



**LI-S ENERGY LIMITED
ACN 634 839 857
C/O PPK GROUP LIMITED
LEVEL 27, 10 EAGLE STREET
BRISBANE QLD 4000**

Dear Shareholder in Li-S Energy Limited (Li-S)

A number of shareholders in PPK Group Limited (PPK) have raised questions in relation to the recent Holding Statements they have received from Automic Registry. The purpose of this letter is to clarify your shareholding in Li-S and request your assistance to improve our future communication with you.

PPK Special Dividend – Distribution in Specie of Shares in Li-S

On 11 December 2020, PPK Group Limited (ASX Code: PPK) announced a fully franked special dividend of \$0.025 per PPK share to be paid by a distribution of shares in Li-S (see PPK's ASX Announcement on 11 December 2020). This special dividend was not a payment of cash but only a part distribution of shares in Li-S which were owned by PPK.

As a result, those PPK shareholders who owned shares in PPK on 17 December 2020 received 0.3846 shares in Li-S for every 1 PPK share held (approximately 1 Li-S share for every 2.6 PPK shares held). Automic Registry, the Li-S share registrar, processed this transaction on 23 December 2020 and issued Holding Statements to the new shareholders in Li-S. On completion of this distribution of Li-S shares, PPK's shareholding in Li-S has reduced to 52%.

Due to the holiday period, your Holding Statement may have been delayed but you should have received your Holding Statement by now. If you have not, please contact Automic Registry with their details on the attached form and request a copy of your Holding Statement.

Why did PPK Distribute Dividends in the form of Shares in Li-S

PPK saw the distribution of Li-S shares as an opportunity for PPK's existing shareholders to directly participate in the development of the Li-S business and in a potential forth-coming Li-S Initial Public Offering (IPO).

Li-S is one of seven joint ventures to which PPK has provided commercialisation funding and where PPK is working with Deakin University to leverage its world leading Boron Nitride Nanotubes (BNNT) technology, of which PPK owns a 50% shareholding through BNNT Technology Limited. PPK will consider future opportunities for its shareholders to participate in joint ventures directly where effective to do so.

What is Li-S Energy Limited

Li-S is an unlisted public company which is developing new battery technology incorporating BNNT as a Nano-insulator in the lithium sulphur battery chemistry to protect battery components and enable superior energy storage and re-charging functionality. In July 2020, Li-S completed a capital raising of \$3.250M to sophisticated investors and subject to meeting scientific benchmarks intends



to complete an Initial Public Offering by 31 December 2021. PPK saw the distribution of Li-S shares as an opportunity for PPK's existing shareholders to directly participate in the advancement of Li-S.

Prior to any potential IPO it is PPK's intention to introduce a secondary market trading platform for Li-S shares which will enable liquidity in your Li-S shareholding. PPK anticipates this trading platform to be functional in February and will provide details as soon as it is established.

Your Li-S shareholdings and PPK shareholdings are not 'stapled' or 'linked' and each are tradeable separately: PPK on ASX platform and Li-S on the soon to be established secondary market trading platform.

Further information on the lithium sulphur battery project is available on the PPK website at <https://www.ppkgroup.com.au/site/PDF/495642ce-b6f3-4da5-b400-3b32600ac92a/LiSEnergyLimitedProjectPresentation>.

Who is Automatic Registry

Automatic Registry provides a cloud based, user-friendly platform that is accessible for shareholders and company officers to improve investor services. As PPK intends for more investments in the nature of Li-S, it has a requirement to offer these services at an affordable cost. Hence, to assist our shareholders with more frequent and timely company updates via email and to ensure that future dividend and withholding tax requirements are correctly completed, we have attached a form from Automatic Registry for you to update your information directly and this can be emailed to hello@automaticgroup.com.au.

Alternatively, you can log onto Automatic Registry on <https://investor.automic.com.au/#/home> and register as a shareholder directly.

In future, we would look at using emails as our main communication protocol.

For further information contact:

Glenn Molloy

Executive Chairman of Li-S Energy Limited or

Robin Levison

Executive Chairman of PPK Group Limited

On 07 3054 4500