$30 million pro rata Accelerated Renounceable Entitlement Offer

5 September 2022

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The retail offer booklet for the Retail Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet before deciding whether to apply under that offer.

Important notice & disclaimer (cont’d)

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Disclaimer

MA Moelis Australia Advisory Pty Limited (ABN 72 142 008 446) is acting as lead manager and underwriter to the Offer. A summary of the key terms of the underwriting agreement between Pro-Pac and the Lead Manager is provided in Appendix 3 of this Presentation.

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Today's presenters

Jonathan Ling

Executive Chairman

- Joined Pro-Pac as Non-Executive Chairman in April 2019
- Appointed Executive Chairman in July 2022
- Experienced manufacturing executive with senior leadership roles across various listed and non-listed companies including:
  - MD and CEO, GUD Holdings (GUD:ASX)
  - MD and CEO, Fletcher Building Limited (FBU:ASX, FBU:NZX)
  - Senior executive roles at Austrim Nylex, Visy Recycling, Pacifica

Darren Brown

Director, Interim CFO

- Joined Pro-Pac as Non-Executive Director in July 2018
- Appointed Interim CFO in May 2022
- Seasoned finance and business executive with over 30 years experience. Former roles include:
  - CFO, Pact Group (ASX:PGH)
  - Senior finance roles at Amcor, Visy and Southcorp Packaging

Business update

FY22 full year results summary	• Group revenue[1] of \$467.0m (FY21 \$440.1m), EBITDA[1] of \$10.6m (FY21 \$33.2m) and PBT[2] of \$(2.9)m (FY21 \$18.8m) • Continuing operations revenue[1] of \$403.9m (FY21 \$372.2m), EBITDA[1] of \$5.5m (FY21 \$26.4m) and PBT[2] of \$(6.8)m (FY21 \$14.4m) • Net debt at 30 June 2022 of \$23.6m (31 December 2021 \$82.1m) • Difficult trading conditions have continued in July and August 2022, with unaudited revenue[1] of \$62.9m, EBITDA[1] of \$(0.0)m and PBT[2] of \$(1.7)m from continuing operations • The business has undertaken a number of initiatives to mitigate the impact of these headwinds including operational cost savings initiatives as outlined on page 10 • Further details provided in the FY22 results released today
Market conditions remain challenging	• Recent results have been below expectations as a result of the following headwinds: – **Global supply chain disruptions:** raw material supply constrained due to global sea freight restrictions and unreliability arising from bottle necks in Asia and Europe – **Cost pressures**: input costs increasing faster than recovery can be achieved in the marketplace, particularly influenced by persistent resin inflation, adverse foreign exchange movements, and sea freight costs – Production capacity continues to be restricted by the **shortages of labour** and ongoing impacts of COVID-19 – **Site disruptions:** currently productivity at the new ‘hard flexibles’ plant in Melbourne, Victoria has been poor largely due to the need to rapidly upskill in a technically complicated environment

1. Pre AASB-16, pre-significant items.
2. Post AASB-16, pre-significant items.

Business update (cont'd)

Operational initiatives	• Implementing operating initiatives and cost reduction including identified operational expenditure savings of \$6.4m per annum, with ~\$4.6m to be realised in FY23 (of which \$0.2m has already been achieved in July and August 2022)[1] • Further, resin lag sell price recovery in FY22 (~\$13m) not expected to be repeated in FY23 • Additional capacity added in printing and laminating, plus other actions taken to alleviate bottleneck issues which are expected to improve efficiency, service to customers and top line growth • ~\$39m[2] of capital investment undertaken in operations over the past 3 financial years, and is expected to benefit in revenue and earnings generation opportunities
Sale of Rigid Packaging business completed	• Effective 24 June 2022, Pro-Pac completed the sale of its Rigid Packaging Business to TricorBraun • Sale allows the Company to focus on strategy to become a focused Australian and New Zealand manufacturer of Film and Flexible packaging with accompanying distribution of manufactured and packaging related products
Management update	• Jonathan Ling appointed as Executive Chairman on 18 July 2022 • Darren Brown (Non-Executive Director) appointed as Interim CFO on 11 May 2022 • Board is currently conducting a formal search process for permanent CEO and CFO

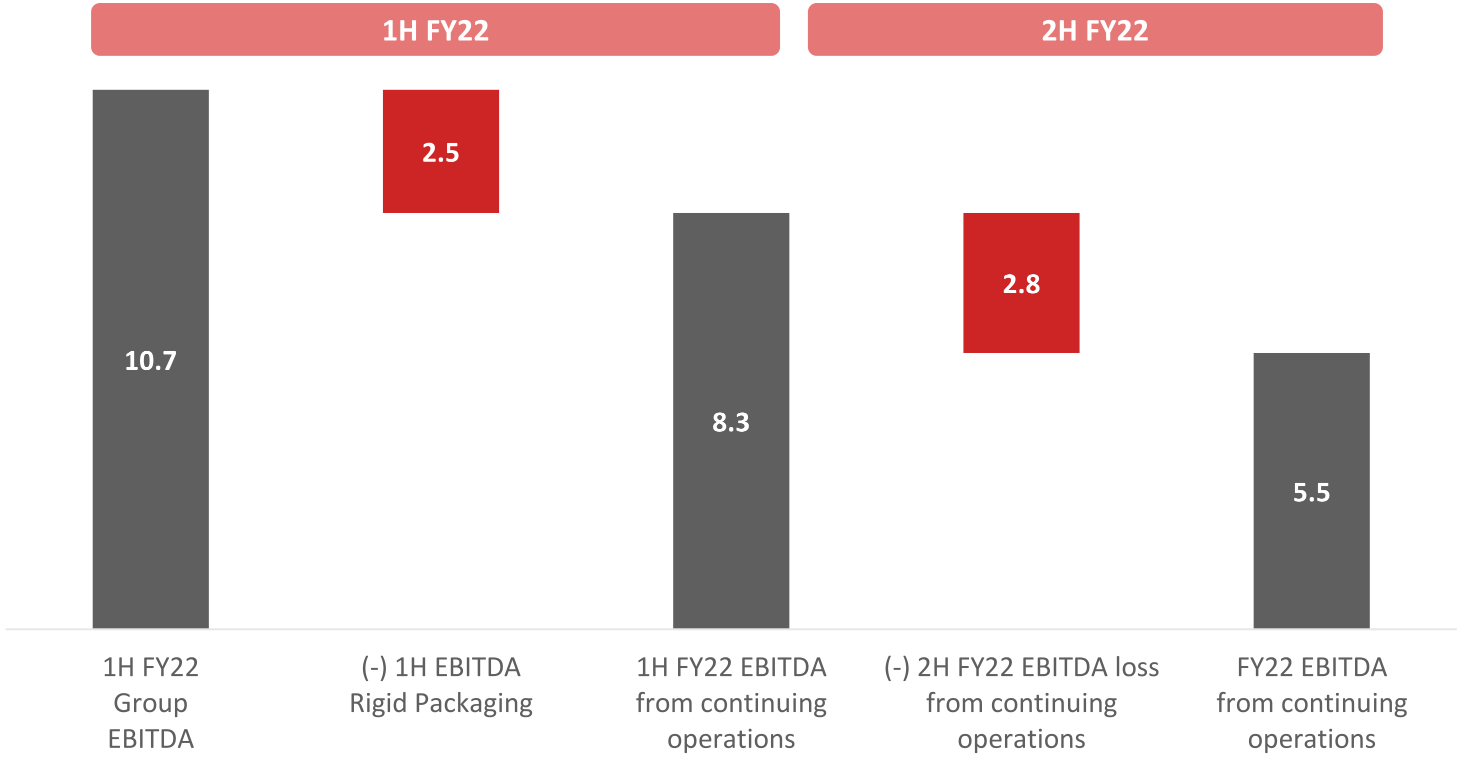
1. Refer page 10.
2. Includes ~\$29m of payments for property, plant and equipment; plus ~\$10m of payments for intangible assets in relation to ERP system.

Business update (cont'd)

Balance sheet and funding position	• Pro-Pac's net bank debt increased to $29.4m at 31 August 2022 • Negotiations with Pro-Pac's existing banking group have resulted in covenant waivers for the remainder of FY23, on the basis that $5.0m will be repaid on its syndicated debt facility from proceeds of the Offer, Pro-Pac will use its best endeavours to repay all outstanding amounts on its syndicated debt facility by no later than 14 November 2022 (including using its best endeavours to undertake certain preceding steps, including complying with certain information and reporting requirements), and a further at least $5.0m amortisation (being at least $1.0m per month for 5 months beginning 28 February 2023) will occur in 2H FY23 in the event best endeavours fail to secure replacement financing • Kin Group has provided a letter of support to Pro-Pac's existing banking group under which it agrees, among other things, to support the Offer and take certain steps to work with Pro-Pac and the banking group to find a solution that enables Pro-Pac's syndicated debt facility to be either repaid in full or reduced to an amount acceptable to the banking group by 14 November 2022 • Pro-Pac will partially repay its syndicated debt facility and retain its overdraft facility for the purposes of financing short term liquidity and other forms of bank support • The Board has determined that the most appropriate path forward involves an equity raising to partially repay Pro-Pac's syndicated debt facility while the Company focuses on stabilising its operations and restoring the profitability of the business back towards its underlying potential
Equity Raising	• Pro-Pac is undertaking a fully underwritten 1.24 for 1 Accelerated Renounceable Entitlement Offer (AREO) (the Offer) to raise $30.2 million • Proceeds raised (net of offer costs) will be used to partially repay existing debt facilities with remaining cash to be applied to provide additional financial flexibility and support the working capital requirements of the business • This will reset the capital structure and allow the business to focus on stabilising its earnings in a difficult market trading environment • The Directors are supportive of the Offer, and intend to take up their full entitlements under the Equity Raising • As described in Appendix 1, there are risks associated with an investment in Pro-Pac, including an inability to obtain debt funding or refinancing, failure to manage business strategy effectively, inability to retain key customers or secure new customers and inability to attract and retain skilled labour and an increase in Kin Group's control of Pro-Pac as a result of the Entitlement Offer may result in Kin Group acting in a way other shareholders disagree • For details of major shareholder involvement, see Appendix 4

EBITDA bridge: continuing operations

Pre AASB-16 EBITDA pre-significant items (A$m)[2]



Commentary

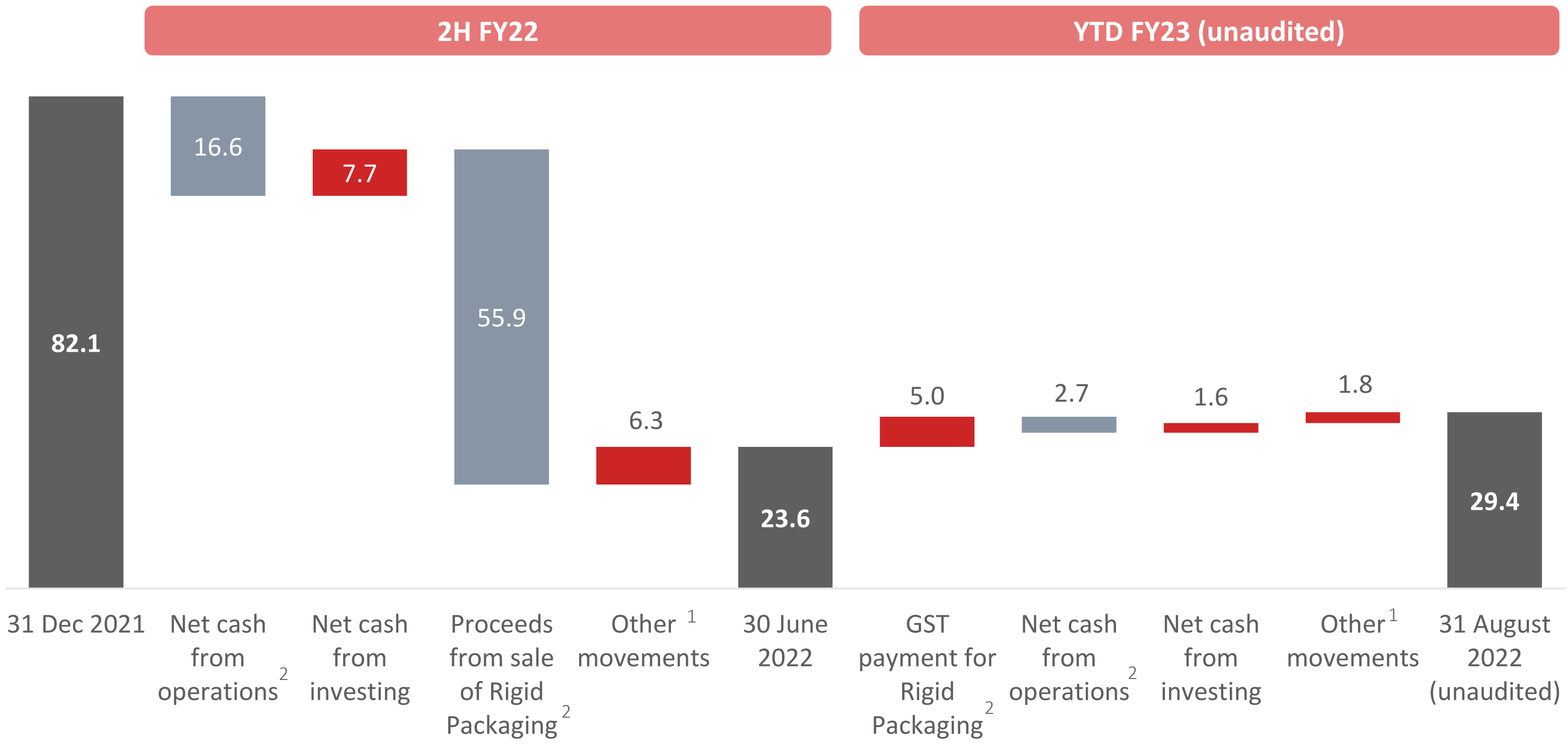
EBITDA[1] from continuing operations

- Excluding the 1H contribution from the Rigid Packaging segment, Pro-Pac achieved $8.3m of EBITDA from continuing operations 1H FY22
- 2H FY22 EBITDA from continuing operations was $(2.8)m, reflecting challenging market conditions, resulting in full year FY22 EBITDA from continuing operations of $5.5m
- Difficult trading conditions have continued in July and August 2022, with EBITDA[1] of $(0.0)m

1. Pre AASB-16, pre-significant items.
2. Due to rounding, numbers presented may not add up precisely.

Net debt bridge

Net debt (A$m) 31 December 2021 to 31 August 2022 (unaudited)[3]



Commentary

2H FY22

- Net debt reduced significantly from 1H FY22 ($82.1m) to 30 June 2022 ($23.6m)
- Strong cash from operations ($16.6m) and proceeds from the sale of Pro-Pac's Rigid Packaging business ($55.9m) (inclusive of $5.0m GST) were the primary drivers of the reduction in net debt over the period

YTD FY23

- Net debt has increased to $29.4m at 31 August 2022 (unaudited)
- $5.0m GST payment regarding Rigid Packaging sale paid in July 2022
- Net cash from investing includes $1.2m final payment on printer

1. Includes lease payments, amortisation of borrowing costs, and effect of FX on cash and cash equivalents.
2. Proceeds from sale of Rigid Packaging included $5.0m of GST, which was subsequently paid in July 2022. For the purposes of this chart, this payment has been excluded from net cash from operations.
3. Due to rounding, numbers presented may not add up precisely.

Operational initiatives | Operating expenditure savings

	Overview	Annualised Impact[1]	FY23 Impact[1]	Cost to Achieve
Head Office Restructure	• Reduction in Head Office headcount activities to be completed by October 2022	$0.8m	$0.6m	$1.0m
Flexibles - Offsite Storage	• Offsite storage has been required to store seasonal made to stock items, increased resin stock due to shipping delays and limited supply, and to execute the closure of the Chester Hill site • Operational initiative to eliminate offsite storage by the end of FY23	$2.0m	$1.0m	$0.5m
Flexibles - Labour Efficiency	• Overtime and subcontractors were required extensively in FY22 in order to meet customer demand as well as COVID absenteeism • Vacancies have significantly reduced and throughput efficiency has improved, the focus is on converting from premium labour to ordinary wages and avoidance of overtime • Further, opportunities are currently being considered to restructure shift patterns in Kewdale and New Zealand to reduce overtime spend • These gains are partially offset by a c. $1.7m increase in manufacturing labour cost base pursuant to EBA/Award terms over FY23	$2.4m	$1.8m	-
Industrial - Divisional Restructure	• Operational restructure has seen a reduction in headcount in Sales, Customer Service, Purchasing and Warehousing • This was completed in June 22 resulting in a full year impact for FY23 and no additional costs to achieve.	$1.2m	$1.2m	-
Total		**$6.4m**	**$4.6m**	**$1.5m**

Commentary

- In line with PPG's commitment to right size the business, a number of operational savings have been identified
- It is estimated that $4.6m in operational savings are achievable in FY23, (of which $0.2m has already been achieved in July and August 2022)
- Net savings in FY23 total to $3.1m, after taking into account any costs to achieve
- PPG estimates additional upside is achievable in the FY23-FY25 period through a range of initiatives including,
  - — Annualisation of profit improvement initiatives implemented during FY23
  - — Refining sales and operations planning, site loading and workforce planning
  - — Standardisation/automation of administrative tasks required due to current gaps in systems and process
  - — Lowering cost of serve customers and improving delivery in full, on time (DIFOT)

1. EBITDA impact pre AASB-16. This assumes that identified head count and salary cost reductions, elimination of surplus to requirements offsite storage costs, elimination of excess overtime and subcontractor costs, efficiencies identified out of management review of site efficiency and required shift patterns to support production plans, are able to be achieved

Operational initiatives | Capital efficiencies

~$39m of capital has been invested into the underlying business over the past 3 financial years[1]

Investment in Flexibles segment	ERP system
• Growth investment strategy working well with extrusion, printing and laminating capacity fully sold to blue chip customers • ~$6.4 million spent on investing in new 7-layer extruder for Flexibles segment • ~$9.6 million spent establishing the printing and converting Centres of Excellence (COE) supporting new wins and a strong pipeline of demand • Investment in additional capacity and technologies to optimize manufacturing efficiency and support growth pipeline in high value FMCG segments	• ~$11.2 million spent on the implementation costs on the new ERP system consolidation project • Microsoft D365 Supply Chain went live at the first Flexibles site in 2H FY22 • Current focus on embedding the technology and processes, prior to further implementation in FY23

1. Includes ~$29m of payments for property, plant and equipment; plus ~$10m of payments for intangible assets in relation to ERP system.

FY23 outlook

- Our key priority is to return the Flexibles business back to the profitability it achieved in FY21 and to reduce our corporate overheads.
- We expect that resin costs will continue to stabilise albeit at record high levels. We also expect that cost increases across most spend categories will continue and, in particular energy costs.
- Our focus will be on optimising margin through sell prices and cost management, reducing our corporate overheads and improving factory efficiencies to restore profitability in the FY23 year.

Overview of the Offer

Offer size and structure	• Fully underwritten 1.24 for 1 pro rata accelerated renounceable entitlement offer to raise approximately $30.2 million ("Entitlement Offer")
Offer price	• The Entitlement Offer price of A$0.30 per new PPG share ("Offer Price") represents: — 33.3% discount to the Theoretical Ex-Rights Price ("TERP") of A$0.450 — 52.8% discount to the last closing price of A$0.635 on Friday, 26 August 2022[1]
Institutional Entitlement Offer	• Institutional Entitlement Offer opens and closes on 5 September 2022 • Institutional Entitlements not taken up, together with the entitlements of ineligible institutional shareholders, will be sold under the institutional shortfall bookbuild which opens and closes on 6 September 2022
Retail Entitlement Offer	• Eligible retail shareholders in Australia and New Zealand on the Record Date have the below options: — Elect to take up all or part of their pro rata entitlements and apply for additional new shares under the oversubscription facility before the Retail Entitlement Offer close date (5:00pm Sydney time, 6 October 2022) — Do nothing and let their retail entitlements be offered for sale through the retail shortfall bookbuild, with any proceeds in excess of the Offer Price (net of any withholding tax) paid to shareholders
Settlement	• Settlement of Institutional Entitlement Offer on 14 September 2022 • Settlement of Retail Entitlement Offer on 14 October 2022
Record date	• Record Date for the Retail Entitlement Offer being 7 September 2022
Ranking	• New shares issued under the Entitlement Offer will rank equally with existing PPG shares from the date of issue
Director support	• The Directors are supportive of the Offer, and intend to take up their full entitlements under the Equity Raising
Shareholder support	• Kin Group and certain other major shareholders have agreed to take up their full entitlements under the Offer. • Kin Group will also sub-underwrite the entire Offer and will be allocated the higher of (i) 57.6% of the shortfall shares; and (ii) its pro rata proportion of the shortfall shares based on the commitments of all sub underwriters to the Offer. • Kin Group will also be entitled to nominate up to two directors of Pro-Pac in the next 12 months, provided Kin Group's voting power in Pro-Pac is more than 50%. If Kin Group's voting power is 50% or less but more than 20%, Kin Group will be entitled to nominate one director.
Underwriters	• The Entitlement Offer is fully underwritten by MA Moelis Australia Advisory Pty Ltd
Offer Booklet	• Dispatch of Retail Entitlement Offer Booklet on 12 September 2022. Refer to the Entitlement Offer Booklet for more information.
Risks	• As described in Appendix 1, there are risks associated with an investment in Pro-Pac, including an inability to obtain debt funding or refinancing, failure to manage business strategy effectively, inability to retain key customers or secure new customers and inability to attract and retain skilled labour and an increase in Kin Group's control of Pro-Pac as a result of the Entitlement Offer may result in Kin Group acting in a way other shareholders disagree

1. Reflecting the last close prior to Pro-Pac's trading halt on Monday 29 August 2022.

Rationale and reasons to support the Offer

Increases balance sheet strength and flexibility	• Strengthened balance sheet with reduced syndicated debt • Pro-forma net debt of $16.6m after applying $5.0m proceeds to partially repay the syndicated debt facility and retaining $5.0m cash for ongoing general working requirements
Allows Company to continue its focus on implementing its Flexibles strategy and drive Shareholder returns	• Resets the Company's capital structure and allows for focus on stabilising its earnings in a difficult market trading environment • Improves Company cash flows through lower net financing costs, allowing for continued investment in the business to support Shareholder returns • In addition, operational initiatives implemented by the Company are expected to result in $6.4 million in annual savings[1], and significant investment in capital initiatives in recent years are expected to support further earnings growth over the next year
The Company has a clear understanding of market conditions and has responded accordingly	• **Global supply chain disruptions:** Resin price has smoothed, and Company has invested in levels of resin inventory minimising purchase requirements in coming months • **Cost pressures:** Rate of increase on resin has plateaued, and the Company is starting to see early stages of potential declines; fixed price contracts entered on energy pricing; improved discipline in achieving pricing increases in response to input price increases • **Shortages of labour:** Labour has stabilised with longevity of workforce and supervisory team • **Site disruptions:** Improvement in skillset of new recruits and training
Company positioned to benefit from improvement in input prices	• Pro-Pac has implemented a significant restructuring of its cost base following the sale of the Rigid Packaging business and in response to the difficult market trading conditions, positioning it to benefit from the future recovery in market conditions, including in resin input prices
Opportunity to invest in Pro-Pac on attractive terms	• Pro-Pac is a leading flexible packaging company, with strong market positions in its key segments and a diverse, blue chip customer base • The Offer allows shareholders to increase their investment at discounted offer price of $0.30 per new share – 33.3% discount to the Theoretical Ex-Rights Price ("TERP") of A$0.450 – 52.8% discount to the last closing price of A$0.635 on Friday, 26 August 2022[2]

1. Refer page 10.
2. Reflecting the last close prior to Pro-Pac's trading halt on Monday 29 August 2022.

Risks associated with investing in Pro-Pac

- There are risks associated with an investment in Pro-Pac, including an inability to obtain debt funding or refinancing, failure to manage business strategy effectively, inability to retain key customers or secure new customers and inability to attract and retain skilled labour
- Please see Appendix 1 for a more detailed summary of the key risks associated with an investment in Pro-Pac
- Potential investors should carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision

Sources and uses of funds

Proceeds raised (net of offer costs) will be used to partially repay syndicated debt facilities with remaining cash to be applied to provide additional financial flexibility and support the working capital requirements of the business

Sources	A$m
Equity raising	30.2
Total sources	**30.2**

Uses	A$m
Repayment of syndicated debt facility	5.0
Repayment of working capital facility	4.3
Working capital and liquidity for suppliers	19.5
Offer costs	1.4
Total uses	**30.2**

Commentary

- Pro-Pac will partially repay its syndicated debt facility by $5.0m as well retaining its existing working capital facility (albeit with a reduced limit of $10.0m)
- Liquidity to support the business with seasonal 1H agricultural related sales
- The remaining proceeds (net of offer costs) will be applied to provide additional financial flexibility and support the working capital requirements of the business

Pro-forma funding position

A$m	30 June 2022 (Actual)	31 August 2022 (Unaudited)	Impact of the Equity Raising (net of Transaction Costs)	Pro Forma post Equity Raising (Unaudited)
Available	**56.2**			**31.6**[1]
Undrawn	31.3			**10.0**
Drawn	**24.9**	**30.9**	**(9.3)**	**21.6**
(Cash)	(1.3)	(1.5)	(19.5)	**(21.0)**
Net debt / (cash)	**23.6**	**29.4**	**(28.8)**	**0.6**
LTM EBITDA[2]	5.5	1.9		**1.9**
Net debt / LTM EBITDA[2]	*4.3x*	*15.5x*		***0.3x***
Cash post working capital and liquidity for suppliers[3]				**5.0**
Pro forma available liquidity[4]				**15.0**

Commentary

- $30.2m in proceeds from the Offer will reduce drawn debt by $9.3m, pay Offer costs of $1.4m and remaining cash of $19.5m will provide liquidity for suppliers and general working capital requirements
- Pro-Pac will retain its overdraft facility for the purposes of financing short term liquidity (albeit with a reduced limit of $10.0m)
- On a pro forma basis post Equity Raising, Pro-Pac's net debt will be $0.6m
- Assuming $16.0m of the pro forma cash is applied to provide liquidity to suppliers, cash available for general working capital requirements will be $5.0m
- Pro forma available liquidity[4] of $15.0m

1. SFA debt of $21.6m and overdraft of $10.0m.
2. Last Twelve Months (LTM) EBITDA reflects EBITDA pre significant items from continuing operations and on a pre-AASB16 basis.
3. Assumes $16.0m is applied to provide liquidity to suppliers.
4. Cash post working capital and liquidity for suppliers ($5.0m) plus undrawn facilities ($10.0m).

Indicative timetable

Event	Indicative date[1]
Announce Entitlement Offer and conduct Institutional bookbuild	5 September 2022
Institutional Entitlement Offer shortfall bookbuild	6 September 2022
Announce results of Institutional Entitlement Offer	7 September 2022
Suspension lifted and PPG shares recommence trading	7 September 2022
Record date for Retail Entitlement Offer (7:00pm)	7 September 2022
Retail Entitlement Offer opens	12 September 2022
Settlement of Institutional Entitlement Offer	14 September 2022
Allotment and ASX quotation of Institutional Entitlement Offer shares	15 September 2022
Retail Entitlement Offer closes (5:00pm)	6 October 2022
Announce results of Retail Entitlement Offer	10 October 2022
Retail shortfall bookbuild	12 October 2022
Settlement of Retail Entitlement Offer	14 October 2022
Allotment of Retail Entitlement Offer shares	17 October 2022
ASX quotation of Retail Entitlement Offer shares	18 October 2022

1. Timetable is subject to change without notice. All dates and times displayed are Melbourne, Australia time.

About Pro-Pac Packaging

Pro-Pac is an Australian & New Zealand business that is focused on using its investment and manufacturing expertise to capitalise on key industry trends including innovation and sustainability

Flexibles

- Bespoke flexible packaging solutions specifically tailored for the industrial, food and beverage, health and agriculture sectors
- Stretch & shrink wrap, agriculture silage packaging, fresh produce bags, barrier and lidding films, industrial protective films
- High value added laminated and printed films for the FMCG market

Industrial Specialty Packaging

- Distributes high performance packaging and combines this with personalized service from its national footprint
- Focused on innovative solutions for the food & beverage, industrial and health and pharmaceutical industry sectors

Investment highlights

1. **Market leading packaging manufacturer** with established presence across flexible and industrial packaging solutions
2. **High quality and diverse distribution and manufacturing footprint** across Australia and New Zealand
3. **Culture of innovation** and proven ability to develop and execute innovative packaging solutions
4. **Blue-chip and diverse customer base** across the industrial, food and beverage, health, agriculture and manufacturing sectors
5. **Well invested asset base,** with $39m of capital investment undertaken in operations over the last 3 years[1] to support future earnings growth

1. Includes ~$29m of payments for property, plant and equipment; plus ~$10m of payments for intangible assets in relation to ERP system.

Appendix 1 | Key risks

Risks relating to Pro-Pac and its business

Risk	Description
Inability to obtain debt funding or refinancing	Pro-Pac utilises debt funding to partially fund its business and may need to access additional debt finance or capital to fund its operations. If Pro-Pac is unable to access capital, or refinance, repay or renew its debt facilities or otherwise obtain debt finance on favourable terms, Pro-Pac may not be able to fund its operations or meet its growth objectives, which could materially adversely affect Pro-Pac's business and financial condition. As a borrower of money, Pro-Pac is also exposed to increases in interest rates, which would increase the cost of servicing Pro-Pac's debt finance.
Failure to manage business strategy effectively	Pro-Pac is pursuing a number of operational initiatives, including those described on page 10 of this Investor Presentation. For various reasons, implementation of such operational initiatives may be unsuccessful, or Pro-Pac may otherwise fail to manage its business strategy effectively, including as a result of inadequate strategic and business planning. The assumptions underlying Pro-Pac's strategic decisions may be incorrect or the conditions underpinning those decisions may change. In addition, opportunities that are pursued may impact Pro-Pac's risk profile and/or capital structure. Failure to optimally manage Pro-Pac's strategy may have an adverse impact on Pro-Pac's financial performance and prospects. If Pro-Pac is unable to innovate or optimise any innovations that it develops (e.g. in response to commodisation of its products and customer preferences for recyclable and sustainable products), or fails to adapt its business model to any industry issues or the needs and/or preferences of its customers, its ability to remain competitive and achieve growth may be impaired.
Inability to retain key customers or secure new customers	There is a risk that Pro-Pac may be unable to retain its key customers or secure new customers on commercially viable terms, including as a result of longer production lead times due to capacity constraints faced by Pro-Pac. Further, there is generally no certainty as to the volume, price and frequency of any future sales from its customers (which include uncontracted customers and customers that are not subject to take or pay arrangements). If one or more key customers terminates their relationship with Pro-Pac, then that customer may be able to cease being a customer before Pro-Pac is able to source new customers or otherwise replace the volume or value of sales lost on the termination of the relationship with the existing customer, which may in turn have an adverse effect on Pro-Pac's financial performance and prospects.
Inability to attract and retain skilled labour	Pro-Pac's ability to meet its labour needs (including persons with appropriate qualifications to operate specialised machinery) while controlling costs associated with hiring and training new employees is subject to external factors such as unemployment rates, prevailing wage legislation and changing demographics. Pro-Pac's ability to attract and retain suitable skilled labour has also been, and continues to be, impacted by market rates of salaries offered by its competitors. Changes that adversely affect Pro-Pac's ability to attract, incentivise and retain skilled employees could materially adversely affect Pro-Pac's ability to deliver customer needs or strategic objectives and consequently future financial performance.
Major shareholder risk	As noted in Appendix 4 of this Investor Presentation, Kin Group currently holds 57.60% of the shares in Pro-Pac (through its subsidiary Bennamon Pty Ltd) and has committed to take up its entitlement in full and sub-underwrite the Entitlement Offer. Kin Group will also be entitled to nominate up to two directors of Pro-Pac in the next 12 months provided Kin Group's voting power in Pro-Pac is more than 50%, and one director of Pro-Pac at any time provided Kin Group's voting power in Pro-Pac is more than 20% and no more than 50%. Accordingly, Kin Group is, and will continue to be, in a position to determine or significantly influence any action requiring shareholder approval, including the election of directors, the adoption of amendments to Pro-Pac's constitution and the approval of major corporate transactions (unless prevented from voting under the Corporations Act or the ASX Listing Rules). Kin Group may have interests that differ from other shareholders and may vote in a way which with other shareholders disagree and which may be adverse to their interests. This concentrated control may also reduce the liquidity of trading in Pro-Pac's shares and might ultimately affect the market price of Pro-Pac's shares and lead to Kin Group seeking to delist Pro-Pac from the ASX.

Risks relating to Pro-Pac and its business (cont'd)

Risk	Description
Disruption to business continuity	Pro-Pac is exposed to a range of operational risks relating to both current and future operations. These include equipment failures, unplanned shutdown of, or operating disruption to, any one of its facilities (including as a result of fire or natural disaster such as an earthquake or flood), inability to attend sites and access ports, external services failure, disruptions in supply chain or information systems, product recall, industrial action or disputes, labour shortages, natural disasters and pandemics (such as COVID-19). Some of these risks may not be fully insured (or are unable to be insured). If any of these events were to eventuate, this may have a material adverse impact on Pro-Pac's financial performance and reputation.
Loss or impairment of supplier relationships	The loss or impairment of any key supplier relationship may affect Pro-Pac's ability to source inputs, including key inputs used in Pro-Pac's products. In turn, this could have a material adverse effect on Pro-Pac's results, operations, financial condition or prospects, at least until appropriate alternative arrangements can be implemented. In some instances, alternative arrangements may not be available or may be less financially advantageous than the current arrangements.
Quality deficiencies, product recalls and claims	Pro-Pac is exposed to potential product liability risks, which are inherent in the research and development, manufacturing, marketing and use of its products. For example, Pro-Pac may be exposed to product liability claims if its products are recalled or alleged to have caused injury or illness. In addition, allegations may be made against Pro-Pac that there were inadequate instructions for use of its products. Product recalls may be costly and there may be adverse consequences for non-compliance with applicable regulatory requirements and accreditations. While Pro-Pac will seek to secure adequate insurance to help manage these risks, there is always the risk that the insurer could disclaim coverage on certain claims or the coverage may be not comprehensive enough to meet large claims. This could result in the loss of, or delay in, generating revenue, loss of market share, failure to achieve market acceptance, damage to Pro-Pac's reputation or increased insurance costs. There can be no assurance that all such risks will be adequately managed through Pro-Pac's insurance policies to ensure that any such loss does not have an adverse effect on its performance.
Loss of business reputation	The reputation and value associated with Pro-Pac's brand name could be adversely affected by a number of factors. These include a failure to demonstrate organic revenue growth or provide customers with the quality of product and service standards they expect and exposure to disputes or litigation with third parties (e.g. employees, suppliers and customers), or adverse media coverage. Significant erosion in the reputation of, or value associated with, its brand name could have an adverse effect on Pro-Pac's financial performance, position and prospects.
Litigation or dispute risk	From time to time, Pro-Pac may be involved in litigation claims or other disputes relating to matters such as personal injury, product liability, intellectual property, customer claims about matters such as the quality of products and timeliness of delivery, contractual, employee and workplace health and safety and other claims arising in the ordinary course of Pro-Pac's business or otherwise. Litigation may adversely impact upon the operational, reputational and financial performance of Pro-Pac, and may also negatively impact on Pro-Pac's share price. In addition, should Pro-Pac decide to pursue claims against a third party, including any party with whom Pro-Pac has entered into agreements, such process may utilise significant management and financial resources, and a positive outcome for Pro-Pac cannot be guaranteed. The outcome of litigation cannot be predicted with certainty and adverse litigation outcomes could negatively impact Pro-Pac's business, financial condition and reputation.

Risks relating to Pro-Pac and its business (cont'd)

Risk	Description
Increased competition	Pro-Pac's financial performance or operating margins could be adversely affected if the actions of competitors or potential competitors become more effective, or if new competitors (including offshore competitors) enter the market and Pro-Pac is unable to counter these actions. This may include a competitor securing a major new contract (including securing an exclusive contract with any of Pro-Pac's customers or suppliers), developing new, more efficient and cost reducing technologies, adopting pricing strategies specifically designed to gain market share and the emergence of sector disruptors or disruptive behaviours. Some of Pro-Pac's competitors may now or in the future have access to greater financial resources than Pro-Pac. If Pro-Pac is unable to successfully compete, its business, financial position and prospects may be adversely affected.
Reliance on key personnel	Pro-Pac may not be able to retain its experienced senior management team, and the loss of any of these individuals and an inability to recruit or retain suitable replacements or additional personnel may adversely affect business capacity to balance both 'business as usual' requirements as well as transformation projects. The loss of key personnel and an inability to recruit or retrain suitable replacements or additional personnel may also adversely affect future financial performance.
Risks associated with workplace health and safety regulations	Pro-Pac is exposed to risks associated with the workplace health and safety of its employees and contractors. Injuries to employees and contractors may result in insurance claims, significant lost time and costs and impacts on Pro-Pac's business beyond what is covered under workers' compensation schemes. Any significant occupational health and safety issues that arise, including company officer prosecutions, may negatively affect Pro-Pac's future financial performance, prospects and reputation.
Risks associated with industrial action and wage pressure	Pro-Pac's employees are covered by enterprise bargaining agreements, other workplace agreements and employment contracts, which periodically (and potentially contemporaneously) require negotiation and renewal. Disputes may arise in the course of negotiations which may lead to disruptions in Pro-Pac's operations. Further, any negotiation could result in increased direct and indirect labour costs for Pro-Pac. Any workforce disruption, industrial disruption or increase in direct or indirect labour costs incurred by Pro-Pac may result in actual labour costs being higher than Pro-Pac has budgeted for, which could lead to reduced profitability and damage to Pro-Pac's reputation.
Movements in foreign exchange rates	Pro-Pac is exposed to movements in certain currencies given it operates globally, including in relation to overseas customers and suppliers. Unfavourable movements in these exchange rates may adversely affect Pro-Pac's financial performance.
Failure of information technology systems and cyber security incidents	There is no guarantee that the cyber security mechanisms taken by Pro-Pac will be sufficient to detect or prevent data security breaches, data loss or other information technology failure. Advancements in computing capabilities may lead to a compromise or even breach of the technology platform used by Pro-Pac to protect confidential and commercially sensitive information. Third parties may attempt to penetrate Pro-Pac's network security and misappropriate such information. Any data breaches or Pro-Pac's failure to protect confidential or commercially sensitive information could result in loss of information integrity, breaches of Pro-Pac's obligations under applicable privacy laws (which could result in heavy penalties for serious and repeated breaches) or contracts and website and system outages, each of which may potentially have a material adverse impact on Pro-Pac's reputation, level of sales revenue, profitability and ability to continue business operations.

Risks relating to Pro-Pac and its business (cont'd)

Risk	Description
Risks associated with research and development expenditure	The financial performance of Pro-Pac may be adversely affected if it fails to identify qualifying expenditure, which may lead to the under-recovery of tax concessions and unrealised financial gains. Pro-Pac's financial performance may also be adversely affected if it inaccurately reports research and development activities, which may lead to non-compliance with tax legislation and resulting fines or penalties.
Risks associated with environmental, social and governance (ESG) issues	Pro-Pac could be adversely affected if there are material changes to legal or regulatory requirements around ESG issues (e.g. modern slavery, thermal plastics treaty and increased regulation prohibiting the use of plastics), especially if these are not identified and remediated. Evolving community attitudes towards, and increasing regulation and disclosure in relation to, ESG issues may also affect the operation of Pro-Pac's business. Increased expectations, and in particular the failure to meet those expectations, with respect to ESG may impact the profitability or value of Pro-Pac's business, restrict Pro-Pac's ability to attract financing or investment, result in heightened compliance costs associated with meeting prevailing regulatory and disclosure standards or adversely impact the reputation of Pro-Pac, any of which may have an adverse effect on Pro-Pac's business, financial position and prospects. Some of the operations and activities of Pro-Pac are environmentally sensitive (e.g. manufacturing sites that utilise flammable and toxic materials such as resins and plastics) and cannot be carried out without prior approval from relevant environmental authorities. Industrial risks, hazards, fires and natural disasters (such as an earthquake or flood) could result in significant delays to operations, a partial or total shutdown of operations, significant damage to Pro-Pac's premises, Pro-Pac's equipment and equipment owned by third parties, and personal injury or wrongful death. These may have a material adverse effect on Pro-Pac's future business, prospects, financial condition and results of operations. Pro-Pac does not anticipate that the direct effects of measures to reduce emission of greenhouse gases would materially affect its business. However, the measures may affect the businesses of Pro-Pac's customers or the structure of their industries in ways that cause them to reduce their use of, or find alternatives to, Pro-Pac's services.
Disruption to supply chain	The availability and price of materials used in Pro-Pac's products may be influenced by global demand and supply factors outside of Pro-Pac's control, including material increases in supply chain (e.g. raw materials such as resin, energy and labour) and distribution costs. For example, Pro-Pac faces challenges in relation to the viability of the domestic supply of resin (which may be impacted by the crude oil pricing crisis). These cost pressures may have a negative impact on margins, particularly where Pro-Pac is unable to pass on these increased costs to its customers. There may also be negative impacts associated with the financial stability of suppliers, who may be impacted by disruptions in their own supply chains. Significant increases in the costs of raw materials, finished goods and freight as well as global shipping delays, including as a result of the continued impacts of COVID-19, may have a material adverse effect future on Pro-Pac's business operations and financial performance. Pro-Pac's operations are also reliant on third parties providing access to the necessary infrastructure (e.g. ports in order to transport products). While Pro-Pac potentially has a number of transportation options available to it, there can be no guarantee that these options will be available or, if available, that the costs to use such transportation will be at a level that enable production to be delivered economically.

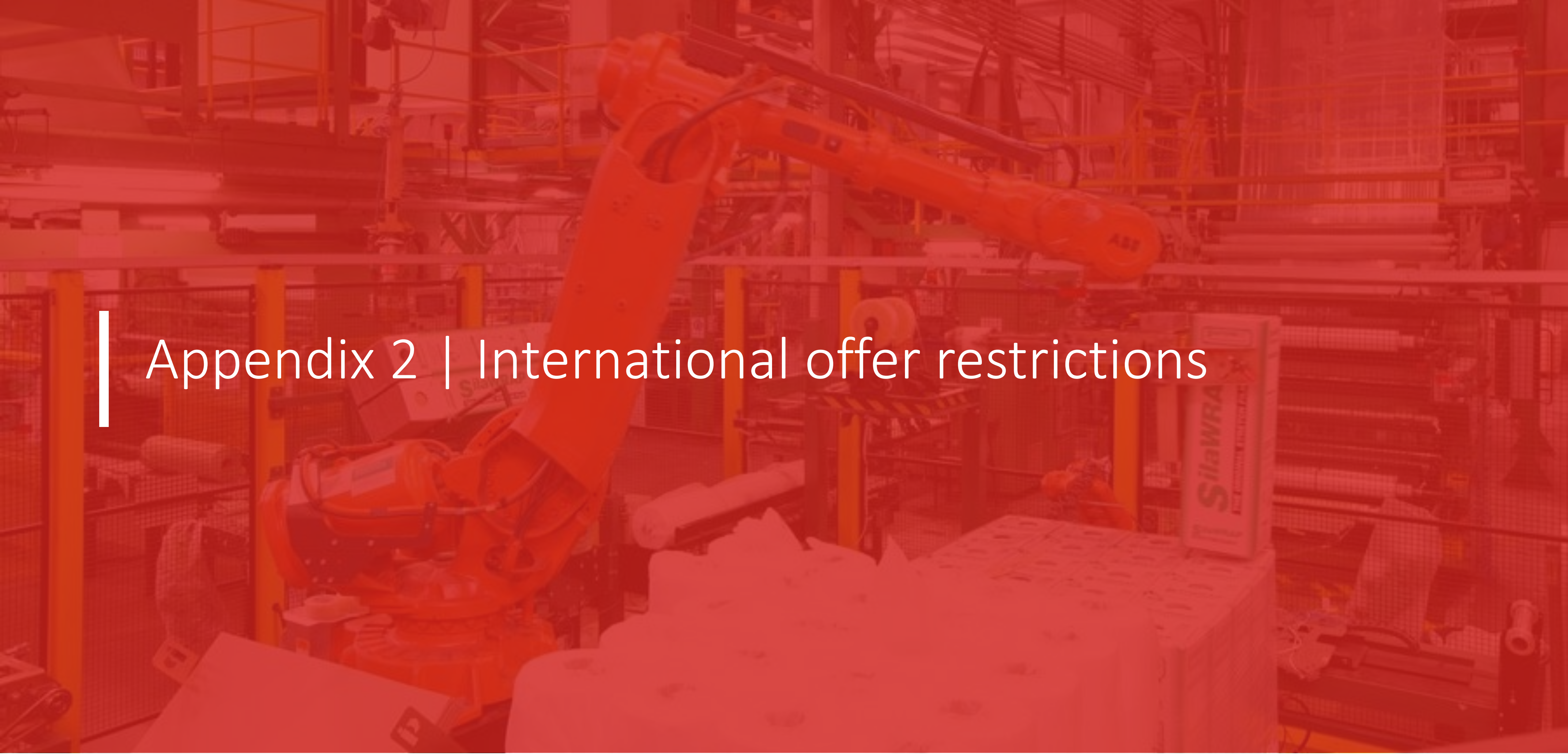
General risks

Risk	Description
Risks associated with an investment in shares	There are general risks associated with investments in equity capital such as Pro-Pac shares. The price at which Pro-Pac shares trade on ASX may be affected by a number of factors, including the financial and operating performance of Pro-Pac, and external factors over which Pro-Pac and its directors have no control. These external factors include actual, expected and perceived general economic conditions and outlooks, changes in government policy or regulation (in particular taxation laws and government grants), announcement of new technologies, significant events (e.g. natural disasters, pandemics or geopolitical instability including international hostilities and acts of terrorism), investor attitudes, changes in taxation, movements in interest rates and inflation rates, movements in stock markets, announcements and results of competitors, analyst reports and general conditions in the markets in which Pro-Pac operates. No assurance can be given that the New Shares will trade at or above the Offer Price. None of Pro-Pac, its directors or any other person guarantees the performance of the New Shares. The operational and financial performance and position of Pro-Pac and Pro-Pac's share price may be adversely affected by a worsening of general economic conditions in Australia as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.
Dilution risk	Shareholders who do not participate in the Entitlement Offer, or do not take up all of their entitlement under the Entitlement Offer, will have their percentage shareholding in Pro-Pac diluted by not participating to the full extent of the Entitlement Offer. This will be the case even if shareholders renounce their entitlements, which are then sold through the relevant institutional or retail bookbuild processes. Shareholders may also have their investment diluted by future capital raisings by Pro-Pac. Pro-Pac may issue new shares in connection with future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest. Pro-Pac will only raise equity if it believes that the benefit to shareholders of conducting the capital raising is greater than the short-term detriment caused by the potential dilution associated with a capital raising.

General risks (cont'd)

Risk	Description
Renouncement risk	If a shareholder does not take up their entitlement under the Entitlement Offer, then their entitlements will be treated as renounced and there is no guarantee that any value will be received for their renounced entitlement through the relevant bookbuild processes under the Entitlement Offer. The ability to sell entitlements under the institutional or retail bookbuild processes under the Entitlement Offer and the ability to obtain any premium will be dependent upon various factors including market conditions. Further, the relevant bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which will, if accepted, result in otherwise acceptable allocations to clear the entire book. To the maximum extent permitted by law, none of Pro-Pac, the Lead Manager, their respective related bodies corporate and affiliates and their respective directors, officers, employees, agents and advisers will be liable (including for negligence) for any failure to procure subscribers under either bookbuild at the price equal to or in excess of the Offer Price. If there is a premium achieved on the retail bookbuild, it may be less than, more than or equal to any premium achieved on the institutional bookbuild. Accordingly, it is possible that retail shareholders who do not take up their entitlements will receive less value than their institutional counterparts, or no value at all.
Dividend risk	The payment of dividends in respect of Pro-Pac's shares is impacted by several factors, including Pro-Pac's profitability, capital requirements and free cash flow. Any future dividends will be determined by Pro-Pac's board having regard to these factors, among others. There is no guarantee that any dividend will be paid by Pro-Pac, or if paid, paid at historical levels.
Taxation risk	There is the potential for changes to taxation laws and changes in the way taxation laws are interpreted. Any changes to the current rate of company income tax or any changes to the tax treatment of Pro-Pac's operations is likely to affect shareholder returns. An interpretation of taxation laws by the relevant tax authority that is contrary to Pro-Pac's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in Pro-Pac's financial statements. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns. An investment in shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in Pro-Pac.
Changes in accounting standards	Australian Accounting Standards are set by the Australian Accounting Standards Board (**AASB**) and are outside the control of Pro-Pac and its directors. The AASB may, from time to time, introduce new or refined Australian Accounting Standards, which may affect future measurement and recognition of key income statement and balance sheet items, including revenue and receivables. There is also a risk that interpretation of existing Australian Accounting Standards, including those relating to the measurement and recognition of key income statement and balance sheet items, including revenue and receivables, may differ. Changes to the Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in Pro-Pac's consolidated financial statements.

Appendix 2 | International offer restrictions



International offer restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Appendix 3 | Underwriting Agreement Summary

Underwriting Agreement Summary

Pro-Pac entered into an underwriting agreement with MA Moelis Australia Advisory Pty Limited (the **Lead Manager**) (**Underwriting Agreement**), pursuant to which the Lead Manager is acting as lead manager, underwriter and bookrunner of the Entitlement Offer.

The Underwriting Agreement contains representations and warranties, undertakings (including an undertaking by Pro-Pac not to issue securities within 60 days after the date of the Underwriting Agreement, subject to certain exceptions) and indemnities in favour of the Lead Manager.

The Lead Manager may terminate its obligations under the Underwriting Agreement after the Lead Manager becomes aware of the happening of any of the following events:

- any offer material includes a statement or fact that is misleading or deceptive or omits to state a fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or deceptive or any statement of opinion or belief in any offer material is not truly and honestly held or there are no reasonable grounds for making any such statement;
- any event specified in the timetable for the Entitlement Offer which is scheduled to occur:
  - on or prior to the institutional allotment date, is delayed for one or more business days; or
  - after the institutional allotment date, is delayed for three or more business days,

  without the prior written approval of the Lead Manager;
- ASX announces that Pro-Pac's securities will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation (which, for the avoidance of doubt, does not include a trading halt or voluntary suspension requested to facilitate the Entitlement Offer or the voluntary suspension in place as at the date of the Underwriting Agreement);
- ASX does not, or states that it will not, agree to grant official quotation of the Entitlement Offer shares on an unconditional basis (or on a conditional basis provided such condition is customary or would not, in the opinion of the Lead Manager (acting reasonably), have a material adverse effect on the Entitlement Offer);
- Pro-Pac is prevented from conducting or completing the Entitlement Offer (including allotting or issuing the Entitlement Offer shares) by or in accordance with the Listing Rules, any applicable laws, an order of a court of competent jurisdiction or a government agency, or otherwise is unable or unwilling to do any of these things;
- any ASIC modification or ASX approval is withdrawn or revoked;
- a closing certificate which is required to be furnished by Pro-Pac under the Underwriting Agreement is not furnished when required;
- the resignation or termination of any of the members of senior management or board of directors of Pro-Pac;
- there is a material adverse change or an event occurs which is reasonably likely to give rise to a material adverse change;

Underwriting Agreement Summary

- Pro-Pac withdraws the Entitlement Offer;
- any government agency:
  - holds, or gives notice of intention to hold, a hearing or investigation in relation to the Entitlement Offer or Pro-Pac; or
  - prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, Pro-Pac or any of its directors, officers, employees or agents in relation to the Entitlement Offer,

  and such hearing, notice, investigation, prosecution or proceeding becomes public or is not withdrawn within two business days after it is made or is not discontinued before the institutional settlement date or the retail settlement date (as applicable);
- any director or any member of senior management of Pro-Pac is charged with an indictable offence relating to any financial or corporate matter or is disqualified from managing a corporation under the Corporations Act;
- Pro-Pac or one of its subsidiaries which represents 5% or more of the consolidated assets or earnings of the group (each a **material subsidiary**) suffers an insolvency event on or after the date of the Underwriting Agreement or there is an act or omission which will or is likely to result in Pro-Pac or a material subsidiary suffering an insolvency event on or after the date of the Underwriting Agreement; or
- Pro-Pac or any of its directors, members of senior management or officers (as that term is defined in the Corporations Act) engages in any fraudulent conduct or activity whether or not in connection with the Entitlement Offer.

Underwriting Agreement Summary

In addition, if, in the reasonable opinion of the Lead Manager, any of the following events has had, or could reasonably be expected to have, a material adverse effect on the success, outcome, marketing or settlement of the Entitlement Offer or on the ability of the Lead Manager to settle the Entitlement Offer, or leads, or is likely to lead, to a contravention by, or liability of, the Lead Manager (or one of its affiliates) under the Corporations Act or any applicable law, the Lead Manager may also terminate its obligations under the Underwriting Agreement:

- Pro-Pac is or becomes in default of any of the terms and conditions of the Underwriting Agreement or a representation or warranty given by Pro-Pac under the Underwriting Agreement is or becomes false or incorrect;
- the completed management questionnaire, due diligence report or any other information supplied by or on behalf of Pro-Pac to the Lead Manager for the purpose of due diligence inquiries in relation to the Entitlement Offer is or becomes misleading or deceptive (including by omission);
- any ASIC modification or ASX approval is amended;
- a closing certificate which is required to be furnished by Pro-Pac under the Underwriting Agreement is untrue or incorrect;
- proceedings are commenced or threatened, or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Entitlement Offer;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any state or territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or state or territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement), any of which does or is likely to prohibit or regulate the Entitlement Offer, capital markets or stock markets;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request (being one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for the Lead Manager to satisfy an obligation under the Underwriting Agreement;
- hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United Kingdom, the United States of America, Japan, North Korea, South Korea, the People's Republic of China, Russia or a Member State of the European Union, or a national emergency is declared by any of those countries or any diplomatic, military, commercial or political establishment of any of those countries, or a significant terrorist act (including without limitation a chemical weapon attack or a nuclear weapon attack) is perpetrated on any of those countries or any diplomatic establishment of any of those countries; or
- any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, Hong Kong, New Zealand, Singapore, the United Kingdom or the United States of America is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
  - trading of securities quoted on ASX, the London Stock Exchange, Hong Kong Exchanges and Clearing, the New York Stock Exchange or Singapore Stock Exchange is suspended, or there is a material limitation in trading, for one business day or a substantial part of one business day on which the exchange is open for trading; or
  - any adverse change or disruption occurs to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, Hong Kong, New Zealand, Singapore, the United Kingdom or the United States of America, or there is any change or development involving a prospective change in national or international political, financial or economic conditions, from those existing at the date of the Underwriting Agreement.

Appendix 4 | Potential control implications

Arrangements with major shareholder

Party	Arrangements
Kin Group	Kin Group Pty Ltd (**Kin Group**) currently holds 57.6% of the shares in Pro-Pac through its subsidiary Bennamon Pty Ltd (**Bennamon**). Bennamon has committed to take up its entitlement in full under the Entitlement Offer. Bennamon has also agreed to sub-underwrite the entire Entitlement Offer on the following terms: • MA Moelis Australia Advisory Pty Ltd will pay Bennamon a sub-underwriting fee equal to 1.5% of the number of shortfall shares that Bennamon subscribes for multiplied by the offer price of $0.30; and • Bennamon will be allocated the higher of: (i) 57.6% of the shortfall shares; and (ii) its pro rata proportion of the shortfall shares based on the commitments of all sub underwriters to the Entitlement Offer. Pro-Pac has agreed with Bennamon that up to two persons nominated by Bennamon at any time in the 12 months following the date of its pre-commitment letter will be appointed as directors of Pro-Pac promptly following notice in writing, provided that Bennamon's right to appoint and maintain the two directors in office will cease if Bennamon's voting power in Pro-Pac decreases to 50% or less (but in such circumstances Bennamon will continue to have a right to appoint and maintain one director in office for so long as its voting power in Pro-Pac is above 20%).

Potential control implications

The potential effect or consequence that the Entitlement Offer will have on the control of Pro-Pac will depend on a number of factors, including the extent to which eligible shareholders take up their entitlements, the extent to which eligible retail shareholders participate in the oversubscription facility and the extent to which institutional investors and brokers participate in the shortfall bookbuilds.

They key control consequences are that:

- if all eligible shareholders take up their entitlements, there will be no material effect on the control of Pro-Pac because eligible shareholders will continue to hold the same percentage interests in Pro-Pac; or
- if some eligible shareholders do not take up their full entitlement, such shareholders' interests will be diluted relative to those who did take up their full entitlement (and potentially also applied for additional new shares through participation in the oversubscription facility or the shortfall bookbuilds, and/or committed to sub-underwrite the Entitlement Offer).

Kin Group holds 57.6% of the shares in Pro-Pac through its subsidiary Bennamon. Bennamon has committed to take up its entitlement in full under the Entitlement Offer. Bennamon has also agreed to sub-underwrite the entire Entitlement Offer. Bennamon is not entitled to participate in the oversubscription facility or the shortfall bookbuilds.

The following table illustrates the impact of the Entitlement Offer on Bennamon's shareholding (and therefore the shares controlled by Kin Group), based on certain assumptions. Kin Group is currently recognised as the ultimate parent entity of Pro-Pac given its capacity to control decision making given it owns greater than a 50% interest in Pro-Pac. As set out in the table, there is the potential for Bennamon to increase its shareholding in Pro-Pac and thereby increase Kin Group's level of control as a result of the Entitlement Offer.

Shareholder	% interest prior to Entitlement Offer	Minimum % interest following completion of Entitlement Offer[1]	Maximum % interest following completion of Entitlement Offer[2]
Kin Group (through its subsidiary Bennamon)	57.6%	57.6%	73.2%

1. Assumes that all eligible shareholders take up their entitlements and that there are no ineligible shareholders.
2. Assumes that no eligible shareholders take up their entitlements other than Kin Group, certain other major shareholders and the Directors of Pro-Pac, that there is no participation in the oversubscription facility, that there is no participation in the shortfall bookbuilds, and that the entire shortfall is issued to Kin Group.

Appendix 5 | Reconciliations

Adopting AASB 16 Leases

AASB 16 Leases became effective for Pro-Pac Packaging on 1 July 2019, requiring operating lease arrangements to be recognised on balance sheet

The impact on the profit or loss for the Group for FY22 is shown in the table below:

	FY22			FY21		
A$ millions	Pre-AASB 16	Adopt AASB 16	Post-AASB 16	Pre-AASB 16	Adopt AASB 16	Post-AASB 16
Revenue from contracts with customers	467.0	-	467.0	440.1	-	440.1
Operating expenditure	(456.4)	13.0	(443.4)	(407.0)	12.3	(394.7)
EBITDA*	**10.6**	**13.0**	**23.6**	**33.2**	**12.3**	**45.5**
Depreciation and amortisation expense	(8.6)	(10.7)	(19.3)	(8.6)	(11.5)	(20.2)
EBIT*	**2.0**	**2.3**	**4.3**	**24.5**	**0.8**	**25.3**
Finance costs, net	(3.9)	(3.3)	(7.2)	(2.7)	(3.8)	(6.5)
PBT*	**(1.9)**	**(1.0)**	**(2.9)**	**21.8**	**(3.0)**	**18.8**
Significant items	(15.6)	-	(15.6)	(7.6)	-	(7.6)
Profit before income tax	**(17.6)**	**(1.0)**	**(18.6)**	**14.2**	**(3.0)**	**11.2**

** Non-IFRS measure as defined in the FY22 results presentation*

George
Leading Warehouse Storeman

Adopting AASB 16 Leases

AASB 16 Leases became effective for Pro-Pac Packaging on 1 July 2019, requiring operating lease arrangements to be recognised on balance sheet

The impact on the profit or loss for Continuing Operations for FY22 is shown in the table below:

	FY22			FY21		
A$ millions	Pre-AASB 16	Adopt AASB 16	Post-AASB 16	Pre-AASB 16	Adopt AASB 16	Post-AASB 16
Revenue from contracts with customers	403.9	-	403.9	372.2	-	372.2
Operating expenditure	(398.4)	10.4	(388.0)	(345.7)	10.5	(335.2)
EBITDA*	**5.5**	**10.4**	**15.9**	**26.4**	**10.5**	**37.0**
Depreciation and amortisation expense	(7.5)	(8.6)	(16.1)	(7.3)	(9.5)	(16.8)
EBIT*	**(2.0)**	**1.8**	**(0.2)**	**19.1**	**1.0**	**20.2**
Finance costs, net	(3.9)	(2.7)	(6.6)	(2.7)	(3.1)	(5.8)
PBT*	**(5.9)**	**(0.9)**	**(6.8)**	**16.5**	**(2.1)**	**14.4**
Significant items	(34.9)	-	(34.9)	(7.3)	-	(7.3)
Profit before income tax	**(40.8)**	**(0.9)**	**(41.8)**	**9.2**	**(2.1)**	**7.0**

** Non-IFRS measure as defined in the FY22 results presentation*

George
Leading Warehouse Storeman

Reconciliations

Reconciliation to EBIT* & EBITDA* for the Group

A$ millions	FY22 Pre-AASB 16	FY22 Adopt AASB 16	FY22 Post-AASB 16	FY21 Pre-AASB 16	FY21 Adopt AASB 16	FY21 Post-AASB 16
Profit/(loss) before tax	**(17.6)**	**(1.0)**	**(18.6)**	**14.2**	**(3.0)**	**11.2**
Add: significant items	15.6	-	15.6	7.6	-	7.6
Add: finance costs	4.0	3.3	7.3	2.9	3.8	6.7
Less: interest income	(0.1)	-	(0.1)	(0.2)	-	(0.2)
EBIT*	**2.0**	**2.3**	**4.3**	**24.5**	**0.8**	**25.3**
Add: depreciation and amortisation	8.6	10.7	19.3	8.6	11.5	20.2
EBITDA*	**10.6**	**13.0**	**23.6**	**33.2**	**12.3**	**45.5**

Reconciliation to NPAT* for the Group

A$ millions	FY22 Pre-AASB 16	FY22 Adopt AASB 16	FY22 Post-AASB 16	FY21 Pre-AASB 16	FY21 Adopt AASB 16	FY21 Post-AASB 16
Profit/(loss) after tax	**(25.2)**	**(0.7)**	**(25.9)**	**10.0**	**(2.1)**	**7.8**
Add: significant items	15.6	-	15.6	7.6	-	7.6
Less: income tax on significant items	2.8	-	2.8	(2.3)	-	(2.3)
NPAT*	**(6.7)**	**(0.7)**	**(7.4)**	**15.3**	**(2.1)**	**13.2**

** Non-IFRS measure as defined in the FY22 results presentation*

Robotic Palletising

Reconciliations

Reconciliation to EBIT* & EBITDA* for Continuing Operations

A$ millions	FY22 Pre-AASB 16	FY22 Adopt AASB 16	FY22 Post-AASB 16	FY21 Pre-AASB 16	FY21 Adopt AASB 16	FY21 Post-AASB 16
Profit/(loss) before tax	**(40.8)**	**(0.9)**	**(41.8)**	**9.2**	**(2.1)**	**7.0**
Add: significant items	34.9	-	34.9	7.3	-	7.3
Add: finance costs	4.0	2.7	6.7	2.9	3.1	6.0
Less: interest income	(0.1)	-	(0.1)	(0.2)	-	(0.2)
EBIT*	**(2.0)**	**1.8**	**(0.2)**	**19.1**	**1.0**	**20.2**
Add: depreciation and amortisation	7.5	8.6	16.1	7.3	9.5	16.8
EBITDA*	**5.5**	**10.4**	**15.9**	**26.4**	**10.5**	**37.0**

Reconciliation to NPAT* for Continuing Operations

A$ millions	FY22 Pre-AASB 16	FY22 Adopt AASB 16	FY22 Post-AASB 16	FY21 Pre-AASB 16	FY21 Adopt AASB 16	FY21 Post-AASB 16
Profit/(loss) after tax	**(41.4)**	**(0.7)**	**(42.1)**	**6.4**	**(1.5)**	**4.9**
Add: significant items	34.9	-	34.9	7.3	-	7.3
Less: income tax on significant items	(3.0)	-	(3.0)	(2.2)	-	(2.2)
NPAT*	**(9.5)**	**(0.7)**	**(10.1)**	**11.6**	**(1.5)**	**10.1**

** Non-IFRS measure as defined in the FY22 results presentation*


Robotic Palletising

Reconciliations

Reconciliation to Operating Cash Flow* for the Group

A$ millions	FY22 Pre-AASB 16	FY22 Adopt AASB 16	FY22 Post-AASB 16	FY21 Pre-AASB 16	FY21 Adopt AASB 16	FY21 Post-AASB 16
Net cash flows from operating activities	**(3.1)**	**9.7**	**6.5**	**18.9**	**8.5**	**27.4**
Add: income tax paid	0.9	-	0.9	1.8	-	1.8
Add: significant items paid/(received), net	(3.1)	-	(3.1)	13.1	-	13.1
Add: interest paid	3.7	3.3	7.0	2.6	3.8	6.4
Less: interest received	(0.1)	-	(0.1)	(0.2)	-	(0.2)
Operating cash flow*	**(1.7)**	**13.0**	**11.3**	**36.2**	**12.3**	**48.5**
EBITDA	**10.6**	**13.0**	**23.6**	**33.2**	**12.3**	**45.5**
Operating cash flow conversion	**(16.8)%**	**100%**	**47.7%**	**109.1%**	**100%**	**106.6%**

** Non-IFRS measure as defined in the FY22 results presentation*

Reconciliations

Reconciliation to Operating Cash Flow* for Continuing Operations

A$ millions	FY22			FY21		
	Pre-AASB 16	Adopt AASB 16	Post-AASB 16	Pre-AASB 16	Adopt AASB 16	Post-AASB 16
Net cash flows from operating activities	**0.1**	**7.7**	**7.8**	**11.9**	**7.4**	**19.2**
Add: income tax paid	0.9	-	0.9	1.8	-	1.8
Add: significant items paid/(received), net	(3.9)	-	(3.9)	12.8	-	12.8
Add: interest paid	3.7	2.7	6.4	2.6	3.1	5.7
Less: interest received	(0.1)	-	(0.1)	(0.2)	-	(0.2)
Operating cash flow*	**0.7**	**10.4**	**11.1**	**28.8**	**10.5**	**39.3**
EBITDA	**5.5**	**10.4**	**15.9**	**26.4**	**10.5**	**36.9**
Operating cash flow conversion	**13.2%**	**100%**	**70.0%**	**109.0%**	**100%**	**106.5%**

** Non-IFRS measure as defined in the FY22 results presentation*

Reconciliations

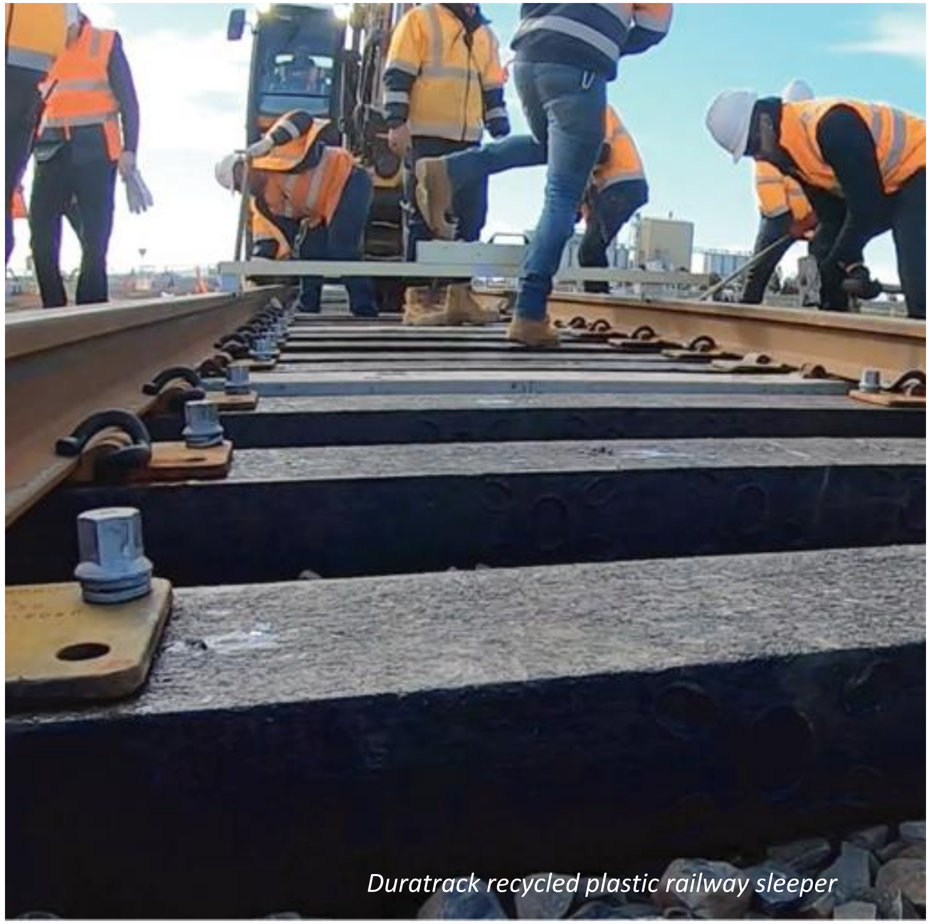
Reconciliation to Gearing* for the Group

A$ millions	JUN-22	JUN-21
LTM EBITDA* (Post AASB 16)	**23.6**	**45.5**
Less: Adjustment for AASB 16 Leases	**(13.0)**	**(12.3)**
LTM Adjusted EBITDA* (pre-AASB 16)	**10.6**	**33.2**
Borrowings	25.0	58.9
Less: cash and cash equivalents	(1.3)	(7.9)
Net debt*	**23.6**	**51.0**
Gearing*	**2.2x**	**1.5x**

Reconciliation to Gearing* for Continuing Operations

A$ millions	JUN-22	JUN-21
LTM EBITDA* (Post AASB 16)	**15.9**	**36.9**
Less: Adjustment for AASB 16 Leases	**(10.4)**	**(10.5)**
LTM Adjusted EBITDA* (pre-AASB 16)	**5.5**	**26.4**
Borrowings	25.0	58.9
Less: cash and cash equivalents	(1.3)	(7.9)
Net debt*	**23.6**	**51.0**
Gearing*	**4.3x**	**1.9x**

** Non-IFRS measure as defined in the FY22 results presentation*


Duratrack recycled plastic railway sleeper

Reconciliations

Reconciliation of Significant Items* for the Group

A$ millions	FY22 Pre-AASB 16	FY22 Adopt AASB 16	FY22 Post-AASB 16	FY21 Pre-AASB 16	FY21 Adopt AASB 16	FY21 Post-AASB 16
Rigid divestment gain, less associated costs	(19.3)	-	(19.3)	-	-	-
Goodwill impairment	25.0	-	25.0	-	-	-
Integration and restructuring costs	7.3	-	7.3	4.1	-	4.1
Chester Hill closure program	1.4	-	1.4	5.4	-	5.4
Source and sell closure costs	1.0	-	1.0	-	-	-
Indemnifiable losses	0.2	-	0.2	(1.8)	-	(1.8)
Significant items before income tax	**15.6**	**-**	**15.6**	**7.6**	**-**	**7.6**
Income tax (expense)/benefit	2.8	-	2.8	(2.3)	-	(2.3)
Significant items after income tax	**18.5**	**-**	**18.5**	**5.3**	**-**	**5.3**
Payments in relation to significant items	7.1	-	7.1	14.9	-	14.9
Receipts from in relation to significant items	(10.2)	-	(10.2)	(1.8)	-	(1.8)
Significant items paid/(received), net	**(3.1)**	**-**	**(3.1)**	**13.1**	**-**	**13.1**

** Non-IFRS measure as defined in the FY22 results presentation*

Fillor
Extrusion Team Leader

Reconciliations

Reconciliation of Significant Items* for Continuing Operations

A$ millions	FY22 Pre-AASB 16	FY22 Adopt AASB 16	FY22 Post-AASB 16	FY21 Pre-AASB 16	FY21 Adopt AASB 16	FY21 Post-AASB 16
Goodwill impairment	25.0	-	25.0	-	-	-
Integration and restructuring costs	7.3	-	7.3	3.8	-	3.8
Chester Hill closure program	1.4	-	1.4	5.4	-	5.4
Source and sell closure costs	1.0	-	1.0	-	-	-
Indemnifiable losses	0.2	-	0.2	(1.8)	-	(1.8)
Significant items before income tax	**34.9**	**-**	**34.9**	**7.3**	**-**	**7.3**
Income tax (expense)/benefit	(3.0)	-	(3.0)	(2.2)	-	(2.2)
Significant items after income tax	**32.0**	**-**	**32.0**	**5.1**	**-**	**5.1**
Payments in relation to significant items	6.3	-	6.3	14.6	-	14.6
Receipts from in relation to significant items	(10.2)	-	(10.2)	(1.8)	-	(1.8)
Significant items paid/(received), net	**(3.9)**	**-**	**(3.9)**	**12.8**	**-**	**12.8**

** Non-IFRS measure as defined in the FY22 results presentation*

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