



ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Monday, 28 October 2019

STRATEGIC INVESTMENT IN CRAIG INTERNATIONAL BALLISTICS PTY LTD

PPK Group Limited (PPK) is pleased to announce that it has entered into a binding Memorandum of Understanding to acquire 45% of the shares in Craig International Ballistics Pty Ltd (“CIB”), a manufacturer of soft and hard ballistic (body armour) products primarily for the security and defence sectors (<http://ballistics.com.au/>)

The investment in CIB aligns well with PPK’s Joint Venture Research Agreement with Deakin University and BNNT Technology where the parties have agreed to advance research into a range of BNNT potential uses leading to commercial opportunities for BNNT via six new BNNT application projects (see PPK ASX release 16 October 2019). These projects include new manufacturing processes for transparent materials such as polycarbonate, perspex, acrylic and glass to enhance ballistic resistance performance whilst reducing weight and/or thickness and Reinforced Transparent Armour.

CIB has been in operation since 1999 when it first developed body armour for the Australian Defence Force (ADF) and is now Australia’s largest manufacturer of overt and covert body armour and tactical ballistic shields for police forces and security companies, both domestically and internationally.

CIB also provides a range of ballistics products including:

- aircraft armour panels which incorporate materials such as Boron Carbide (B4C), Silicon Carbide (SiC), Spectra®, Dyneema® and Kevlar®;
- armoured vehicles and structural armour which incorporate the latest armour composite technologies available utilizing materials such as HHA steel, silicon carbide, boron carbide, alumina oxide, Dupont Kevlar, Spectra Shield® and Dyneema® products;
- bullet proof resistant glass for automotive, architectural marine, military and security purposes and is the authorised and certified representative in Australia, New Zealand and Papua New Guinea for the world’s leading manufacturer of bullet resistant glass

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CIB manufactures most products in Australia and has an in-house research and development team to invest in new materials, products and processes such as the custom designed robotic x-ray equipment to improve manufacturing quality and testing integrity in 2018.

CIB won the prestigious Australian Department of Defence's Essington Lewis Award in 2019 recognising CIB's excellence in its soldier body armour.

PPK will issue 500,000 shares in PPK at \$4.50 per share and a cash payment of \$2,750,000 for a total consideration of \$5,000,000.

Founder and Chairman of CIB Robert Craig said:

"We are delighted to join forces with the team at PPK Group and become part of the wider BNNT downstream application opportunity. I can see a number of strategic uses for BNNT in both our current and future product range and believe the integral use of BNNT will create a global edge for our Australian based company and its suite of products. It is our intention that initial research will begin immediately into lighter weight body armour and vastly reduced bulk and weight for prototype transparent armour and other ballistic resistant composites".

PPK Executive Chairman Robin Levison commented:

"PPK sees this strategic investment as a great opportunity to work with Deakin University and BNNT Technology Limited on the Reinforced Transparent Armour application project which we disclosed last week. The Australian Department of Defence is forecast to spend \$195 billion in defence capability by 2025-26 and PPK believes both BNNT and Craig International Ballistics have a role to play in this market and the strong relationship that Craig International Ballistics has with the defence industry is a great way to achieve this."

For further information contact:

Robin Levison

Executive Chairman of PPK Group Limited

On 07 3054 4500.