



ASX RELEASE

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PPK Group Limited – ASX Code: PPK

Monday, 20 April 2026

Entry into conditional share sale and purchase agreement in respect of CIB

PPK Group Limited (ASX:PPK) is pleased to announce that it has entered into a binding, conditional share sale and purchase agreement (**SPA**) with Mehler Vario Systems GmbH (**Mehler**) in respect of its 39.85% interest in Craig International Ballistics Pty Ltd (**CIB**).

Proceeds of sale and key contractual terms

On completion of the SPA, Mehler would acquire the entirety of PPK's 39.85% interest in CIB (held through its wholly owned subsidiary, BNNT Ballistics Pty Ltd).

For PPK, the SPA contains a headline purchase price of A\$27.45m and a potential earn-out capped at A\$5.98m. Hence, the total proceeds to PPK could be up to A\$33.43m.

The total purchase price was based on a headline enterprise value for 100% of CIB of A\$86m on a cash-free / debt-free basis, with no post-completion working capital adjustment. The enterprise value was subject to customary adjustments and other negotiated amendments to address matters raised during due diligence.

Completion under the SPA is subject to the satisfaction or waiver of both customary and transaction-specific conditions precedent, including entry into ancillary transaction documents with key persons, finalisation of the warranty and indemnity insurance, and receipt of required approvals (in particular, under the *Foreign Acquisitions and Takeovers Act 1975* (Cth)). Completion is expected to occur no later than 30 June 2026.

Earn-out opportunity

As stated above, the total purchase price includes the opportunity for an earn-out which would be received by PPK in Quarter 2 of calendar year 2028, if applicable. Earn-out calculations require CIB to achieve an 'Average Adjusted Recurring EBITDA' of greater than A\$12.0m per year over calendar years 2026 and 2027. If this threshold is exceeded, the excess is payable to the sellers in proportion to their respective shareholding that forms part of this transaction. The maximum Earn-Out that could potentially be received by PPK is capped at A\$5.98m.

Cut-off date

The SPA has a current cut-off date ('sunset date') of 30 June 2026, by which time the conditions precedent must be satisfied or waived.

Use of funds

As noted in the commentary in the Company's half-year accounts, the Company is currently undertaking a strategic review of its portfolio of investments. Accordingly, the long-term use of funds will ultimately depend on the outcome of that strategic review.

In the short-term, PPK expects to use AUD\$2.0m of the cash proceeds at completion to repay a third party loan that is secured over part of the Company's stake in CIB.

Any decisions around potential dividends to shareholders will be considered closer to year end.

The purchaser

Mehler is a leading global company specialising in armour ballistic protection, headquartered in Fulda, Germany. Mehler has been operating in the industry for over 40 years and has over 1,500 employees in its offices around the world.

More information on Mehler can be found at: www.mehler-systems.com.

Quote from PPK Chair

Ms Anne-Marie Birkill, PPK Chair commented:

"PPK's strategy has been to grow value for our shareholders by supporting our existing portfolio to drive performance, and to seek opportunities to monetise that value growth.

As previously reported, Craig International Ballistics (CIB) received an unsolicited non-binding offer in July 2025, which despite engagement was unable to be concluded. In late 2025, CIB received another unsolicited approach, this time from Mehler, a leading global company headquartered in Germany, for which terms have now been agreed and a sale and purchase agreement signed.

Whilst we have been extremely happy with the growth and performance of CIB, the acquisition of this equity by Mehler will enable them to further unlock CIB's potential to grow as part of their global ballistic protection business.

We are proud of CIB's contribution to PPK and we wish all the best to CEO and majority owner James Craig and his team for the future.

As we stated at the half-year, we continue our review of the PPK portfolio to identify the most effective pathways to maximise value for shareholders. Over the last 2 years we have sold our investment in AMAG, sold down and deconsolidated our investments in Li-S Energy and White Graphene group, invested further in PowerPlus Energy, and now subject to completion, disposed of our investment in CIB. We look forward to providing further information to shareholders about the future direction of the company, as this strategic review progresses."

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

For further information contact:

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