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Wednesday, 7 September 2022

PRO-PAC PACKAGING LIMITED (ASX:PPG) SUCCESSFULLY COMPLETES INSTITUTIONAL ENTITLEMENT OFFER

- Institutional Entitlement Offer successfully completed, raising approximately A\$23.6 million
- Institutional Entitlement Offer was strongly supported by existing institutional shareholders, with over 97% take up from eligible institutional shareholders
- The Institutional Shortfall Bookbuild cleared at the Offer Price of A\$0.30
- The Institutional Entitlement Offer had strong support from existing investors and enabled new investor participation through the Institutional Shortfall Bookbuild
- PPG Directors committed to participate in the Entitlement Offer, in an amount, in aggregate of approximately A\$380,000

Pro-Pac Packaging Limited (PPG, ASX:PPG) is pleased to announce the successful completion of the accelerated institutional component (**Institutional Entitlement Offer**) of the fully underwritten 1.24 for 1 pro rata accelerated renounceable entitlement offer (**Entitlement Offer**) to raise \$30.2 million announced on Monday, 5 September 2022.

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.

New fully paid ordinary shares in PPG (**New Shares**) under the Offer will be issued at a price of \$0.30 per New Share (**Offer Price**), which represents:

- 52.8% discount to the last close price of A\$0.635 on Friday, 26 August 2022;
- 33.3% discount to the Theoretical Ex-Rights Price (**TERP**)¹ of A\$0.450; and
- 41.1% discount to the 5-day volume weighted average price (**VWAP**) of A\$0.510.

MA Moelis Australia Advisory Pty Limited acted as lead manager and underwriter to the Offer.

¹ The TERP is a theoretical price at which a PPG share will trade immediately after the ex-date for the Offer assuming 100% take up of the Offer. The TERP is a theoretical calculation only and the actual price at which PPG shares will trade immediately after the ex-date for the Offer will depend on many factors and may not be equal to the TERP. TERP is calculated by reference to PPG's closing price of \$0.635 per share on Friday, 26 August 2022.

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Institutional Entitlement Offer

The Institutional Entitlement Offer attracted strong support from institutional shareholders, led by Kin Group, PPG's largest shareholder, with take-up by eligible institutional shareholders of over 97%. PPG will issue 78.6 million New Shares at the Offer Price to raise approximately A\$23.6 million under the Institutional Entitlement Offer.

Entitlements not taken up by eligible institutional shareholders and entitlements that would have been issued to ineligible institutional shareholders had they been eligible to participate in the Institutional Entitlement Offer were sold through a shortfall bookbuild (**Institutional Shortfall Bookbuild**). Eligible institutional shareholders who elected not to take up their entitlements, and ineligible institutional shareholders, will not receive any proceeds for their entitlements, as the Institutional Shortfall Bookbuild clearing price was the Offer Price.

PPG's Executive Chairman, Jonathan Ling commented *"We are very pleased with the strong support by our existing shareholders of the Offer, which will enable PPG to operate in a financially improved position. We welcome the new shareholders, as we continue to execute on the Company's strategy."*

New Shares issued under the Entitlement Offer will rank pari passu with existing shares from their dates of issue.

Settlement of the New Shares issued as part of the Institutional Entitlement Offer is expected to occur on Wednesday, 14 September 2022. The issue of those New Shares is expected to occur on Thursday, 15 September 2022, with ordinary trading commencing the same day.

The ASX voluntary suspension in relation to PPG shares is expected to be lifted from commencement of trading today (Wednesday, 7 September 2022).

Retail Entitlement Offer

The retail component of the Entitlement Offer (Retail Entitlement Offer) is expected to approximately raise a further \$6.6 million.

Eligible retail shareholders, being shareholders on PPG's register at 7:00pm (Melbourne time) on Wednesday, 7 September 2022 with an address in Australia or New Zealand, will have the opportunity to take up their entitlement at the same offer price and offer ratio as under the Institutional Entitlement Offer (**Retail Entitlement Offer**). More information on the Retail Entitlement Offer will be provided in the Retail Entitlement Offer Booklet, including a personalised entitlement and acceptance form, expected to be dispatched on Monday, 12 September 2022.

Eligible retail shareholders who take up their full entitlement may also apply for additional New Shares at the price at which entitlements of renouncing and ineligible shareholders are sold under the Retail Shortfall

Bookbuild, under an oversubscription facility established by the Company (**Oversubscription Facility**). There is no cap on the number of New Shares that eligible retail shareholders may apply for under the Oversubscription Facility.

Entitlements not taken up by eligible retail shareholders and entitlements of ineligible retail shareholders will be offered under a bookbuild to certain institutional investors, to be conducted after the close of the Retail Entitlement Offer (**Retail Shortfall Bookbuild**). If the price at which the entitlements of renouncing shareholders or ineligible shareholders are sold under the Retail Shortfall Bookbuild exceeds the Offer Price of A\$0.30, that premium amount will be paid on a pro-rata basis to renouncing or ineligible shareholders.

The Retail Entitlement Offer will open on Monday, 12 September 2022 and is expected to close at 5:00pm (Melbourne time) on Thursday, 6 October 2022.

Timetable

Event	Indicative date
Announce results of Institutional Entitlement Offer	Wednesday, 7 September 2022
Suspension lifted and PPG shares recommence trading	Wednesday, 7 September 2022
Record date for Offer (7:00pm Melbourne time)	Wednesday, 7 September 2022
Retail Entitlement Offer opens	Monday, 12 September 2022
Settlement of Institutional Entitlement Offer	Wednesday, 14 September 2022
Allotment and ASX quotation of Institutional Entitlement Offer shares	Thursday, 15 September 2022
Retail Entitlement Offer closes (5:00pm Melbourne time)	Thursday, 6 October 2022
Announce results of Retail Entitlement Offer	Monday, 10 October 2022
Retail Shortfall Bookbuild	Wednesday, 12 October 2022
Settlement of Retail Entitlement Offer	Friday, 14 October 2022
Allotment of Retail Entitlement Offer shares	Monday, 17 October 2022
ASX quotation of Retail Entitlement Offer shares	Tuesday, 18 October 2022

The timetable is indicative only and, subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable laws, PPG may at its discretion vary the above dates by lodging a revised timetable with the ASX. The commencement of trading and quotation of New Shares issued under the Offer is subject to confirmation from ASX. All times referred to in this table are Melbourne time.

Additional Information

Further details of the Offer, including applicable dates are set out in the accompanying investor presentation also provided to the ASX on Monday, 5 September 2022. The investor presentation contains important information including key risks and international offer restrictions with respect to the Offer.

This announcement has been authorised for release by the Board of Directors.

Further information

For further information, please contact:

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About Pro-Pac Packaging Limited

Pro-Pac Packaging is a diversified manufacturing and distribution business providing innovative flexible and industrial packaging solutions for a broad group of blue-chip clients and small-to-medium enterprises. Pro-Pac Packaging has its corporate office in Melbourne, overseeing an international footprint including Australia and New Zealand. Pro-Pac Packaging's securities are listed and quoted on the ASX. For further information on Pro-Pac Packaging visit www.ppgaust.com.au.

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This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of PPG, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the ongoing impact of COVID-19 as well as the military conflict in Ukraine.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of PPG's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the ongoing impact of COVID-19 as well as the military conflict in Ukraine, and except as required by law or regulation, none of PPG, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to PPG as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of PPG, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

The information in this announcement is in summary form and does not contain all the information necessary to fully evaluate the transaction or investment. It should be read in conjunction with PPG's other periodic and continuous disclosure announcements lodged with the ASX. The announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and does not form the basis of any contract or commitment. All persons should consider seeking appropriate professional advice in reviewing this announcement.