



11 December 2023

The Manager
Company Announcements Office
ASX Limited

Dear Sir / Madam

Pact Group Holdings Ltd (ASX: PGH) – takeover bid by Bennamon Industries Pty Ltd: Supplementary Target's Statement

We attach, by way of service pursuant to section 647(3)(b) of the *Corporations Act 2001* (Cth), a copy of the supplementary target's statement of Pact Group Holdings Ltd (**Pact**) in response to the off-market takeover bid by Bennamon Industries Pty Ltd for all of the ordinary shares in Pact and a letter from the Chair of Pact's Independent Board Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read "Kathryn de Bont".

Kathryn de Bont
General Counsel and Company Secretary
Pact Group Holdings Ltd

For further information regarding the takeover bid by Bennamon Industries Pty Ltd and the Supplementary Target's Statement contact:

Investors and analysts

Carolyn Ireland
GM - Investor Relations & Transformation
Relations
+61 403 045 905

Media

Simon Dowding
Head - Strategic Communications & Government
+61 438 480 860

Pact Shareholder offer information line

1300 631 379 (from within Australia)
+61 3 9415 4681 (from overseas)
Monday to Friday between 8.30am and 5.30pm (Melbourne time)

This document has been authorised for release by each Director of Pact other than Mr Geminder, who has recused himself from the Board's consideration of the takeover bid.

Pact Group Holdings Ltd ABN: 55 145 989 644

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Cremorne, Victoria 3121, Australia
Telephone +61 3 8825 4100

pactgroup.com



11 December 2023

Dear fellow Pact shareholder,

Following discussions between Kin Group and Pact's Independent Board Committee (**IBC**), Kin Group has agreed to increase Bennamon's all-cash offer price to \$0.84 per Pact share (the **Revised Offer**). Bennamon has declared that the price under the Revised Offer is final.

In the view of the IBC, the Revised Offer of \$0.84 per Pact share represents the most attractive outcome available to Pact shareholders, particularly when measured against the risks of remaining as a minority shareholder.

Accordingly, **the IBC unanimously recommends that Pact shareholders ACCEPT the Revised Offer**. The Independent Directors also intend to accept the Revised Offer in respect of all the Pact shares they own or control.

The Revised Offer closes at 7.00pm (Melbourne time) on 21 December 2023, unless extended. The IBC encourages shareholders to accept the Revised Offer as soon as possible.

Reasons for the IBC recommending that Pact shareholders ACCEPT the Revised Offer

Notwithstanding the Revised Offer is below the Independent Expert's valuation range of \$1.06 to \$1.51 per Pact share on a 100% controlling interest basis, the IBC considers the Revised Offer is reasonable and recommends that Pact shareholders accept the Revised Offer for the following reasons:

1. The Revised Offer is within the Independent Expert's valuation range of \$0.83 to \$1.24 per Pact share on a minority basis.
2. The Revised Offer represents a significant 23.5% increase relative to the Offer first announced by Kin Group on 13 September 2023.
3. The Revised Offer represents an attractive premium of 24.4% to the closing price on 12 September 2023 of \$0.675 per Pact share, being the day prior to the Offer being announced.
4. No higher offer is likely in the short term – Bennamon has declared that the Revised Offer is final and it is unlikely that a competing proposal will emerge given Kin Group currently controls 52.7% of Pact and has stated it will not sell its shares in Pact.
5. Pact's largest minority shareholder, Investors Mutual Limited, has advised the IBC that it intends to accept the Revised Offer.¹
6. Since announcing the Offer, Pact's share price has traded within the range of \$0.680 to \$0.745, with a Volume Weighted Average Price of \$0.705 over this period², which is below the Revised Offer. In the absence of the Revised Offer, the IBC considers it is unlikely that Pact shares will trade on ASX at or near \$0.84 per share in the foreseeable future.
7. There are specific risks associated with remaining as a minority shareholder in Pact, in particular Bennamon's intentions as set out in section 10 of the Bidder's Statement, including:
 - Kin Group reserves its right to appoint nominees to the Pact Board to reflect its shareholding;

¹ Investors Mutual Limited has consented to this statement being included in this letter and this consent has not been withdrawn.

² For the period from 13 September 2023 to 8 December 2023 (inclusive) and rounded to the nearest half cent

- Kin Group intends to have Pact removed from the official list of ASX as soon as it is able to do so, noting several conditions would need to be met for this to occur as set out in section 5.6 of the Target's Statement;
- Kin Group intends to support and prioritise increased investment in capital expenditure and strategic M&A, which may require Pact to pursue equity capital raisings; and
- Pact would be unlikely to resume payment of dividends if appropriate opportunities exist to reinvest cash flows.

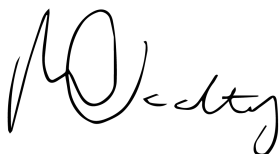
How to accept the Revised Offer

To accept the Revised Offer, shareholders should carefully follow the instructions set out in Pact's Supplementary Target's Statement dated 11 December 2023. If you have already accepted the Offer, you need not take any further action and will be entitled to the increased consideration.

If you are in any doubt as to the action which you should take in relation to the Revised Offer, you should call the Shareholder Information Line (details of which are set out below) or contact your broker, financial adviser or legal adviser.

The IBC thanks you for your continued support.

Yours sincerely,



Michael Wachtel

Chair, Independent Board Committee

Shareholders can call the Pact Shareholder Information Line on 1300 631 379 (within Australia) or +61 3 9415 4681 (outside Australia)



Pact Group Holdings Ltd

ABN 55 145 989 644

Supplementary Target's Statement

This document is a supplementary target's statement issued by Pact Group Holdings Ltd (ABN 55 145 989 644) (**Pact**) in relation to the off-market takeover bid for all the ordinary shares in Pact by Bennamon Industries Pty Ltd (ACN 666 620 677) (**Bennamon**), a wholly owned subsidiary of Kin Group Pty Ltd (ACN 095 313 714) (**Kin Group**).

This statement supplements, and should be read together with, Pact's target's statement dated 13 October 2023 (**Target's Statement**).

1 Increased Offer Price

Following discussions between Kin Group and Pact's Independent Board Committee (**IBC**), Kin Group has agreed to increase Bennamon's all-cash offer price to \$0.84 per Pact share (the **Revised Offer**).

Bennamon has declared that the price under the Revised Offer is final.

In the view of the IBC, the Revised Offer of \$0.84 per Pact share represents the most attractive outcome available to Pact shareholders, particularly when measured against the risks of remaining as a minority shareholder.

Accordingly, **the IBC unanimously recommends that Pact shareholders ACCEPT the Revised Offer**. Detailed reasons are set out below.

The Independent Directors also intend to accept the Revised Offer in respect of all the Pact shares they own or control.

2 Reasons to ACCEPT the Revised Offer

Notwithstanding the Revised Offer is below the Independent Expert's valuation range of \$1.06 to \$1.51 per Pact share on a 100% controlling interest basis, the IBC considers the Revised Offer is reasonable and recommends that Pact shareholders accept the Revised Offer for the following reasons:

- 1 The Revised Offer is within the Independent Expert's valuation range of \$0.83 to \$1.24 per Pact share on a minority basis.
- 2 The Revised Offer represents a significant 23.5% increase relative to the Offer first announced by Kin Group on 13 September 2023.
- 3 The Revised Offer represents an attractive premium of 24.4% to the closing price on 12 September 2023 of \$0.675 per Pact share, being the day prior to the Offer being announced.

- 4 No higher offer is likely in the short term – Bennamon has declared that the Revised Offer is final and it is unlikely that a competing proposal will emerge given Kin Group currently controls 52.7% of Pact and has stated it will not sell its shares in Pact.
- 5 Pact's largest minority shareholder, Investors Mutual Limited, has advised the IBC that it intends to accept the Revised Offer.
- 6 Since announcing the Offer, Pact's share price has traded within the range of \$0.680 to \$0.745, with a Volume Weighted Average Price of \$0.705 over this period³, which is below the Revised Offer. In the absence of the Revised Offer, the IBC considers it is unlikely that Pact shares will trade on ASX at or near \$0.84 per share in the foreseeable future.
- 7 There are specific risks associated with remaining as a minority shareholder in Pact, in particular Bennamon's intentions as set out in section 10 of the Bidder's Statement, including:
- Kin Group reserves its right to appoint nominees to the Pact Board to reflect its shareholding;
 - Kin Group intends to have Pact removed from the official list of ASX as soon as it is able to do so, noting several conditions would need to be met for this to occur as set out in section 5.6 of the Target's Statement;
 - Kin Group intends to support and prioritise increased investment in capital expenditure and strategic M&A, which may require Pact to pursue equity capital raisings; and
 - Pact would be unlikely to resume payment of dividends if appropriate opportunities exist to reinvest cash flows.

3 Agreement with Bennamon

On 11 December 2023, Pact and Bennamon agreed to a number of arrangements relating to the conduct of the Offer and related items. This includes:

- 1 Pact agrees to use its best endeavours to procure that the Independent Directors and senior executives of Pact support the Offer and participate in efforts reasonably requested by Bennamon to promote the merits of the Offer;
- 2 Pact agrees that any performance rights on issue will not vest (and the Independent Directors will not exercise, and will procure that no other Pact director exercises, any discretions to do otherwise), except in accordance with a resolution passed at a board meeting of Pact which the chairman is entitled to attend;
- 3 Pact will promptly provide all reasonable assistance requested by Bennamon in connection with seeking any waivers Bennamon determines are necessary or desirable under Pact's banking facilities, including in relation to a delisting or suspension of trading of Pact. Such assistance will include promptly providing all information reasonably requested in relation to the banking facilities and facilitating introductions to, and meetings with, representatives of Pact's lenders; and
- 4 Pact will provide all reasonable assistance requested by Bennamon in connection with:
 - (1) the delisting of Pact from the ASX (and/or any buy-back of unmarketable parcels of Pact Shares) following the close of the Offer,

³ For the period from 13 September 2023 to 8 December 2023 (inclusive) and rounded to the nearest half cent

- provided Bennamon achieves a relevant interest of at least 75% in Pact Shares (subject to the directors being satisfied that the assistance is consistent with their fiduciary and statutory duties); and
- (2) the compulsory acquisition of any outstanding Pact Shares if Bennamon becomes entitled to compulsory acquisition under the Corporations Act.

4 How to ACCEPT the Revised Offer

The Revised Offer may be accepted by:

- logging into <https://events.miraqle.com/BennamonIndustries-Offer/> and following the instructions; or
- signing the Acceptance Form enclosed with the Bidder's Statement issued by Bennamon and returning it to the address set out on the form before the Revised Offer closes.

The Revised Offer closes at 7.00pm (Melbourne time) on 21 December 2023, unless extended. The IBC encourages shareholders to accept the Revised Offer as soon as possible.

5 Further questions

If you have questions about the Revised Offer, please call the Pact shareholder information line on 1300 631 379 (for calls made from within Australia) or +61 3 9415 4681 (for calls made from outside Australia). This shareholder information line is available Monday to Friday between 8.30am and 5.30pm (Melbourne time).

6 Other notices

Unless the context otherwise requires, terms defined in the Target's Statement have the same meaning as in this statement.

This statement prevails to the extent of any inconsistency with the Target's Statement.

A copy of this statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

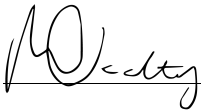
Investors Mutual Limited has consented to being named in this statement and has not withdrawn that consent at the date of this statement.

As permitted by ASIC Corporations (Takeover Bids) Instrument 2023/683, this document also contains statements that are made, or based on statements made, in other documents lodged with ASIC or ASX (in compliance with the ASX Listing Rules). Consent is not required for the inclusion of those statements in this document. Any Pact Shareholder who would like to receive a copy of any of those other documents may obtain a copy (free of charge) during the Offer Period by contacting the Pact shareholder information line. The copy will be provided within 2 Business Days of the request.

7 Authorisation

Signed for and on behalf of Pact following a resolution passed by each Director of Pact other than Raphael Geminder, who has recused himself from the Board's consideration of Bennamon's off-market takeover offer.

date 11 December 2023

sign here ▶  _____

print name Michael Wachtel

position Independent Non-Executive Director