ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Friday 23 February 2024

Appendix 4D and Interim Financial Report

PPK Group Limited (ASX Code: PPK) is pleased to provide its Appendix 4D and Interim Financial Report for the six months ended 31 December 2023.

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

For further information contact:

Robin Levison
Chairman of PPK Group Limited
On 07 3054 4500

PPK GROUP LIMITED

APPENDIX 4D AND INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

CONTENTS TO INTERIM FINANCIAL REPORT

APPENDIX 4D

Results for announcement to the market

This information should be read in conjunction with the interim financial report for the six months ended 31 December 2023.

Comparison to previous corresponding period	31 December 2023 $'000	31 December 2022 $'000	Change $'000	Change %
Total revenues from ordinary activities[1]	16,618	465	16,153	3,474
Profit/(loss) from ordinary activities before tax [2]	(10,198)	(8,203)	(1,995)	24
Profit/(loss) from ordinary activities after tax	(10,119)	(7,681)	(2,438)	32
Profit/(loss) after tax attributable to owners of PPK Group Limited	(7,391)	(5,924)	(1,467)	25
Basic and diluted earnings / (loss) per share – cents	(8.3)	(8.6)	0.3	(3)
Net tangible assets per share – cents [3]	57.0	77.3	(20.3)	(26%)

[1] Revenue includes $16.185M from PowerPlus Energy Pty Ltd (PPE), which joined the Group on 4 May 2023.

[2] The loss from ordinary activities before tax of $10.198M is predominantly made up of operating losses from Li-S Energy Limited of $2.454M, operating losses from BNNT Technology Pty Ltd of $1.281M, operating losses from White Graphene Limited of $1.528M, losses from its investments in associates of $0.434M, share based payments and an amount to cover the estimated damages and legal costs following the loss in the New South Wales Court of Appeal.

[3] Net tangible assets at 30 June 2023 were 58.3c and 57.0c at 31 December 2023. Net tangible assets backing includes the right-of-use assets and excludes intangible assets and deferred tax assets.

Dividends

The Board has resolved not to issue an interim dividend.

CHAIRMAN'S REPORT

Dear fellow shareholder,

During the first half, we continued to achieve steady progress towards the long-term strategic goals we have outlined for PPK Group over the last two years. Our investee companies continue to pursue the opportunities that underpinned and justified our initial investment in them, and we remain committed to supporting them as they reach their full potential.

Our focus across the portfolio remains two-fold. Concentrated assistance on helping our revenue generating investee companies such as Craig International Ballistics (CIB) and PowerPlus Energy (PPE) to maximise sales and profits now and into the future, allocating working capital and the provision of PPK shared services support that minimizes their own cost structures. In parallel, the timely commercialisation of our various technologies through the creation and growth of sustainable revenue streams and the valuation uplift this supports. While each of our investments is at a different stage on this journey, the destination remains the same. We will leave no stone unturned to maximise the value of each business.

During the first half Marc Fenton and I attended and presented at the SomethingQ event (which we also sponsored), where we had the opportunity to meet a range of important stakeholders in the Queensland Government and the broader innovation sector.

Members of our commercial team attended an important international security and defence industry event in London in September 2023, and in November 2023 I visited the United Arab Emirates as part of the Dubai Business Forum to better understand the potential for some of our businesses in the Middle East.

Revenue expansion businesses continue to deliver

Our more advanced revenue-generating investments – CIB and PPE – each reported solid growth in the first half. With strong pipelines of new work for both companies, we are optimistic this growth will continue.

In the first half, CIB signed new contracts with an existing military customer and with BAE Systems to supply the transparent armour and wiper systems for the future Hunter Class Frigates being built in Australia.

PowerPlus Energy saw an increase in sales performance through the first six months of the financial year and introduced additional productivity improvements to support this growth.

Li-S Energy Phase 3 commissioning on track

ASX-listed battery technology company Li-S Energy Limited (ASX: LIS) made substantial progress in the construction and commissioning of its new 20 MWh Phase 3 facility at Geelong, Victoria. LIS remains on track to commence producing the first test cells in the third quarter of FY24.

The Phase 3 facility is of high strategic importance to LIS. It will allow it to potentially scale up manufacturing of high-quality, commercial-sized cells that can be used to complete testing for the comprehensive, industry-standard cell performance datasheets required by their partners.

We look forward to the company seizing the opportunities that the greater production capacity presents.

Continued interest in nanomaterials but extended timelines for validations

While both companies continued to achieve important milestones, the progress of our nanomaterials businesses – BNNT Technology and White Graphene – has been slower than we would have liked, with customers' validation processes taking much longer than anticipated.

We continue to adjust our go-to-market strategies for these businesses and have received positive feedback on lowering the price to make the nanomaterial more accessible to more partners.

We now refer to BNNT Technology and White Graphene more collectively as ‘PPK nanomaterials’ as discussions with potential customers involve one or both products, including derivatives. Operational efficiencies exist and can be gained through the teams working closely together, with a view to reducing overheads.

For the nanomaterials businesses we remain optimistic that industry and partner collaboration and validation will lead to positive commercial outcomes but acknowledge that the timeframe for this cycle is longer than anticipated, and it is an iterative process with each opportunity.

Recognition of AMAG capabilities but extended contracting timeframes

AMAG was awarded the Smart50 Innovation Award for 2023, and the AMAG functionality has been recognized as market leading based upon a US state competitive process.

We have been supporting AMAG to develop its channel strategy and diversify its service offering. Earlier in the half the company signed an exclusive distribution agreement with New Zealand transportation and infrastructure advisory group Urban Connection that will extend its reach in that country. This is in addition to the exclusive distribution agreement already in place with Stinson in Canada. The intent of these distribution agreements is to enable broader geographic market pathways.

AMAG now has over 20 customers and continues to grow the opportunity pipeline but it is experiencing delays in decision-making on key contracts, or contract start dates being deferred due to weather conditions or client availability.

Financial Results

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

- $32.870M of cash and cash equivalents (June 2023: $39.999M) of which, $3.585M is directly held by PPK Group Limited (June 2023: $3.840M). PPK Group Limited recorded net cash outflows during the period of $0.255M (2022: $0.622M).

- It’s direct investment of 290.849M shares in Li-S Energy (45.4%), an ASX listed company, with a market value of circa $44.000M, along with additional investments in non-listed nanomaterial companies; and

- Investments in associates (CIB and AMAG) of $9.753M (June 2023: $9.814M).

Net cash outflows in the period for the Group were $7.129M (2022: $7.543M) which included $3.218M of capital expenditure deployed in relation to the construction of Li-S phase 3 production facility.

We continue to prudently manage our financial resources to strike the right balance between investing in future growth and preserving our resources. The first half results include a number of non-cash impacts of circa $3.00M which are worthy of further comment.

- *Share based payments*: The company continues to account for the costs of the LTI plan, approved by shareholders in November 2021, as a share-based payments expense. Further, to conserve cash, certain investee companies have also adopted equity-based incentive programs.

- *Intangibles*: The Group has incurred amortisation and impairment expenses in relation to various intangible assets, including amortisation of assets connected to the recent acquisition of PPE.

- *Flynn legal case*: As disclosed by the company on 30 August 2023, the New South Wales Court of Appeal found in favour of the plaintiff. The Company sought special leave from the High Court to appeal from part of that judgment but was unsuccessful. The matter will now be remitted back to the original trial judge for a decision on damages and legal costs. In those circumstances, the Board determined that it was prudent to take up a provision to cover possible damages and legal costs that may ultimately be awarded against the Company.

Leadership and Board changes

On 1 July 2023, Mr Marc Fenton was appointed as Chief Executive Officer.

Mr Fenton originally joined the Company in January 2022 in the positions of Chief Information Officer and Chief Risk Officer before being promoted to Chief Operating Officer in July 2022. Prior to joining the Company, Mr Fenton held senior roles at Rio Tinto, Australian Agricultural Company and Deloitte Consulting.

On 23 November 2023, Mr Anthony McDonald retired from the board of directors. We will commence a replacement process in the second half of FY24.

Outlook

As a significant shareholder in PPK, I am cognisant of the current share price and the need to continue to engage with the investment community to highlight the myriad of opportunities we have across our portfolio.

Growing the revenue generating investee companies such as Craig International Ballistics and PowerPlus Energy to maximise sales and profits now and into the future remains a priority as stated above.

We will continue to seek opportunities to broaden the awareness and understanding of PPK and will release a shareholder newsletter in between regulatory commitments to ensure you are better informed of our progress.

The PPK management team and board are very focused on delivering shareholder value.

Thank you for your ongoing support.

Robin Levison
Non-Executive Chairman
23 February 2024

DIRECTORS' REPORT

Your Directors submit their report for the six months ended 31 December 2023.

Directors

The names of the Company's Directors in office during the six-month period ending 31 December 2023 and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Robin Levison	
Glenn Molloy	
Anthony McDonald	Retired 23 November 2023
Anne-Marie Birkill	

Dividends

The Board has resolved not to issue an interim dividend.

Previous dividends paid are as follows:

DIVIDENDS	Amount per share	Franked amount per share
2023 Final - ordinary	Nil	Nil
2023 Interim - ordinary	Nil	Nil
2022 Final - ordinary	Nil	Nil
2022 Special (in specie) [1]	2.81 cents	Nil
2022 Interim - ordinary	Nil	Nil

[1] PPK paid a 2.81 cent per share special ordinary dividend, which was fully satisfied by an in-specie distribution of shares in PPK Mining Equipment Group Limited (PPKMEG). PPK also completed a tax-free return of capital of 15.11 cents per share. The combined effect of the above is that PPK shareholders (other than foreign shareholders) received 1 share in PPKMEG for every 1 share held in PPK. PPK received advice from its tax advisers at that time that the special dividend should qualify as non-assessable non-exempt income for tax purposes for Australian residents.

REVIEW OF OPERATIONS AND RESULTS

PowerPlus Energy (PPE)

PPE has seen a strong 17% increase in sales performance through the first six months of the financial year despite the challenges presented by economic headwinds and significant competition from low-cost imports.

Participation at the All Energy conference in October 2023 raised market awareness of PPE's solar battery offerings, breadth of business development capability, and commitment to Australian-made content. PPE continues to grow its market presence through LinkedIn posts, customer installation testimonials and social media content.

During the period, the team successfully commissioned their largest eco resort project to date on Louth Island in South Australia. To continue growing their market scale, the business development team are assessing export opportunities, while continuing to develop and expand the domestic distributor network, which included building a relationship with RFI Technology Solutions, a specialist in the communications sector.

Craig International Ballistics Pty Ltd (CIB)

New body armour contracts were signed with existing domestic and international customers, along with an agreement with BAE Systems Australia to supply transparent armour and wiper systems for the future Hunter Class Frigates being built in Australia.

CIB has recently commissioned a new in-house ballistic testing laboratory and stab and spike testing capability to assist with fast-tracking product development and commercialisation. The new equipment will be used for internal purposes only and will reduce dependencies upon third-party contractors in the initial product development phase.

Work is in progress to install CIB's new hydraulic press, which was partially funded under a Federal Government Modern Manufacturing Initiative (MMI) grant. The new press is understood to be the largest in the Southern Hemisphere for armour applications. Site works will take place over the coming months whilst the new equipment is in transit to Australia.

CIB is a contract-based business, with production in the second half of FY24 significantly increasing, with revenue for FY24 expected to exceed FY23 results. As a result, CIB continues to expand its workforce to deliver the new orders.

Li-S Energy Limited (LIS)

Li-S Energy (ASX: LIS) is focused on developing an affordable lithium sulfur battery with significantly higher gravimetric energy density and comparable cycle life to existing batteries.

During the reporting period, the company was focused on the construction and commissioning of a new, 20 MWh production facility, expanding partner relationships and improving its technology. Key events during the first half include:

- Significant progress on the construction of the Phase 3 production facility that will allow the company to produce more battery cells for partners to undertake more testing. Construction of the facility is on time and on budget and the company is on track to commence producing the first test cells in the third quarter of FY24.
- Expanding its scientific, technical and production scale-up capabilities with the appointment of a number of experienced new staff.
- Continued development, enhancement and optimisation of the company's technology to improve its semi-solid-state cell performance and safety.
- Established a global advisory panel to support the Company's international awareness, partnership development and long-term production partnerships.
- Entered a collaborative program to design and build a high-endurance solar UAV with two pioneering Australian companies, Halocell and V-TOL Aerospace, targeting extended flight times.

White Graphene Limited (WGL)

WGL is making progress on the installation and commissioning of a scaled-up production plant. This process includes enhanced control over sheet size and thickness, marking a pivotal phase in their production capabilities.

WGL has adopted a Collaborate, Validate and Trade strategy to build its customer base. At the end of the first half, there were more than seven Collaborate opportunities in progress across different industries and geographies. In parallel, there are six Validate opportunities underway. The Validation process is iterative in nature and is taking longer than anticipated. The Boeing Validation announced in May 2023 is progressing well with a larger scope than anticipated. We forecast that two or more Validate opportunities will yield positive results in the second half of FY24.

Filgen, an existing Japanese distributor for BNNT, has expanded their contractual relationship to include White Graphene, and WGL have supplied initial R&D quantities to Filgen.

WGL is progressing with the regulatory requirements and is expected to deliver on some important elements of these requirements in the second half of FY24. Favorable initial draft toxicology results were received.

The Trailblazer University Program (part of Deakin University's Recycling and Renewable Energy Commercialisation Hub (REACH)) agreement was finalised in September 2023, with first funds expected to be received in the second half of FY24.

PPK Group is selling a portion of its shareholding in WGL to existing shareholders, with the proceeds from this to be loaned to WGL to provide further funding. This process was underway but not complete at the end of the first half.

BNNT Technology Pty Ltd (BNNTTL)

In October 2023, BNNTTL communicated that it had significantly reduced the price of its high-quality, Australian-made boron nitride nanotubes (BNNT) following a series of production improvements that have dramatically lowered the cost of production for the multi-use super material.

Ongoing collaboration continues with Integris Composites for opportunities to incorporate one or more nanomaterials in their products.

Filgen, the nanomaterial Japanese distributor, remains dedicated to promoting the nanomaterials. Filgen purchased several small quantities to meet its customer R&D requirements.

LIS remains a customer and orders BNNT in line with its requirements.

Product registration and regulatory approvals, for example cytotoxicity testing, remain ongoing.

Advanced Mobility Analytics Group Pty Ltd (AMAG)

AMAG now has about 25 customers across six countries and has expanded its distribution network with the recent signing of Urban Connection in New Zealand as an exclusive distributor.

The AMAG technology capabilities continue to be well recognised as evidenced by the Smart50 Innovation Award, and AMAG was the highest scored in a US state assessment of comparable technologies.

The pipeline continues to grow but the time taken to close deals remains protracted due to the budget cycles of governments and councils. Given these delays AMAG commenced an internal funding round from existing shareholders in late 2023, in which PPK participated for its full pro rata entitlement. Funding mechanisms were still ongoing at the end of the year.

AMAG is assessing US distributor channels given the scale of the US market opportunity linked to the various initiatives under the U.S. Department of Transportation umbrella.

Rounding

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

Signed in accordance with a resolution of the Directors.

Robin Levison
Non-Executive Chairman
23 February 2024

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

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

As lead auditor for the review of the half-year financial report of PPK Group Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

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

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

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

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

Ernst & Young

Ernst & Young

Brad Tozer

Brad Tozer
Partner
23 February 2024

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

for the six months ended 31 December 2023

	Notes	31 December 2023 $'000	31 December 2022 $'000
Revenue from contracts with customers	3.1	**16,618**	465
Cost of sales		**(11,628)**	(2)
GROSS PROFIT		**4,990**	463
Other operating income/(loss)	3.2	**1,425**	(1,039)
Energy Storage expenses		**(4,737)**	-
Technology expenses		**(4,907)**	(3,373)
Corporate expenses		**(5,882)**	(4,539)
Finance costs		**(653)**	(83)
Share of profit/(loss) of an associate and a joint venture	7.1	**(434)**	368
PROFIT/(LOSS) BEFORE TAX		**(10,198)**	(8,203)
Income tax (expense) benefit	5	**79**	522
PROFIT/(LOSS) FOR THE PERIOD		**(10,119)**	(7,681)
PROFIT (LOSS) IS ATTRIBUTABLE TO:			
Owners of PPK		**(7,391)**	(5,924)
Non-controlling interest		**(2,728)**	(1,757)
		(10,119)	(7,681)
OTHER COMPREHENSIVE INCOME (LOSS) NET OF TAX		**-**	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**(10,119)**	(7,681)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD IS ATTRIBUTABLE TO:			
Owners of PPK Group Limited		**(7,391)**	(5,924)
Non-controlling interest		**(2,728)**	(1,757)
		(10,119)	(7,681)
Earnings (loss) per share		**cents**	cents
Basic		**(8.3)**	(8.6)
Diluted		**(8.3)**	(8.6)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Notes	31 December 2023 $'000	30 June 2023 $'000
CURRENT ASSETS			
Cash and cash equivalents		**32,870**	39,999
Trade and other receivables		**4,906**	2,995
Inventories		**10,793**	12,077
Financial assets held at fair value through profit or loss		**1,200**	-
Income Tax Receivable		**-**	610
Other assets		**587**	2,246
TOTAL CURRENT ASSETS		**50,356**	57,927
NON-CURRENT ASSETS			
Financial assets held at fair value through profit or loss		**2,784**	2,895
Investments in associates and a joint venture	7	**9,753**	9,814
Property, plant and equipment		**12,608**	10,642
Right-of-use assets		**6,823**	6,146
Intangible assets and goodwill	9	**44,166**	44,617
Deferred tax assets		**2,393**	2,900
Other non-current assets		**710**	639
TOTAL NON-CURRENT ASSETS		**79,237**	77,653
TOTAL ASSETS		**129,593**	135,580
CURRENT LIABILITIES			
Trade and other payables		**11,368**	10,050
Lease liabilities		**988**	803
Deferred revenue		**2,427**	1,984
Provisions		**5,240**	4,751
Income tax provision		**-**	469
TOTAL CURRENT LIABILITIES		**20,023**	18,057
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings		**3,396**	3,346
Lease liabilities		**6,130**	5,524
Provisions		**109**	60
Other non-current liabilities		**1,532**	1,417
Deferred tax liability		**919**	1,466
TOTAL NON-CURRENT LIABILITIES		**12,086**	11,813
TOTAL LIABILITIES		**32,109**	29,870
NET ASSETS		**97,484**	105,710
EQUITY			
Contributed equity		**62,155**	62,155
Treasury shares		**(109)**	(109)
Reserves	11	**41,775**	40,875
Retained earnings (accumulated losses)		**(34,731)**	(27,340)
Capital and reserves attributable to owners of PPK Group Limited		**69,090**	75,581
Non-controlling interests		**28,394**	30,129
TOTAL EQUITY		**97,484**	105,710

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 31 December 2023

	Notes	31 December 2023 $'000	31 December 2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**17,407**	2,420
Cash payments to suppliers and employees		**(24,118)**	(8,397)
Interest received		**794**	623
Interest paid		**(240)**	(76)
Income taxes paid		**103**	(85)
Net cash flows provided by (used in) operating activities		**(6,054)**	(5,515)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of plant and equipment		**(3,770)**	(1,522)
Payments for acquisition of an investment – AMAG		**(370)**	(335)
Payments for acquisition of an investment – Mask Innovation		**-**	(125)
Payment for purchase of financial assets at FVTPL	8	**(1,200)**	(80)
Proceeds from sale of financial assets at FVTPL		**264**	674
Payments for intangible assets		**(929)**	(1,365)
Proceeds from government grants		**1,945**	-
Payments for loans advanced		**(700)**	(1,955)
Proceeds from loans repaid		**2,535**	-
Net cash provided by (used in) investing activities		**(2,225)**	(4,708)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from capital raising – controlled entities		**660**	2,738
Transactions with non-controlling interests		**946**	-
Transaction costs related to capital raising – controlled entities		**(65)**	-
Payment of lease liabilities		**(391)**	(58)
Net cash provided by (used in) financing activities		**1,150**	2,680
Net increase (decrease) in cash held		**(7,129)**	(7,543)
Cash at the beginning of the period		**39,999**	53,008
Cash at the end of the period		**32,870**	45,465

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2023

	Notes	Issued Capital $'000	Treasury Shares $'000	Accumulated Losses $'000	Capital Reserves $'000	Attributable to owners of PPK Group Limited $'000	Non-Controlling Interest $'000	Total Equity $'000
Balance as at 1 July 2023		**62,155**	**(109)**	**(27,340)**	**40,875**	**75,581**	**30,129**	**105,710**
Total comprehensive income (loss) for the period								
Profit (loss) for the period		**-**	**-**	**(7,391)**	**-**	**(7,391)**	**(2,728)**	**(10,119)**
Total comprehensive income (loss) for the period		**-**	**-**	**(7,391)**	**-**	**(7,391)**	**(2,728)**	**(10,119)**
Issue of performance rights	11.1	**-**	**-**	**-**	**427**	**427**	**-**	**427**
Issue of performance rights in a subsidiary company	11.1	**-**	**-**	**-**	**749**	**749**	**-**	**749**
Reserves attributable to non-controlling interests	11.1	**-**	**-**	**-**	**-**	**-**	**333**	**333**
Issue of capital in a controlled entity	11.2	**-**	**-**	**-**	**-**	**-**	**660**	**660**
Change in a non-controlling interest held by a controlled entity, net of costs	11.2	**-**	**-**	**-**	**(276)**	**(276)**	**-**	**(276)**
Balance as at 31 December 2023		**62,155**	**(109)**	**(34,731)**	**41,775**	**69,090**	**28,394**	**97,484**

for the six months ended 31 December 2022

	Notes	Issued Capital $'000	Treasury Shares $'000	Accumulated Losses $'000	Capital Reserves $'000	Attributable to owners of PPK Group Limited $'000	Non-Controlling Interest $'000	Total Equity $'000
Balance as at 1 July 2022		62,175	(109)	(19,525)	38,969	81,510	31,075	112,585
Total comprehensive income (loss) for the period								
Profit (loss) for the period		-	-	(5,924)	-	(5,924)	(1,757)	(7,681)
Total comprehensive income (loss) for the period		-	-	(5,924)	-	(5,924)	(1,757)	(7,681)
Issue of performance rights	11.1	-	-	-	458	458	-	458
Issue of capital in a controlled entity	11.2	-	-	-	-	-	1,573	1,573
Change in a non-controlling interest held by a controlled entity, net of costs	11.2	-	-	-	1,802	1,802	144	1,946
Balance as at 31 December 2022		62,175	(109)	(25,449)	41,229	77,846	31,035	108,881

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT

for the six months ended 31 December 2023

NOTE 1 CORPORATE INFORMATION

The interim condensed consolidated financial report ("interim financial report") of consolidated entity, being PPK Group Limited and its 100% owned subsidiaries ("PPK" or "the Company") and its controlled entities ("the "Group") for the six months ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 23 February 2024 and covers PPK Group Limited and its controlled entities as required by the *Corporations Act 2001*.

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

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

PPK invests capital and expertise in high potential science and technology opportunities with a current focus on nanomaterials, and energy solutions. PPK also invests in more advanced revenue and profit generating companies.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Statement of Compliance

The interim financial report for the six months ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This financial report also complies with IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board.

The interim financial report does not include all the information and disclosures required in the annual financial report and should be read in conjunction with the Company's annual report for the year ended 30 June 2023, and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

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

Going Concern

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

- During the whole period, and at all times subsequent, the Group has been able to meet its obligations as and when they fell due;
- PPK, inclusive of 100% owned subsidiaries, has current assets of $4.159M,
- PPK, inclusive of 100% owned subsidiaries, has net working capital of $1.392M;
- The Group directly owns the following:
  - $3.585M of cash; and
  - 290.849M shares in Li-S Energy (45.4%), an ASX listed company, with a market value of circa $44.000M.
- The Group has a history of strong support from the majority of shareholders and has expectations this will continue should further capital be required;
- The investments in technology ventures are expected to provide profits and cashflow which PPK will be able to use going forward.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2023, except for the adoption of new standards effective as of 1 July 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time for reporting periods beginning on or after 1 July 2023, but do not have an impact on the interim financial statements of the Company.

2.3 Significant accounting judgements, estimates and assumptions

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

The judgements, estimates and assumptions applied in the interim financial report, including the key sources of estimation uncertainty were the same as those applied in the Company's annual financial report for the year ended 30 June 2023.

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

NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

3.1 Revenue from contracts with customers

Disaggregated revenue information

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

		Consolidated Entity	
		31 December 2023	31 December 2022
Segments	**Notes**	**$'000**	**$'000**
Type of goods or services			
Sale of goods		**16,185**	4
Rendering of services		**433**	461
Total revenue from contracts with customers	4	**16,618**	465
Timing of revenue recognition			
Goods transferred at a point in time		**16,185**	4
Services rendered over time		**433**	461
Total revenue from contracts with customers		**16,618**	465

Geographic location of Customers

The Group primarily operates in Australia.

Customer Concentration

For the period ended 31 December 2023, two customers in the energy storage segment individually made up more than 48.0% of the Group's revenues from contracts with customers. Customer 1 made up circa $4.331 million, and Customer 2 made up circa $3.683 million of the Group's revenues from contracts with customers.

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

3.2 Other Operating Income (Loss)

		Consolidated Entity	
		31 December 2023	31 December 2022
	Notes	**$'000**	**$'000**
Rental income	4	**21**	41
Foreign exchange gain (loss) on financial assets at FVTPL	4	**193**	34
Unrealised gain (loss) on financial assets at FVTPL	4	**262**	115
Gain (loss) on sale of financial assets at FVTPL	4	**108**	214
Finance income	4	**841**	675
Gain (loss) on an investment in a joint venture/subsidiary	4	**-**	(2,154)
Gain (loss) on sale of fixed assets	4	**-**	36
Other operating income (loss)		**1,425**	(1,039)

NOTE 4 SEGMENT INFORMATION

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

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

PPK has become a technology incubation and commercialisation company with its main focus on the manufacture and sale of nanomaterials and energy storage solutions. As these companies mature into commercial operations, independent board and management are appointed to manage these companies on behalf of the various shareholders.

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.

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 Limited
- Strategic Alloys Pty Ltd
- 3D Dental Technology 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
- Ballistic Glass Pty Ltd

NOTE 4 SEGMENT INFORMATION (continued)

Period ended 31 December 2023

Reportable Segments	Notes	Energy Storage $'000	Technology: Subsidiary Companies $'000	Technology: Associates and JV $'000	[(1)]Corp-orate $'000	Total $'000
Revenue from contracts with customers	3.1	**16,185**	**86**	**-**	**347**	**16,618**
Rental income	3.2	**-**		**-**	**21**	**21**
Foreign exchange gain (loss) on financial assets at FVTPL	3.2	**314**	**(118)**	**-**	**(3)**	**193**
Gain (loss) on financial assets at FVTPL	3.2	**-**	**108**	**-**	**-**	**108**
Gain (loss) on sale of financial assets at FVTPL	3.2	**-**	**-**	**-**	**262**	**262**
Finance income	3.2	**14**	**668**	**-**	**159**	**841**
Gain (loss) on sale of fixed assets		**-**	**-**	**-**	**-**	**-**
Gain (loss) on investment in a joint venture/subsidiary		**-**	**-**	**-**	**-**	**-**
Share of profit (loss) of an associate and a joint venture		**-**	**-**	**(434)**	**-**	**(434)**
Total revenue and other income		**16,513**	**744**	**(434)**	**786**	**17,609**
Segment expenses include						
Cost of sales		**(11,577)**	**(51)**	**-**	**-**	**(11,628)**
Administration expenses		**(4,043)**	**(3,322)**	**-**	**(4,083)**	**(11,448)**
Share based payment expense		**-**	**(749)**	**-**	**(427)**	**(1,176)**
Costs to defend a dispute associated with a historic business acquisition		**-**	**-**	**-**	**(1,312)**	**(1,312)**
Interest expense		**(417)**	**(88)**	**-**	**(148)**	**(653)**
Depreciation and amortisation		**(694)**	**(836)**	**-**	**(60)**	**(1,590)**
Total expenses		**(16,731)**	**(5,046)**	**-**	**(6,030)**	**(27,807)**
Segment profit (loss) before tax		**(218)**	**(4,302)**	**(434)**	**(5,244)**	**(10,198)**
Current assets		**15,608**	**32,292**	**-**	**2,456**	**50,356**
Non-current assets		**6,857**	**64,037**	**9,756**	**(1,413)**	**79,237**
Total assets		**22,465**	**96,329**	**9,756**	**1,043**	**129,593**
Current liabilities		**15,154**	**2,187**	**-**	**2,682**	**20,023**
Non-current liabilities		**6,420**	**10,133**	**-**	**(4,467)**	**12,086**
Total liabilities		**21,574**	**12,320**	**-**	**(1,785)**	**32,109**
Total net assets		**891**	**84,009**	**9,756**	**2,828**	**97,484**

(1) Excludes $0.676M in management fees charged by PPK to provide shared support services to the subsidiary companies which is eliminated on consolidation.

NOTE 4 SEGMENT INFORMATION (continued)

Period ended 31 December 2022

Reportable Segments	Notes	Technology Subsidiary Companies $'000	Technology Associates and Joint Venture $'000	[1] Corp-orate $'000	Total $'000
Revenue from contracts with customers	3.1	4	-	461	465
Rental income	3.2	-	-	41	41
Foreign exchange gain (loss) on financial assets at FVTPL	3.2	34	-	-	34
Gain (loss) on financial assets at FVTPL	3.2	-	-	115	115
Gain (loss) on sale of financial assets at FVTPL	3.2	-	-	214	214
Finance income	3.2	584	-	91	675
Gain (loss) on sale of fixed assets	3.2	36	-	-	36
Gain (loss) on investment in a joint venture/subsidiary	3.2	(1,461)	(693)	-	(2,154)
Share of profit (loss) of an associate and a joint venture		-	368	-	368
Total revenue and other income		(803)	(325)	922	(206)
Segment expenses include					
Administration expenses		(2,689)	-	(3,312)	(6,001)
Share based payment expense		(144)	-	(435)	(579)
Costs to defend a dispute of a historic business acquisition		-	-	(740)	(740)
Depreciation and amortisation		(540)	-	(52)	(592)
Total expenses		(3,373)	-	(4,539)	(7,912)
Segment profit (loss) before tax		(4,176)	(325)	(3,617)	(8,118)
Income tax benefit (expense)	5	522	-	-	522
Segment profit (loss) after tax		(3,654)	(325)	(3,617)	(7,596)
Current assets		46,098	-	3,882	49,980
Non-current assets		37,155	10,046	20,851	68,052
Total assets		83,253	10,046	24,733	118,032
Current liabilities		(3,310)	-	-	(3,310)
Non-current liabilities		(3,591)	-	(2,250)	(5,841)
Total liabilities		(6,901)	-	(2,250)	(9,151)
Total net assets		76,352	10,046	22,483	108,881

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

NOTE 5 INCOME TAX EXPENSE

	Notes	31 December 2023 $'000	31 December 2022 $'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		**(10,199)**	(8,203)
Prima facie tax payable (benefit) at 25.0%		**(2,550)**	(2,050)
(Non-assessable income) non-deductible expenses		**189**	
Losses for which no deferred tax asset was recognised		**2,211**	2,135
Deferred tax assets related to equity transactions			
Temporary differences for which no deferred tax asset or liability was recognised		**-**	3
Other		**71**	(610)
Income tax expense (benefit)		**(79)**	(522)
The applicable weighted average effective tax rate is as follows:		**0.8%**	6.4%
(b) The components of tax expense comprise:			
Current tax		**273**	(446)
Deferred tax		**(352)**	79
(Over) under provision in respect of prior years		**-**	(155)
Income tax expense (benefit)		**(79)**	(522)

NOTE 6 SIGNIFICANT EVENTS AND TRANSACTIONS

6.1 Additional Funding for WGL

PPK is selling a portion of its holding in WGL to existing shareholders to further support WGL's commercialisation. The funds will ultimately be made available to WGL through a facility with PPK on commercial terms and for a period of two years. This process is underway but not yet complete.

6.2 AMAG Rights Issue

In December 2023, AMAG undertook a non-renounceable rights issue and PPK took up its full pro rata entitlement at a cost of $0.440M. On completion of the rights issue, PPK's shareholding will increase marginally from 32.5% to 34.9%. Funding mechanisms are still ongoing at the time of this report.

6.3 Trailblazer Funding Grants

During the period PPK's subsidiaries received a total of $1.945M in co-contributions from Deakin under the Federal Government's Trailblazer funding program, this is broken up between LIS, who received $1.756M, and BNNTTL, who received $0.189M. Refer to Notes 10 and 12 for further details.

6.4 Leave to appeal refused in court proceedings

In August 2023, the New South Wales Court of Appeal handed down judgment in the matter of *Flynn & Anor v PPK Group Limited & Anor*. The Court of Appeal found in favour of the plaintiff and set aside the earlier orders of the Supreme Court of New South Wales.

In September 2023, the Company applied to the High Court of Australia for special leave to appeal from part of the judgment of the Court of Appeal. The special leave application was refused by the High Court on 8 February 2024 and the matter will now be remitted back to the trial judge for a decision on damages and legal costs.

NOTE 7 INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

		Consolidated Entity	
	Notes	31 December 2023 $'000	30 June 2023 $'000
Investment in associates and a joint venture		**9,753**	9,814
Craig International Ballistics Pty Ltd		**5,881**	6,084
AMAG Holdings Australia Pty Ltd		**3,793**	3,654
Ballistic Glass Pty Ltd		**79**	76
Total		**9,753**	9,814

7.1 Share of profit (loss) of an associate and a joint venture

	31 December 2023 $'000	30 June 2023 $'000
PPK's 47.62% interest in Survivon's profit (loss) for the period as a joint venture after income tax	**-**	(60)
PPK's 47.5% interest of CIB's profit (loss) for the period after income tax	**(202)**	667
PPK's 32.5% interest in AMAG's profit (loss) for the period after income tax	**(232)**	(472)
PPK's 40% interest of Ballistic Glass's profit (loss) for the period after income tax	**-**	-
PPK's share of profit (loss)	**(434)**	135

NOTE 8 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 (ie as prices), or indirectly (ie derived from prices); or
- Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2023				
Current assets				
Australian unlisted units in investment trust	-	-	**1,200**	**1,200**
Non-current assets				
Listed equity investments	**256**	**-**	**-**	**256**
US Unlisted equity securities	**-**	**-**	**2,528**	**2,528**
Total	**256**	**-**	**3,728**	**3,984**
30 June 2023				
Non-current assets				
Listed equity investments	287	-	-	287
US Unlisted equity securities	-	-	2,608	2,608
Total	287	-	2,608	2,895

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

There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period. The level 3 fair value assessment of the US unlisted equity securities has been based on advice provided by Zeta Energy Corp. The amount per share in United States Dollars has been converted to Australian Dollars at the prevailing exchange rate of $0.6840 at 31 December 2023.

NOTE 9 INTANGIBLE ASSETS AND GOODWILL – NON - CURRENT

		Consolidated Entity	
		31 December	30 June
		2023	2023
	Notes	$'000	$'000
Intangibles		**44,166**	**44,617**
BNNT application projects – at cost		**9,635**	**9,743**
Less: accumulated amortisation and impairment		**(671)**	**(548)**
		8,964	**9,195**
WGL application projects – at cost		**1,198**	**1,164**
Less: accumulated amortisation and impairment		**-**	**-**
		1,198	**1,164**
PPE Intangibles as a result of business combination		**1,680**	**1,680**
Less: accumulated amortisation and impairment		**(338)**	**(84)**
		1,342	**1,596**
Goodwill		**32,662**	**32,662**
Less: accumulated amortisation and impairment		**-**	**-**
		32,662	**32,662**
Carrying amount at end of year		**44,166**	**44,617**
Not yet ready for use		**7,911**	**8,231**
Other		**36,255**	**36,387**
		44,166	**44,617**

NOTE 10 COMMITMENTS

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

Plant and equipment[1]	**366**	2,348
Intangible assets – commitments to Deakin University[2]	**7,488**	641
Intangible assets – Other[3]	**272**	463
	8,126	3,452

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

NOTE 11 RESERVES

	Notes	Consolidated Entity 31 December 2023 $'000	30 June 2023 $'000
Reserves		**41,775**	**40,875**
Share options reserve	11.1	**2,551**	1,375
Share premium reserve	11.2	**37,285**	37,561
Dividend revaluation reserve	11.3	**1,939**	1,939
Total		**41,775**	40,875

Movement in reserves

11.1 Share options reserve

Opening balance	**1,375**	600
Issue of performance rights	**427**	775
Shares transferred to trust	**-**	-
Issue of performance rights in a subsidiary company	**749**	274
Reserves belonging to non-controlling interests	**-**	(274)
Closing balance	**2,551**	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.

11.2 Share premium reserve

Opening balance	**37,561**	36,430
Change in PPK's and related entities interest in LIS's issued capital and reserves	**(996)**	(32)
Change in PPK's and related entities interest in WGL's issued capital and reserves	**-**	1,833
Change in PPK's and related entities interest in BNNTTL's issued capital and reserves	**720**	
Other movements	**-**	(670)
Closing balance	**37,285**	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. As these changes did not result in PPK losing control, the corresponding gains were recognised in the share premium reserve.

11.3 Dividend revaluation reserve

Balance	**1,939**	1,939

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

NOTE 12 RELATED PARTY TRANSACTIONS

For details of related party transactions, see Notes 4 and 6.

During the period, BNNTTL sold 4,000,000 shares in LIS for $964,800 to the LIS Employee Share Trust. The sale of the shares did not change the assessed control PPK has over LIS.

12.1 The Group entered the following related party agreements during the six months ended 31 December 2023

Deakin University

During the six months ended 31 December 2023, LIS, WGL, and BNNTTL 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 BNNTTL entered into three new Research Framework Agreements ('RFA') with Deakin and committed to a number of new projects under their respective new RFAs. The new RFAs govern all research projects conducted between LIS, WGL, BNNTTL, and Deakin under the REACH program, as set out in Project Schedules entered into under the respective RFAs. Under the terms of the RFAs, LIS, WGL, and BNNTTL all retain their project intellectual property ('IP') arising from REACH.

12.2 Related party transactions

Management Services

PPK charged the following companies for management support services during the period 1 July 2023 to 31 December 2023:

	Notes	31 December 2023 $'000	31 December 2022 $'000
COMPANY			
LIS		410	360
BNNTTL		121	132
WGL		121	132
PPE		24	-
Strategic Alloys		-	15
		676	**639**

Sale of BNNT and White Graphene

During the period, LIS purchased $1,000 of nanomaterials from WGL There were no sales of BNNT to related parties during the period. Subsequent to the end of the reporting period, LIS purchased a further $8,000 of nanomaterials from BNNTTL and WGL.

Research and Development & Property Leases

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

Research and Development Payments to Deakin		
LIS	4,478	865
WGL	-	434
Precious Metals	-	54
	4,478	**1,353**
Property Lease Payments to Deakin		
LIS	177	59
BNNTTL	121	118
WGL	44	-
	342	**177**

NOTE 13 EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

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

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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

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

      (i) Giving a true and fair view of its financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

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

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

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

Robin Levison
Non-Executive Chairman
23 February 2024

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

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

Conclusion

We have reviewed the accompanying half-year financial report of PPK Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Brad Tozer

Brad Tozer
Partner
Brisbane
23 February 2024