



13 September 2023

Kin Group to make unconditional off-market takeover offer for Pact

- Unconditional off-market takeover offer to acquire all the Pact Shares that it does not own at A\$0.68 cash per Pact Share.
- Pact is now a smaller business with a reduced earnings base and faces a challenging environment, with supply chain disruptions, inflationary pressures, fluctuating resin prices, labour constraints and macroeconomic uncertainty.
- The Offer is unconditional and not subject to any defeating conditions.
- Kin Group has a controlling interest of over 50% in Pact.
- Offer price provides certain value and liquidity for shareholders.

Kin Group Pty Ltd (“**Kin Group**”) today announces its intention to make an unconditional A\$0.68 cash per share off-market takeover offer (“the **Offer**”) for all of the ordinary shares in Pact Group Holdings Limited (“**Pact**”) (“**Pact Shares**”). The Offer will be made by Bennamon Industries Pty Ltd (“**Bennamon Industries**”), a wholly owned subsidiary of Kin Group.

The consideration under the Offer is A\$0.68 cash per Pact Share (“**Offer Price**”). The Offer provides shareholders with liquidity and certainty of an unconditional, all-cash offer at a price above Pact’s share price of A\$0.675 per share at the close of trading on 12 September 2023, and allows shareholders to avoid any further risk associated with their Pact investment.

As at the date of this letter, Kin Group has a controlling interest of over 50% in Pact.

Given Kin Group’s current ownership, the prospect of a competing offer eventuating is highly unlikely. In the absence of Kin Group’s Offer, the future value of Pact Shares is uncertain.

Kin Group has every confidence in Pact and its employees. However, Kin Group considers that success for Pact is best achieved under private ownership without the additional costs, market volatility and complexities of being an ASX listed company. Kin Group intends to delist Pact from the ASX as soon as it is able to do so (subject to the ASX Listing Rules, legal, tax and other considerations, and the level of acceptances).

Key reasons to accept the Offer

- 1. Pact faces a challenging environment, with supply chain disruptions, inflationary pressures, fluctuating resin prices, labour constraints and macroeconomic uncertainty**
- 2. Pact is now a smaller business with a reduced earnings base. Notwithstanding the sale of 50% of Pact’s Crate Pooling Business, Pact will likely continue to have high debt in light of its ongoing capital expenditure plan. Accordingly, there is uncertainty about the prospect of future dividends in the short to medium term**
- 3. Kin Group controls Pact and the prospect of a competing offer eventuating is highly unlikely. Kin Group intends to delist the business as soon as it is able to do so**
- 4. Pact is no longer in the S&P / ASX 300 index and has low institutional investor support. Compared to recent trading prices, the share price has declined and may fall further after the Offer closes**

5. Unconditional cash offer provides certainty at a price above last close (12 September 2023) and an opportunity for minority shareholders to receive liquidity

Unconditional Offer

The Offer is unconditional, which means it is not subject to any defeating conditions.

Conflict Management

Kin Group's Chairman, Raphael Geminder, who is the Chairman of Pact, has advised the Pact Board of his conflict of interest in respect of the Offer and has recused himself from the Pact Board and Committee consideration of the Offer for the duration of the Offer Period.

Competing Proposal

Given Kin Group and its associates have a controlling interest of over 50% in Pact and have no intention of selling its existing interest, Kin Group can, on its own, prevent any other potential bidder from acquiring control of Pact. This makes any competing bid for Pact highly unlikely.

Bidder's Statement

Kin Group will lodge a copy of its Bidder's Statement with ASIC, and send a copy to Pact and the ASX, today. The Bidder's Statement contains detailed information about the Offer including how to accept. The Bidder's Statement is expected to be sent to Pact's shareholders on or about 27 September 2023 (although this is subject to change).

On Market Purchases

Bennamon Industries reserves, and may at any time exercise, the right to purchase Pact Shares on market during the bid period in respect of the Offer, for prices at or below \$0.68 per Pact Share. Bennamon Industries has appointed Macquarie Securities (Australia) Limited to make any such purchases on Bennamon Industries' behalf.

Advisers

Macquarie Capital is acting as financial adviser and Ashurst is acting as legal adviser to Kin Group in relation to the Offer.

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For further information regarding this announcement, please contact:

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About Kin Group Pty Ltd

Kin Group is a diversified, global, long-term focused investor ultimately controlled by the Geminder family with offices in Melbourne, Australia and New York City, USA. Kin Group, led by experienced investment professionals, focuses on strategic investments in a variety of industries, including packaging, discount retail, food and beverage businesses and property.