ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Monday, 29 June 2026

PPK RECEIVES $27.2M CASH FOLLOWING COMPLETION OF STRATEGIC SALE OF CIB INVESTMENT

Further to recent announcements, PPK Group Limited (ASX:PPK) is pleased to advise that the sale of its 39.85% interest in Craig International Ballistics Pty Ltd (**CIB**) to M-Sicherheitsbeteiligungen GmbH (**Mehler**) has now completed, crystallising a total return on its initial investment of more than seven times.

Key highlights

- PPK has received A$27.2m in cash from Mehler.
- After repayment of debt, PPK now holds approximately A$25.7m in cash reserves including existing cash on hand.
- PPK anticipates that it will receive a further A$0.5m in deferred consideration and potentially up to almost A$6.0m in future earn-out payments, both to be determined in the first half of CY28.
- The sale (before potential earn-out and including deferred consideration) represents a return of 454% on PPK's initial investment of A$5.0m. In addition, PPK has received A$9.4m in distributions over the holding period representing a total return of 642%.
- PPK's strong cash position is further supplemented by its remaining pool of investments, including:

Investment	**Ownership Interest**
PowerPlus Energy Pty Ltd	75.40%
White Graphene Limited (includes BNNT Technology)	39.38%
Li-S Energy Limited (ASX:LIS)	39.11%

- PPK continues to progress a strategic review of its remaining investments, with a view to creating shareholder value. A further update will be provided in the commentary that accompanies the full year accounts.

Overview of the acquisition and divestment of CIB

PPK acquired its stake in CIB in December 2019 for A$5.0m. Since that initial investment, PPK has provided debt financing and management support to CIB, including bringing the press and autoclave online. Under the leadership of James Craig, the business has grown strongly, notably the A$30m order announced on 3 May 2024. This growth allowed CIB to repay all debt financing provided by PPK as well as paying increasingly significant dividends which have supported PPK's ongoing investments and assistance to its other portfolio companies, as well as contributing to PPK's operating costs.

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

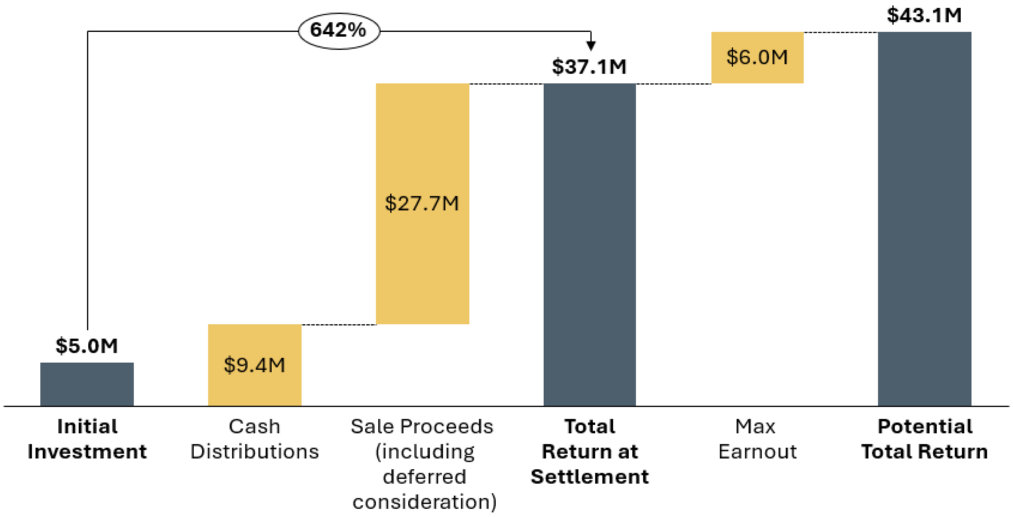

Figure 1: Bridge representing PPK's acquisition of investment through to sale of investment and potential earnout

The Board formed the view that in order for CIB to achieve its future growth ambitions and unlock further value, it needs to be positioned within a large, global industry player. As such, the Board determined that accepting the compelling offer from Mehler was in the best interests of the Company.

Financial structure of the transaction

On completion, PPK used A$2.0m of the consideration received to repay a third-party loan that was secured over part of the Company's stake in CIB. This transaction has recapitalised PPK without any additional shareholder dilution, bringing **strategic flexibility** and **optionality** to PPK's future, with operating costs also covered in the short-to-medium term.

As further described in the earlier announcement of 20 April 2026, PPK anticipates that it will receive a potential earn-out capped at A$5.98m. There is also a small deferral of consideration of A$0.5m for warranty related items, which PPK expects to receive in full. Both the deferred consideration and any earn-out payment are expected to be received by PPK in the first half of CY28.

Use of proceeds

As previously communicated, the Company continues to progress a strategic review of its portfolio of investments. No final decisions have been reached and the directors believe that it would not be appropriate to foreshadow the outcome of that process. All options are being considered, including acquisitions of new businesses or assets, further investment in its existing portfolio businesses and/or further divestments.

Any decision around a special dividend (or other return to shareholders) arising out of this transaction will be made closer to finalisation of the year end accounts. Any dividend declared would have due regard to the balance of franking credits available to PPK.

Quote from PPK Chair

Ms Anne-Marie Birkill, PPK Chair commented:

"Craig International Ballistics has been a strong investment for PPK returning more than 7x cash on cash since the initial investment in 2019 and we are delighted with the result for shareholders. Realising this investment is an important step towards completing the strategic review of PPK's investments and I acknowledge the diligent efforts of the PPK team in supporting CIB throughout this transaction.

We wish CIB CEO James Craig and his team well for the future and look forward to observing their continued growth in partnership with Mehler."

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

For further information contact:

Anne-Marie Birkill
Chair
On 07 3054 4500

Will Shiel
Company Secretary
On 07 3054 4500