPK is a for-profit company limited by shares, incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange (ASX Code: PPK). PPK Group 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, however, limited financial information for PPK Group Limited is provided as an individual entity in Note 11.

PPK invests capital and expertise in high potential opportunities with a current focus on energy storage, safety related products and nanomaterials. Our goal is to strengthen each investment and, when appropriate, exit the investment.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation and Statement of Compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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

The consolidated financial statements provide comparative information in respect of the previous period. The accounting policies have been consistently applied to the entities of the consolidated entity unless otherwise stated.

PPK is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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

The new and revised standards and amendments effective for the financial period ended 30 June 2024 are material to the Company:

AASB 2021-2 Amendments to AASB 7, AASB 101, AASB 134 and AASB Practice Statement 2

The amendments to AASB 101 Presentation of Financial Statements require disclosure of material accounting policy information, instead of significant accounting policies. Unlike 'material', 'significant' was not defined in Australian Accounting Standards. Leveraging the existing definition of material with additional guidance is expected to help preparers make more effective accounting policy disclosures. The guidance illustrates circumstances where an entity is likely to consider accounting policy information to be material. Entity-specific accounting policy information is emphasised as being more useful than generic information or summaries of the requirements of Australian Accounting Standards.

The amendments to AASB Practice Statement 2 supplement the amendments to AASB 101 by illustrating how the four-step materiality process can identify material accounting policy information.

AASB 2021-2 Amendments to AASB 108

An accounting policy may require items in the financial statements to be measured using information that is either directly observable or estimated. Accounting estimates use inputs and measurement techniques that require judgements and assumptions based on the latest available, reliable information.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The amendments to AASB 108 clarify the definition of an accounting estimate, making it easier to differentiate it from an accounting policy. The distinction is necessary as their treatment and disclosure requirements are different. Critically, a change in an accounting estimate is applied prospectively whereas a change in an accounting policy is generally applied retrospectively.

The new definition provides that 'Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.' The amendments explain that a change in an input or a measurement technique used to develop an accounting estimate is considered a change in an accounting estimate unless it is correcting a prior period error.

The below new and revised standards and amendments effective for the financial period ended 30 June 2024 are not material to the Company:

- AASB 17 *Insurance Contracts*
- AASB 2022-1 *Amendments to AASs – Initial Application of AASB 17 and AASB 9 – Comparative Information*
- AASB 2021-5 *Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- AASB 2022-7 *Editorial Corrections to AASs and Repeal of Superseded and Redundant Standards*
- AASB 2022-8 *Amendments to AASs – Insurance Contracts – Consequential Amendments*
- AASB 2023-2 *Amendments to AASB 112 – International Tax Reform Pillar Two Model Rules*²⁹

The following new and revised standards and amendments have been issued but are not effective for the financial period ended 30 June 2024.

- AASB 2020-1 *Amendments to AASs – Classification of Liabilities as Current or Non-current*
- AASB 2022-6 *Amendments to AASs – Non-current Liabilities with Covenants*
- AASB 2014-10 *Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2022-5 *Amendments to AASs – Lease Liability in a Sale and Leaseback*
- AASB 2022-10 *Amendments to AASs – Fair Value Measurement of Non-financial Assets of Not-for-Profit Public Sector Entities*
- AASB 2023-1 *Amendments to AASs – Amendments to AASB 107 and AASB 7 – Disclosures of Supplier Finance Arrangements*
- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*
- AASB 18 *Presentation and Disclosure in Financial Statements*

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The Group assesses the impact of new and revised standards and amendments that are not yet effective on an ongoing basis.

2.3 Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of the entities that the Group controls at 30 June each year.

The Parent Company controls an entity if it is exposed, or has rights, to variable returns from its involvement with the entity and could affect those returns through its power over the entity (Note 2.25). Potential voting rights that are substantive, whether or not they are exercisable or convertible, are considered when assessing control. All entities have a reporting date of 30 June.

All intercompany balances and transactions, including unrealised profits arising from intergroup transactions have been eliminated on consolidation. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective.

Profit or loss and other comprehensive income of entities acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of an entity's profit or loss and net assets that is not held by the Group.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The Group attributes total comprehensive income or loss of an entity between the owners of the parent and the non-controlling interests based on their respective ownership interests. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.4 Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of an entity is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. When a business combination arises and no consideration is paid, the fair value of the Group's investment prior to acquisition is used in lieu of consideration paid. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values unless otherwise required by the relevant accounting standard. Where there is no consideration transferred, the Group attributes to the owners of the acquiree the amount of the acquiree's net assets recognised in accordance with the relevant accounting standard.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

2.5 Investment in joint venture

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group has a contractual arrangement whereby decisions about the relevant activities of the joint venture require the unanimous consent of the joint venturers that control the joint venture. A joint venture is accounted for in the consolidated financial statements as an investment and accounts for the investment using the equity method of accounting. Under the equity method the Group's share of the post-acquisition profit or loss of the joint venture is recognised in consolidated profit or loss and the Group's share of the post-acquisition movements in other comprehensive income of the joint venture is recognised in consolidated other comprehensive income. However, before applying equity accounting, the Group adjusts for any post-acquisition movements attributable to investments in subsidiaries of the Group. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends and distributions received from the joint venture reduces the carrying amount of the investment in the consolidated financial statements.

Any goodwill or fair value adjustment attributable to the Group's share in the joint venture is not recognised separately and is included in the amount recognised as an investment.

When the Group's share of post-acquisition losses in a joint venture exceeds its interest in the joint venture (including any unsecured receivables), the Group does not recognise further losses unless it has obligations to, or has made payments, on behalf of the joint venture.

2.6 Investments in associates

Associates are entities over which the Group has significant influence but not control. Associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method the Group's share of the post-acquisition profit or loss of the associates is recognised in consolidated profit or loss and the Group's share of the post-acquisition movements in other comprehensive income of associates is recognised in consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends and distributions received from associates reduce the carrying amount of the investment in the consolidated financial statements.

Any goodwill or fair value adjustment attributable to the Group's share in the associate is not recognised separately and is included in the amount recognised as investment. When the Group's share of post-acquisition losses in an associate exceeds its interest in the associate (including any unsecured receivables), the Group does not recognise further losses unless it has obligations to, or has made payments, on behalf of the associate.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 Foreign currency translation

The consolidated financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the Parent Company and all subsidiaries, associates and joint ventures.

Foreign currency transactions during the period are converted to Australian currency at rates of exchange applicable at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses, whether realised or unrealised, resulting from the settlement of such transactions, amounts receivable and payable in foreign currency at the reporting date, and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year end and are measured at historical cost (translated using the exchange rate at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.8 Revenue from contracts with customers and other income

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the procurement services, because it typically controls the goods or services before transferring them to the customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both.

To determine whether to recognise revenue, the Company follows a 5-step process:

- Identify the contract with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when/as performance obligations are satisfied.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods or services, the Group considers the effects of variable consideration, existence of a significant financing component, warranty obligations, and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts provide customers with a right to return the goods within a specified period. The Group also provides retrospective volume rebates to certain customers once the quantity of purchases during the period exceeds the threshold specified in the contract. The rights of return and volume rebates give rise to variable consideration.

1. Rights of return

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

2. Volume rebates

Under some customer contracts, batteries are sold with retrospective volume discounts based on aggregate sales over a specific period. Revenue from these sales is recognised based on the price specified in the contract, net of any estimated volume discounts. Accumulated experience is used to estimate and provide for these discounts using the most likely amount method, and revenue is only recognised to the extent that it is probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The disclosures of significant estimates and assumptions relating to the estimation of variable consideration for returns and volume rebates are provided in Note 2.25.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(ii) Significant financing component

The Group receives advance payments from customers in instances where they do not hold a credit account or sufficient size, or where a custom project is entered into. Unsatisfied performance obligations in respect of sales receipts received in advance are recognised as a contract liability. The Group reviews these transactions to determine if there is a significant financing component for these contracts, considering the length of time between the customers' payment and the transfer of the equipment, as well as the prevailing interest rate in the market. Where a significant financing component is identified, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

No element of financing is deemed present on sales credit terms provided to customers, as sales terms are short-term in nature, ranging from invoice date plus 30 days to end of month plus 60 days.

(iii) Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law, and in accordance with its standard warranty terms. The warranty period can be up to 10 years, depending on the product sold. These assurance-type warranties are accounted for as warranty provisions. Refer to the accounting policy on warranty provisions in Note 2.21.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of BNNT is recognised at a point in time when they leave the manufacturing plant and control has passed to the buyer. Revenue is measured at the fair value of consideration received or receivable, net of returns, trade allowances and duties and taxes paid.

Revenue from the sale of manufactured batteries, cabinets and accessories is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods to the customer's location.

Management fees

Revenue is recognised as it accrues on a monthly basis for the performance of services provided under agreement.

Interest income

Interest income is recognised as it accrues using the effective interest rate method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

Government grants

Income from government grants is recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. When the grant relates to an income item, it is recognised in the profit and loss when the Company will comply with all attached conditions. When the grant relates to an expense item, it is recognised in the profit and loss as other operating income on a systematic basis over the periods in which the Company recognises as expense the related costs for which the grants are intended to compensate. When the grant relates to an asset, it is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset.

2.9 Operating expenses

Operating expenses are recognised in the profit or loss upon utilisation of the services or at the date of their origin.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.10 Share-based payments

The Group operates equity-settled share right-based incentive plans for its directors and employees. None of the Group's plans feature any share rights for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where directors and employees are rewarded using share right-based payments, the cost of directors' and employees' services is determined by the fair value at the date when the grant is made using an appropriate valuation model and revalued when modified. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions and non-vesting conditions are reflected within the grant date fair value.

All share-based remuneration is ultimately recognised in employee benefits expense with a corresponding credit to share rights reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on best available estimate of the number of share rights expected to vest.

Non-market vesting conditions are included in assumptions about the number of share rights that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share rights expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share rights ultimately exercised are different to that estimated on vesting.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

2.11 Finance costs

All borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is necessary to complete and prepare the asset for its intended use or sale. Other finance and borrowing costs are expensed in accordance with the effective interest rate method.

2.12 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, and at call deposits with banks or financial institutions that have a maturity of no more than three months, net of bank overdrafts as they are considered an integral part of the Group's cash management.

2.13 Trade receivables and other receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.17.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through the profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the Group applies a simplified approach to calculating ECLs. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.14 Inventories

Raw materials, consumables and finished goods are stated at the lower of cost or net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of average landed cost. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.15 Property, plant and equipment

Land and buildings are brought to account at cost less, where applicable, any accumulated depreciation. After initial recognition, land and buildings are measured at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation and impairment. The cost of fixed assets constructed within the Group includes the cost of materials used in construction, direct labour and an appropriate proportion of fixed and variable overheads.

The depreciable amount of all fixed assets, including buildings and capitalised leased assets but excluding freehold land, is depreciated over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the profit before income tax of the consolidated entity in the year of disposal.

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	Straight Line over the term of the lease
Plant & Equipment	10-50%

2.16 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research and Development

Research is recognised as an expense as incurred. Costs incurred on development (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets at cost less any accumulated amortisation and impairment losses and amortised over the period of expected future sales from the related projects which vary from 5 - 7 years. The carrying value of development costs is tested annually for impairment when the asset is not yet ready for use, or when events or circumstances indicate that the carrying value may be impaired.

Intellectual Property

Intellectual Property is recognised when it is probable that it will generate future economic benefits and its costs can be measured reliably. Intellectual Property has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. The asset is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For intellectual property in BNNTTPL, amortisation is calculated on a straight line basis over the number of years of its expected benefit being the expiration of the exclusive global licence over the BNNT manufacturing technology on 31 May 2038.

2.17 Financial instruments

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group's investments are at fair value through profit and loss.

i) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial assets are classified according to the characteristics of their contractual cash flow and the Group's business model for managing them. Except for those trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do contain a significant financing component for which the Group has applied the practical expedient are measured at the transaction price as disclosed in Note 2.13.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit and loss ("FVTPL"), irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date (i.e. the date that the Group commits to purchase or sell the asset).

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through the OCI with no recycling of cumulative gains or losses upon derecognition (equity instruments)
- Financial assets at FVTPL

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised. The Group's financial assets at amortised cost includes trade receivables.

Financial assets fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, impairment losses or reversals are recognised in the statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group has no debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group has no equity instruments at fair value through OCI.

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments, listed and unlisted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all of the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

Further disclosures relating to impairment of financial assets are also provided in Note 2.25.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

ii) Financial liabilities

Initial measurement and recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVTPL
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated up initial recognition as FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.18 Disposal Group held for sale

The Group classified a disposal group as held for sale when the carrying amounts of their assets were realised through a demerger of the assets by a return of capital to shareholders rather than through continuing use. A disposal group classified as held for sale is measured at the lower of their carrying amount and fair value less costs to demerge. Costs to demerge are the incremental costs directly attributable to the disposal of the asset of the disposal group, excluding finance and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the disposal group was available for immediate sale in its present condition.

Property, plant and equipment and intangible assets were not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale were presented separately as current items on the statement of financial position in the previous year.

The disposal group qualified as a discontinued operation as it was a component of an entity that has been classified as held for sale and represents a separate major line of business or geographic area of operations.

Held-for-sale assets were excluded from the results of continuing operations and were presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

2.19 Trade and other payables

These amounts represent unpaid liabilities for goods received and services provided to the Group prior to the end of the financial year. The amounts are unsecured and are normally settled within 30 to 60 days, except for imported items for which 90 or 120 day payment terms are normally available.

2.20 Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss statement over the period of the loans and borrowings using the effective interest method. Bank loans are subject to set-off arrangements.

2.21 Provisions

Employee benefit provisions (salary, wages and annual leave)

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled are recognised in other liabilities or provision for employee benefits in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Warranty Provisions

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law, and in accordance with its standard warranty terms. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

Long service leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measure as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and period of service. Expected future payments are discounted using high quality corporate bond rates at the end of the reporting period with terms to maturity that match as close as possible, the estimated future cash outflows.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Retirement benefit obligations

The Group contributes to defined contribution superannuation funds for employees. All funds are accumulation plans where the Group contributed various percentages of employee gross incomes, the majority of which were as determined by the superannuation guarantee legislation. Benefits provided are based on accumulated contributions and earnings for each employee. There is no legally enforceable obligation on the Group to contribute to the superannuation plans other than requirements under the superannuation guarantee legislation. Contributions are recognised as expenses as they become payable.

2.22 Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are only recognised for deductible temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or liability if they arose in a transaction other than a business combination that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if there is reasonable certainty that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity.

PPK Group Limited and its wholly owned Australian subsidiaries have implemented the tax consolidation legislation and entered into a tax funding agreement and a tax sharing agreement for the whole of the financial year, where each subsidiary will compensate PPK Group Limited for the amount of tax payable that would be calculated as if the subsidiary was a tax paying entity. PPK Group Limited is the head entity in the tax consolidated group.

The separate taxpayer within a group approach has been used to allocate current income tax expense and deferred tax expense to wholly owned subsidiaries that form part of the tax consolidated group. PPK Group Limited has assumed all the current tax liabilities and the deferred tax assets arising from unused tax losses for the tax consolidated group via intercompany receivables and payables because a tax funding arrangement has been in place for the whole of the financial year. The amounts receivable/payable under tax funding arrangements are due upon notification by the head entity. Interim funding notices may also be issued by the head entity to its wholly owned subsidiaries in order for the head entity to be able to pay tax instalments.

2.23 Dividends

Provision is made for dividends declared, and no longer at the discretion of the Group, on or before the end of the financial year but not distributed at the end of the reporting period.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.24 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.24.1 Right-of-use assets

In the previous year, the Group recognised right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets were measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	2 to 9 years
Plant and equipment	2 to 4 years

If ownership of the leased asset transfer to the Group at the end of the lease term or the costs reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.24.2 Lease liabilities

At the commencement date of the lease, the Group recognised lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments included fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depended on an index or rate, and amounts expected to be paid under residual lease guarantees. The lease payments also included the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that did not depend on an index or a rate were recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group used its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease was not readily determinable. After the commencement date, the amount of lease liabilities was increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e. changes to future payments resulting from a change in an index or rate to be used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.24.3 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

2.24.4 Group as lessor

Leases in which the group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Variable lease payments are recognised as revenue in the period in which they are earned.

When assets are leased out under finance leases, the present value of the lease payments is recognised as a lease receivable. Any difference between the present value of the lease receivable and the asset derecognised is recorded in the profit and loss. Interest income is recognised as the discount unwinds.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.25 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements 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.

Significant Management Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

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 LIS throughout the reporting period. In assessing its power over LIS, management considers:

- the direct (LIS holding 45.5%) and indirect (LIS holding 3.85%) interest the Group holds (total 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.

While the Group holds directly and indirectly less than 50% of shares on issue (49.35%), this is not in and of itself determinative. Weighing all the factors, the Board considers that it continues to control Li-S Energy Limited.

Impairment of intangibles – development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on Management's judgement, after making inquiries from engineers, scientists and other qualified professionals that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, Management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and expected period of benefits.

This includes significant investment in the development of new manufacturing processes to fully automate the BNNT continuous production and to produce white graphene. Further investment is incurred in relation to BNNT application projects and white graphene application projects to undertake the research and development of new and existing technologies and products where nanomaterials such as BNNT and white graphene can be used to create and/or improve these technologies and products.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets not yet ready for use require an annual impairment test. Management has used significant judgement to determine there was no impairment that occurred after the initial recognition of the intangible asset. Management made this assessment using either:

- estimated future cash flows from the investment; and
- Using a market capitalisation of the relevant subsidiary to determine the implied enterprise value of the company and its assets was significantly in excess of the carrying value of the intangible assets.

Based on the information available to support the estimates made, Management concluded there was no impairment charge of the intangibles at the reporting date (2023: nil);

Impairment of non-current assets

Management has used significant judgement to evaluate conditions specific to the Group that indicate individual assets may be impaired in relation to property, plant and equipment. Based on the information available to Management, there were no such indicators at the reporting date. Refer to Note 23 for disclosure of the Group's impairment assessment.

Investments in joint ventures and associates

Management has used significant judgement to determine there was no objective indicators of impairment which might impact on the estimated future cash flows from the investments. Based on the information available to Management, there was no impairment indicators for the investments in joint ventures and associates at the reporting date (see Note 22.2).

Investment in equity instruments

Management has used significant judgement to determine the fair value of the investment in Zeta Energy LLC which LIS has made an investment in (Notes 17).

Recognition of goodwill and subsequent assessment for impairment

Management uses significant judgement to identify and determine the fair value of the assets and liabilities acquired when PPK gains control of a subsidiary.

Management has used significant judgement to evaluate the recoverable amount of cash generating units which have goodwill allocated to them. Based on the information available to Management, no impairment expense was required to be recorded at the reporting date.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant.

PPK has a long-term incentive plan called the Executive Rights Plan which is managed by a Trust on behalf of executives and senior managers who are offered Performance Rights which can be converted to PPK shares on a one-for-one basis subject to meeting the vesting conditions.

Management has reviewed the terms and conditions of each tranche to determine the value of each Right, the service period for which each Right pertained to, the vesting period for each Rights and the period for which the Rights are expensed (Note 5.1).

Revenue recognition – Estimating variable consideration for returns and volume rebates

The Group estimates variable consideration to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Group has developed a statistical model for forecasting sales returns. The model uses the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The Group applied the statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. As at 30 June 2024, the amount recognised as refund liabilities for the expected returns and volume rebates was \$0.931 million (2023: \$0.189 million)

Deferred Tax Asset

Deferred tax asset, including tax losses carried forward, are only recognised to the extent that there is reasonable certainty of realising future taxable amounts sufficient to recover the carrying value. Due to carry forward tax losses and an expectation that the current challenging industry conditions would continue in the short term, the Directors assessed that deferred tax assets would only be recognised to the extent of, and offset against, available deferred tax liabilities unless there is convincing evidence that the losses will be used in the future.

Warranty Provision

In determining the level of provision required for warranties the Group has made judgement in respect of the expected performance of the products, the number of customers who will claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

2.26 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of PPK, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

2.27 GST

Revenues and expenses are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.28 Investment properties

Investment properties are initially measured at cost including transaction costs. Subsequent to initial measurement, investment properties are carried at cost, less depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group. Depreciation on investment properties is calculated on a straight-line basis over the estimated useful life of the asset of 25 years. Land is not depreciated.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of profit or loss in the year that the item is derecognised.

2.29 Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

On 29 August 2024, being the date of approval of the financial report, the Directors believe it is appropriate to prepare the financial report on a going concern basis.

In making this assessment the Directors have identified and considered:

- \$28.348 million of cash and cash equivalents (2023: \$39.999 million) of which \$4.456 million is directly held by PPK (2023: \$3.840 million);
- PPK expects to receive circa \$1.400 million of management fees from non-wholly owned subsidiary companies and associates for providing shared support services in the next financial year;
- PPK has strategic ownership in ASX listed companies which have a market value of approximately \$0.185 million (2023: \$0.287 million) and would be available for sale, if required;
- LIS (a subsidiary in which PPK owns 290.849 million (2023: 290.849 million) shares) listed on the ASX on 28 September 2021;
- WGL undertook a capital raise in FY23 of \$3.623 million and received binding subscriptions for 7.247 million shares at 50 cents. PPK owns 74.688 million (2023: 81.000 million) shares in WGL, valuing PPK's shares at \$37.344 million. The shares would be available for sale, if required; and
- PPK has access to sufficient working capital funds to finance the planned research and development programs of the nanomaterial businesses.

NOTE 3 REVENUE AND OTHER OPERATING INCOME

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	Notes	Consolidated Entity	
		2024 \$'000	2023 \$'000
Type of goods or services			
Sale of goods		27,477	5,086
Rendering of services		709	1,266
Total revenue from contracts with customers		28,186	6,352
Timing of revenue recognition			
Goods transferred at a point in time		27,477	5,086
Services rendered over time		709	1,266
Total revenue from contracts with customers		28,186	6,352

Geographic location of Customers

In the 2024 financial year, the operating segments operate only in Australia.

Customer Concentration

In the 2024, financial year two customers in the energy storage segment individually made up more than 45.6% of the Group's revenues from contracts with customers. Customer 1 made up circa \$6.980 million (2023: \$1.300 million), and Customer 2 made up circa \$5.968 million (2023: \$0.800 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 (Note 36).

3.2 Other Operating Income (Loss)

Rental income	4.1	43	61
Foreign exchange gain (loss) on financial assets at FVTPL	4.1	147	87
Gain (loss) on financial assets at FVTPL	6.1	227	(2,169)
Gain (loss) on sale of financial assets at FVTPL		557	1,488
Finance income		1,598	1,592
Impairment of a loan		(75)	25
		2,497	1,084

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.

These companies are differentiated by the amount of involvement PPK has with their operations. As either the major shareholder or having responsibilities to commercialise the technologies, PPK maintains an active role in the management of these companies through the appointment of directors and other key management personnel.

NOTE 4 SEGMENT INFORMATION (continued)

PPK deems that it controls these companies and accounts for them as 'technology subsidiary companies' for segment reporting and includes:

- BNNT Technology Pty Ltd
- Li-S Energy Limited
- White Graphene Limited
- BNNT Precious Metals Pty Ltd

PPK deems that it controls PowerPlus Energy Pty Ltd and accounts for the company as a controlled subsidiary. PowerPlus Energy is reported in the Energy Storage segment.

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 for segment reporting. They include:

- Advanced Mobility Analytics Group Pty Ltd
- Craig International Ballistics Pty Ltd

4.1 Year ended 30 June 2024

Reportable Segments	Notes	Technology				Total \$'000
		Energy Storage \$'000	Subsidiary Companies (Note 19) \$'000	Associates and Joint Ventures \$'000	¹ Corporate/ Unallocated \$'000	
Revenue from contracts with customers ²	3.1	27,470	10	-	706	28,186
Rental income	3.2	-	-	-	43	43
Foreign exchange gain (loss) on financial assets at FVTPL		199	(49)	-	(3)	147
Gain (loss) on financial assets at FVTPL		-	(13)	-	812	799
Gain (loss) on sale of financial assets at FVTPL		-	(14)	-	-	(14)
Finance income		14	1,329	-	255	1,598
Impairment of a loan		-	3	-	(78)	(75)
Share of profit (loss) of an associate and a joint venture		-	-	1,125	-	1,125
Total revenue and other income		27,683	1,266	1,125	1,735	31,809
Segment expenses include						
Cost of sales		(20,078)	(87)	-	-	(20,165)
Administration expenses	19	(8,278)	(6,318)	-	(7,161)	(21,757)
Share based payment expense	5.3	-	(897)	-	(1,099)	(1,996)
Costs to defend a dispute of a business acquisition		-	-	-	(358)	(358)
Short term leases		-	-	-	-	-
Interest expense		(887)	(181)	-	(293)	(1,361)
Depreciation and amortisation		(1,397)	(1,856)	-	(164)	(3,417)
Total expenses		(30,640)	(9,339)	-	(9,075)	(49,054)
Segment profit (loss)		(2,957)	(8,073)	1,125	(7,340)	(17,245)
Current assets		11,527	27,602	-	3,426	42,555
Non-current assets		7,101	65,428	9,315	(1,553)	80,291
Total assets		18,628	93,030	9,315	1,873	122,846
Current liabilities		13,451	7,116	-	1,264	21,831
Non-current liabilities		6,154	5,362	-	(4,420)	7,096
Total liabilities		19,605	12,478	-	3,156	28,927
Total net assets		(977)	80,552	9,315	5,029	93,919

¹ Does not include \$1,194,000 in management fees charged by the corporate office to provide shared support services to the subsidiary companies, eliminated on consolidation.

² Does not include \$52,860 of intercompany sales in subsidiary companies, eliminated on consolidation

³ Includes adjustments eliminating interest in related party transactions.

NOTE 4 SEGMENT INFORMATION (continued)

4.2 Year ended 30 June 2023

Reportable Segments	Notes	Technology				Total \$'000
		Energy Storage \$'000	Subsidiary Companies (Note 19) \$'000	Associates and Joint Ventures \$'000	¹ Corporate/ Unallocated \$'000	
Revenue from contracts with customers ²	3.1	5,081	5	-	1,266	6,352
Rental income	3.2	-	-	-	61	61
Foreign exchange gain (loss) on financial assets at FVTPL		31	59	-	(3)	87
Gain (loss) on financial assets at FVTPL		-	104	-	(2,273)	(2,169)
Gain (loss) on sale of financial assets at FVTPL		-	36	-	1,452	1,488
Finance income		-	1,373	-	220	1,593
Impairment of a loan		-	-	-	25	25
Share of profit (loss) of an associate and a joint venture		-	-	135	-	135
Total revenue and other income		5,112	1,577	135	748	7,572
Segment expenses include						
Cost of sales		(3,434)	(12)	-	-	(3,446)
Administration expenses	19	(1,234)	(5,471)	-	(6,145)	(12,850)
Share based payment expense	5.3	-	(273)	-	(775)	(1,048)
Costs to defend a dispute of a business acquisition		-	-	-	(820)	(820)
Short term leases		-	-	-	-	-
Interest expense		(130)	(139)	-	(103)	(372)
Depreciation and amortisation		(227)	(1,334)	-	(118)	(1,679)
Total expenses		(5,025)	(7,229)	-	(7,961)	(20,215)
Segment profit (loss)		87	(5,652)	135	(7,213)	(12,643)
Current assets		15,704	37,358	-	4,865	57,927
Non-current assets		7,539	62,674	9,814	(2,374)	77,653
Total assets		23,243	100,032	9,814	2,491	135,580
Current liabilities		15,296	2,164	-	597	18,057
Non-current liabilities		6,557	10,529	-	(5,273) ³	11,813
Total liabilities		21,853	12,693	-	(4,676)	29,870
Total net assets		1,390	87,340	9,814	7,166	105,710

¹ Does not include \$1,278,000 in management fees charged by the corporate office to provide shared support services to the subsidiary companies, eliminated on consolidation.

² Does not include \$85,559 of intercompany sales in subsidiary companies, eliminated on consolidation

³ Includes adjustments eliminating interest in related party transactions.

Included in total expenses reported above are the following employee benefits expenses:

	Notes	Consolidated Entity	
		2024 \$'000	2023 \$'000
Wages and salaries		11,103	6,846
Post-employment benefits		1,165	555
Share based payments		1,995	1,048
Total employee benefits expense		14,263	8,449

NOTE 5 SHARE BASED PAYMENT EXPENSE

5.1 PPK Share Based Payments

PPK has two share payment programs for employee remuneration; the Executive Rights Plan and the Long Term Incentive Plan.

Executive Rights Plan

A summary of the grants currently on issue are as follows:

Grant	FY23	FY24
Term (if not exercised within that Term the Rights will lapse).	15 years	15 years
Service condition	1 July 2022 to 30 June 2023	1 July 2023 to 30 June 2024
Performance Rights	Each vested Right can be exercised for one share in PPK Group Limited.	Each vested Right can be exercised for one share in PPK Group Limited.
Measurement Period	The Measurement Period for the FY23 Performance Rights is a period of 3 years from 1 July 2022.	The Measurement Period for the FY24 Performance Rights is a period of 3 years from 1 July 2023.
Vesting Conditions ¹	Strategic – 30% Operational Goals – 35% ESG Goals – 10% aTSR – 25%	Strategic – 30% Operational Goals – 35% ESG Goals – 10% aTSR – 25%

¹ The nature and weighting of the vesting conditions are consistent for each Participant but the vesting conditions are tailored for the role than each Participant performs. The Remuneration & Nomination Committee will use their judgement to assess whether the vesting conditions have been met.

	No of Rights (#)	Fair value of payment (\$)	Rights Value (\$)	2023 Expense (\$)	2024 Expense (\$)
Special Catch-Up Grant	61,913	5.30	328,138	164,069	-
FY23 Performance Rights	462,976	1.52	611,128	611,128	-
FY24 Performance Rights	856,776	0.69	599,204	-	599,204
Share issued in settlement of business dispute (refer Note 31.2)	1,136,011	0.44	500,000	-	500,000
Total				775,198	1,099,204

The Special Catch-Up Grant Rights were expensed on a straight-line basis from 1 July 2021 to 30 June 2023 being the service period for each Participant.

The FY23 and FY24 Performance Rights were fully expensed in the FY23 and FY24 financial year in line with their service period conditions as they are in relation to the Participant's June 2023 and June 2024 remuneration, although the assessment of the vesting conditions are determined over a three year measurement period.

The share price on grant date used for the purpose of setting the aTSR hurdle is determined based on a 20-day VWAP. There are no exercise prices payable for these rights.

LTI Plan

PPK previously had an LTI in place which is still managed as a Trust on behalf of the remaining participants, being one previous director, and one previous senior manager of PPK. The vested Performance Rights can be converted to PPK shares on a one-for-one basis. The previous LTI plan was approved by shareholders at the Annual General Meeting on 27 November 2018.

NOTE 5 SHARE BASED PAYMENT EXPENSE (continued)

A McDonald was offered 50,000 performance rights due to the time and services provided in connection with the BNNTTPL acquisition and its subsequent development and advancement and this was approved by the shareholders at the Annual General Meeting on 26 November 2019. The performance rights have all vested but remain unexercised.

5.2 Group Share Based Payments

Group companies also have share based payments. While the purpose and approach of each plan are consistent with that of PPK, the plans are tailored of the requirements of each individual entity and the directors and executives that participate may not be key management personnel of PPK.

5.2.1 LIS Share Payments

LIS has three share-based payment plans, the Non-Executive Director Equity Plan, the Executive Share Plan, and the Long Term Incentive Plan ("LTIP"). Details of the plans are outlined below. No share rights have been exercised during the period (2023: nil).

NED Equity Plan

LIS adopted the NED Equity Plan under which the Board of the subsidiary invited LIS' Non-Executive Directors to apply for Service Rights to be issued in accordance with, and subject to the terms of the Plan. Each Service Right is an entitlement, upon exercise, to an ordinary fully paid Share in the Company.

LIS' NEDs sacrificed annual Director fees of \$80,000 for 160,000 Service Rights and the LIS Chairman sacrificed total Director fees of \$120,000 for 240,000 Service Rights for each 12-month period ending 30 April. From 1 May 2024, subsequent to the completion of the 3-year NED Equity Plan, the LIS' NEDs reverted their remuneration to cash benefits in respect of their duties as Directors. They are not entitled to participate in performance-based remuneration practices unless approved by shareholders. The Company will not generally use options as a means of remuneration for non-executive directors and will continue to remunerate those directors by means of cash benefits.

The number of Service Rights was calculated by dividing the amount of sacrificed fees by the Share price of \$0.50 per Share being the price at which Shares were issued in the April 2021 capital raise. The fair value of these Service Rights at the time that they were granted was independently valued at \$0.50 each.

The Service Rights were issued as at 1 May 2021 and vested in three equal tranches on 30 April 2022, 2023 and 2024, providing the LIS NED held the office of NED on those dates. Each consecutive tranche commenced annually on the vesting date of the prior tranche. All LIS NEDs met the vesting requirements for Tranches 1, 2, and 3, with Tony McDonald meeting the requirements for Tranche 3 on a pro rata basis to his date of retirement, being 14 November 2023.

Service Rights may not be disposed of at any time except by force of law such as on death. Service Rights may be exercised at any time once they have vested.

Each Service Right has a term ending 15 years after the grant date. If not exercised before the end of their term the Service Rights will lapse.

If a NED ceased to hold the office of a NED during a tranche then Service Rights for that tranche vested in proportion to the time elapsed as served in the tranche. All subsequent tranches would lapse.

A NED must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Service Rights.

If the Board forms the view that a NED has committed an act of fraud, defalcation or gross misconduct in relation to the Company then all unexercised Service Rights will be forfeited.

NOTE 5 SHARE BASED PAYMENT EXPENSE (continued)

Executive Rights Plan

Pre IPO, LIS adopted a plan called the Executive Rights Plan (**Executive Rights Plan**) under which the Board of LIS invited certain eligible persons, to apply for Service Rights or Performance Rights to be issued in accordance with, and subject to the terms of, the Executive Rights Plan. The Executive Rights Plan was approved by shareholders at the Annual General Meeting held on 24 November 2021. The Executive Rights Plan was superseded by the LTIP after approval at the Annual General Meeting held on 10 November 2022.

On 12 November 2020 the LIS CEO was granted 1,000,000 Service Rights which vest in four equal tranches on 30 April 2022, 2023, 2024 and 2025, subject to continuity of employment during the Measurement Periods. The Service Rights at the time that they were granted were independently valued at \$0.065 each and have a nil exercise price. Each consecutive tranche commences annually on the vesting date of the prior tranche and, if the CEO ceases employment during a tranche, then Service Rights for that tranche will vest in proportion to the time elapsed as served in the tranche and all subsequent tranches will lapse. The LIS CEO has met the vesting requirements for Tranches 1, 2, and 3.

On 15 June 2022 the LIS CTO was granted 200,000 Service Rights which vested on 30 June 2022. The Service Rights were valued at \$0.425 each, being the closing share price at the date of the grant and have a nil exercise price. Service Rights that have vested may be exercised any time after 30 June 2024.

Each Service Right is an entitlement, upon vesting and exercise, to an ordinary fully paid Share in the Company. The Board may at any time by written instrument, or by resolution of the Board, amend or repeal all or any of the provisions of the Plan. Non-Executive Directors are excluded from Participation in the Plan.

The Service Rights may not be disposed of at any time except by force of law such as on death. Service Rights may not be exercised prior to vesting but may be exercised at any time once they have vested.

Each Service Right has a term ending 15 years after the grant date. If not exercised before the end of their term the Service Rights will lapse. The term will be reduced if vested Service Rights are not exercised as required following cessation of being an employee of the Company. Any unvested Service Rights that do not vest will lapse.

Long-term incentive plan – performance rights issued during the period

On 16 November 2023, LIS granted 963,036 performance rights to specific executive officers and senior staff of LIS under the terms of the Long Term Incentive Plan (LTIP). The fair value of these performance rights was calculated on the grant date and will be recognised over the period to vesting in June 2026. The vesting of the performance rights granted is based on the achievement of specified internal and external vesting conditions. The fair value has been calculated using a binomial option pricing model based on numerous variables including the following:

FY24 Performance rights	
Award date 16 November 2023	
Vesting date	30-Jun-26
Expiry date	16-Nov-38
Number of performance rights granted	963,036
Share price at grant date	\$0.21
Fair value at grant date	See below
Exercise price	\$Nil
Expected life	2.62 years
Volatility	70.00%
Risk free interest rate	4.19%
Dividend yield	Nil
Outperformance hurdle - rTSR	25.00%
Outperformance hurdle - aTSR	200.00%

NOTE 5 SHARE BASED PAYMENT EXPENSE (continued)

The measurements used for the FY24 Performance Rights grant are as follows:

Nature	Weighting	Fair value at grant date
Strategic Goals	20.0%	\$0.19
Operational Goals	40.0%	\$0.19
ESG Goals	5.0%	\$0.19
rTSR	17.5%	\$0.14
aTSR	17.5%	\$0.07

The aTSR metric requires LIS to achieve a share price uplift of at least 300% over the Measurement Period by reference to the VWAP used to calculate the initial grant of FY24 rights. The relative TSR (rTSR) metric requires the Company to outperform the TSR of the MSCI Global Alternative Energy Index by 25% over the Measurement Period.

A summary of the material terms of the LTIP is as follows:

Plan Structure	The LTIP is managed by a Trust, which was adopted in March 2023. The LIS Board has appointed LIS Plans Pty Ltd (a subsidiary of LIS) as the Trustee.
Term	Each Right has a Term of 15 years and, if not exercised within that Term the Rights will lapse.
Eligibility	Participation is expected to be open to certain senior executives and management of LIS only. The number of performance rights granted are expected to reflect market standard percentages of fixed pay. LIS Directors are not eligible to participate in the LTIP. LIS Senior executives are not eligible to participate in the LTIP where they were issued rights under the Executive Rights Plan for the relevant period.
Performance Rights	Each vested Right can be exercised for one share in Li-S Energy Limited.
Measurement Period	The Measurement Period for the FY24 Performance Rights is a period of 3 years from 1 July 2023.
Vesting Conditions	The nature and weighting of the vesting conditions are broadly consistent for each Participant but are tailored for the role that each Participant performs. The LIS Board will use their judgement to assess whether the vesting conditions have been met.
Gates	No Gates have been attached to these Tranches of Rights.
Vesting and Vesting Date	Rights will typically vest following the completion of the Measurement Period based on an assessment of the Vesting Conditions, however Rights may vest before the end of the Measurement Period in some limited circumstances.
Exercise Restrictions	No Exercise Restrictions have been attached to these Tranches of Rights.
Disposal Restrictions	Rights may not be disposed of at any time but they may be exercised following vesting. No additional Restrictions have been attached to the Shares that may be acquired when vested Rights are exercised. Thus, the Disposal Restrictions that apply to the Shares will arise from LIS' Securities Trading Policy and the insider trading provisions of the Corporations Act.
Exercise and Exercise Price	The Exercise Price is nil (no amount needs to be paid by the Participant in order to exercise the Rights). Vested Rights may be exercised at any time after the Vesting Date and before the end of their Term. In order to exercise vested Rights, a Participant must validly submit an Exercise Notice. On exercise of Vested Rights, the LIS Board will issue a Settlement Notice and ensure that there are a sufficient number of Shares available to satisfy the exercised Rights. The LIS Board will not ordinarily settle the exercised Performance Rights in cash.

NOTE 5 SHARE BASED PAYMENT EXPENSE (continued)

Termination of Employment	If a Participant's employment with LIS ceased during FY24, the FY24 Performance Rights would have been forfeited in the proportion that the remainder of the FY24 bears to the full FY24. Remaining unvested Rights will be retained by the Participant, subject to the Malus and Clawback provisions, with a view to testing for possible vesting having regard to performance during the Measurement Period up to the date of cessation of employment. The LIS Board will be convened where required to consider any such off-cycle assessment of vesting conditions. Vested Rights held following a termination of employment may now continue to be held by the Participant unless the LIS Board determines otherwise.		
Malus and Clawback	Rights may be forfeited at any time, including during and subsequent to a Participant's employment with LIS, should the Malus and Clawback provisions come into play.		
No Hedging	Participants must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Rights (vested or unvested) or Restricted Shares. This is a Corporations Act requirement.		
Change of Control	If a de-listing is imminent, vesting will automatically occur at the level derived from application of the following formula: $\begin{array}{rcccl} \text{Number of} & & \text{Unvested} & & \text{\% of First Year} \\ \text{Performance} & = & \text{Performance} & \times & \text{of} \\ \text{Rights in Tranche} & & \text{Rights in} & & \text{Measurement} \\ \text{to Vest} & & \text{Tranche} & & \text{Period Elapsed} \end{array}$ Additional vesting will occur to the extent, if any, determined by the LIS Board and any remaining unvested Rights will lapse; and Restricted Shares will cease to be subject to Specified Disposal Restrictions, and any CHESS holding locks will be removed if applicable, unless otherwise determined by the LIS Board. In other cases of a change of control the Rights will remain on foot, subject to possible modification of Vesting Conditions, for testing for vesting at the end of the Measurement Period.		

5.2.3 WGL Share Payments

WGL has adopted the WGL Executive Rights Plan (**Plan**) under which the Board of WGL may invite eligible employees, directors and consultants to apply for share rights to be issued in accordance with, and subject to the terms of the Plan. Each share right is an entitlement, upon vesting and exercise, to an ordinary fully paid Share in the Company.

During the financial year WGL issued 1,500,000 Service Rights under the Plan to its Chief Technical Officer (CTO). 1,000,000 of the Service Rights have vested, with the remaining rights to vest on 30 June 2025 subject to the CTO remaining employed by the Company.

The value of the Service Rights is calculated by reference to the share price of \$0.50 per share, being the price at which Shares were issued in the prior year capital raise.

5.3 Share Based Payments

	Notes	Consolidated Entity 2024 \$'000	2023 \$'000
Subsidiary Companies	4.1	897	273
PPK Parent Company	4.1, 5.1	1,099	775
		1,996	1,048

PPK Parent Company includes \$500k of shares issued in relation to a dispute pertaining to the vesting conditions of a business acquired in 2014.

NOTE 6 CASH FLOW INFORMATION

6.1 Reconciliation of profit (loss) after income tax to the cash provided by operating activities

		Consolidated Entity	
		2024	2023
	Notes	\$'000	\$'000
Profit (loss) after income tax from continuing operations		(15,891)	(11,873)
Profit (loss) after income tax from discontinued operations		-	-
Profit (loss) after tax		(15,891)	(11,873)
Cash flows in operating activities but not attributable to operating result:			
Non-cash flows in operating profit:			
Income tax benefit	7	(1,354)	(770)
Unrealised foreign exchange (gain) loss		(767)	(233)
Unrealised (gain) loss on financial assets at FVTPL		(227)	(9)
Realised (gain) loss on sale of financial assets at FVTPL	4.1	(572)	2,169
Depreciation and amortisation	4.1	3,416	1,679
Impairments	4.1	75	(25)
Share of profit of associates and a joint venture, after tax	4.1	(1,125)	(135)
Share based payments expense	5.3	1,996	1,048
Loss (gain) on sale of property, plant & equipment		-	(1,489)
Changes in assets and liabilities:			
Decrease (increase) in trade and other receivables		(1,541)	(819)
Decrease (increase) in prepayments		276	(250)
Decrease (increase) in inventories		4,559	(11,784)
(Decrease) increase in provisions		(1,077)	4,361
(Decrease) increase in deferred revenue		17	1,984
(Decrease) increase in trade creditors and accruals		2,305	6,366
Net cash (used in) provided by operating activities		(9,910)	(9,549)

6.2 Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash includes:

Cash on hand		-	-
Cash deposits on demand held by financial institutions		16,348	39,999
Cash equivalents		12,000	-
	13	28,348	39,999

NOTE 7 INCOME TAX EXPENSE

	Consolidated Entity	
	2024	2023
Notes	\$'000	\$'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	(17,245)	(12,644)
Prima facie tax payable (benefit) at 25.0% (2023: 25.0%)	(4,311)	(3,161)
(Non-assessable income) non-deductible expenses	1,331	(240)
Current year losses for which no deferred tax asset was recognised	1,443	1,604
Deferred tax assets related to equity transactions	(62)	(62)
Current year temporary differences for which no deferred tax asset or liability was recognised	-	1,261
Other	245	(172)
Income tax expense (benefit)	(1,354)	(770)
The applicable weighted average effective tax rates are as follows:	7.9%	6.1%
All income tax expense/(benefit) is attributable to continuing operations		
(b) The components of tax expense comprise:		
Current tax	(550)	(610)
Deferred tax	(804)	(54)
(Over) under provision in respect of prior years	-	(107)
Income tax expense (benefit)	(1,354)	(770)
(c) Deferred tax assets		
The balance comprises temporary differences attributable to:		
Tax losses	14,393	11,318
Lease liabilities	372	261
Black hole expenditure deductible in future years	639	889
Other expenses deductible in future years	1,420	1,501
Share based payments	373	305
Total deferred tax assets	17,197	14,274
Set-off of deferred tax liabilities pursuant to set-off provisions	(2,010)	(1,617)
Deferred tax assets not recognised	(11,990)	(9,148)
Net deferred tax assets	3,197	3,509
(d) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Property, plant and equipment	(902)	(1,138)
Prepayments	(42)	-
Intangibles	(527)	(500)
Leases	(933)	(667)
Other	(84)	(776)
Total deferred tax liabilities	(2,488)	(3,081)
Set-off of deferred tax liabilities pursuant to set-off provisions	2,010	1,617
Net deferred tax liabilities	(478)	(1,464)
(e) Recognised in the Statement of Financial Position		
Deferred tax assets – tax losses	2,403	1,217
Deferred tax assets – temporary differences	2,427	3,020
Deferred tax liabilities – temporary differences	(2,111)	(2,801)
Total	2,719	1,436

NOTE 7 INCOME TAX EXPENSE (continued)

	Notes	Consolidated Entity 2024 \$'000	2023 \$'000
(f) Not recognised in the Statement of Financial Position			
<i>Unrecognised deferred tax assets</i>			
Tax losses		11,990	8,519
Temporary differences		-	629
Total		11,990	9,148

The unused tax loss asset is based on the Group's estimated available tax losses in the parent and its tax consolidated group and controlled entities totalling \$57.572 million (2023: \$45.272 million). These losses are subject to the finalisation of 2023 statutory income tax returns. The benefit of these losses will only be available in future periods should the Group a) continue to comply with the requirements of relevant legislation to carry these losses forward; b) generate sufficient taxable income to utilise; and changes to relevant legislation do not cause the losses to be lost.

NOTE 8 AUDITORS' REMUNERATION

Remuneration of the auditor of the Company for:			
<u>Audit Services</u>			
Group audit fee per Financial Statements (including all subsidiaries)		473,755	525,815
<u>Non-audit Services</u>			
Tax compliance services and general taxation advice		76,000	145,100
Total fees for services provided		549,755	670,915

NOTE 9 DIVIDENDS

(a) Dividends paid			
2024 – Nil		-	-
2023 – Nil		-	-
(b) Dividends declared after balance date		-	-
(c) Franked dividends		-	-
Franking credits available for subsequent financial years based on a tax rate of 25% (2023 – 25%) ¹		617	234

¹ The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the current tax liability;
 - franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
 - franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
 - franking credits that may be prevented from being distributed in subsequent financial years.
- The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

NOTE 10 EARNINGS PER SHARE

		Consolidated Entity	
		2024	2023
	Notes	\$'000	\$'000
(a) Reconciliation of Earnings to Net Profit			
Earnings used in calculating Basic and Dilutive EPS from continuing operations		(10,743)	(7,815)
Earnings used in calculating Basic and Dilutive EPS from discontinued operations		-	-
Profit (loss) for the year		(10,743)	(7,815)
		No. of shares	No. of shares
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		88,980,852	89,039,293
(c) Weighted average number of potential ordinary shares outstanding during the year used in calculation of diluted EPS ⁽¹⁾		88,980,852	89,039,293
		Cents	Cents
Earnings per share (in cents)			
Basic		(12.1)	(8.8)
Diluted		(12.1)	(8.8)

⁽¹⁾ The weighted average number of ordinary shares outstanding used in calculating diluted earnings per share has not been adjusted for the 1,541,754 (2023: 675,978) rights outstanding as they are anti-dilutive.

NOTE 11 PARENT ENTITY INFORMATION

The following detailed information relates to the parent entity, PPK Group Limited. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

		Consolidated Entity	
		2024	2023
	Notes	\$'000	\$'000
Current assets		14,324	2,147
Non-current assets		29,579	42,390
Total assets		43,903	44,537
Current liabilities		17	-
Non-current liabilities		2,000	2,000
Total liabilities		2,017	2,000
Net assets		41,886	42,537
Contributed equity ^[1]		62,398	62,173
Retained earnings		(20,512)	(19,636)
Total equity		41,886	42,537
Profit (loss) for the year (including impairments) ^[2]		(876)	(1,455)
Dividends received		-	-
Dividends paid	9	-	-
Other comprehensive income (loss) for the year		-	-

(1) In addition to Parent Entity contributed equity, the Group's consolidated Contributed Equity includes Treasury Shares of \$0.109M (see Note 31.4).

(2) Non-current asset balances include investments in subsidiaries which are held at cost or net recoverable value after impairments.

NOTE 12 CLOSED GROUP DISCLOSURE

Pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*, relief has been granted to PPK Aust. Pty Limited from the *Corporations Act 2001* requirements for the preparation, audit and lodgement of their financial report.

As a condition of the Corporations Instrument, PPK Group Limited and PPK Aust. Pty Limited entered into a deed of cross guarantee on 12 June 2024. The effect of the deed is that PPK Group Limited has guaranteed to pay any deficiency in the event of winding up of a wholly owned controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The wholly owned controlled entities have also given a similar guarantee in the event the PPK Group Limited is wound up or if it does not meet its obligations under the terms of overdraft, loans, leases or other liabilities subject to the guarantee.

The consolidated statement of profit or loss, summary of movements in consolidated retained earnings and consolidated statement of financial position of the entities that are member of the Closed Group are as follows:

	Notes	2024 \$'000
Consolidated statement of profit or loss		
Revenue from contracts with customers		1,950
Other operating income		1,805
Other expenses		(9,463)
Finance costs		(264)
Profit before income tax		(5,972)
Income tax expense		-
Profit for the year		(5,972)
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the year		(52,201)
Profit for the year		(5,972)
Dividends provided for or paid		-
Retained earnings at the end of the year		(58,173)
Consolidated statement of financial position		
Assets		
Current Assets		
Cash and short-term deposits		4,006
Trade and other receivables		286
Prepayments		94
Total current assets		4,386
Non-current assets		
Non-current financial assets		26,085
Investments		4,338
Property, plant and equipment		73
Total non-current assets		30,496
Total Assets		34,882

NOTE 12 CLOSED GROUP DISCLOSURE (continued)

	Notes	2024 \$'000
Liabilities		
Current liabilities		
Trade and other payables		(20,345)
Lease liabilities		(130)
Provisions		(1,104)
Total current liabilities		(21,579)
Non-current liabilities		
Lease liabilities		(583)
Provisions		(40)
Total non-current liabilities		(623)
Total Liabilities		(22,202)
Net assets		12,680
Equity		
Contributed equity		62,379
Other reserves		(3,146)
Retained earnings		(46,553)
Total equity		12,680

NOTE 13 CASH AND CASH EQUIVALENTS

	Notes	Consolidated Entity	
		2024 \$'000	2023 \$'000
Cash deposits on demand financial institutions		16,348	39,999
Cash equivalents ⁽¹⁾		12,000	-
Cash and cash equivalents	6.2	28,348	39,999

⁽¹⁾ The cash held in term deposits at 30 June 2024 was for a period of 90 days, maturing in August 2024. These funds are held on deposit with the Group's corporate banking partner.

NOTE 14 TRADE AND OTHER RECEIVABLES – CURRENT

Trade receivables	14.1	4,450	2,667
GST receivable		140	438
		4,590	3,105
Less: allowance for expected credit losses		(35)	(110)
Total		4,555	2,995

14.1 Trade receivables

Current trade receivables are non-interest bearing and are generally 30 to 60 day terms. Included in the Group's trade receivables balance are debtors with a net carrying amount of \$119,000 (2023: \$123,000) which are past due at the reporting date. Refer to Note 2.13

NOTE 15 INVENTORIES – CURRENT

		Consolidated Entity	
	Notes	2024 \$'000	2023 \$'000
Inventories		7,518	12,077
Held at net realisable value:			
Raw materials		4,472	4,776
Finished goods		3,026	5,763
Work in progress		20	1,538
		7,518	12,077

During the period \$nil was recognised as an expense in cost of sales, for adjusted to carry inventories at net realisable value (2023: \$nil). During the period \$19.056 million (2023: \$3.315 million) of inventories were recognised as an expense in cost of sales.

NOTE 16 OTHER ASSETS

CURRENT

Prepayments		134	407
Other Receivables		-	3
Loan Receivable from Associate – secured		-	1,835
		134	2,246

NON-CURRENT

Deposits		707	639
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NOTE 17 FINANCIAL ASSETS

Current assets

Australian unlisted units in investment trusts		2,000	-
		2,000	-

Non-Current assets

Listed equity investments	2.17	185	287
Unlisted equity investment	2.17	2,610	2,608
		2,795	2,895

The fair value of listed equity investments are determined by reference to the published closing price of the shares on the ASX on 30 June 2024.

LIS continues to hold 1,729,000 Class B common shares in Zeta Energy, which were valued at USD\$1.00 per share at 30 June 2024. The number of shares and their value, based on the most recent capital raise, has been confirmed by Zeta Energy and the investment at USD\$1,729,000 equates to AUD\$2,610,205 at the prevailing exchange rate on 30 June 2024 of \$0.6624 with the movement of \$2,362 (2023: \$98,045) recognised as a gain on investment at FVTPL.

NOTE 18 INTEREST BEARING LOANS RECEIVABLE – NON-CURRENT

Interest bearing loans receivable - unsecured		-	-
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NOTE 19 SUBSIDIARY COMPANIES

During the 2024 financial year, PPK had four subsidiaries that had material transactions which were consolidated into the PPK financial statements; LIS, WGL, BNNTTPL and PPE.

Refer to the Review of Active Operations for detailed information relating to the subsidiaries.

SUBSIDIARY 2024	LIS \$'000	BNNTTPL \$'000	WGL \$'000	PPE \$'000
Summarised statement of financial position				
Assets				
Current assets	27,030	1,068	93	10,527
Non-current assets	16,115	6,714	3,611	9,888
Current liabilities	(1,662)	(615)	(335)	(13,451)
Non-current liabilities	(995)	(1,454)	(533)	(6,154)
Total identifiable net assets	40,488	5,713	2,836	810
Non-controlling interest	(22,127)	(2,798)	(1,620)	(198)
Net assets attributable to the Group	18,361	2,915	1,216	612
Summarised statement of profit or loss				
Revenue from contracts with customers	4	47	2	27,470
Other income	1,436	85	15	214
Administration and other expenses	(6,064)	(2,426)	(2,677)	(30,640)
Profit (loss) for the year before income tax (continuing operations)	(4,624)	(2,294)	(2,660)	(2,956)
Income tax benefit (expense)	-	524	-	591
Profit (loss) for the year after income tax (continuing operations)	(4,624)	(1,770)	(2,660)	(2,365)
Attributable to:				
Equity holders of parent	(2,068)	(903)	(1,135)	(1,959)
Non-controlling interest	(2,548)	(867)	(1,488)	(406)
Summarised cash flow information				
Operating	(2,940)	(1,279)	(1,560)	(152)
Investing	(6,496)	1,608	(346)	(204)
Financing	(1,204)	0	840	(533)
Net increase/(decrease) in cash and cash equivalents	(10,640)	(329)	(1,066)	(889)

NOTE 19 SUBSIDIARY COMPANIES (continued)

SUBSIDIARY 2023	LIS \$'000	BNNTTPL \$'000	WGL \$'000	PPE \$'000
Summarised statement of financial position				
Assets				
Current assets	33,729	606	1,163	14,705
Non-current assets	16,393	21,642	2,980	9,324
Current liabilities	(1,114)	(249)	(220)	(12,625)
Non-current liabilities	(1,139)	(5,521)	(15)	(9,229)
Total identifiable net assets	47,869	16,478	3,908	2,175
Non-controlling interest	(28,350)	3,002	(1,928)	(595)
Net assets attributable to the Group	19,519	19,480	1,980	1,580
Summarised statement of profit or loss				
Revenue from contracts with customers	-	77	-	5,081
Other income	1,282	95	37	-
Administration and other expenses	(4,617)	(5,578)	(1,505)	(4,994)
Profit (loss) for the year before income tax (continuing operations)	(3,335)	(5,406)	(1,468)	87
Income tax benefit (expense)	-	1,459	-	131
Profit (loss) for the year after income tax (continuing operations)	(3,335)	(3,947)	(1,468)	218
Attributable to:				
Equity holders of parent	(1,373)	(3,078)	(884)	224
Non-controlling interest	(1,962)	(869)	(584)	(6)
Summarised cash flow information				
Operating	(2,520)	(3,249)	(1,154)	(680)
Investing	(7,713)	(384)	(993)	(8)
Financing	(169)	0	2,837	591
Net increase/(decrease) in cash and cash equivalents	(10,402)	(3,633)	690	(97)

NOTE 20 INVESTMENTS IN ASSOCIATES – NON-CURRENT

	Consolidated Entity	
	2024	2023
	\$'000	\$'000
Investment in associates	9,236	9,814
Craig International Ballistics Pty Ltd	5,674	6,084
AMAG Holdings Australia Pty Ltd	3,562	3,654
Ballistic Glass Pty Ltd	-	76
	9,236	9,814

2024

During the 2024 financial year, PPK had two investments that were accounted for as associates, AMAG and CIB.

	AMAG	CIB
	\$'000	\$'000
Summarised Statement of financial position		
Current assets	1,090	7,149
Non-current assets	12,265	20,038
Current liabilities	(1,789)	(4,892)
Non-current liabilities	(1,550)	(7,747)
Equity	10,015	14,548
Group's share in equity %	36%	39%
PPK's carrying amount of the investment	3,562	5,674
Summarised statement of profit (loss)		
Revenue from contracts with customers	982	22,248
Profit (loss) for the year before income tax	(3,148)	5,662
Total comprehensive income (loss) for the year after tax	(2,111)	4,137
PPK's share of profit (loss)	(719)	1,844

NOTE 20 INVESTMENTS IN ASSOCIATES – NON-CURRENT (continued)

2023

During the 2023 financial year, PPK had four investments that were accounted for as associates, Mask Innovation, Ballistic Glass, AMAG and CIB.

	MI \$'000	BG \$'000	AMAG \$'000	CIB \$'000
Summarised Statement of financial position				
Current assets	-	1	1,668	5,144
Non-current assets	-	71	12,020	15,336
Current liabilities	-	(78)	(1,039)	(2,443)
Non-current liabilities	-	-	(1,405)	(4,516)
Equity	-	(6)	12,244	13,521
Group's share in equity %	47.6%	40%	32.5%	45%
PPK's carrying amount of the investment	-	76	3,654	6,084
Summarised statement of profit (loss)				
Revenue from contracts with customers	-	-	933	13,415
Profit (loss) for the year before income tax	(122)	-	(2,374)	1,718
Total comprehensive income (loss) for the year after tax	(122)	-	(1,412)	1,282
PPK's share of profit (loss)	(60)	-	(472)	667

NOTE 21 PROPERTY PLANT AND EQUIPMENT – NON-CURRENT

		Consolidated Entity	
		2024	2023
	Notes	\$'000	\$'000
Leasehold improvements - at cost		836	660
Less: Accumulated amortisation		(59)	(16)
Total leasehold improvements		777	644
Plant and Equipment - at cost		18,851	13,404
Less: Government grant for plant and equipment		(3,290)	(1,400)
Less: Accumulated depreciation and impairment		(3,306)	(2,006)
Total Plant & Equipment		(6,596)	9,998
Total property, plant and equipment		13,032	10,642

	Leasehold Improvements	Plant & Equipment	Total
	\$'000	\$'000	\$'000
Consolidated – 2024			
Carrying amount at start of year	644	9,998	10,642
Additions ¹	177	5,494	5,671
Government grants ²	-	(1,890)	(1,890)
Disposals	-	(2)	(2)
Depreciation & amortisation expense	(44)	(1,345)	(1,389)
Carrying amount at end of year	777	12,255	13,032

Consolidated – 2023			
Carrying amount at start of year	-	5,439	5,439
Additions ¹	24	5,117	5,141
Acquired as part of business combination	622	432	1,054
Disposals	-	(82)	(82)
Depreciation expense	(2)	(908)	(910)
Carrying amount at end of year	644	9,998	10,642

(1) Included in additions of Plant and Equipment of \$5.494M is \$0.840M (2023: \$0.270M) of employee costs capitalised for the work undertaken in relation to equipment being built.

(2) Refer to Note 36.4 for additional details relating to government grants received.

NOTE 22 RIGHT-OF-USE ASSETS

		Consolidated Entity	
		2024	2023
	Notes	\$'000	\$'000
Right-of-use assets – Properties at cost		8,181	6,788
Less: accumulated depreciation and impairment		(1,627)	(642)
		6,554	6,146
Consolidated			
Carrying amount at start of year		6,146	1,256
Revaluation		-	-
Additions		1,757	983
Acquired as part of business combination		-	4,385
Disposals		-	-
Transfers		-	-
Depreciation expense		(1,349)	(478)
		6,554	6,146
Carrying amount at end of year		6,554	6,146

Right of use assets are depreciated over the shorter of the useful life of the underlying asset or the lease term. The leases recognised are at commercial rates, and vary in term from 12 months to 7 years plus options.

Refer to Note 2.24 for the accounting policy applied by the Group. Refer to Note 25.3 for reconciliation of total amounts recognised in the profit or loss under AASB 16.

NOTE 23 INTANGIBLE ASSETS AND GOODWILL – NON-CURRENT

	Notes	Consolidated Entity 2024 \$'000	2023 \$'000
Intangibles		44,770	44,617
BNNT application projects – at cost		10,609	9,743
Less: accumulated amortisation and impairment		(720)	(548)
		9,889	9,195
WGL application projects – at cost		1,130	1,164
Less: accumulated amortisation and impairment		-	-
		1,130	1,164
PPE Intangibles as a result of business combination		1,680	1,680
Less: Accumulated amortisation and impairment		(591)	(84)
		1,089	1,596
Goodwill		32,662	32,662
Less: Accumulated amortisation and impairment		-	-
		32,662	32,662
Carrying amount at end of year		44,770	44,617

	Notes	Energy Storage Intangibles \$'000	Development Costs White Graphene Applications \$'000	Development Costs BNNT Applications \$'000	Goodwill \$'000	Total \$'000
Consolidated - 2024						
Carrying amount at start of year		1,596	1,164	9,195	32,662	44,616
Additions ¹		-	78	2,351	-	2,249
Disposals		-	-	-	-	-
Government grants ²		-	(112)	(1,085)	-	(1,197)
Amortisation and impairment expense		(506)	-	(572)	-	(1,079)
Carrying amount at year end		1,089	1,130	9,889	32,662	44,770
Consolidated - 2023						
Carrying amount at start of year		-	1,675	6,529	29,271	37,475
Additions ¹		-	712	2,831	-	3,543
Disposals		-	-	-	-	-
Transfers		-	(1,223)	-	-	(1,223)
Acquired as part of business combination ³	30	1,680	-	-	3,391	5,071
Amortisation and impairment expense		(84)	-	(165)	-	(249)
Carrying amount at year end		1,596	1,164	9,195	32,662	44,617

¹ The intangible assets recognised predominantly relate to the development of the technology projects undertaken in conjunction with Deakin University under the Research Framework Agreements. Included in the total additions of \$2.249M are employee costs of \$0.378M (2023: \$0.304M), which were capitalised in relation to the development work undertaken.

² Refer to Note 36.4. for additional details relating to the government grants received.

³ Intangibles and Goodwill has been recognised on the acquisition of PPE. Further details are included at Note 30 – Business Combinations.

NOTE 23 INTANGIBLE ASSETS AND GOODWILL – NON-CURRENT (continued)

Impairment Testing

Background

The Group performed its annual impairment testing in June 2024. In calculating the recoverable amount of assets, the fair value less costs of disposal has been estimated using a discounted cash flow (DCF) approach. All valuations were Level 3 fair value assessments. In addition to performing a DCF on forecast future cash flows, management also considered alternative valuation procedures to take into consideration the observable asset price in the marketplace.

The Group has three cash generating unit groups (CGU) or group of CGUs for the purpose of monitoring Goodwill, being 1) BNNT Applications (a group of CGUs), 2) White Graphene Applications (CGU) and 3) Energy Storage (CGU). The allocation of goodwill and intangible assets was as follows:

	BNNT Applications CGU \$'000	White Graphene CGU \$'000	Energy Storage CGU \$'000
Goodwill	29,271	-	3,391
Intangibles not yet in use	7,056	1,130	-
Other intangibles	2,833	-	1,089
TOTAL Intangibles	39,160	1,130	4,480

The recoverable amount of a CGU or group of CGU's to which goodwill and other indefinite life intangible assets is allocated is determined based on the greater of its value-in-use and its fair value less costs of disposal. Fair value is determined either based on observable market transactions related to the CGU or through a discounted cash flows methodology. A fair value less costs of disposal assessment was conducted by using a DCF methodology requiring Management to estimate future cash flows expected to arise from the CGU's and then applying a discount rate to calculate present value.

Energy Storage CGU

The Group undertook impairment testing of this CGU using a fair value less costs of disposal model, utilising a DCF requiring Management to estimate the future cash flows expected to arise from the CGU's and then applying a post-tax discount rate of 15.4% to calculate the present value. Forecasted cashflows are risk-adjusted allowing for estimated changes in the business operating conditions.

The cash flow projections include estimates for five years and a terminal growth rate thereafter of 3.0%. Certain assumptions around revenue and margin as well as capital expenditure are based on current operating conditions adjusted for improvement plans already in place in the business.

White Graphene Applications CGU

Intangible assets not yet ready for use require an annual impairment test. Management has used significant judgement to determine the recoverable amount based on discounted future cash flows as well as the current estimated enterprise value of the CGU significantly exceeds the carrying amount of the CGU's net assets and determined that no impairment charge after the initial recognition of the intangible assets was required. Management made this assessment using the equity raising price recently achieved by the operations in the subsidiary that contains the CGU which implied a value for the CGU in excess of the recorded assets. No adverse events were noted post this equity raising to indicate a decline in recoverable value to 30 June 2024.

NOTE 23 INTANGIBLE ASSETS AND GOODWILL – NON-CURRENT (continued)

BNNT Applications CGU

This CGU grouping consists of the Li-S Energy CGU and BNNT CGU. For the purpose of goodwill impairment testing, the Group undertook impairment testing using a fair value less costs of disposal model, utilising a DCF model. The cash flow modelling has been performed to 2035 as a result of key assumptions applicable from the commencement of commercial revenue levels in 2032 which are not present when determining the terminal value of the CGU. The significant judgements applied in the model are as follows:

Assumption	Commentary
Discount Rate	A discount rate of 17.6% post tax has been used to discount future cash flows.
Period of Projection of cash flows	Actual cash flows have been estimated to 2035 and a terminal value applied post this.
Growth Rates	Revenue and margin growth to commercial levels by 2035. A terminal growth rate of 3% has been applied.
Capital Expenditure	Material project expenditure has been estimated in the short term based on pricing expectations supplied by third parties.
Revenue and Margin	Commercial rates of revenue and margin based on current market conditions adjusted for expected future impacts.
Timing of Cash Flows	Significant construction capital for Phase 4 within 3 years and commercial revenue levels achieved by 2032.

The estimated headroom in this CGU at 30 June 2024 is \$25,000.

Sensitivities

Sensitivity analysis has been completed on the significant assumptions used in the determination of recoverable value as follows:

Energy Storage CGU

The Energy Storage CGU is comprised of PowerPlus. This investment was acquired in the 2023 financial year in an arm's length transaction for a fair value. As a result of this any movement in key assumptions compared to the acquisition model would cause impairment.

White Graphene CGU

There are no reasonably possible movements in key assumptions likely to cause impairment

BNNT Applications CGU

The BNNT Applications CGU is highly sensitive to movements in key assumptions. The following movements would cause impairment, if made in isolation:

Assumption	Resultant Impairment \$'000
Increase of 1% in discount rate	15,012
Decrease of 1% in terminal growth rate	5,362
Delay in commencement of cash flows from commercial manufacturing by one year	33,522
Increase of 10% in estimated capital costs of major capital projects	6,228
Decrease of 5% in terminal year net margin	14,818
Decrease of 10% in terminal year sales volumes	16,938

NOTE 24 TRADE AND OTHER PAYABLES – CURRENT

	Notes	Consolidated Entity	
		2024 \$'000	2023 \$'000
Trade payables – unsecured		7,653	8,368
Sundry payables and accruals – unsecured		2,118	1,682
		9,771	10,050

NOTE 25 LEASE LIABILITIES

Current		1,110	803
Non-current		5,862	5,524
Total		6,972	6,327

25.1 Maturity analysis of contracted undiscounted cashflows

Not later than 1 year		1,632	1,281
Later than 1 year and not later than 3 years		3,378	2,450
Later than 3 years		3,480	4,334
Total undiscounted lease payments		8,490	8,065
Less: Present value adjustment		(1,518)	(1,738)
Present value of future lease payments		6,972	6,327

25.2 Reconciliation of movement in Lease Liabilities

Opening balance		6,327	1,300
New leases entered into		1,655	5,352
Modifications		3	-
Payments		(1,572)	(518)
Interest expense		559	193
Closing lease liability		6,972	6,327

The leases recognised are at commercial rates, and vary in term from 12 months to 7 years plus options. Refer to Note 2.24 for the accounting policy applied by the Group.

25.3 Total amounts recognised in the profit or loss under AASB 16:

Amortisation of right of use assets		1,274	358
Interest expense on lease liabilities		533	231
Expenses related to short-term leases		64	246
		1,871	835

NOTE 26 DEFERRED REVENUE

Deferred Revenue		2,001	1,984
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Refer to Note 2.8(ii) for the accounting policy applied by the Group for recognition of deferred revenue.

NOTE 27 PROVISIONS

	Notes	Consolidated Entity 2023 \$'000	2022 \$'000
Current			
Annual leave		824	710
Long service leave		28	47
Legal provision		500	-
Warranty		2,822	3,994
Total current		4,174	4,751
Non-current			
Make good		152	60
Total Non-current		152	60

Annual leave and current long service leave comprise amounts payable that are vested and could be expected to be settled within 12 months of the end of the reporting period.

Provisions for warranties comprises the estimated costs of future warranty claims under the assurance type warranty offered by PPE on its products sold. Refer to Note 2.21 for the accounting policy applied for warranty provisions.

Make good provision comprise estimated costs to return leased premises and assets to their contractual agreed condition on expiry of the lease.

NOTE 28 INTEREST-BEARING LOANS AND BORROWINGS

Current			
Other loans – secured ²		2,834	-
Non-current			
Other loans – unsecured ¹		604	597
Other loans – secured ²		-	2,749
Total		3,438	3,346

¹ Per the Shareholders Agreements with the BNNT application projects, shareholders may provide financing in the form of loans to the entities responsible for the application projects. During 2024, interest on the loans stopped being charged as a review is underway as to the ongoing activities of the companies. The loans are unsecured and payable within three years from the date drawn down. For loans to entities which are subsidiaries, the Group's proportion of the loans are eliminated on consolidation and the loans outstanding are payable to the minority interests shareholders of the subsidiaries.

² Secured interest-bearing loans consist of the following:

- \$2.834M loan acquired as part of the business combination entered into during the year. PPE have a fully drawn loan facility of \$3.890M, secured by a GSA over all of the assets of the business, repayable within 23 months of the date acquisition. The interest rate on the loan was fixed at 2.50% for the first 11 months from the date of acquisition (pari-passu with an existing loan agreement), before reverting to a commercial interest rate for the remainder of the loan term (currently 8.35%). PPE has an option to extend the term of the loan, at its discretion, for an additional 12 months. PPK's loan amount of \$1.000M has been eliminated on consolidation, with the balance of the loan outstanding representing the face value of the \$2.890M repayable to an existing shareholder of PPE at the date of loan maturity.

Refer to Note 33 for financial instrument and loan maturity analysis.

NOTE 29 OTHER LIABILITIES

Current	1,647	-
Non-current	-	1,417
	1,647	1,417

The balance of other liabilities reflects the fair value at the reporting date of the fixed price path to purchase an additional 25% of the issued capital in PowerPlus Energy. Refer to Note 30 for additional information.

NOTE 30 BUSINESS COMBINATIONS

On 4 May 2023, PPK announced to the ASX that it had completed the acquisition of a majority interest in one of Australia's largest privately owned lithium battery manufacturer, PowerPlus Energy (PPE). PPK paid \$1.8m to acquire a 33% interest in PPE and at the same time PPK subscribed for newly issued shares in PPE for \$1m, thereby taking its total shareholding to 51%. The acquisition is strongly aligned with PPK's objective of developing sovereign capability in the clean energy revolution and supporting Australian 'Made and Owned' growth.

PPK has a path to purchase an additional 25% of the issued capital in PPE for \$1.800 million (fair value at acquisition date of \$1.377 million). This will however only occur should certain future events take place, including the repayment by the business of certain loans. For accounting purposes, this is included in the purchase consideration for acquisition accounting and recognition purposes.

Details of the purchase consideration, the final net assets acquired and goodwill are as follows, with no changes being made during the provisional accounting period:

	\$'000
Purchase consideration	
Cash	1,800
Other consideration	1,377
Loan converted to equity on acquisition	1,000
Loan receivable eliminated on acquisition	1,000
Total purchase consideration	5,177
The assets and liabilities recognised as a result of the acquisition are as follows:	
Assets acquired	
Cash and cash equivalents	1,399
Trade, receivables and other current assets	2,995
Inventory	13,126
Property, plant and equipment	1,071
Right of Use Asset	4,385
Intangible Assets	1,680
Deferred tax asset	1,828
Total assets	26,484
Liabilities assumed	
Trade and other payables	(10,852)
Deferred Revenue	(1,869)
Warranty Provision	(4,262)
Lease Liability	(4,385)
Interest bearing loans	(2,735)
Total liabilities	(24,103)
Fair value of identifiable net assets acquired	2,381
Acquisition cost	5,177
Less: Fair Value of identifiable net assets acquired	(2,381)
Add: Non-Controlling Interest	595
Goodwill arising on acquisition ¹	3,391

¹ The goodwill is not deductible for tax purposes.

NOTE 30 BUSINESS COMBINATIONS (continued)

The reconciliation of total consideration to the statement of cash flows is as follows:

	\$'000
Total consideration	5,177
Less:	
Other consideration	(1,377)
Loan converted to equity on acquisition	(1,000)
Loan receivable eliminated on acquisition	(1,000)
Addback:	
Cash acquired on acquisition	1,399
Net cash outflow for acquisition of business – net of cash acquired	401

The acquired PPE business contributed revenues of \$5.081 million and a net profit before tax of \$0.087 million to the Group for the period from the date of acquisition to 30 June 2023.

If the PPE business acquisition had occurred on 1 July 2022, consolidated pro-forma Group revenues and loss before tax for the year ended 30 June 2023 would have been \$36.841 million and \$12.121 million respectively. On the basis PPE was acquired in May 2023, only revenue from May and June 2023 has been recognised in the respective period.

NOTE 31 SHARE CAPITAL

	Notes	Consolidated Entity 2024 \$'000	2023 \$'000
31.1 Issued capital			
89.962M (2023: 89.289M) ordinary shares fully paid		62,377	62,175
Movements in ordinary share capital			
Balance at the beginning of the financial year		62,155	62,175
Shares issued in settlement of business dispute	31.2	500	-
Shares issued on acquisition, net of costs		-	(20)
Share buyback – Unmarketable parcels		(278)	-
Total		62,377	62,155
31.2 New shares issued			
New shares issued, net of transaction costs		222	-
Shares issued in settlement of business dispute		500	-
Less transaction costs for issued share capital		-	-
Share buyback – Unmarketable parcels		(278)	-
		222	-

The shares have no par value and each share is entitled to one vote at shareholder meetings. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

NOTE 31 SHARE CAPITAL (continued)

Reconciliation of transaction costs on issue of shares:

		Consolidated Entity	
		2024	2023
		\$'000	\$'000
31.3 Transaction costs attributable to PPK			
Notes			
For the raising of cash		-	-
For the Long Term Incentive Plan Trust Account		-	-
For the dividend reinvestment plan		-	-
Transaction costs attributable to PPK		-	-
		2024	2023
		#	#
Movements in number of ordinary shares:			
Balance at the beginning of the financial year		89,289,293	89,289,293
New shares issued in settlement of business dispute		1,136,011	-
Share buyback – Unmarketable parcels		(462,806)	-
Total		89,962,498	89,289,293

31.4 Treasury share movements

	2024 No. of Shares	2024 \$'000	2023 No. of Shares	2023 \$'000
Opening balance of treasury shares	250,000	(109)	250,000	(109)
Shares purchased in the Dividend Reinvestment Plan	-	-	-	-
Shares purchased	-	-	-	-
Shares sold	-	-	-	-
Closing balance of treasury shares	250,000	(109)	250,000	(109)

No shares were sold during the year ended 30 June 2024.

31.5 Capital risk management

The Group considers its capital to comprise its ordinary shares, treasury shares, reserves and retained earnings.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth and distributions and through the payment of annual dividends to its shareholders. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, share buy-backs, or the increase/reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

For the 2024 financial year, the Group's policy is to maintain its gearing ratio within the range of 0% - 20% (2023: 0% - 20%). The Group's gearing ratio at the balance sheet date is shown below:

		Consolidated Entity	
		2024	2023
	Notes	\$'000	\$'000
Gearing Ratios			
Total borrowings		3,438	3,346
Less cash and cash equivalents ⁽¹⁾		(28,348)	(39,999)
Net debt (cash surplus)		(24,910)	(36,653)
Total equity		93,919	105,710
Total capital		93,919	105,710
Gearing ratio		0%	0%

The gearing ratio is calculated excluding lease liabilities.

(1) Of the Group's \$28,348,000 cash on hand, \$4,456,000 is held directly by PPK, with the remaining funds being held in subsidiaries with minority interests.

NOTE 32 CAPITAL RESERVES

	Notes	Consolidated Entity	
		2024 \$'000	2023 \$'000
Reserves		43,558	40,875
Share options reserve	32.1	1,974	1,375
Share premium reserve	32.2	39,645	37,561
Dividend revaluation reserve	32.3	1,939	1,939
		43,558	40,875

Movement in reserves

32.1 Share options reserve

Opening balance	1,375	600
Issue of performance rights	599	775
Issue of performance rights in a subsidiary company	897	274
Reserves belonging to non-controlling interests	(897)	(274)
Closing balance	1,974	1,375

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.

32.2 Share premium reserve

Opening balance	37,561	36,430
Increase/(decrease) in PPK's and related entities interest in LIS's issued capital and reserves	256	(32)
Increase in PPK's and related entities interest in WGL's issued capital and reserves	1,822	1,833
Other movements	6	(670)
Closing balance	39,645	37,561

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 the period, PPK's interest in LIS and WGL has decreased due to capital raises and share disposal transactions to non-controlling interests, along with treasury share purchases by the subsidiaries. As these changes did not result in PPK losing control, the corresponding gains were recognised in the share premium reserve.

32.3 Dividend revaluation reserve

Opening balance	1,939	1,939
Revaluation of LIS's shares distributed as an in-specie dividend	-	-
Closing balance	1,939	1,939

The dividend revaluation reserve was used to recognise the internal profits generated from 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 33 FINANCIAL INSTRUMENTS RISK

The Group's financial instruments include investments in deposits with banks, receivables, payables and interest-bearing liabilities. The accounting classifications of each category of financial instruments, as defined in Note 2.12, Note 2.13, Note 2.19, Note 2.20 and Note 2.24 and their carrying amounts are set out below.

	Weighted Average Interest Rate	Notes	Non- Interest Bearing \$'000	Floating Interest Rate \$'000	Within 1 Year \$'000	1 to 9 Years \$'000
Consolidated 2024						
Financial assets						
Loans	0.0%	18	-	-	-	-
Receivables	0.0%	14	4,550	-	4,550	-
Cash and cash equivalents	4.2%	13	-	28,348	23,348	-
Investments – Current	10.0%	17	-	2,000	2,000	-
Investment – Non-Current	0.0%	17	2,610	-	2,610	-
Total financial assets			7,060	30,348	37,408	-
Financial liabilities						
Interest-bearing loans and borrowings	5.0%	28	604	2,834	-	3,438
Trade and other payables – current	0.0%	24	9,770	-	9,770	-
Lease liabilities	7.2%	25	-	-	1,052	5,651
Deferred Revenue	0.0%	26	2,001	-	2,001	-
Total financial liabilities			12,034	2,834	12,823	9,089
Consolidated 2023						
Financial assets						
Loans	0.0%	18	-	-	-	-
Receivables	0.0%	14	2,667	-	2,667	-
Cash and cash equivalents	4.2%	13	-	39,999	39,999	-
Total financial assets			2,667	39,999	42,666	-
Financial liabilities						
Interest-bearing loans and borrowings	5.0%	28	-	-	-	3,346
Trade and other payables – current	0.0%	24	10,050	-	10,050	-
Lease liabilities	7.2%	25	-	-	803	5,524
Deferred Consideration	0.0%	-	1,984	-	-	1,984
Total financial liabilities			12,034	-	10,871	10,836

Financial risk management

The Board of Directors have overall responsibility for the establishment and oversight of the financial risk management framework. The Group's activities expose it to a range of financial risks including market risk, credit risk and liquidity risk. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material. The Board receives monthly reports, which it reviews and regularly discuss the effectiveness of the processes put in place and the appropriateness of the objectives and policies to support the delivery of the Group's financial targets while protecting future financial security. The Group does not use derivatives.

33.1 Market risk

Market risk is the risk that the fair value of future cash flows of the Group's and parent entity's financial instruments will fluctuate because of changes in market prices.

Market risk comprises three types of risk: equity price risk, interest rate risk and currency risk.

NOTE 33 FINANCIAL INSTRUMENTS RISK (continued)

(i) Equity price risk

The Group has a listed and unlisted equity investments which are susceptible to market price risk arising from uncertainties about future value of the investment securities. The Group manages the equity price risk through reviewing company information for the listed equity investments and updates with the unlisted equity investment's executives to keep abreast of its activities and plans. As the equity investment intends to complete an IPO in the near future, the Group will have access to a market price and public information to manage the market price risks.

At the reporting date, the exposure to the listed equity investments was \$0.185M and the unlisted equity investment was \$2.610M (non-current investment) at fair value.

The Group has performed sensitivity analysis relating to its equity price risk based on the Group's year end exposure. This sensitivity analysis demonstrates the effect on pre-tax results and equity which could result from a movement of market value of +/- 10%.

	Notes	2024 \$'000	2023 \$'000
Change in profit before tax			
- increase in market value by 10%		280	290
- decrease in market value by 10%		(280)	(290)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a security will fluctuate due to changes in interest rates. Exposure to interest risk arises due to holding floating rate interest bearing liabilities, investments in cash and cash equivalents and loans to related parties and other entities.

Loans to and from related parties and other entities are at fixed rates. The Group has performed sensitivity analysis relating to its interest rate risk based on the Group's year end exposure. This sensitivity analysis demonstrates the effect on pre-tax results and equity which could result from a movement of interest rates of +/- 1%.

Change in profit before tax			
- increase in interest rates by 1%		303	400
- decrease in interest rates by 1%		(303)	(400)

(iii) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial item will fluctuate as a result of movements in international exchange rates. The Group was not exposed to exchange rate transaction risk on foreign currency sales during the year. Sales revenue for the Group for the year was all denominated in Australian dollars (2023: 100%). The Group was exposed to exchange rate transaction risk on foreign currency purchases during the year, with significant purchases of raw materials made in US dollars in its Energy Storage segment. The Group does not undertake significant forward cover or hedge transactions to manage its risk exposure.

The Group is exposed to currency risk in relation to its equity investment which is in US dollars (see Note 35.1(i)). At the year end, the equity investment was converted from United States Dollars to Australian Dollars at the exchange rate of \$0.6624 at 30 June 2024.

The below table shows the impact of fluctuations in the USD on the profit before tax of the Group:

Change in profit before tax			
- increase in USD currency rate by \$0.05		(630)	(665)
- decrease in USD currency rate by \$0.05		735	774

NOTE 33 FINANCIAL INSTRUMENTS RISK (continued)

33.2 Credit risk

The Group's maximum exposure to credit risk is generally the carrying amount trade and other receivables, net of any allowance for credit losses, and loans. The Group has in place formal policies for establishing credit approval and limits so as to manage the risk. For loans to unrelated third parties, the Group takes adequate security generally by a registered first mortgage over property of the borrower and/or a registered security interest (fixed and circulating) on the Personal Property Securities Register by way of a loan offer, loan agreement, general security interest agreement and deed of guarantee and indemnity and mortgage.

For related party loans, the Group has oversight to the operations of the business through Directors appointed to the Board of these entities, and regular operating and financial information being provided to the Group. As a result, the Group can influence the financial performance of the related parties and take appropriate actions to protect its loans.

The Group also has a credit risk exposure in relation to cash at bank. The Group's policy is to ensure funds are invested with Tier 1 Australian banks thus minimising the Group's exposure to this credit risk. Refer to note 15 for detail on the Group's trade and other receivables.

The geographic location of customers, relating to these trade receivables, is disclosed in Note 3.1 of these accounts.

	Notes	2024	2023
Australia		100%	100%

33.3 Liquidity risk

Liquidity risk is the risk that the Group and parent will encounter difficulty in meeting obligations associated with financial liabilities. The Group's objective to mitigate liquidity risk is to maintain a balance between continuity of funding and flexibility through the use of bank loans, other loans and lease agreements. The Group is in negotiations with several major Australian banks to establish a long term financing facility should the Group require additional liquidity.

Financial liabilities maturity analysis

The tables below reflect the undiscounted contractual settlement terms for the Group's financial liabilities of a fixed period of maturity, as well as the earliest possible settlement period for all other financial liabilities. As such the amounts may not reconcile to the balance sheet.

	Carrying amount \$'000	<6 months \$'000	6-12 months \$'000	1-3 years \$'000	>3 years \$'000	Contractual Cash flows \$'000
Consolidated 2024 Financial liabilities (current & non-current)						
Trade and other payables	9,770	6,806	3,174	-	-	9,980
Interest-bearing loans and borrowings	3,438	122	3,211	604	-	3,937
Lease liabilities	6,703	700	855	3,216	3,405	8,176
Total financial liabilities	19,911	7,627	7,240	3,820	3,405	22,093
Consolidated 2023 Financial liabilities (current & non-current)						
Trade and other payables	10,050	7,160	3,193	-	-	10,353
Interest-bearing loans and borrowings	3,346	54	91	3,135	596	3,876
Lease liabilities	6,327	659	622	2,450	4,334	8,065
Total financial liabilities	19,723	7,873	3,906	5,585	4,930	22,294

NOTE 34 FAIR VALUE MEASUREMENT

Fair value

The carrying values of financial assets and liabilities listed below 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 (i.e. as prices), or indirectly (i.e. derived from prices); or
- Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

Assets	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group 2024					
Listed securities	17	185	-	-	185
Other financial assets	17	-	-	4,610	4,610
		185	-	4,610	4,795
Group 2023					
Non-current assets					
Listed securities	17	287	-	-	287
Other financial assets	17	-	-	2,608	2,608
		287	-	2,608	2,895

The level 3 fair value assessment of unlisted equity securities has been based on advice provided by the investee company. LIS has 1,729,000 Class B common shares in Zeta Energy valued at USD\$1.00 per share at 30 June 2024. The number of shares and their value, based on the most recent capital raise, has been confirmed by Zeta Energy and the investment at USD\$1,729,000 equates to AUD\$2,610,000 at the prevailing exchange rate on 30 June 2024 of \$0.6624 with of the movement of \$2,362 (2023: \$98,000) recognised as a gain on investment at FVTPL.

The level 3 fair value estimate for the Australian unlisted units in investment funds has been based on the discounted cash flow method.

NOTE 35 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

The Group has the following commitments:

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Notes	30 June 2024 \$	30 June 2023 \$
Plant and equipment ¹	1,083	-
Intangible assets – commitments to Deakin University ²	5,869	-
Intangible assets – Other ³	178	-
	7,130	-

¹ LIS, WGL and BNNTTPL has entered into contracts for plant and equipment that is to be delivered after the reporting date. Deposits of \$415,204 have been paid to date on these contracts (see Note 15).

² LIS, WGL and BNNTTPL has outstanding commitments to Deakin University relating to projects contracted under Deakin's Recycling and Clean Energy Commercialisation Hub ('REACH'). These projects range in durations of up to 3 years.

³ Other commitments relates to non-Deakin University contractual commitments under various research collaboration and consulting agreements.

NOTE 36 RELATED PARTIES

For details on transactions between related parties refer to Note 19 and Note 20.

36.1 PPK Group Limited

Key management personnel remuneration

	Notes	Consolidated Entity 2024 \$000	2023 \$000
Short-term benefits		1,720,454	1,761,920
Share-based payments		305,463	530,795
Post-employment benefits		82,500	85,046
		2,108,417	2,357,761

The above table discloses remuneration of KMP in their capacity as KMP of PPK Group Limited. During the reporting period, the Group recognises the Directors (including the Managing Director) and the Chief Financial Officer of PPK Group Limited as being the key management personnel (see Note 38). See the Directors' Report for details of their remuneration policy and benefits as well as remuneration received from other related entities.

36.2 Equity Instruments

PPK's Chief Executive Officer (now Managing Director) and the Chief Financial Officer participate in the PPK Executive Rights Plan, subject to retention of services to meet the vesting conditions. A former Director participated in the earlier PPK LTI Plan and all his Rights have vested but remain unexercised.

36.3 Loans

There were no loans or advances to PPK's key management personnel or their related parties in the current financial or previous financial years.

LIS

As at the end of the financial year, the number of ordinary shares in LIS held by directors and Key Management Personnel during the 2024 and 2023 reporting periods is set out below:

	2024	Share Balance at Start of Year	Shares Acquired	Shares Sold	Share Balance at End of Year
Directors					
<i>Non-Executive</i>					
R Levison		2,540,549	-	-	2,540,549
A McDonald		866,961	-	(866,961)	-
M Fenton ⁽¹⁾		-	17,540	-	17,540
Total Directors		3,407,510	17,540	(866,961)	2,558,089
Other KMP of LIS					
G Molloy		10,325,778	-	-	10,325,778
S Price		-	40,500	-	40,500
Total Other		10,325,778	-	-	10,366,278
Total KMP		13,733,288	58,040	(866,961)	12,924,367

(1) Holding on date appointed as a Director (1 February 2024)

	2023	Share Balance at Start of Year	Shares Acquired	Shares Sold	Transferred/ Other Mvmt	Share Balance at End of Year
Directors						
<i>Non-Executive</i>						
R Levison ⁽²⁾		2,790,549	-	(250,000)	-	2,540,549
A McDonald		866,961	-	-	-	866,961
Total Directors		3,657,510	-	(250,000)	-	3,407,510
Other KMP of LIS						
G Molloy ⁽¹⁾		6,440,784	-	-	3,884,994	10,325,778
S Price		-	-	-	-	-
K Hostland		529,066	-	-	(529,066)	-
Total Other		6,969,850	-	-	3,355,928	10,325,778
Total KMP		10,627,360	-	(250,000)	3,355,928	13,733,288

(1) Other movements relates to adjustments for appointment or retirement as Trustee of various entities that hold LIS shares.

(2) Transfer to family members

NOTE 36 RELATED PARTIES (continued)

As at the end of the financial year, the number of Service Rights in LIS held by directors and Key Management Personnel during the 2024 and 2023 reporting periods is set out below:

2024

Name and Grant Dates	Balance at Start of the Year		Movements during the year						Balance at End of Year Unvested	
			Granted	Vested	Exercised	Forfeited				
	Vested	Unvested	No.	No.	%	No.	No.	%	No.	Maximum \$ value to vest
R Levison	320,000	160,000	-	160,000	100	-	-	-	-	-
A McDonald	320,000	160,000	-	86,795	54	-	73,205	46	-	-
Total Directors	640,000	320,000	-	246,795	77	-	73,205	23	-	-

(1) All service rights under the plan have vested

2023

Name and Grant Dates	Balance at Start of the Year		Movements during the year						Balance at End of Year Unvested	
			Granted	Vested	Exercised	Forfeited				
	Vested	Unvested	No.	No.	%	No.	No.	%	No.	Maximum \$ value to vest
R Levison	160,000	320,000	-	160,000	100	-	-	-	160,000	64,251
A McDonald	160,000	320,000	-	160,000	100	-	-	-	160,000	64,251
Total Directors	320,000	640,000	-	320,000	100	-	-	-	320,000	128,502

(1) There were nil vested and unexercised rights at the beginning of the year.

(2) The maximum value of service rights to vest has been calculated as the amount of the grant date fair value of the service rights yet to be expensed.

WGL

As at the end of the financial year, the number of ordinary shares in WGL held by directors and Key Management Personnel during the 2024 and 2023 reporting periods is set out below:

2024	Share Balance at Start of Year	Shares Acquired	Shares Sold	Commenced as KMP	Ceasing to be a KMP	Shares Held at the End of the Reporting Period
Directors						
R Levison	750,000	-	-	-	-	750,000
G Molloy	1,500,000	1,000,000	-	-	-	2,500,000
A McDonald ⁽¹⁾	375,000	-	-	-	-375,000	-
Total Directors	2,625,000	1,000,000	-	-	-375,000	3,250,000
Other KMP						
M Fenton	15,000	25,000	-	-	-	40,000
S Price	50,000	-	-	-	-	50,000
Total Other	65,000	25,000	-	-	(375,000)	-285,000
Total	2,690,000	1,025,000	-	-	(375,000)	3,340,000

(1) A McDonald ceased as Director on 23 November 2023

NOTE 36 RELATED PARTIES (continued)

2023	Share Balance at Start of Year	⁽¹⁾ Shares Acquired	Shares Sold	Commenced as KMP	Ceasing to be a KMP	Shares Held at the End of the Reporting Period
Directors						
R Levison	500,000	250,000	-	-	-	750,000
G Molloy	1,000,000	500,000	-	-	-	1,500,000
A McDonald	250,000	125,000	-	-	-	375,000
G Pullen	-	-	-	-	-	-
Total Directors	1,750,000	875,000	-	-	-	2,625,000
Other KMP						
M Fenton ⁽²⁾	-	15,000	-	-	-	15,000
S Price ^{(2) (4)}	-	-	-	50,000	-	50,000
K Hostland ⁽³⁾	250,000	125,000	-	-	(375,000)	0
Total Other	250,000	140,000	-	50,000	(375,000)	65,000
Total	2,000,000	1,015,000	-	50,000	(375,000)	2,690,000

(1) Shares were increased as a result of 1 for 2 bonus issue on 17 August 2022

(2) Share were acquired at \$0.50 per share as part of the capital raise process

(3) K Hostland ceased as CFO on 23 May 2023

(4) Sarah Price was appointed CFO on 23 May 2023

36.4 The Group has the following related party agreements in place:

Supply Agreement between LIS and BNNTTPL

A supply agreement for the supply of BNNTs, with a purity of at least 95% or otherwise agreed, for the purpose of using BNNTs in the development, testing and manufacture of the LIS batteries. The key terms of the supply agreement are as follows:

- LIS may only order from BNNTTPL to use BNNTs in the Customer's development, testing and manufacture of batteries or any other purpose agreed between the parties in writing; and
- the initial term of the agreement is 5 years and it automatically renews for further 2 year terms unless LIS elects not to renew the agreement by giving at least 3 months' notice prior to the expiry of the latest term.

Distribution Agreement between LIS and BNNTTPL

A worldwide exclusive distribution agreement pursuant to which LIS is appointed as distributor for BNNT products, with a purity of at least 95% or otherwise agreed, within the battery industry, with certain exclusive distribution rights in respect of lithium-sulphur batteries. The key material terms of the distribution agreement are as follows:

LIS may only buy BNNTs from BNNTTPL to:

- distribute on an exclusive basis BNNTs to third party customers (**Customers**), provided the Customers are only permitted to use BNNTs to develop, test or manufacture lithium-sulphur batteries; and
- distribute on a non-exclusive basis BNNTs to Customers, provided the Customers are only permitted to use BNNTs to:
 - develop, test or manufacture batteries that are not lithium-sulphur batteries (including to stockpile BNNTs for later use in accordance with forecasts); and
 - manufacture nanomesh products incorporating BNNTs (including Li-Nanomesh) for the use in any form or type of battery;
 - and any other purpose agreed between the parties in writing.

NOTE 36 RELATED PARTIES (continued)

LIS is not restricted from distributing Li-Nanomesh (or other nanomesh products), or BNNTs to LIS's customers who have a licence from LIS to manufacture Li-Nanomesh (or other nanomesh products).

The initial term of the agreement is 5 years and it automatically renews for further 2 year terms unless LIS elects not to renew the agreement by giving at least 3 months' notice prior to the expiry of the latest term.

Management Services Agreement between LIS and PPK Aust. Pty Ltd

A management services agreement pursuant to which PPK Aust. Pty Ltd (PPK Aust) will provide administrative functions such as accounting, record keeping, reporting, legal, company secretarial support, IT/systems support, etc. It is also appointed, to the extent permitted by law, facilitate/oversee the funding and capital raising requirements of the company and is paid a funding fee of up to 1% of any debt or capital raised that it facilitates. PPK Aust will also provide staff to act in key officer roles including the public officer, chief financial officer and company secretary. The key material terms of the management services agreement are as follows:

- PPK Aust is paid a fee for providing the management services, which the scope of services to be provided and the fee is reviewed and agreed between the parties every 3 months;
- the agreement was for an initial term of 3 years, and has since been renewed by PPK Aust for a further 3 year term;
- PPK Aust may terminate the agreement on 30 days' notice if it is not satisfied with the Annual Plan of LIS;
- LIS may terminate the agreement at will on 6 months' notice; and
- LIS indemnifies PPK Aust for any loss that arises from the performance by PPK Aust of its obligations under the agreement.

Research Framework Agreement between PPK's subsidiaries and Deakin

LIS, WGL, and BNNTTPL joined 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 BNNTTPL entered into a new Research Framework Agreements ('RFA') with Deakin and committed to a number of new projects under the new RFAs. The new RFAs govern all research projects conducted between LIS, WGL, and BNNTTPL and Deakin under the REACH program, as set out in Project Schedules entered into under the various RFAs. The key material terms of the RFAs are consistent with the previous RFAs entered with regards to intellectual property ('IP') ownership, being that LIS, WGL, and BNNTTPL will each own all of their respective project IP. During the period, the Group received a total of \$3.6 million in funding (2023: Nil) under the grant program which has been recognised as a reduction of the carrying amount of the Property, Plant and Equipment or Intangible Assets for which the grant is related. Refer to Note 35 for the Group's remaining commitment under REACH.

A Joint Venture Agreement between PPK Group, BNNTTPL and Deakin

A Joint Venture Agreement for the research, development and commercialisation of new and existing technologies and products where BNNT can be used to create and/or improve these technologies and products whereby:

- BNNTTPL provides BNNT and related technologies, products, technical skills and know how;
- Deakin provides existing intellectual property, services of specialist personnel from the Institute of Frontier Materials and other equipment including the university's specialist facilities where required; and
- PPK provides all other services to commercialise the new technologies and services, including the procurement of other specialists with experience in the respective industries, and source or assist with funding and industry partners.

The agreement provides for an initial six BNNT application projects with a joint ownership of PPK having a 65% interest, Deakin University having a 25% interest and BNNT having a 10% interest of those entities incorporated for each project. However, the agreement provides for alternative ownership arrangements for BNNT application projects that are entered into outside of the initial six BNNT application projects.

NOTE 36 RELATED PARTIES (continued)

Technology Licence Agreement between BNNTTPL and Deakin

A Technology Licence Agreement for an exclusive global 20 years to commercialise the BNNT manufacturing technology patented by Deakin University expiring on 31 May 2038. The Agreement has a quarterly royalty payment of 5% of the gross revenue received by or payable to BNNT Technology Limited or any of its sub-licensees payable to Deakin. The commitment to generate \$50.000M of gross revenues within the first three years after the Evaluation Completion Date was terminated on 19 July 2021.

Lease Agreements

BNNTTPL has a three-year lease with Deakin with two three-year options for approximately 986 m² at Waurnd Pond, Geelong commencing 7 March 2022. The initial rent charges commenced 1 July 2022 at \$13,147 per month, plus building outgoings, with a 3% increase on the annual anniversary date of the lease and a market review at the commencement of each option period. The landlord must be notified by the tenant within six months and not more than twelve months if the tenant wants to exercise the option period. The lease includes all electrical, air conditioning, fixtures and fittings that are installed. The lease also provides for first right of refusal for an additional 284 m² expansion space on similar terms and conditions as the existing lease.

BNNTTPL had a one year lease extension with Deakin for the premises at Waurnd Pond, Geelong which finished on 1 May 2023, for \$6,601 per month. BNNTTPL had sub-leased these premises to WGL on the same terms and conditions as the existing lease extension.

The following conditions of the previous lease with Deakin were waived in August 2022:

- an initial \$0.500M payment for Deakin to develop a research plan for BNNTTPL; and
- a \$2.000M per annum payment for research funding once BNNTTPL revenue exceeds \$5.000M per annum.

36.5 Related Party Transactions

Management Services

PPK charged the following companies for management support services during the financial year:

Company	2024 \$	2023 \$
BNNTTPL	187,000	264,000
LIS	830,000	720,000
Strategic Alloys	-	30,000
WGL	187,000	264,000
AMAG	-	170,000
CIB	7,200	400,000
PPE	240,000	
TOTAL	1,451,200	1,848,000

Office Space Rent

PPK recharged LIS for corporate office rent during the financial year:

Company	2024 \$	2023 \$
LIS	9,000	-
TOTAL	9,000	-

NOTE 36 RELATED PARTIES (continued)

Loan Interest Charged to Related Party

	Notes	2024 \$	2023 \$
Company			
PPE		41,645	-
Strategic Alloys		5,369	-
WGL		2,301	-
TOTAL		70,028	-

Loan Interest Charged by Related Party

		2024 \$	2023 \$
Company			
LIS		200,685	-
TOTAL		200,685	-

Research and Development

The following research and development charges were made during the financial year:

Deakin charged the following companies for research and development during the financial year:

		2024 \$	2023 \$
Company			
BNNTTPL		1,114,601	-
LIS		1,733,379	2,503,347
Precious Metals		-	54,500
WGL		404,590	709,667
TOTAL		3,252,570	3,267,513

Leases

Deakin charged the following companies for leases during the financial year:

		2024 \$	2023 \$
Company			
BNNTTPL		209,064	153,571
LIS		370,067	223,730
WGL		81,193	72,611
TOTAL		660,324	449,912

NOTE 36 RELATED PARTIES (continued)

36.6 Related Party Balances

The related party balances as at 30 June 2024 and 30 June 2023 are as follows:

Receivable from	Payable to	Notes	2024 \$	2023 \$
Craig International Ballistics	PPK	18	-	1,835,000
Ballistic Glass	PPK	20	-	78,000

During the year, Corso Investment Pty Ltd, an entity associated with Glenn Molloy, lent US dollar funds to PPE. The funds were provided in December 2023 (AUD equivalent \$370,480) and was fully repaid by May 2024 (AUD equivalent \$376,676). The funds were lent on an interest free basis.

During the year, the Group entered into a selective share buyback transaction with its associate Craig International Ballistics Pty Ltd. The associate acquired and then cancelled 415,150 shares from the Group for a total consideration of \$2,750,000, reducing the Group's ownership in the associate to 39.85%.

NOTE 37 INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

	Country of Incorporation	Notes	Percentage Owned	
			2024 %	2023 %
Subsidiaries of PPK Group Limited				
PPK Aust. Pty Ltd	Australia		100%	100%
PPK Investment Holdings Pty Ltd	Australia		100%	100%
Li-S Energy Limited	Australia		45.4%	45.4%
LIS Plans Pty Ltd	Australia		45.4%	45.4%
White Graphene Limited	Australia	37.9	50.9%	56.3%
WGL Plans Pty Ltd	Australia	37.10	50.9%	56.3%
BNNT Technology Pty Limited	Australia	37.5	51%	51%
BNNT Precious Metals Pty Ltd	Australia	37.7	45%	45%
Strategic Alloys Pty Ltd	Australia	37.11	45%	45%
3D Dental Technology Pty Ltd	Australia	37.7	45%	45%
PPK Plans Pty Ltd	Australia	37.3	100%	100%
PPK Plans 2 Pty Ltd	Australia	37.4	100%	100%
BNNT Ballistics Pty Ltd	Australia		100%	100%
AIC Investment Corporation Pty Ltd	Australia		100%	100%
Willoughby NSW Holdings Pty Ltd	Australia	37.1	100%	100%
Willoughby NSW Pty Ltd	Australia	37.2	100%	100%
Mask Innovation Pty Ltd	Australia	37.6	91%	91%
PowerPlus Energy Pty Ltd	Australia	37.8	51%	51%
Associates of PPK Group Limited				
Craig International Ballistics Pty Ltd	Australia		39.8%	45%
Ballistic Glass Pty Ltd	Australia	37.12	40%	40%
AMAG Holdings Australia Pty Ltd	Australia		35.6%	32.5%

37.1 Willoughby NSW Holdings Pty Ltd (formerly PPK Willoughby Holdings Pty Ltd) acts as the trustee company of the PPK Willoughby Funding Unit Trust. The Group holds 22.86% of issued units of this trust which is considered an associate of the Group.

37.2 Willoughby NSW Pty Ltd (formerly PPK Willoughby Pty Ltd) acts as the trustee company of the PPK Willoughby Purchaser Unit Trust. PPK Willoughby Funding Unit Trust holds 80% of issued units of this trust.

37.3 PPK Plans Pty Ltd is the trustee for the PPK Long Term Incentive Plan.

37.4 PPK Plans 2 Pty Ltd was incorporated on 14 February 2022 is the trustee for the PPK Executive Rights Plan.

37.5 BNNT Technology Limited was previously a joint venture but became a subsidiary on 4 August 2021.

37.6 On 2 August 2022, PPK sold all its shares in Survivon in exchange for 91% of the shares in Mask Innovation, obtaining control of the entity. The new Mask Innovation board completed a strategic review of the operation of Mask Innovation and decided to wind up operations.

37.7 The Group considers that it is contracted to provide both funding and commercialising the development of the BNNT application projects each entity undertakes, it provides key management personnel, critical services, technology, supplies and raw materials thus it is responsible for affecting the outcomes and economic returns of the entity and accounts for these entities as a subsidiary.

37.8 On 4 May 2023, PPK Investment Holdings completed the acquisition of shares in PowerPlus Energy Pty Ltd, obtaining control of the entity. PPK paid \$1.8m to acquire a 33% interest as the same time PPK IH subscribed for newly issued shares for \$1m taking its total shareholding to 51%.

37.9 On 12 August 2022, WGL completed a bonus issue of 1 new fully paid shares for every 2 ordinary shares held in the company. The bonus shares were issued for Nil consideration. In October 2022, WGL undertook a \$3.6m capital raise. The company received binding subscriptions for 7.2m shares at \$0.50. At 30 June 2023, 5.9m shares had been issued. A further 1.3m shares were issued post 30 June 2023.

37.10 WGL Plans Pty Ltd is the trustee for the WGL Long Term Incentive Plan

37.11 The process to deregister Strategic Alloys Pty Ltd commenced post 30 June 2024, with a voluntary notice of proposed deregistration published by ASIC on 9 August 2024,

37.12 Ballistic Glass Pty Ltd was deregistered on 31 July 2024.

NOTE 38 EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 16 August 2024, PPK Investment Holdings Pty Ltd (PPK IH) and PowerPlus Energy Pty Ltd (PowerPlus) entered into a secured convertible note deed under which PowerPlus will issue up to \$2 million in notes. PPK has subscribed for up to \$1 million in notes, with the remaining \$1 million subscribed for proportionately by two entities associated with Glenn Molloy.

The facility is available for drawdown by PowerPlus in tranches on an as needs basis to meet its funding requirements. The notes issued under this facility are secured and include a redemption option in favour of PowerPlus, 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 PowerPlus at a predetermined fixed conversion price.

As of 29 August 2024, \$400,000 has been advanced under the facility, with \$200,000 advanced by PPK. Corresponding notes have been issued to PPK and the other subscribers in proportion to their advances.

There are no matters or circumstances which have arisen since reporting the date that have significantly affected or may affect the operations, results or state of affairs of the Company in the financial years subsequent to the financial year ended 30 June 2024.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

	Entity type	Body Corporate Country of Incorporation	Country of tax residence	Body corporate % of share capital held
Subsidiaries of PPK Group Limited				
PPK Aust. Pty Ltd	Body corporate	Australia	Australia	100%
PPK Investment Holdings Pty Ltd	Body corporate	Australia	Australia	100%
Li-S Energy Limited	Body corporate	Australia	Australia	45.4%
LIS Plans Pty Ltd ¹	Body corporate	Australia	Australia	45.4%
Li-S Energy Limited Employee Share Trust	Trust	N/A	Australia	N/A
White Graphene Limited	Body corporate	Australia	Australia	50.9%
WGL Plans Pty Ltd ¹	Body corporate	Australia	Australia	50.9%
White Graphene Limited Employee Share Trust	Trust	N/A	Australia	N/A
BNNT Technology Pty Limited	Body corporate	Australia	Australia	51%
BNNT Precious Metals Pty Ltd	Body corporate	Australia	Australia	45%
Strategic Alloys Pty Ltd	Body corporate	Australia	Australia	45%
3D Dental Technology Pty Ltd	Body corporate	Australia	Australia	45%
PPK Plans Pty Ltd ¹	Body corporate	Australia	Australia	100%
PPK Long Term Incentive Plan	Trust	N/A	Australia	N/A
PPK Plans 2 Pty Ltd ¹	Body corporate	Australia	Australia	100%
PPK Executive Rights Plan	Trust	N/A	Australia	N/A
BNNT Ballistics Pty Ltd	Body corporate	Australia	Australia	100%
AIC Investment Corporation Pty Ltd	Body corporate	Australia	Australia	100%
Willoughby NSW Holdings Pty Ltd	Body corporate	Australia	Australia	100%
Willoughby NSW Pty Ltd	Body corporate	Australia	Australia	100%
Mask Innovation Pty Ltd	Body corporate	Australia	Australia	91%
PowerPlus Energy Pty Ltd	Body corporate	Australia	Australia	51%

¹ Entities are trustees for the Employee Share Trusts in the consolidated entity.

DIRECTORS' DECLARATION



FOR THE YEAR ENDED 30 JUNE 2024

1. In the opinion of the Directors of PPK Group Limited;
 - a) The consolidated financial statements 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 30 June 2024 and of its performance for the financial year ended on that date; and
 - (ii) Complying with Australia Accounting Standards (including the Australian Accounting Interpretations) 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.
 - c) as at the date of this declaration, there are reasonable grounds to believe that the Company and the subsidiaries in Note 12 (closed group disclosure) will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.
3. Note 2 confirms that the consolidation financial statements also comply with International Financial Reporting Standards.
4. The consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Anne-Marie Birkill'.

ANNE-MARIE BIRKILL
Non-Executive Chair

A handwritten signature in black ink, appearing to read 'Glenn Molloy'.

GLENN MOLLOY
Executive Director

Dated this 29th day of August 2024

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

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

Report on the audit of the financial report

Opinion

We have audited the financial report of PPK Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Impairment testing of intangible assets and property, plant and equipment

Why significant	How our audit addressed the key audit matter
As disclosed in Notes 21, 22 and 23 to the financial report, the Group's continuing operations recorded property, plant and equipment of \$13,032,000, right of use assets of \$6,554,000 and intangible assets of \$44,770,000 as at 30 June 2024. These assets represent 80% of the Group's total non-current assets as at 30 June 2024. The Group performs an annual impairment assessment for indicators of impairment for property, plant and equipment, right-of-use assets, and intangible assets other than goodwill and intangible assets not yet available for use. Where indicators of impairment are present for individual development assets, the recoverable amount of the assets are assessed and compared to their carrying value. Goodwill and intangibles not yet available for use are tested annually regardless of indicators. An assessment is also made of indicators of impairment for each individual Cash Generating Unit (CGU). The significant assumptions used in the impairment testing referred to above are inherently subjective and in times of economic uncertainty and certain assets not yet generating commercial revenues, the degree of subjectivity is higher than it might otherwise be. Based on the size of the assets amounts and the judgement involved in determining the recoverable amount, we have considered this a key audit matter.	Our audit procedures included the following: ▶ Evaluating the Group's assessment of its CGUs for consistency with the requirements of Australian Accounting Standards. ▶ Evaluating the completeness of the Group's assessment of impairment indicators for property, plant and equipment, right-of-use assets and intangible assets in use in each CGU. ▶ Assessing management's commercial basis for the development and commercialisation of products in process development. ▶ Assessing the key assumptions within the impairment assessment of each CGU including the commercial prospects, growth rate and discount rate, involving EY's internal valuation and modelling specialists where required. ▶ Applying our knowledge of the business and corroborating our work with external information where possible. ▶ Assessing the adequacy of the disclosures included in Notes to the financial report.

Accounting for investments

Why significant	How our audit addressed the key audit matter		
The Group holds a number of significant investments in its portfolio where less than 50% of shares in these entities are controlled. These are shown in the table below. Other investments disclosed in Notes 17, 19 and 20 are not significant.	<i>All Investments</i> Our procedures included the following: ▶ Reading investment and shareholder documents and correspondence in relation to each investment. ▶ Challenging the Group's assessment as to the method of accounting for each investment for compliance with Australian Accounting Standards. ▶ Agreeing the Group's interest in each investee entity to share certificates or other supporting documentation. ▶ Testing management's impairment indicator assessment of the investment by considering forecasts of forward earnings, commercial activities and discount rates or recent arm's length capital raisings. ▶ Assessing the adequacy of the related disclosures within the financial report.		
			<i>Li-S Energy Limited</i> Our procedures included the following: ▶ Analysed the basis for management's conclusion that the investee continues to be controlled by the Group while the Group controls less than 50% of the shares on issue. ▶ Assessed the concentration of shareholding in the investee and the impact this has on the Group's ability to control the investee.
Investee	Classification	Accounting Method	Note
Li-S Energy Limited	Subsidiary	Consolidation	19
Craig International Ballistics Pty Ltd	Associate Entity	Equity method	20
AMAG Holdings Australia Pty Ltd	Associate Entity	Equity method	20
Zeta Energy LLC	Financial Asset at Fair Value Through Profit and Loss	Fair Value Through Profit and Loss	17
The accounting policies applied in recognising and measuring the Group's investments are disclosed in Note 2 of the Group's financial report.			

Why significant	How our audit addressed the key audit matter
This area is a key audit matter due to the significance of the carrying amount of the investments to the Group's Statement of Financial Position, and the judgement involved in assessing whether control, joint control, significant influence or no influence exists. Subjectivity also exists in assessing the value of investments recorded at fair value.	▶ Analysed historic shareholder voting trends at Annual General Meetings. <i>Craig International Ballistics Pty Ltd ("CIB") and AMAG Holdings Australia Pty Ltd ("AMAG")</i> Our procedures included the following: ▶ Evaluating the Group's accounting for the share buyback transaction undertaken by CIB for consistency with Australian Accounting Standards. ▶ Scoping and testing (based on the scoping) of selected transaction and account balances in the underlying financial information of CIB and AMAG to provide sufficient appropriate audit evidence as to the profit and financial positions of CIB and AMAG investments for the purpose of the Group audit. ▶ Assessing the accounting policies of CIB and AMAG for consistency with the Group's policies. ▶ Testing any profit distributions received during the period to distribution statements or other supporting documentation. ▶ Evaluating the Group's share of net gains and the equity method investment movement for the year ended 30 June 2024. ▶ Assessing the carrying amount of the Group's equity method investment at 30 June 2024. <i>Zeta Energy LLC ("Zeta")</i> Our procedures included the following: ▶ Confirming the Group's shareholding interest in Zeta with the investee. ▶ Recalculating the fair value of the Group's investment at 30 June 2024 using current share valuations, supported by recent capital raising transactions and converting the US dollar denominated investment value to Australian dollars at 30 June 2024.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

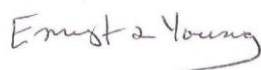
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

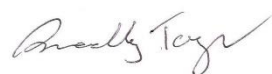
In our opinion, the Remuneration Report of PPK Group Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Brad Tozer
Partner
Brisbane
29 August 2024

SHAREHOLDER INFORMATION

As at 22 August 2024

Fully paid ordinary shares:

- (a) Total shares issued: 89,962,498
- (b) Percentage held by 20 largest shareholders: 50.87%
- (c) Total number of PPK shareholders: 2,973
- (d) Shareholders with less than marketable parcel of shares: 671
- (e) There is not a current on market buy-back.
- (f) Voting rights: Every shareholder present personally or by proxy or attorney etc, shall, on a show of hands, have one vote and on a poll shall have one vote for every share held. No voting rights attach to options.
- (g) Distribution schedule of fully paid ordinary shares:

Holdings Ranges		Total holders	Units	% Units
1 - 1,000	519	325,464		0.36
1,001 - 5,000	1,389	3,468,425		3.86
5,001 - 10,000	415	3,212,516		3.57
10,001 - 100,000	537	15,745,603		17.50
100,001 Over	113	67,210,490		74.71
Total	2,973	89,962,498		100.00

- (h) Voting rights: Every member present personally or by proxy or attorney etc, shall, on a show of hands, have one vote and on a poll shall have one vote for every share held.

(i) Top 20 Holders of Ordinary Fully Paid Shares

Rank	Name	Shares	%
1	WAVET FUND NO 2 PTY LTD <WAVET SUPER FUND NO 2 A/C>	14,011,998	15.58
2	EQUIPMENT COMPANY OF AUSTRALIA PTY LTD	7,974,336	8.86
3	SMN HOLDINGS PTY LTD	3,230,000	3.59
4	MCNAMARA SUPER GROUP PTY LTD <MCNAMARA SUPER FUND A/C>	2,775,919	3.09
5	IGNITION CAPITAL PTY LTD <THE IGNITION A/C>	2,336,788	2.60
6	CONTEMPLATOR PTY LTD <ARG PENSION FUND A/C>	2,326,000	2.59
7	CITICORP NOMINEES PTY LIMITED	1,601,941	1.78
8	IGNITION CAPITAL NO 2 PTY LTD <IGNITION SUPER FUND A/C>	1,527,692	1.70
9	FLYNFAM PTY LTD <FLYNN FAMILY A/C>	1,136,011	1.26
10	JOHN E GILL OPERATIONS PTY LIMITED <JOHN E GILL NO 2 A/C>	1,102,221	1.23
11	NATIONAL NOMINEES LIMITED	1,049,209	1.17
12	MR LESLIE JOHN FIELD + MRS EVE FIELD	1,007,584	1.12
13	SASH INVESTMENT GROUP PTY LTD <SAMANTHA MOLLOY FAMILY A/C>	955,000	1.06
14	HOUGHTON WATERVILLE PTY LTD <A & J HURWITZ S/F A/C>	900,000	1.00
15	MINOAN CORPORATION LIMITED	700,000	0.78
15	MR DAVID ANTHONY O'BRIEN	680,400	0.76
17	IRONFURY PTY LTD <THE DAVID DUNN FAMILY A/C>	646,297	0.72
18	RATHVALE PTY LIMITED	622,229	0.69
19	EST MR FRANCESCO MARIO NAPOLI	597,181	0.66
20	NN CAPITAL PTY LTD	586,672	0.65

Top 20 holders of Ordinary Fully Paid Total	45,767,478	50.87
Total Remaining Holders Balance	44,195,020	49.13

SHAREHOLDER INFORMATION (continued)

(j) Substantial Holders

Substantial Holder	Number of Shares Held	% of Issued Capital
Wavet Fund No 2 Pty Ltd	14,011,998	15.58
Equipment Company of Australia Pty Ltd	7,974,336	8.86

(k) Unquoted Securities:

Security	Total Holders	Number	Terms
Performance Rights	2	90,000	Each Performance Right is an entitlement, upon vesting and exercise, to an ordinary fully paid share in the Company. The Performance Rights all vested on 30 June 2021 but remain unexercised.
Performance Rights	3	40,704	Each Performance Right is an entitlement, upon vesting and exercise, to an ordinary fully paid share in the Company. The Performance Rights all vested on 30 June 2023 but remain unexercised.
Performance Rights	8	82,298	Each Performance Right is an entitlement, upon vesting and exercise, to an ordinary fully paid share in the Company. The Performance Rights will be assessed against the vesting conditions after June 2024.
Performance Rights	8	462,976	Each Performance Right is an entitlement, upon vesting and exercise, to an ordinary fully paid share in the Company. The Performance Rights will be assessed against the vesting conditions in June 2025.
Performance Rights	7	865,776	Each Performance Right is an entitlement, upon vesting and exercise, to an ordinary fully paid share in the Company. The Performance Rights will be assessed against the vesting conditions in June 2026

CORPORATE DIRECTORY

PPK Group Limited ABN 65 003 964 181

A public company incorporated in New South Wales and listed on the Australian Securities Exchange (ASX Code: PPK)

Directors

Robin Levison	(Non-Executive Director)
Glenn Molloy	(Executive Director)
Anne-Marie Birkill	(Non-Executive Chair)
Marc Fenton	(Managing Director)

Company Secretaries

Will Shiel
Liam Fairhall

Registered Office and Principal Place of Business

PPK Group Limited

Level 13, 120 Edward Street
Brisbane QLD 4000 Australia
Telephone: +61 7 3054 4555
Email: info@ppkgroup.com.au
Web Site: www.ppkgroup.com.au

Share Register

Computershare Investor Services Pty Ltd

Level 3, 60 Carrington Street
Sydney NSW 2000 Australia
Telephone (within Australia): 1300 556 161
Telephone (international): +61 2 8234 5000
Contact: <https://www.computershare.com/au/business/registry-services/contact-us>

Solicitors

Mills Oakley

Level 23, 66 Eagle Street
Brisbane QLD 4000 Australia

Bankers

National Australia Bank Limited

Level 17, 259 Queen Street
Brisbane QLD 4000 Australia

Auditors

Ernst & Young

Level 51, 111 Eagle Street
Brisbane QLD 4000 Australia