

Leading the Circular Economy

Chair's Letter

Pact Group Holdings Ltd – Year Ended 30 June 2025



Dear Shareholders,

On behalf of the Board of Directors of Pact Group Holdings Ltd, I am pleased to present our Annual Report for the year ended 30 June 2025.

Pact remains firmly committed to its strategic vision of *Leading the Circular Economy* by delivering scaled circular solutions through reuse and recycling, packaging and consumer products.

Our ongoing investment in sustainable packaging and recycling infrastructure positions us at the forefront of industry transformation. We continue to make progress on our sustainability targets and supporting our customers to transition to packaging made with recycled content.

Pact remains firmly committed to its strategic vision of *Leading the Circular Economy* by delivering scaled circular solutions through reuse and recycling, packaging and consumer products.

This year, we strengthened our focus on core growth areas, including through the sale of Viscount Rotational Mouldings in December 2024. These steps, alongside operational improvements, are designed to drive long-term value and reinforce our strategic goals.

Market conditions remained challenging in FY25, with increased levels of macroeconomic uncertainty, such as cost and wage inflation, supply chain disruptions, geopolitical tensions, and delayed regulatory reform for packaging in Australia. Despite these challenges the Group's revenue and underlying earnings before interest and tax from continuing operations were ahead of the prior period. Net debt increased by \$76m. The Board has determined not to pay a final dividend in FY25.

On 16 July 2025, Pact Group Holdings Ltd delisted from the Official List of the Australian Securities Exchange (ASX). The delisting was approved by special resolution of shareholders at an extraordinary general meeting held on 12 June 2025. Although we are delisted, we remain committed to meeting our disclosure and other obligations to our investor community.

Thank you for your continued support and confidence in our vision to *Lead the Circular Economy*.

A handwritten signature in dark ink, appearing to read 'R. Geminder', written in a cursive style.

Raphael Geminder
Chair
Pact Group Holdings Ltd

Pact Group Holdings Ltd
ABN: 55 145 989 644

Full Year Consolidated Financial Report

For the year ended 30 June 2025



INTRODUCTION

This is the *Consolidated Financial Report* of Pact Group Holdings Ltd (**Pact** or the **Company**) and its subsidiaries (together referred to as the **Group**) and including the Group's joint ventures at the end of, or during the year ended 30 June 2025. This *Consolidated Financial Report (Report)* was issued in accordance with a resolution of the Directors on 21 August 2025.

Information is only included in the *Report* to the extent the Directors consider it material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if, for example:

- the dollar amount is significant in size and/or nature;
- the Group's results cannot be understood without the specific disclosure;
- it is critical to allow a user to understand the impact of significant changes in the Group's business during the year; and
- it relates to an aspect of the Group's operations that is important to its future performance.

Preparing this *Report* requires management to make a number of judgements, estimates and assumptions to apply the Group's accounting policies. Actual results may differ from these judgements and estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Key judgements and estimates, which are material to this *Report*, are highlighted within the following notes:

- Note 1.3: Taxation
- Note 2.2: Estimation of useful lives of assets
- Note 2.2: Recoverability of property, plant and equipment
- Note 2.2: Impairment of goodwill and other intangibles
- Note 2.4: Business restructuring
- Note 2.5: Incremental borrowing rate
- Note 2.5: Determining the lease term of contracts with renewal and termination options

To assist in identifying key accounting estimates and judgements, they have been highlighted as follows:



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REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

PACT GROUP HOLDINGS LTD

FOR THE YEAR ENDED 30 JUNE 2025

Pact Group Holdings Ltd (ASX: **PGH**) (**Pact** or the **Company**) and its subsidiaries (collectively, the **Group**) has reported revenue of \$1,821.7 million for the year ended 30 June 2025, down 1.9% compared to the prior corresponding period (**pcp**). The statutory reported net profit after tax (**NPAT**) for the year was \$23.6 million, compared to a statutory reported net profit after tax of \$74.9 million in the pcp. Underlying NPAT⁴ for the year was \$37.7 million, down 16.0% compared to \$44.9 million in the pcp.

OVERVIEW

- Revenue down 1.9% to \$1,821.7 million (pcp: \$1,857.2 million).
- Statutory reported net profit after tax of \$23.6 million (pcp: \$74.9 million).
- Underlying EBITDA¹ down 6.2% to \$249.1 million (pcp: \$265.4 million).
- Underlying EBIT² down 10.4% to \$138.5 million (pcp: \$154.6 million).
- Underlying NPAT⁴ down 16.0% to \$37.7 million (pcp: \$44.9 million).
- On 31 December 2024, the Group sold the shares of its wholly owned subsidiary Viscount Rotational Mouldings Pty Ltd (**VRM**) to CRH Infrastructure Products Australia Pty Ltd for net cash consideration of \$21.8 million. The trading of VRM for the period to 31 December 2024 is classified in continuing operations as it was not a major line of business for Pact.
- On 1 December 2023, the Group divested 50% of its crate pooling and crate manufacturing business (**Crates Business**) and retained the remaining 50% forming a joint venture (Marquis) in partnership with global infrastructure investment manager, Morrison & Co (**Crates transaction**). The Crates Business was classified as Discontinued Operations³ in the FY24 *Consolidated Financial Report*.
- In FY25 a contingent consideration of \$15.0 million was agreed in accordance with the share sale agreement (SSA) with Morrison & Co. As Pact retained a 50% share in the Crates Business, the economic benefit of this transaction is \$7.5 million to the Group. In the financial statements the Group has reflected the 100% contingent consideration of the Crates Business offset by Pact's share of 50% of the contingent cost reflected in the Marquis joint venture as part of the share of (losses)/profits in joint ventures. These two transactions are disclosed as underlying adjustments.
- Revenue decline of \$35.5 million is due to continuing operations up \$18.0 million, offset by the Discontinued Operations reduction of \$53.5 million.
- The increase in revenue improved Underlying EBIT² in the continuing business by \$2.0 million (1.5%), which was offset by the Discontinued Operations reduction of \$18.1 million.
- Net debt⁷ of \$495.3 million is up \$76.4 million on pcp as the Company continued its capital asset program and settled tax obligations arising from the divestment of the Crates Business.
- Gearing⁵ at 3.0x (compared to 2.5x in the pcp).
- The Board has resolved not to pay a final dividend in respect of FY25.

Group Sales Revenue – \$ millions

	2025	2024	Change %
Revenue – Continuing Operations	1,821.7	1,803.7	1.0%
Revenue – Discontinued Operations ³	-	53.5	-
Revenue – Total Group	1,821.7	1,857.2	(1.9%)

Key Financial Highlights – \$ millions

	2025	2024	Change %
Revenue	1,821.7	1,857.2	(1.9%)
Underlying EBITDA¹	249.1	265.4	(6.2%)
Operating Units Underlying EBIT²			
Packaging & Sustainability	96.8	104.6	(7.5%)
Materials Handling & Pooling	37.3	23.3	60.5%
Contract Manufacturing	4.5	8.6	(48.2%)
Underlying EBIT² – Continuing Operations	138.5	136.5	1.5%
Materials Handling & Pooling – Discontinued Operations ³	-	18.1	-
Underlying EBIT² Total Group	138.5	154.6	(10.4%)
Underlying NPAT⁴	37.7	44.9	(16.0%)
Reported Net Profit After Tax	23.6	74.9	(68.5%)
Total Dividends – cents per share	-	-	n/a

Note: Underlying EBITDA, Underlying EBIT and Underlying NPAT are non-IFRS financial measures and have not been subject to audit by the Company's external auditor. Refer to page vi for definitions.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Reconciliation of Statutory Income – \$ millions	2025	2024
Statutory profit before income tax expense for Continuing Operations	33.4	8.3
Statutory profit before income tax expense for Discontinued Operations	-	120.8
Statutory profit before income tax expense	33.4	129.1
Net finance costs and loss on de-recognition of financial assets	91.3	92.3
Reported EBIT	124.7	221.4
Underlying adjustment expense / (income)	13.8	(66.8)
Underlying EBIT²	138.5	154.6
Depreciation and amortisation expense	110.6	110.8
Underlying EBITDA¹	249.1	265.4
Underlying EBITDA ¹ – Discontinued Operations ³	-	20.3
Underlying EBITDA¹ – Continuing Operations	249.1	245.1
Statutory net profit	23.6	74.9
Underlying adjustments before tax	13.8	(66.8)
Tax expense on underlying adjustments	0.3	36.8
Underlying NPAT⁴	37.7	44.9
Consisting of:		
Underlying NPAT ⁴ – Discontinued Operations ³	-	13.5
Underlying NPAT⁴ – Continuing Operations	37.7	31.4

GROUP RESULTS

\$'000	2025	2024	Change %
Revenue	1,821,729	1,857,165	(1.9%)
Other income (excluding interest revenue)	23,380	18,136	
Expenses	(1,596,048)	(1,609,869)	
Underlying EBITDA¹	249,061	265,432	(6.2%)
<i>EBITDA margin</i>	13.7%	14.3%	
Depreciation and amortisation	(110,559)	(110,850)	
Underlying EBIT²	138,502	154,582	(10.4%)
<i>EBIT margin</i>	7.6%	8.3%	
Underlying adjustments (before tax)	(13,825)	66,773	
Reported EBIT	124,677	221,355	(43.7%)
Net finance costs expense	(91,266)	(92,264)	
Income tax expense	(9,551)	(17,399)	
Tax on underlying adjustments	(262)	(36,819)	
Net profit after tax	23,598	74,873	(68.5%)

Revenue and Underlying EBIT²

Further detail on revenue and earnings in each of the Group's operating units is contained in the Review of Continuing Operations section.

Underlying adjustments

Pre-tax underlying adjustments for the year were a cost of \$13.8 million, which includes the gain from the VRM divestment of \$13.6 million.

A net gain of \$4.5 million relates to the Marquis joint venture. This included a contingent consideration of \$15.0 million offset by \$7.5 million loss recognised through equity accounting for our share of this transaction and \$3.0 million in fair value adjustments.

Losses and expenses of \$31.9 million includes \$16.1 million of business restructuring costs, \$6.5 million in transaction costs and \$3.4 million for lease exit costs. NPAT losses relating to the CPA (PE) JV of \$5.9 million were also included as the site was not certified for food grade material until late June 2025.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Underlying adjustments (continued)

Pre-tax underlying adjustments for the prior year were a gain of \$66.8 million, which included the net gain from the Crates transaction of \$103.2 million. Pre-tax underlying adjustments for Continuing Operations for FY24 were an expense of \$36.5 million, primarily related to transaction costs of \$5.2 million and net business restructuring costs of \$28.8 million.

Net finance expense

Net finance costs for the year were \$91.3 million, inclusive of \$36.8 million of interest expense on lease liabilities. This is a decrease on the pcg of \$1.0 million. Total interest expense on borrowings is down on the pcg by \$2.1 million.

Income tax expense and tax on underlying adjustments

The income tax expense for the year (excluding tax on underlying adjustments) was \$9.6 million, representing an average tax rate of 20.2% of underlying net profit before tax, 7.7% lower than the pcg (27.9%). In FY25 the mix of taxable profits earned is more weighted to offshore markets following the disposal of the Crates Business in the prior year.

Tax on underlying adjustments was a cost of \$0.3 million for the year, compared to a cost of \$36.8 million in the pcg which included the impact of the Crates transaction.

Net profit after tax

The reported net profit after tax for the year was \$23.6 million compared to a net profit after tax of \$74.9 million for the prior year. Excluding underlying adjustments, NPAT was \$37.7 million, a decrease of \$7.2 million compared to \$44.9 million in the pcg.

BALANCE SHEET

\$'000	2025	2024	Change %
Cash	64,944	68,229	(4.8%)
Other current assets	438,189	412,602	6.2%
Property plant and equipment	1,048,863	969,405	8.2%
Intangible assets	311,514	314,597	(1.0%)
Investment in Joint Ventures	122,640	143,403	(14.5%)
Other non-current assets	53,293	43,940	21.3%
Total Assets	2,039,443	1,952,176	4.5%
Lease liabilities	540,855	509,297	(6.2%)
Bank borrowings and overdrafts	560,281	487,133	(15.0%)
Other liabilities, payables and provisions	431,507	481,562	(10.4%)
Total Liabilities	1,532,643	1,477,992	(3.7%)
Net Assets	506,800	474,184	6.9%
Net Debt including lease liabilities⁷	1,036,192	928,201	(11.6%)
Net Debt⁷	495,337	418,904	(18.2%)

Net debt of \$495.3 million was up \$76.4 million versus 30 June 2024 as the Company continued its capital asset program and settled tax obligations arising from the divestment of the Crates Business. The Group has undrawn debt capacity of \$235.4 million in committed undrawn facilities.

Movement in Total Assets is predominately due to the movement in other current assets which includes the gross contingent consideration of \$15.0 million due from Marquis and the increase in property, plant and equipment of \$79.5 million due to the capital asset program. This was partially offset by the share of net losses and dividends received from joint ventures.

The decrease in intangible assets of \$3.1 million was predominately due to the \$5.3 million reduction from the divestment of VRM, offset by foreign currency movements.

Financing Metrics	2025	2024	Change
Gearing ⁵	3.0x	2.5x	(0.5x)
Gearing (including leasing) ⁵	4.2x	3.7x	(0.5x)
Interest cover ⁶	3.5x	3.7x	(0.2x)
Interest cover (including leasing) ⁶	3.0x	3.2x	(0.2x)

At 30 June 2025 gearing⁵ was 3.0x, an increase of 0.5x compared to the pcg due to the movement in net debt. Including the impact of lease accounting, gearing⁵ was 4.2x (compared to 3.7x in the pcg). Interest cover⁶ at 3.5x was 0.2x lower than the pcg. Including the impact of lease accounting, interest cover⁶ was 3.0x (compared to 3.2x in the pcg).

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

CASH FLOW

Key Items – \$'000	2025	2024	Change %
Net cash flows provided by operating activities	66,398	117,756	(43.6%)
Payments for property, plant and equipment	(119,386)	(116,263)	(2.7%)
Proceeds from sale of divestment group (net of transaction costs)	21,762	225,473	(90.3%)
Proceeds from Government grants	5,902	-	n/a
Payments of loans or investments in joint ventures	(5,790)	(7,674)	(24.6%)
Dividends received and capital distribution from joint ventures	5,401	778	594.2%
Proceeds from borrowings	1,356,797	519,389	161.2%
Repayment of borrowings	(1,283,242)	(701,185)	(83.0%)
Repayment of lease liability principal	(48,901)	(50,006)	2.2%

Statutory net cash flows provided by operating activities was \$66.4 million for the year, down \$51.4 million compared to the prior year. This decline is driven by a reduction in EBITDA from the disposal of VRM in December 2024 and the Crates Business in December 2023, higher finance costs including transaction costs of refinancing activities completed in June 2025 and additional income tax payable from the settlement of tax obligations from the Crates transaction.

Payments for property, plant and equipment were \$119.4 million for the year, \$3.1 million up versus the pc. In line with our strategy, investment has focused on upgrading our packaging capability to enable the inclusion of increased recycled content, strengthening capacity and relocating facilities.

Proceeds from the sale of the divestment group of \$21.8 million relates to the disposal of VRM which completed on 31 December 2024. The prior year comparative of \$225.5 million is related to the Crates transaction, net of transaction costs.

Proceeds from Government grants of \$5.9 million are predominately grants received from the Federal Government's Modern Manufacturing Initiative. No grants were received in FY24.

Payments of loans or investments in joint venture loans of \$5.8 million relate to further investments in Pact's joint ventures that are building a national network of recycling infrastructure to supply high-quality food grade recycled resins.

Dividends received and capital distribution from joint ventures of \$5.4 million includes \$4.3 million from Marquis.

Proceeds and repayments from borrowings were impacted by the completion of refinancing of senior and subordinated debt facilities which was completed in June 2025.

Repayments of lease liability principal (net of incentive received) represents the payment of liabilities recognised after the adoption of AASB16 in FY20.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

REVIEW OF OPERATIONS

The Group has three operating units working together across the Circular Economy:

- Packaging & Sustainability
- Materials Handling & Pooling
- Contract Manufacturing

Inter-operating unit eliminations of \$50.0 million (pcp: \$40.4 million) are not included in the operating unit financial information below.

Packaging & Sustainability

The Packaging & Sustainability operating unit is a leader in sustainable packaging and plastics recycling, differentiated through manufacturing, technical and innovation capability and access to recycled materials. It is a market leader in rigid plastic packaging in Australia and New Zealand with a presence in Asia. The business is a leader in select rigid metals packaging sectors in Australia and New Zealand and a leading supplier of sustainability, environmental, reconditioning and recycling services in Australia and New Zealand. The Packaging & Sustainability operating unit contributed 66% of the Group's continuing revenue in FY25 (excluding inter-operating unit eliminations).

\$'000	2025	2024	Change %
Revenue	1,243,065	1,247,794	(0.4%)
Underlying EBITDA¹	177,589	183,668	(3.3%)
EBITDA Margin %	14.3%	14.7%	(0.4%)
Underlying EBIT²	96,789	104,625	(7.5%)
EBIT Margin %	7.8%	8.4%	(0.6%)

Revenue for the Packaging & Sustainability operating unit was down 0.4% versus the pcp. Packaging volumes were down on the pcp in Australia with shortfalls in high gross margin segments of health, personal care and foods, whilst New Zealand, Recycling and Asia volumes were in line with the prior year.

Underlying EBIT² for the year of \$96.8 million was down \$7.8 million (7.5%) on the pcp. Lower volumes in higher product margin segments of health, personal care and foods in Australia impacted gross margin performance and supply chain costs were elevated due to disruption caused by the closure of Qenos in Australia in September 2024 (refer Overview of Business Strategy section).

EBIT margins for the year of 7.8% were down 0.6% versus pcp.

Materials Handling & Pooling

The Materials Handling & Pooling operating unit is an integral service provider to major supermarkets, retailers and governments and provides sustainable and efficient supply chain solutions through best-in-class reuse platforms and technology. The Reuse business is a leading Australian supplier of polymer materials handling products and owns 50% of the largest supplier of returnable produce crate pooling services in Australia and New Zealand. The operating unit also includes Pact Retail Accessories, a closed loop plastic garment hanger and accessories reuse business operating across several countries in Asia as well as in Australia, the United States of America (USA) and the United Kingdom (UK). The Materials Handling & Pooling operating unit for Continuing Operations contributed 14% of the Group's continuing revenue in FY25 (excluding inter-operating unit eliminations).

\$'000	2025	2024	Change %
Revenue	257,098	240,758	6.8%
Underlying EBITDA¹	53,863	40,519	32.9%
EBITDA Margin %	21.0%	16.8%	4.2%
Underlying EBIT²	37,252	23,212	60.5%
EBIT Margin %	14.5%	9.6%	4.9%

Revenue for the Materials Handling & Pooling operating unit was up 6.8% versus the pcp due to volume growth and increased capacity investments in the mobile garbage bin platforms over the past two years.

Underlying EBIT² for the operating unit of \$37.3 million was up \$14.0 million (59.8%) on the pcp due to volume growth and operating efficiencies from recent platform upgrades.

EBIT margins for the year of 14.5% were up 4.9% versus pcp.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Contract Manufacturing

The Contract Manufacturing operating unit is a leading supplier of innovative contract manufacturing services for the home, personal care and health and wellness categories in Australia. The business includes manufacturing capability for liquid, powder, aerosol and nutraceutical products. The Contract Manufacturing operating unit contributed 20% of the Group's continuing revenue in FY25 (excluding inter-operating unit eliminations).

\$'000	2025	2024	Change %
Revenue	371,594	355,532	4.5%
Underlying EBITDA¹	17,608	20,877	(15.7%)
EBITDA Margin %	4.7%	5.9%	(1.2%)
Underlying EBIT²	4,461	8,616	(48.2%)
EBIT Margin %	1.2%	2.4%	(1.2%)

Revenue for Contract Manufacturing was up 4.5% on the pcg. Inflationary pressures continue to drive a shift in consumer behaviour towards private label and volumes in the nutraceutical sector recovered.

Underlying EBIT² for the year was a profit of \$4.5 million, down \$4.2 million from \$8.6 million in the pcg. An improved product mix in nutraceuticals was offset by the increase in costs of the new Horsley Park site in New South Wales which was commissioned in March 2025.

EBIT margins for the year of 1.2% were down 1.2% versus pcg.

SUBSEQUENT EVENTS

On 14 July 2025, PGH shares were suspended from trading on ASX at the close of trade and the delisting was effective on 16 July 2025. Following this date, Pact Group Holdings Ltd is an unlisted public company.

Performance conditions for the 2023 performance rights granted to certain employees (as part of the previous Long-Term Incentive Plan) were not met and consequently all 2023 performance rights lapsed in full on 20 August 2025. There are no performance rights remaining in the Company.

In the opinion of the Directors, other than the matters aforementioned, there have been no other material matters or circumstances which have arisen between 30 June 2025 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

NOTES

This Review of Operations and Financial Performance includes certain non-IFRS financial information which has not been subject to review by the Group's external auditor. This information is used by Pact, the investment community and Pact's Australian peers with similar business portfolios. Pact uses this information for its internal management reporting as it better reflects what Pact considers to be its underlying performance.

- (1) Underlying EBITDA is a non-IFRS financial measure which is calculated as earnings before underlying adjustments, finance costs (net of interest revenue), tax, depreciation and amortisation.
- (2) Underlying EBIT is a non-IFRS financial measure which is calculated as earnings before underlying adjustments, finance costs (net of interest revenue) and tax.
- (3) Discontinued Operations in FY24 relate to the divestment of the Crates Business effective 30 November 2023. The ongoing impact of the 50% NPAT in the Marquis joint venture is considered Continuing Operations.
- (4) Underlying NPAT is a non-IFRS financial measure which is calculated as net profit after tax before underlying adjustments.
- (5) Gearing is a non-IFRS financial measure which is calculated as net debt divided by rolling 12 months underlying EBITDA. Gearing has been presented both excluding and including the impact of lease accounting since the adoption of AASB16.
- (6) Interest cover is a non-IFRS financial measure which is calculated as rolling 12 months underlying EBITDA divided by rolling 12 months net finance costs and losses on de-recognition of financial assets. Interest cover has been presented excluding and including the impact of lease accounting since the adoption of AASB16.
- (7) Net debt is a non-IFRS financial measure and is calculated as interest bearing liabilities (presented including and excluding lease liabilities) less cash and cash equivalents. Bank borrowings exclude prepaid borrowing costs.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

OVERVIEW OF BUSINESS STRATEGY

Our Vision

Pact's Vision is to *Lead the Circular Economy* through reuse, recycling and packaging solutions.

Our Priorities

The Group will seek to deliver long-term value focusing on three core areas:

- Strengthen our core
- Expand reuse and recycling capability
- Leverage regional scale

Our Progress

Focusing the portfolio and strengthening the balance sheet

During FY25 Pact successfully disposed of Viscount Rotational Moulding and agreed the contingent consideration agreement with Morrison & Co. The Company continues to review its portfolio and is continuing its review of the Asian packaging and closures business which forms part of the Packaging and Sustainability operating unit.

Defending core Australian and New Zealand consumer packaging businesses

Operations in our Australian and New Zealand packaging businesses are stable notwithstanding the closure of Qenos in September 2024. Qenos was Pact's core resin supplier in Australia until its shutdown. Substitute resins were sought from imported suppliers causing significant disruption in the first half of FY25 however supply chains have reset and normalised through the second half of FY25.

Lead plastics recycling in Australia and New Zealand

The Group, together with its partners, has continued to progress its development of a national network of recycling infrastructure and continues to lead the industry in providing scaled, best-in-class facilities to provide high-quality food grade recycled resins.

- The Circular Plastics Australia (PET) joint venture¹ assets in Albury and Altona are operational and supplying recycled PET resin to major beverage customers, including joint venture partners.
- The joint venture recycling facility in Laverton (HDPE)² is certified and launched *rFRESH 100* local recycled HDPE used in food and beverage packaging applications.

BUSINESS RISKS

There are various internal and external risks that may have a material impact on the Group's future financial performance and economic sustainability. The Group makes every effort to identify material risks and to manage these effectively. There has been an increased level of macroeconomic uncertainty, such as cost and wage inflation, increases in interest rates, geopolitical tensions, and pressures on retaining and attracting talent over the last two years. Pact has teams in place to actively monitor these risks and has also expanded our capability to manage our risks through the appointment of subject matter experts and risk champions across our business. The Group applies a three lines of defence model approach to managing risk and compliance obligations.

Material risks that could adversely impact the Group's financial prospects are listed below. These risks are not to be interpreted as an exhaustive list of the risks Pact is exposed to, nor are they in order of significance.

Cyber risks

Data security is fundamental to protect privacy of information and to protect critical intellectual property. Advances in technology have resulted in an increased volume of data being stored electronically. There is an increasing risk of and sophistication to cyber-attacks and crime, which may lead to systems and data breaches, interruption to operations and an adverse effect on the Group's future financial performance. To manage this risk, Pact has operational safeguards in place to detect and prevent cyber-attacks, such as employee training, monitoring of our networks and systems, ensuring strong data protection standards, and maintaining and upgrading security systems. Pact has adopted cyber security incident response policies, plans and procedures that align with the ISO 27001 framework, mock data breach assessments, cyber security training and penetration testing. To date, the Group has not experienced any significant impacts.

People risks

The future financial and operational performance of the Group is significantly dependent on the performance and retention of key personnel, in particular executive and senior leaders. The unplanned or unexpected loss of key personnel, or the inability to attract and retain high performing individuals to the business may adversely impact the Group's future financial performance. Pact has introduced and developed a number of initiatives to attract, develop and retain key people, including talent management and succession planning, recognition programs, implementation of a performance management system and incentive plans. Pact has designed senior leadership programs at executive leadership level for continued development including coaching and mentoring. The talent sourcing strategy also includes proactive networking and curation of talent pools for critical roles.

¹ Joint Venture with Cleanaway Pty Ltd, Asahi Holdings (Australia) Pty Ltd and Coca-Cola Europacific Partners Australia Pty Limited.

² Joint Venture with Cleanaway Pty Ltd.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Health and safety risks

In alignment with the manufacturing and chemical industries, Pact continues to face exposure to health, safety, and environmental (HSE) risks, including both physical and psychological injuries. Non-compliance with HSE legislation or failure to adhere to industry best practices can result in harm to individuals, the environment, and the communities in which Pact operates. Such incidents may lead to operational disruptions, reputational damage, and financial loss. Pact has strengthened its WHSE governance and operational frameworks over the past year. The One Pact WHSE Council is transitioning Pact Safe from a reactive, compliance-based model to a proactive risk management model that embeds critical risk management principles. An Executive WHSE Committee has also been established to ensure accountability for governance, priority setting, KPI development, and system oversight. This committee is supported by an independent advisor to ensure alignment with legislation and benchmarking. Pact Safe remains a cornerstone of our governance model. All sites have completed Stage 1 and 2 self-assessments against our 11 significant risk minimum standards, resulting in the development of action plans to address any identified gaps. Learnings from serious or potentially serious incidents are shared across the business, with corrective actions tracked and verified. These initiatives, combined with updated WHSE and Environmental Policies, reflect Pact's commitment to a safer, more sustainable workforce and a robust risk management culture.

Consumer demand

Changes in demand for Pact's products or adverse activities in key industry sectors may be influenced by various factors. These factors include climate change, seasonality of food production, supermarket focus on private brands within Australian and New Zealand supermarket chains, and changes in cost, convenience, health or technology. The sectors affected include consumer goods (e.g. food, beverages, personal care) and industrial sectors (e.g. surface coatings, petrochemical, agriculture). Demand for Pact's products may materially be affected by any of these factors, impacting the Group's financial performance. Strong customer relationships and commitment industry leading sustainable packaging solutions are crucial for our success. Until regulations mandate recycled content in packaging, customers may prefer cheaper virgin products. There is a risk that regulations may not incentivise domestic recycled material, making it uncompetitive. Pact monitors supply and demand, especially during pandemics or economic changes, and has introduced a centralised procurement system to manage this risk.

Interest rate risk

Use of variable debt exposes the Group to interest rate risk. Pact seeks to manage risks associated with interest rates and finance costs by assessing and, where appropriate, utilising a mix of fixed and variable rate debt and interest rate swaps or options when variable debt is in place.

Volatility of foreign exchange, commodity prices and economic environment

Pact's financial reports are prepared in Australian dollars. However, a substantial proportion of Pact's revenue, expenditures, cash flows, assets and liabilities are exposed to translation risk from offshore operations or operations in Australia that have a functional currency that is not the Australian dollar. The largest exposures are the New Zealand dollar from our New Zealand operations. Pact is also exposed to the US dollar; Chinese yuan; the Philippines peso; the Indonesian rupiah; the Thai baht; the South Korean won; the Indian rupee; the Nepalese rupee; the Hong Kong dollar; the UK pound; and the Bangladesh taka.

To manage this exposure Pact utilises borrowing in the functional currency of the overseas entity to naturally hedge offshore entities, where considered appropriate. The foreign currency debt provides a balance sheet hedge of the asset, while the foreign currency interest cost provides a natural hedge of the offshore profit. Pact also has exposure to foreign exchange risk through operating activities, mainly the purchases of raw materials and capital expenditure that are denominated in a different currency from the entity's functional currency. US dollars and Euros are the main exposure. The Group manages these risks through customer pricing, including contractual rise and fall adjustments, and utilises forward foreign currency contracts to eliminate or reduce currency exposures on short-term commitments. The Group is also exposed to commodity price risk from various commodities, including resin. The Group manages these risks through customer pricing, including contractual rise and fall adjustments.

Any appreciation of the Australian dollar against the functional currencies of operations would have an adverse effect on the Group's future financial performance, while any appreciation of the Australian dollar against the transactional exposures (mainly US dollars) would have a positive effect on the Group's future financial performance.

Global supply chain disruptions

Global supply chain disruptions steadily improved over the past year along with the improvement in reliability of shipping and supply chains out of Asia and the Middle East. However, supply disruptions are still occurring especially with conflict in the Middle East and Europe continuing. Additionally, resin suppliers in Asia are struggling to be profitable and had to shut down their plants intermittently and in more serious situations, permanently. More recently, the voluntary administration of Qenos Group in Australia heightened the risks associated with supply chains. Pact has taken a series of mitigating steps over the last two years to address disruption to supply including launching 'Program Cactus' to accelerate the introduction of alternative resins into the business and reduce dependence on single sourced resins. Centralisation of the resin supply chain model was implemented in early 2023 to stabilise, consolidate and reduce overall working capital relative to resin. In the last 12 months several new suppliers have been identified in Asia to further reduce the risk of supply and disruption.

Business continuity and incident management

The Group operates across a diverse geographical footprint and situations may arise in which sites cannot operate. Factors include emergency situations such as natural disasters, failure of information technology systems or security, or industrial disputes. Any of these factors may lead to disruptions in production or increase in costs and may have an adverse effect on the Group's financial performance. Pact recognises the importance and benefits of the implementation of business resilience program that is currently being implemented across all our sites.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Legal and regulatory compliance risks

The Group is required to comply with extensive global legislative and regulatory requirements, including those relating to health and safety; modern slavery; competition and consumer law; industrial relations; employment; anti-bribery and corruption; environment; customs and international trade; taxation; and corporations law. Failure to comply with these requirements could negatively impact our employees, customers, and operations, and expose the Group to litigation, regulatory investigations or enforcement action which may adversely impact our reputation and the Group's financial performance. Pact has a compliance framework in place based on ISO 37301:2021 that which sets out the standards, requirements and accountability for managing regulatory compliance obligations across the Group. The Group's compliance framework creates an integrated, strategic, consistent and risk informed approach to the management of its compliance obligations and is subject to continual review and assurance. Pact has legal and compliance teams who monitor and advise the Group on legal, regulatory issues, and government policy changes.

Environment and sustainability risks

Packaging, in particular plastic packaging, has been identified globally as a significant environmental issue and in response, in 2018 Pact developed our End of Waste 2025 Targets. In the year ended 30 June 2025, these targets were renewed and refreshed, becoming Pact's 2030 Impact Targets. Under this strategy, Pact has recommitted to its vision to *Lead the Circular Economy* and set targets to: produce 100% recyclable packaging by 2030; have 30% average recycled content across the Group's packaging portfolio by 2030; become net-zero by 2050 with near-term targets in 2030; and achieve a top quartile ESG score, which is how the Group are measured for what it is doing in its quest to operate more sustainably and ethically. To achieve these targets, Pact has partnered with industry and built three state-of-the-art plastics recycling facilities in Australia and has recently launched *rFresh 100* – a food grade natural recycled HDPE resin that has passed rigorous testing and meets US Food and Drug Administration (FDA) safety requirements that will allow new milk and juice bottles to be manufactured with up to 100% recycled plastic. Pact is currently working with its customers to transition virgin plastic milk and juice bottles into recycled plastic, utilising the Group's previous investments in machinery to increase the amount of recycled plastic that can be added into its plastics portfolio.

The Group has expanded its emission reduction commitments to reducing Scope 1 and 2 emissions by 50% globally by 2030 from a FY21 baseline, reducing Scope 3 emissions by 25% globally by 2030 from a FY24 baseline, and setting net zero targets for Scopes 1, 2 and 3 by 2050. These targets were verified under the Science Based Targets Initiative (SBTi) by SBTi Services Ltd.

Climate change related risks may impact Pact's physical operations, in addition to food security and drought that can impact its customers operations and have downstream impacts on the Group's business operations. In preparation for the mandatory reporting of climate related financial disclosures under the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024*, Pact is undertaking a full review of its climate related risks and opportunities along with an appropriate risk management strategy. The Company annually produces a Sustainability Report that outlines and reflects on the impact of the Group's operations and supply chain on the environment, focusing on social and environmental impacts, alongside its governance and leadership principles. The Sustainability Report is prepared in accordance with the Global Reporting Initiative standards.

The Board oversees the effectiveness of the Group's environment and sustainability policies and retains ultimate oversight of material environmental and sustainability risks and opportunities, including those related to climate change.

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Pact Group Holdings Ltd (**Pact** or the **Company**) and its subsidiaries (together referred to as the **Group**) and including the Group's joint ventures at the end of, or during, the year ended 30 June 2025.

DIRECTORS

The Directors of the Company during the year ended 30 June 2025 and at the date of this report (unless otherwise indicated) were as follows:

Raphael Geminder

Michael Wachtel

Sanjay Dayal

Carmen Chua

Nicholas Perkins (appointed 25 September 2024)

Tristan Smith (appointed 25 September 2024)

INFORMATION ON DIRECTORS

The qualifications, experience, special responsibilities and other details of Directors in office during the period and as at the date of this report, unless otherwise indicated, are:

Non-Executive

Michael Wachtel

Deputy Chair, Independent Non-Executive Director

Member of the Board since 21 April 2020

Chair of the Audit, Business Risk & Compliance Committee

Member of the Nomination & Remuneration Committee

Michael brings a strong professional background and extensive global experience in governance, risk management, finance and complex international transactions to the role. Michael was previously a member of the Board of Guardians of the Future Fund, where he had involvement in global markets and monetary policy trends, and held a number of leadership roles in professional services organisations, including as former Chair (Asia Pacific and Oceania) of Ernst & Young (EY).

Michael has a Bachelor of Commerce and Bachelor of Laws from the University of Cape Town and a Master of Laws from the London School of Economics. Michael has completed the Harvard Business School Executive Program, is a Fellow of the Australian Institute of Company Directors and is a Certified Tax Advisor.

Other directorships

Michael has been a director of SEEK Limited (ASX: SEK) since September 2018 and Netwealth Group Limited (ASX: NWL) since June 2025. Michael is also a director of St Vincent's Medical Research Institute and a private company.

Michael was a member of the Board of Guardians of the Future Fund from April 2016 until April 2025.

Carmen Chua

Independent Non-Executive Director

Member of the Board since 1 September 2018

Chair of the Nomination & Remuneration Committee

Member of the Audit, Business Risk & Compliance Committee

Carmen is based in Hong Kong and has broad management experience in the packaging and material science industry. Carmen currently holds the following positions at Henkel - President of Henkel Asia Pacific, Regional Head of Henkel Adhesive Technology, Corporate Senior Vice President of the global Mobility and Electronics division, and member of the Adhesive Executive Committee. Previously, Carmen led the global powder resins business of Covestro, was the Chief Marketing Officer of the Resins and Functional Material business for Royal DSM, was President for Laird PLC and VP/GM of the Materials Group at Avery Dennison. Carmen has also held leadership positions across sales, marketing and business development with organisations such as Worldmark and Dell Computer.

Carmen holds a Bachelor of Arts (Hons) from University Science Malaysia, a Master of Business Administration from the University of Portsmouth, UK and Advanced Management Program from Wharton School of Business.

Other directorships

Carmen is a director of a private company.

DIRECTORS' REPORT

Nicholas Perkins **Non-Executive Director**

Member of the Board since 25 September 2024
Member of the Nomination & Remuneration Committee

Nicholas Perkins is the Chief Executive Officer of Kin Group Pty Ltd (**Kin Group**), which is a substantial shareholder of the Company. Kin Group is a diversified, global, long-term focused investor with offices in Melbourne and New York. Nicholas has held a variety of roles within Kin Group and its subsidiary businesses for over 19 years, including 10 years as the General Counsel of the Company.

Nicholas holds a Bachelor of Arts and Bachelor of Laws from the University of Melbourne and is a graduate member of the Australian Institute of Company Directors.

Other directorships

Nicholas was a director of The Reject Shop Limited from May 2020 until July 2025. He is a director of several private companies across Kin Group's portfolio investments.

Tristan Smith **Non-Executive Director**

Member of the Board since 25 September 2024
Member of the Audit, Business Risk & Compliance Committee

Tristan Smith is a Chartered Accountant and the Chief Financial Officer of Kin Group, which is a substantial shareholder of the Company. Tristan joined Kin Group in 2019 after nearly 20 years working globally with Ernst & Young. He holds a number of advisory and board positions across portfolio investments spanning Kin Group's packaging, food and property portfolios.

Tristan holds a Bachelor of Commerce degree and a Master of Commerce degree from Macquarie University and is a member of Chartered Accountants Australia and New Zealand and is a graduate member of the Australian Institute of Company Directors.

Other directorships

Tristan is a director of several private companies.

Executive

Raphael Geminder **Executive Chair** (Appointed Executive Chair 22 October 2024. Previously Non-Executive Chair)

Member of the Board since 19 October 2010
Member of the Audit, Business Risk & Compliance Committee (ceased 25 September 2024)
Member of the Nomination & Remuneration Committee (ceased 25 September 2024)

Raphael founded Pact in 2002. Prior to founding Pact, he was the co-founder and Chair of Visy Recycling, growing it into the largest recycling company in Australia. Raphael holds several advisory and board positions.

Raphael holds a Master of Business Administration in Finance from Syracuse University, New York.

Other directorships

Raphael is a director of several private companies.

Sanjay Dayal **Managing Director and Group Chief Executive Officer**

Member of the Board since 3 April 2019

Sanjay joined Pact from BlueScope Steel where he held the position of Chief Executive, Building Products, Corporate Strategy and Innovation. This followed several other senior positions in Asia and Australia over a nine-year period with the company. Prior to BlueScope Steel, Sanjay had a successful career with Orica and ICI, including as Regional General Manager for Manufacturing and Supply Chain and General Manager for the DynoNobel Integration, based out of London.

Sanjay holds a Bachelor of Technology (Chemical Engineering) from Indian Institute of Technology – Delhi.

Other directorships

Sanjay is a director of Chemistry Australia Ltd.

DIRECTORS' REPORT

COMPANY SECRETARY

Kathryn de Bont General Counsel & Company Secretary

Kathryn was appointed to the positions of General Counsel and Company Secretary on 1 June 2022. Kathryn has been part of the legal team at Pact since November 2018. Prior to this, Kathryn worked in legal and governance roles in private practice and industry, including with Sodexo, Programmed Maintenance Services Limited, Skilled Group Limited, Visy and Ashurst (formerly Blake Dawson).

Kathryn holds a Bachelor of Arts and Bachelor of Laws (Hons) from Monash University.

DIRECTORS' SHAREHOLDING

The table below shows the relevant interests of the Directors in the shares and performance rights of the Company at the end of the financial year:

Director	Number of ordinary shares	Number of performance rights
Raphael Geminder	303,421,079	-
Michael Wachtel	-	-
Carmen Chua	-	-
Nicholas Perkins	-	-
Tristan Smith	-	-
Sanjay Dayal	-	651,078

DIRECTORS' MEETINGS

The table below shows the number of Directors' meetings, including meetings of the Audit, Business Risk & Compliance Committee (ABRCC) and the Nomination & Remuneration Committee (NRC), which each Director was eligible to attend, and the number of meetings attended by each Director, in their capacity as a member during the year:

Director	Board ⁽¹⁾		Audit, Business Risk & Compliance Committee ⁽⁵⁾		Nomination & Remuneration Committee ⁽⁵⁾	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Raphael Geminder ⁽²⁾	10	10	2	2	1	1
Michael Wachtel	10	10	6	6	2	2
Carmen Chua	10	10	6	6	2	2
Nicholas Perkins ⁽³⁾	8	8	-	-	1	1
Tristan Smith ⁽⁴⁾	8	8	4	4	-	-
Sanjay Dayal	10	10	-	-	-	-

⁽¹⁾ Includes out of session meetings held from time to time to deal with ad-hoc matters.

⁽²⁾ Raphael Geminder ceased to be a member of the ABRCC and NRC on 25 September 2024.

⁽³⁾ Nicholas Perkins joined the Board and was appointed as a member of the NRC on 25 September 2024.

⁽⁴⁾ Tristan Smith joined the Board and was appointed as a member of the ABRCC on 25 September 2024.

⁽⁵⁾ The ABRCC and NRC provide a standing invitation for any Director to attend committee meetings. The table excludes the attendance of Directors at committee meetings where they were not a member of the relevant committee.

PRINCIPAL ACTIVITIES

Pact is a leading provider of specialty packaging solutions, servicing consumer and industrial sectors. Pact specialises in the manufacture and supply of rigid plastic and metal packaging, materials handling solutions, contract manufacturing services and recycling and sustainability services.

There have been no significant changes in the nature of these activities during the year.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

A review of the operations of the Group during the year and of the results of those operations is appended at pages i–ix. The *Review of Operations and Financial Performance* also provides an overview of Business Strategy and Business Risks.

DIVIDENDS

The Directors have determined that no dividend will be paid in relation to the 2025 financial year (2024: Nil).

DIRECTORS' REPORT

OTHER EVENTS OF SIGNIFICANCE & SUBSEQUENT EVENTS

Please refer to the *Review of Operations and Financial Performance* appended at pages i–ix.

ENVIRONMENTAL REGULATION

The Group operates under an integrated Workplace Health, Safety and Environment (**WHSE**) Management System, with a vision of a safe and engaged workplace and not compromising its environmental values. The system aligns with AS/NZS ISO 45001:2018 and AS/NZS ISO 14001:2016, and operates under the Group's *Environmental Policy* and *Workplace Health and Safety Policy*. The system is fundamental to achieving compliance with environmental regulations in all jurisdictions in which the Group operates and is implemented at all sites.

Where applicable, licences and consents are in place in respect of each site within the Group. An interactive database is used to ensure compliance and completion of all required actions. Where an environmental incident occurs, it is reported and assessed according to its consequence, and regulatory authorities are notified where required.

On occasion, the Group receives notices from relevant authorities pursuant to local environmental regulations and in relation to the Group's environmental licences and consents. The Group takes all notices seriously, conducts a thorough investigation into underlying causes of issues or incidents, and ensures it takes every opportunity to continually improve systems. Pact works with the appropriate authorities to address any requirements and to proactively manage any obligations. In the year ended 30 June 2025, the New South Wales Environment Protection Authority (EPA) commenced prosecution of a subsidiary of the Company for two alleged breaches of its Environmental Protection Licence.

The Group is also subject to the reporting and compliance requirements of the Australian *National Greenhouse and Energy Reporting Act 2007* (Cth). The *National Greenhouse and Energy Reporting Act 2007* requires that Pact report its annual greenhouse gas emissions and energy use. Pact has submitted all annual reports and is due to submit its next report in October. As part of this process the Group engages a third party to provide limited assurance to its WHSE metrics as published in Pact's *Sustainability Report*.

SHARE OPTIONS AND RIGHTS

The total number of performance rights on issue as at 30 June 2025 was 1,213,196 as shown in the table below:

Performance rights	Balance as at 1 July 2024	Movements during the year		Balance as at 30 June 2025
		Granted	Lapsed / Forfeited	
FY22 LTI	659,038	-	(659,038)	-
FY23 LTI	1,213,196	-	-	1,213,196
Total	1,872,234	-	(659,038)	1,213,196

Each performance right entitles the holder to one fully-paid ordinary PGH share upon vesting and automatic exercise. The Board has discretion to settle vested and automatically exercised performance rights in cash in lieu of an allocation of shares. There is no exercise price pertaining to the performance rights and the performance rights carry no voting or dividend rights. Refer to the *Remuneration Report* (Section 3) and Note 5.2 of the accompanying financial statements for further details of performance rights on issue.

During the period, no performance rights were granted, 659,038 lapsed or were forfeited and no performance rights over ordinary shares were exercised. There were no share options over shares in existence.

No person entitled to performance rights had or has any rights by virtue of the performance right to participate in any share issue of the Company.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company's *Constitution* requires the Company to indemnify current and former Directors, alternate Directors, executive officers and such other officers of the Company as the Board determines on a full indemnity basis and to the full extent permitted by law against all liabilities incurred as an officer of the Group. Further, the Company's *Constitution* permits the Company to maintain and pay insurance premiums for Director and Officer liability insurance, to the extent permitted by law.

Consistent with (and in addition to) the provisions in the Company's *Constitution* outlined above, the Company has provided deeds of access, indemnity and insurance to all Directors of the Company, the Chief Financial Officer (**CFO**) and the Company Secretary which provide indemnities against losses incurred in their role as Directors, CFO or Company Secretary, subject to certain exclusions, including to the extent that such indemnity is prohibited by the *Corporations Act 2001* (Cth) (the **Act**) or any other applicable law.

During the financial year the Company paid insurance premiums for a Directors and Officers liability insurance policy that provides cover for the current and former Directors, alternate Directors, secretaries, executive officers and officers of the Group. The Directors have not included details of the nature of the liabilities covered in this contract or the amount of the premium paid, as disclosure is prohibited under the terms of the contract.

DIRECTORS' REPORT

INDEMNIFICATION OF AUDITORS

Pursuant to the terms of the Company's standard engagement letter with Ernst & Young (**EY**), the Company indemnifies EY against all claims by third parties and resulting liabilities, losses, damages, costs and expenses (including reasonable legal costs) arising out of, or relating to, the services provided by EY or a breach of the engagement letter. The indemnity does not apply in respect of any matters finally determined to have resulted from EY's negligent, wrongful or wilful acts or omissions nor to the extent prohibited by applicable law including the *Act*.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the *Act* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with the leave of the court under section 237 of the *Act*.

AUDITOR

EY continues in office as auditor of the Company (**Auditor**) in accordance with section 327 of the *Act*.

No current or former audit partners are Directors or Officers of the Company.

NON-AUDIT SERVICES

During the year EY performed other assignments in addition to their statutory audit responsibilities. Details of the amounts paid or payable to EY for non-audit services provided to the Group during the year are as follows:

\$	2025	2024
Tax compliance services	140,000	130,000
Tax advisory – Crates transaction	-	421,000
Tax advisory – Other	481,000	181,000
Remuneration services	12,000	10,000
Other assurance services	10,000	39,000
Total	643,000	781,000

The Board has considered the position and, in accordance with the advice received from the ABRCC, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Act*.

The Directors are satisfied that the provision of non-audit services by EY did not compromise the auditor independence requirements of the *Act* for the following reasons:

- All non-audit services have been reviewed by the ABRCC to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110: *Code of Ethics for Professional Accountants*, including reviewing or auditing the auditors own work, acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risk and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration, as required under section 307C of the *Act*, is set out on page 18 and forms part of this *Directors' Report*.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This *Remuneration Report* for the year ended 30 June 2025, which forms part of the *Directors' Report*, outlines the remuneration arrangements of the Group in accordance with the requirements of the *Act* and its regulations. This information has been audited as required by the *Act*.

The *Remuneration Report* is presented under the following sections:

1. Introduction
2. Governance
3. Remuneration synopsis
4. Executive KMP remuneration arrangements for FY25
5. Executive KMP remuneration outcomes for FY25
6. Non-Executive Director remuneration arrangements
7. Equity holdings of KMP
8. Control by KMP
9. Related party transactions with KMP
10. Loans to KMP

1. Introduction

The *Remuneration Report* details the remuneration arrangements for key management personnel (**KMP**) who are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

For the purposes of this *Report*, the term KMP includes the:

- Non-Executive Directors of the Board of the Company (**NEDs**); and
- Executive Chair, Managing Director & Group Chief Executive Officer (**CEO**) and the Chief Financial Officer (**CFO**) of the Company and the Group (together, the **Executive KMP**).

Key Management Personnel

Name	Position	Term as KMP in FY25
Non-Executive Directors (NEDs)		
Michael Wachtel	Deputy Chair	Full year ⁽¹⁾
Carmen Chua	Non-Executive Director	Full year
Nicholas Perkins	Non-Executive Director	Commenced 25 September 2024 ⁽²⁾
Tristan Smith	Non-Executive Director	Commenced 25 September 2024 ⁽²⁾
Executive KMP		
Raphael Geminder	Executive Chair	Full year ⁽³⁾
Sanjay Dayal	Managing Director & Group CEO	Full year
Paul Washer	CFO	Full year

⁽¹⁾ Mr Wachtel was appointed as Deputy Chair effective 22 October 2024.

⁽²⁾ Mr Perkins and Mr Smith were appointed as Non-Executive Directors effective 25 September 2024.

⁽³⁾ Mr Geminder held the position of Non-Executive Chair from 1 July 2024 to 22 October 2024. Mr Geminder was appointed Executive Chair effective 22 October 2024.

There have been no other changes to KMP after the reporting date and before the date the *Financial Report* was authorised for issue.

2. Governance

Nomination & Remuneration Committee

The Nomination & Remuneration Committee (**NRC**) has been delegated responsibility by the Board for managing appropriate remuneration policy and governance procedures including to:

- review and recommend to the Board appropriate remuneration policies and arrangements including incentive plans for the CEO and CFO;
- review and approve short-term incentive plans, long-term incentive plans, performance targets and bonus payments for the CEO and CFO;
- review the performance of the CEO;
- review the executive leadership team's performance assessment process to ensure it is structured and operates to realise business strategy; and
- review and recommend to the Board remuneration arrangements for the Executive Chair and NEDs.

The NRC is comprised of three NEDs and meets as often as the members deem necessary to fulfil the NRC's obligations. The NRC met twice in FY25, however it is intended that the NRC meets no less than three times a year. The *NRC Charter* is available at pactgroup.com.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Use of remuneration consultants

The NRC may seek advice from independent remuneration advisers with respect to information and recommendations relevant to remuneration decisions. Decisions to engage remuneration consultants are made by the NRC or the Board. Contractual engagements and briefing of the consultants are undertaken by, and the remuneration recommendations of the consultants are provided directly to, the NRC Chair (or other Independent Director). During the financial year ended 30 June 2025, the NRC obtained remuneration benchmarking data and information relating to market practice from AscentData and Ernst & Young regarding the remuneration for Raphael Geminder in his capacity as Executive Chair. No remuneration advice or recommendations were provided.

Voting and consideration of comments made at the Company's 2024 Annual General Meeting

At its Annual General Meeting held 14 November 2024 (**AGM**), Pact received a 99.56% vote of eligible shareholders against its FY24 Remuneration Report, constituting a 'second strike'. Shareholder feedback received in relation to the FY24 Remuneration Report evidenced concern with a perceived misalignment between pay and performance as well as the adequacy of Executive KMP remuneration benchmarking against market peers.

The NRC is committed to ensuring that Pact's remuneration framework supports Company strategy, reflects good governance and risk management, retains talent, recognises contribution to business performance and rewards effort including in challenging years. The NRC and Board reflected on these objectives as well as shareholder feedback on the FY24 Remuneration Report and general Company performance when determining remuneration outcomes for FY25.

As foreshadowed in the FY24 Remuneration Report, the NRC also undertook a review of the Company's remuneration framework for FY25. As a result of this review, the FY24 Executive Short-Term and Long-Term Incentive Plans were simplified and revised into the Executive Incentive Plan (**EIP**) outlined in this Remuneration Report. The new EIP includes a short-term incentive and a long-term incentive which replaces the previous long-term incentive performance rights plan, with the payment outcome of each component based on Underlying Group EBIT and other performance targets.

The Board believes that the newly implemented framework is simple and transparent and is designed to reward Company performance.

3. Remuneration synopsis

FY25 remuneration summary

The NRC periodically reviews the Group's Executive Remuneration Framework to ensure it effectively supports Pact's objective to attract and retain strong, diverse and talented executives and to align executive remuneration outcomes to long-term shareholder returns. The review process undertaken this year included engagement with Pact employees to understand their perspective, analysis of market practice in similar companies and discussion with the Executive Chair on strategy, performance and remuneration. For FY25, the Board decided to increase the fixed remuneration for Executive KMP by 3% in line with market increases.

The below table provides a high-level summary of FY25 KMP remuneration practice, with further details available in section 4, 5 and 6 of the *Remuneration Report*.

Remuneration Element	Summary
Executive KMP Fixed annual remuneration (FAR)	A 3% increase (plus statutory superannuation increases, where applicable) to Executive KMP FAR was implemented effective 1 July 2024 as part of the Pact Group Annual Pay Review (APR) process.
Executive incentive plan (EIP)	The EIP comprises a short-term incentive (STI) plan and a long-term incentive (LTI) plan. The Executive KMP ⁽¹⁾ did not achieve the FY25 target metrics under either plan, however the Board exercised its discretion to make an STI payment to the Chief Financial Officer only for the achievement of key strategic goals.
LTI Performance rights	No performance rights were offered or granted to KMP in FY25. Performance rights granted to the Executive KMP in FY23 (as part of the previous Long-Term Incentive Plan) lapsed in full on 20 August 2025 because the requisite TSR hurdles were not met, as further detailed in section 4 below.
NED fees	There was no increase to NED fees in FY25.
Termination payments	No termination payments were made to Executive KMP or NEDs in, or in relation to, FY25.

⁽¹⁾ The Executive Chair did not participate in the EIP in FY25.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

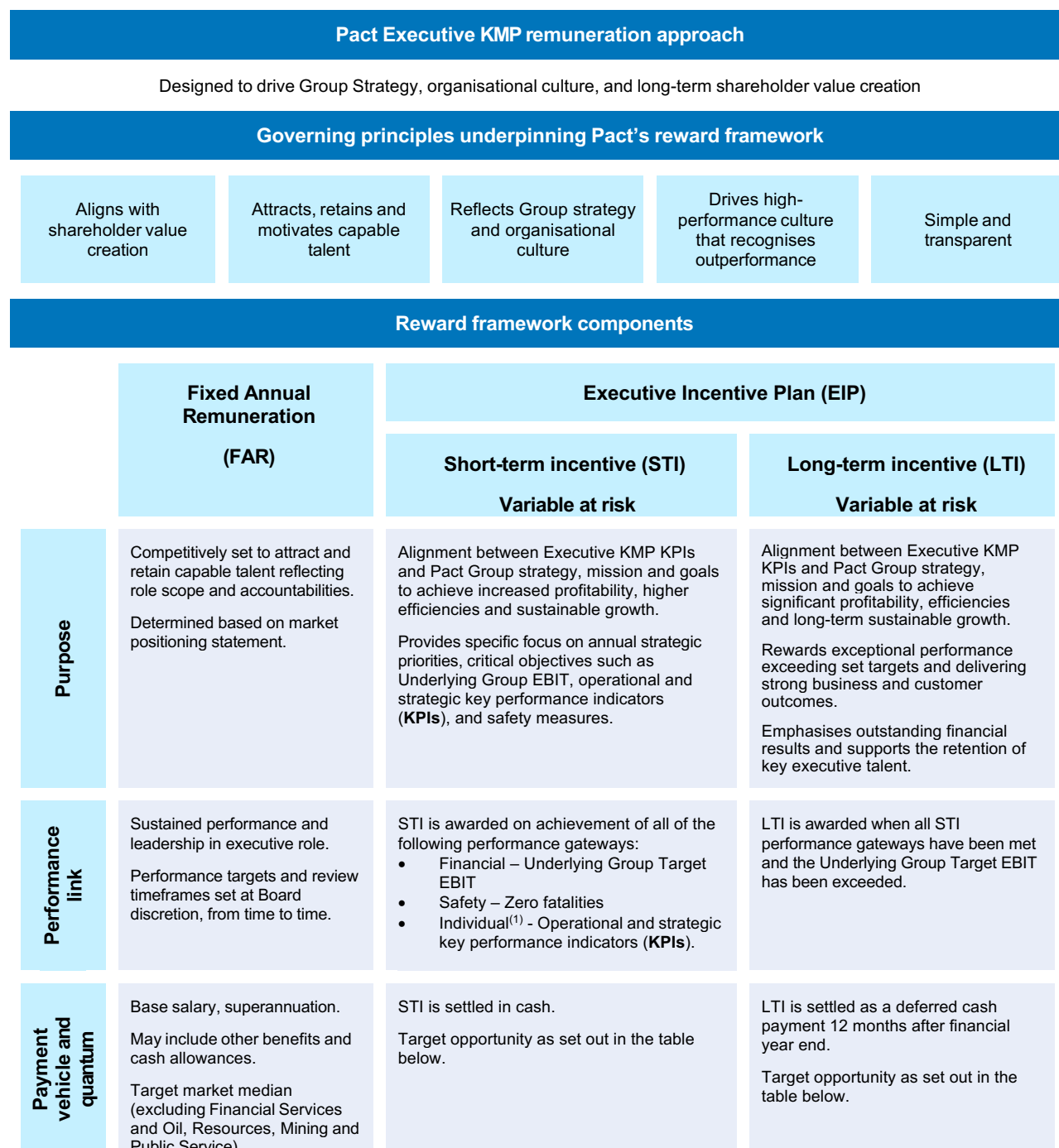
4. Executive KMP remuneration arrangements for FY25

Remuneration principles and strategy

Pact's Executive Remuneration Framework is designed to drive Group strategy, organisational culture, and long-term shareholder value creation. It is underpinned by Pact's governing reward principles that articulate the intent and purpose of the Company's executive reward framework.

Pact seeks to ensure that all employee remuneration outcomes reflect the overall performance of the business, and that the achievement of business outcomes is consistent with Pact's values. The NRC undertook a review of the Company's Executive Remuneration Framework for FY25. As a result of this review, the FY24 Executive Short-Term and Long-Term Incentive Plans were simplified and revised into the Executive Incentive Plan (EIP). The new EIP includes a short-term incentive and a long-term incentive which replaces the previous Long-Term Incentive Performance Rights Plan, with the payment outcome of each component based on Underlying Group EBIT and other performance targets.

The diagram below illustrates the Company's Executive KMP Remuneration Framework for FY25:



⁽¹⁾ Individual - Operational and strategic key performance indicators (KPIs) do not apply to the CEO.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Detail of incentive plan for FY25

The diagram outlines further details of the Executive Incentive Plan (EIP) for FY25:

Target Opportunity

Performance Measures	Executive Incentive Plan (EIP)	
	STI (% of FAR)	LTI (% of FAR)
Financial Gateway and Individual Gateway	CEO: 100%	-
	CFO: 40%	-
Financial Gateway and Individual Gateway + Exceeded Underlying Group Target EBIT only	CEO: 100%	CEO: 70%
	CFO: 40%	CFO: 30%

Safety Gateway must also be met for payment of any STI or LTI. The awarded opportunity is settled in cash. The Executive Chair did not participate in the EIP in FY25 and received FAR only.

Performance measures & weighting

The two components of the EIP are:

- A STI which is linked to short-term Group strategic objectives and the achievement of the three performance gateways; and
- A LTI which will activate only if each of the three STI performance gateways are met and if the Underlying Group Target EBIT has been exceeded.

Performance Gateways

All three performance gateways listed below must be met before any incentive award is made under the EIP.

The Group must achieve a baseline Group financial performance measure as determined by the Board for the relevant performance period, known as the **Financial Gateway**. In FY25 the Financial Gateway was Underlying Group Target EBIT of AUD\$150.1 million.

At an individual level, all participants must adhere to Pact Values, *Code of Conduct* and comply with the Group's mandatory risk and compliance training requirements. This is known as the **Individual Gateway**. In the event that a participant does not satisfy the Individual Gateway, they will be automatically suspended from participating in the EIP in respect of the relevant performance period. The Individual Gateway reinforces Pact's expectation of, and commitment to, minimum standards of behaviour and conduct and demonstrates tangible consequences for behaviour that may not warrant termination of employment but still constitutes a breach of Pact Values, the *Code of Conduct* and risk and compliance standards.

Safety is a core value of Pact Group and a no-fatality **Safety Gateway** was introduced for FY25. This reinforces the Board's commitment to safety in all activities and decisions made at Pact.

Weighting

Subject to the performance gateways being met, each KMP has specified operational objectives and/or key performance indicators (KPIs) based on their role. The weighting given to each performance measure when determining the calculation of the STI is as follows:

	UNDERLYING GROUP TARGET EBIT	KPIs	TOTAL
CEO	100%	-	100%
CFO	50%	50%	100%

The Board considers these measures to be appropriate as they are strongly aligned with the interests of shareholders. Underlying Group EBIT is a key indicator of the underlying growth of the business.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Detail of incentive plan for FY25 (continued)

Financial Gateway payout schedule

Underlying Group EBIT performance is assessed against a set target in accordance with the payout schedules below:

STI

Performance against Underlying Group Target EBIT	% STI against Target Opportunity
BELOW TARGET	Nil
TARGET (MEETS 100% OF TARGET) (\$150.1 million)	100% of Target Opportunity

LTI

If the Group exceeds the Underlying Group Target EBIT, the LTI will activate, resulting in Executive KMP receiving an additional % of FAR.

	LTI Maximum Opportunity % of FAR
CEO	70%
CFO	30%

Where the Underlying Group Target EBIT is exceeded and is between 100.01% and 110%, the following scaling is applied:

% of Underlying Group Target EBIT Achieved	LTI % of FAR	
	CEO	CFO
100%	0.0%	0.0%
101%	2.3%	1.0%
102%	5.3%	2.3%
103%	8.8%	3.8%
104%	12.8%	5.5%
105%	17.5%	7.5%
106%	23.3%	10.00%
107%	30.9%	13.3%
108%	40.8%	17.5%
109%	53.7%	23.00%
110%	70.00%	30.00%

The FY25 business performance table on page 12 provides additional information on these performance measures, including an overview of performance outcomes.

Cessation of employment

Awards under the EIP are forfeited if a participant has resigned prior to, or is not employed on, the scheduled date of payment of the Board approved EIP award. A participant considered to be a 'good leaver' may be eligible to receive a pro-rated portion of an EIP award.

Discretion

Except as otherwise expressly provided in the EIP rules, the Board has absolute discretion to act or refrain from acting under or in connection with the terms of the EIP and in the exercise of any power or discretion under the rules, including in relation to an EIP award.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

LTI Performance Rights Plan

No performance rights were offered or granted to KMP in FY25. Details of performance rights which were granted to the Executive KMP in FY23 and lapsed in full on 20 August 2025 are provided below. These Performance Rights lapsed because the requisite TSR hurdles were not met.

LTI Performance Rights Plan											
Opportunity	FY23 cycle CEO: Maximum opportunity equivalent to 90% of FAR CFO: Maximum opportunity equivalent to 20% of FAR										
Instrument	Performance rights										
Performance period	The performance period commences on the first day of that financial year and is measured over three years: FY23 cycle: 1 July 2022 – 30 June 2025										
Allocation approach	The number of performance rights allocated to the Executive KMP and other eligible employees is based on their maximum LTI opportunity divided by the five-day volume weighted average price (VWAP) following public announcement of the prior year's financial results.										
Performance hurdle	Vesting of performance rights is subject to a Relative TSR[^] hurdle over a three-year performance period. Peer group: S&P/ASX 200 comparator group, excluding companies in the Financial Services & Mining sectors. LTI vesting schedule <table border="1"> <thead> <tr> <th>TSR relative to peer group</th><th>Vesting %</th></tr> </thead> <tbody> <tr> <td>At or above 75th percentile</td><td>100%</td></tr> <tr> <td>Between 50th and 75th percentile</td><td>Pro rata vesting between 50% and 100%</td></tr> <tr> <td>At 50th percentile</td><td>50%</td></tr> <tr> <td>Below 50th percentile</td><td>Nil</td></tr> </tbody> </table> [^]TSR measures a company's share price movement, dividends paid and any return on capital over a specific period. Relative TSR compares the ranking of the Company's TSR over the performance period with the TSR of other companies in a peer group. LTI are also subject to an Individual Gateway condition, linked to adherence to Pact Values, <i>Code of Conduct</i> and risk & compliance standards. Where a participant does not satisfy the Individual Gateway, they will forfeit their LTI vesting entitlements for the relevant performance period, be suspended from participating in future LTI grant opportunities and/or be subject to clawback at Board discretion.	TSR relative to peer group	Vesting %	At or above 75 th percentile	100%	Between 50 th and 75 th percentile	Pro rata vesting between 50% and 100%	At 50 th percentile	50%	Below 50 th percentile	Nil
TSR relative to peer group	Vesting %										
At or above 75 th percentile	100%										
Between 50 th and 75 th percentile	Pro rata vesting between 50% and 100%										
At 50 th percentile	50%										
Below 50 th percentile	Nil										
Cessation of employment	If a LTI participant resigns or is terminated for cause, any unvested LTI Plan awards will be forfeited, unless otherwise determined by the Board. A 'good leaver' will retain a pro rata number of performance rights based on time elapsed since the initial grant date. Any such performance rights will be subject to the original terms and conditions and discretion of the Board.										
Rights attaching to performance rights	Performance rights do not carry any dividend or voting entitlements prior to vesting. Shares allocated upon vesting of performance rights will carry the same rights as other ordinary shares.										
Clawback	In accordance with the Individual Gateway condition, 100% of the award can be forfeited where there has been any fraud, dishonesty, or breach of obligations, including a material misstatement of the financial statements.										
Change of control provisions	In the event of change of control, the performance period end date will be brought forward to the date of change of control, and awards will vest based on performance over this shortened period (subject to Board discretion).										
Hedging	To ensure the variable components of the Company's remuneration structure remain 'at risk', employees may not hedge against the risk inherent in arrangements such as the LTI Plan, or any other equity-based incentive plans. Prohibitions against hedging are set out in the Company's <i>Policy for Dealing in Securities</i> . Under the LTI Plan rules, a breach of hedging restrictions will result in immediate lapse of granted performance rights.										

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Service agreements

Remuneration and other terms of employment for Executive KMP are formalised in service agreements. The material terms of the employment contracts for the Executive KMP are summarised in the table below.

Contractual terms	Conditions
Duration of contract	Permanent full-time employment contract until notice given by either party.
Notice period	Three months' notice by either party.
Termination clauses	If an Executive KMP is terminated due to genuine redundancy, they will be paid a severance payment of the greater of three months annual base salary or three weeks of annual base salary for each completed year of continuous service with the Group or a predecessor employing entity acquired by the Group. A pro rata severance payment entitlement may apply for any incomplete year of continued service. The severance payment is capped at a maximum of 52 weeks in total (base salary).

5. Executive KMP remuneration outcomes for FY25

The Group's Underlying EBIT for FY25 is \$138.5 million, \$11.6 million below the Underlying Group Target EBIT of \$150.1 million. Softening demand and supply chain disruption in Australia contributed to reduced volume performance in the Packaging & Sustainability segment which was only partially offset by strong volume and operational performance in the Materials & Handling segment. The Group delivered an Underlying EBIT result 1.5% higher than last year but was unable to meet the Financial Gateway for EIP purposes.

The table below summarises key performance indicators of the Company and relevant Shareholder returns over the past five financial years. It is noted that Underlying Group EBIT is a performance measure linked to the full-year EIP.

Performance measure		2021	2022	2023	2024	2025
Statutory net profit/(loss) after tax	\$'000	87,534	12,178	(6,605)	74,873	23,598
Underlying Net profit after tax (NPAT) ⁽¹⁾	\$'000	93,544	70,159	44,836	44,918	37,685
Underlying NPAT growth ⁽¹⁾	%	27.7	(24.9)	(36.2)	0.2	(16.0)
Underlying EBIT ⁽¹⁾	\$'000	182,875	156,163	119,651	136,453	138,502
Underlying EBIT growth	%	10.0	(14.6)	(7.0)	14.0	1.5
Dividends per ordinary share	cps	11.0	5.0	-	-	-
Closing share price (30 June)	\$	3.70	1.81	0.66	0.75	0.77
3-month average share price (1 April to 30 June)	\$	3.70	2.13	0.83	0.83	0.90
Earnings per share ⁽¹⁾	cps	27	20	13	13	11
Earnings per share ⁽¹⁾ growth	%	28.6	(25.9)	(35.0)	-	(15.4)
Cumulative TSR ⁽²⁾	%	(16.7)	(55.4)	(75.5)	(54.8)	(46.0)

⁽¹⁾ Before underlying adjustments (refer Note 1.1 in the *Consolidated Financial Report*).

⁽²⁾ Cumulative TSR has been calculated using the same start date for each period (1 July 2020). The 3-month average share price has been used in all periods (the 3-month average share price for the starting period was \$2.01).

STI and LTI outcomes

In relation to FY25 performance, the Financial Gateway was not met by the Company, but the Board approved a discretionary payment based on achievement of key strategic goals for Paul Washer only.

The table below shows details of the participating Executive KMP FY25 cash outcomes against STI (including discretionary payment) and LTI opportunities, which will be paid to participating Executive KMP in FY26.

	FAR as at 30 June 2025 ⁽¹⁾	Total cash STI Target Opportunity \$	Total cash LTI Maximum Opportunity \$	Total Cash STI & LTI earned \$
Raphael Geminder	504,348	-	-	-
Sanjay Dayal	1,405,760	1,405,760	984,032	-
Paul Washer ⁽²⁾	659,165	263,666	197,750	50,000

⁽¹⁾ FAR is Fixed Annual Remuneration which includes salary, fees and superannuation contributions (where applicable). Figure shown is FAR paid as at 30 June 2025, noting that Raphael Geminder appointment as Executive Chair and associated payments commenced effective 22 October 2024. Raphael Geminder did not previously receive a fee for his position as Chair and Non-Executive Director of the Company nor for his service on Board committees.

⁽²⁾ Paul Washer's remuneration data in the table above is in AUD, with NZD converted to AUD consistent with the Group's translation methods for foreign currency transactions. All payments are paid in KMP local currency.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

LTIP outcomes

LTIP allocations

The table below outlines the performance rights granted to the CEO and CFO for participating in the LTI Plan and the relevant performance period for each fiscal year.

Year	Grant date	Performance rights granted	Fair value per performance right at grant date ⁽¹⁾ \$	Value of rights included in compensation for the year \$	Performance period
Sanjay Dayal – CEO					
FY23 LTIP	16 November 2022	651,078	0.30	64,826	1 July 2022 to 30 June 2025
Paul Washer – CFO					
FY23 LTIP	1 December 2022	69,260	0.31	7,088	1 July 2022 to 30 June 2025

⁽¹⁾ Determined at the time of grant per AASB 2: *Share-based Payment*. For details of the performance rights, refer to the consolidated financial report of the Company (Note 5.2).

No performance rights were granted in FY25.

The Company sought and received Shareholder approval under ASX Listing Rule 10.14 to issue the FY23 performance rights to the CEO.

Executive KMP performance rights testing

The table below shows the LTI Plan awards tested at the end of the current financial year.

Year	Performance period	Outcome
FY23 LTIP	1 July 2022 to 30 June 2025	The FY23 grant was tested in July 2025. As the minimum Relative TSR performance hurdle was not met, awards in relation to the FY23 grant lapsed in full on 20 August 2025.

Executive KMP performance rights holdings

The table below shows the movement in Executive KMP performance rights holdings during the year and the balance of vested and unvested rights at the end of the financial year.

KMP	Balance at 1 July 2024	Number granted	Number lapsed ⁽¹⁾	Balance at 30 June 2025	Vested at 30 June 2025	Unvested at 30 June 2025
Sanjay Dayal	940,429	-	(289,351)	651,078	-	651,078
Paul Washer	110,831	-	(41,571)	69,260	-	69,260

⁽¹⁾ Performance conditions of FY22 performance rights were not met and consequently all granted Executive KMP FY22 performance rights lapsed on 14 August 2024.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Executive KMP remuneration

The table below shows Executive KMP remuneration in accordance with statutory obligations and accounting standards:

		Raphael Geminder Executive Chair		Sanjay Dayal Managing Director & CEO		Paul Washer ⁽⁵⁾ CFO		Executive KMP Total Remuneration	
Remuneration	\$ AUD	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Short-term benefits	Salary & fees ⁽¹⁾	504,348	-	1,375,760	1,316,238	631,527	633,463	2,511,635	1,949,701
	STI bonus	-	-	-	1,363,190	50,000	264,844	50,000	1,628,034
	Other benefits ⁽²⁾	38,475	-	49,926	2,753	25,557	10,681	113,958	13,434
Post-employment benefits	Superannuation	-	-	30,000	27,500	27,638	19,004	57,638	46,504
Long-term benefits	Long service leave ⁽³⁾	3,801	-	44,301	135,695	-	-	48,102	135,695
Share-based payments (equity settled)	LTIP ⁽⁴⁾	-	-	64,826	168,992	7,088	22,053	71,914	191,045
TOTAL		546,624	-	1,564,813	3,014,368	741,810	950,045	2,853,247	3,964,413
Performance Related %		-	-	4%	51%	8%	30%	4%	46%

- (1) FY25 salary & fees include a 3% increase (plus statutory superannuation increases, where applicable) to Executive KMP fixed annual remuneration effective 1 July 2024.
- (2) Other benefits include movements in the annual leave provision in relation to annual leave entitlements, shown on an accruals basis.
- (3) Long Service Leave accruals included for completeness. For Sanjay Dayal, pro rata long service leave entitlement provisions can be accessed after seven years of continuous service. As a consequence of his employment arrangements (refer Note 5 below), Paul Washer is not entitled to long service leave.
- (4) An independent valuation of the LTI performance rights was performed to establish the fair value in accordance with AASB 2: *Share-based Payment*. Valuation of the rights was performed using a hybrid model with Relative TSR hurdles.
- (5) Paul Washer's employment arrangements were transferred from an Australian Pact employing entity to a New Zealand Pact employing entity effective 1 November 2022. Remuneration data in the table above is in AUD, with NZD converted to AUD consistent with the Group's translation methods for foreign currency transactions. Superannuation for Paul Washer in line with applicable KiwiSaver requirements.

The following table, which is audited, provides additional voluntary disclosure as the Directors believe this information is helpful to assist Shareholders in understanding the benefits that the Executive KMP received during the financial year ended 30 June 2025.

The table below has not been prepared in accordance with Australian accounting standards. The benefits disclosed below exclude the expense for rights that are unvested and long-term benefits.

	FAR ⁽¹⁾ \$	STI bonus ⁽²⁾ \$	Other benefits ⁽³⁾ \$	Total \$
Raphael Geminder	504,348	-	38,475	542,823
Sanjay Dayal	1,405,760	-	49,926	1,455,686
Paul Washer*	659,165	50,000	25,557	734,722

*Paul Washer's remuneration data in the table above is in AUD, with NZD converted to AUD consistent with the Group's translation methods for foreign currency transactions.

- (1) FAR is Fixed Annual Remuneration which includes salary, fees and superannuation contributions (where applicable). Figure shown is FAR paid as at 30 June 2025, noting that Raphael Geminder appointment as Executive Chair and associated payments commenced effective 22 October 2024. Raphael Geminder did not previously receive a fee for his position as Chair and Non-Executive Director of the Company nor for his service on Board committees.
- (2) Executive Incentive payments attributable to the year ended 30 June 2025 are calculated in line with the Executive Incentive Plan Rules as detailed in Section 3, above.
- (3) Other benefits include annual leave provisions, shown as a liability on an accruals basis as at 30 June 2025.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

6. Non-Executive Director remuneration arrangements

Remuneration policy

The NRC seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain NEDs of the highest calibre, whilst incurring a cost that is acceptable to Shareholders.

The amount of aggregate remuneration sought to be approved by Shareholders and the fee structure is reviewed periodically by the NRC.

The Company's Constitution and the ASX Listing Rules specify that the NED fee pool shall be determined from time to time by a general meeting. Consistent with prior years, the total amount paid to NEDs must not exceed a fixed sum of \$1,000,000 per financial year in aggregate.

Structure

The remuneration of NEDs consists of Directors' fees and committee fees. The payment of additional fees for serving on a committee or being the Chair of a committee recognises the additional time commitment required by NEDs who serve on committees.

The table below sets out annual NED and Board committee fees.

Responsibility	2025	2024
Board fees		
Non-Executive Directors	\$121,767	\$121,767
Audit, Business Risk & Compliance Committee		
Chair	\$33,209	\$33,209
Member	\$8,303	\$8,303
Nomination & Remuneration Committee		
Chair	\$33,209	\$33,209
Member	\$8,303	\$8,303

NEDs do not participate in any Company incentive programs and NED remuneration is not linked to Company performance. NEDs may be reimbursed for expenses reasonably incurred in attending to the Company's affairs. NEDs do not receive retirement benefits other than the superannuation contributions disclosed in this report.

The Company has historically operated a Director Share Acquisition Plan (**DSAP**) which allows NEDs to sacrifice a portion of after-tax fees to the acquisition of Company shares on a periodic basis at the prevailing market rate. The DSAP was not offered during the year ended 30 June 2025.

The remuneration of NEDs for the year ended 30 June 2025 is as follows:

Non-Executive KMP	Financial Year	Short-term benefits Fees \$	Post-employment benefits Superannuation \$	Total \$
Current Non-Executive KMP				
Michael Wachtel ⁽¹⁾⁽⁵⁾	2025	163,279	-	163,279
	2024	323,797	-	323,797
Carmen Chua ⁽²⁾⁽⁵⁾	2025	163,279	-	163,279
	2024	183,178	-	183,178
Nicholas Perkins ⁽³⁾	2025	99,691	-	99,691
	2024	-	-	-
Tristan Smith ⁽⁴⁾	2025	99,691	-	99,691
	2024	-	-	-
Total Non-Executive KMP remuneration	2025	525,940	-	525,940
	2024	506,975	-	506,975

⁽¹⁾ Chair of the ABRCC and member of the NRC in FY24 and FY25.

⁽²⁾ Chair of the NRC and member of the ABRCC in FY24 and FY25.

⁽³⁾ Appointed as a member of the Pact Board and member of the NRC effective 25 September 2024.

⁽⁴⁾ Appointed as a member of the Pact Board and member of the ABRCC effective 25 September 2024.

⁽⁵⁾ FY24 Fees for Carmen Chua and Michael Wachtel include a one-off special exertion fee paid to each of Carmen Chua (\$22,660) and Michael Wachtel (\$163,279) for additional duties performed in relation to the Bennamon Industries Pty Ltd takeover offer launched 13 September 2023 and concluding on 7 June 2024.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

7. Equity holdings of KMP

The following table shows the number of fully paid ordinary shares held by KMP (directly and indirectly) including their related parties and any movements during the year ended 30 June 2025:

KMP	Balance 1 July 2024	Additions	Disposals	Balance 30 June 2025
Current NEDs				
Raphael Geminder	303,111,116	309,963	-	303,421,079
Michael Wachtel	-	-	-	-
Carmen Chua	-	-	-	-
Nicholas Perkins	-	-	-	-
Tristan Smith	-	-	-	-
Executive KMP				
Sanjay Dayal	-	-	-	-
Paul Washer	28,507	-	28,497	10

8. Control by KMP

Raphael Geminder is the director of Kin Group Pty Ltd (**Kin Group**) and Salvage Pty Ltd (**Salvage**).

Kin Group Pty Ltd and its associates own 88.13% of the shares in Pact Group Holdings Ltd as at 30 June 2025 (June 2024: 88.04%). The Group's ultimate parent entity is Kin Group Pty Ltd.

9. Related party transactions with KMP

The following table provides the total amount of transactions with related parties for the year ended 30 June 2025:

\$'000	Year	Sales	Purchases	Other expenses	Net amounts payable
Related parties – Director's interests⁽¹⁾	2025	6,611	24,207	7,053	(11,463)
	2024	13,496	21,990	6,908	(2,212)

⁽¹⁾ Related parties – Director's interests include the following entities: Kin Group Pty Ltd; Visy Industries Pty Ltd; Pro-Pac Packaging Limited; Centralbridge Pty Ltd (as trustee for the Centralbridge Unit Trust); Centralbridge Two Pty Ltd; Centralbridge (NZ) Limited; Albury Property Holdings Pty Ltd; Green's General Foods Pty Ltd; Remedy Kombucha Pty Ltd; The Reject Shop Limited, Propax Pty Ltd; Gem-Care Products Pty Ltd; The Hive (Australia) Pty Ltd; BG Wellness Holdings Pty Ltd; and Brimful Beverages Pty Ltd.

Sales to related parties

The Group had sales of \$6.6 million (2024: \$13.5 million) to related parties including: Green's General Foods Pty Ltd; Visy Industries Pty Ltd; The Reject Shop Limited; Remedy Kombucha Pty Ltd; Propax Pty Ltd; Gem-Care Products Pty Ltd; The Hive (Australia) Pty Ltd; BG Wellness Holdings Pty Ltd; and Brimful Beverages Pty Ltd. Sales are for Packaging & Sustainability and Contract Manufacturing.

Pro-Pac Packaging Limited (Pro-Pac)

Pro-Pac, an entity in which Raphael Geminder owns 50.1% (2024: 65.75%) is an exclusive supplier of certain raw materials such as flexible film packaging, flexible plastic bags and tapes to Pact. The Group's supply agreement with Pro-Pac expired on 31 December 2021 and is now continuing on a month-on-month basis. The total value of this arrangement is approximately \$3.8 million (2024: \$4.1 million). The agreement is on commercial terms which the Board has determined are at arm's length in accordance with section 210 of the Act.

Property leases with related parties

The Group leased 9 properties (seven in Australia and two in New Zealand) from Centralbridge Pty Ltd (as trustee for the Centralbridge Unit Trust), Centralbridge Two Pty Ltd, Centralbridge (NZ) Limited and Albury Property Holdings Pty Ltd, which are each controlled by entities associated with Raphael Geminder and are therefore related parties of the Group (**Centralbridge Leases**). The aggregate annual rent payable by Pact under the Centralbridge Leases for the period ended 30 June 2025 was \$6.8 million (2024: \$6.8 million). The rent payable under the Centralbridge Leases was determined based on independent valuations and market conditions at the time the leases were commercially agreed. As at 30 June 2025, the total lease liabilities owing to Centralbridge Leases is \$31.8 million (2024: \$38.1 million). The leases are on commercial terms which the Board has determined are at arm's length in accordance with section 210 of the Act.

On 24 January 2025, Centralbridge Pty Limited (as landlord) (**Centralbridge**) issued a Notice to Remedy Default (**Default Notice**) to VIP Plastic Packaging Pty Ltd (as tenant) in respect of the lease for the property at Kingsway Moorabbin, Victoria (**Premises**). The Default Notice required the tenant to remedy specified breaches of the tenant's repair and maintenance obligations under the lease within 14 days of the Default Notice, in accordance with the terms of the lease. As at the date of receipt of the Default Notice, the tenant had already substantively vacated the Premises. On 30 January 2025, Centralbridge Two Pty Ltd (**Centralbridge Two**) succeeded Centralbridge as the registered proprietor of the Premises. As the tenant did not remedy the breaches within 14 days of the Default Notice, Centralbridge Two issued a notice of termination of lease on 10 February 2025.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Property leases with related parties (continued)

In March 2025, the tenant received a notice from Centralbridge Two setting out various claims for loss and damage in connection with the termination and breaches of the lease. The Group recognised net \$3.4 million in Other losses in the *Consolidated Statement of Comprehensive Income* from the extinguishment of the lease and recognition of the settlement claim. The parties have agreed to settle the claims over a period of 24 months (commencing 1 July 2025) in equal monthly instalments.

Visy Industries Pty Ltd

Visy Industries Pty Ltd (**Visy**) is a supplier to, and customer of, the Group. A close family member of Raphael Geminder is a key management personnel of Visy and is therefore regarded as a related party of Pact. The Group purchases products such as industrial packaging, printing and carton packaging from Visy and sells recycled resins to Visy. During the year, the Group had purchases of \$20.4 million (2024: \$17.8 million) and sales of \$0.4 million (2024: \$5.6 million) with Visy.

10. Loans to KMP

There were no loans to KMP or any of their closely related parties during the year (2024: Nil).

ROUNDING

Figures in the *Directors' Report* and financial statements are presented in Australian dollars with all values rounded to the nearest \$1,000 (where rounding is applicable), unless otherwise stated, in accordance with the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

This *Directors' Report* is signed in accordance with a resolution of Directors.



Raphael Geminder
Executive Chair



Sanjay Dayal
Managing Director and Group Chief
Executive Officer

21 August 2025



**Shape the future
with confidence**

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Auditor's independence declaration to the directors of Pact Group Holdings Ltd

As lead auditor for the audit of the financial report of Pact Group Holdings Ltd for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pact Group Holdings Ltd and the entities it controlled during the financial year.

Ernst & Young

Wilfred Liew
Partner
21 August 2025

FINANCIAL REPORT

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

\$'000	Notes	2025	2024
Continuing operations			
Revenue	1.1, 1.2	1,821,729	1,803,687
Raw materials and consumables used		(825,439)	(827,552)
Employee benefits expense		(465,072)	(455,840)
Occupancy, repair and maintenance, administration and selling expenses		(306,924)	(292,133)
Interest and other income		25,339	17,904
Other gains/(losses)	6.2	771	(32,393)
Depreciation and amortisation expense		(110,559)	(108,611)
Impairment expense	1.1	-	(3,858)
Finance costs and loss on de-recognition of financial assets	4.1	(93,221)	(92,974)
Share of (losses)/profits in joint ventures	3.3	(13,213)	93
Profit from continuing operations before income tax		33,411	8,323
Income tax expense	1.3	(9,813)	(4,588)
Net profit from continuing operations		23,598	3,735
Discontinued operations			
Profit for the period from discontinued operations, net of tax		-	71,138
Net profit for the period		23,598	74,873
Net profit for the period attributable to equity holders of the parent entity		23,598	74,873
Attributable to:			
Equity holders of the parent entity from continuing operations		23,598	3,735
Equity holders of the parent entity from discontinued operations		-	71,138
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability		(53)	(33)
Items that will be reclassified subsequently to profit or loss			
Cash flow hedge loss taken to equity		(1,250)	(5,451)
Foreign currency translation gains/(losses)		9,814	(5,664)
Income tax benefit on items in other comprehensive income		379	1,560
Other comprehensive profit/(loss) for the period, net of tax		8,890	(9,588)
Total comprehensive income for the period attributable to equity holders of the parent entity		32,488	65,285
Earnings per share attributable to equity holders of the parent entity (in cents)			
Basic earnings per share	1.1	6.9	21.7
Diluted earnings per share	1.1	6.8	21.6
Earnings per share attributable to equity holders of the parent entity from continuing operations (in cents)			
Basic earnings per share		6.9	1.0
Diluted earnings per share		6.8	1.0

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

FINANCIAL REPORT

Consolidated Statement of Financial Position

For the year ended 30 June 2025

\$'000	Notes	2025	2024
CURRENT ASSETS			
Cash and cash equivalents	4.1	65,737	68,229
Trade and other receivables	2.1	159,049	137,985
Inventories	2.1	247,664	244,863
Contract assets		18,083	18,453
Other current financial assets	4.4	570	1,128
Prepayments		12,030	10,173
TOTAL CURRENT ASSETS		503,133	480,831
NON-CURRENT ASSETS			
Trade and other receivables	2.1	888	-
Prepayments		1,257	413
Property, plant and equipment	2.2	1,048,863	969,405
Investments in joint ventures	3.3	122,640	143,403
Intangible assets and goodwill	2.2	311,514	314,597
Deferred tax assets	1.3	51,148	43,527
TOTAL NON-CURRENT ASSETS		1,536,310	1,471,345
TOTAL ASSETS		2,039,443	1,952,176
CURRENT LIABILITIES			
Trade and other payables	2.1	339,451	376,086
Bank overdraft	4.1	793	3,052
Current tax liability	1.3	13,416	32,795
Employee benefits provisions	5.1	45,049	44,360
Other provisions	2.4	1,127	127
Lease liabilities	2.5, 4.1	83,052	78,256
Other current financial liabilities	4.4	1,106	2,876
TOTAL CURRENT LIABILITIES		483,994	537,552
NON-CURRENT LIABILITIES			
Trade and other payables	2.1	3,043	-
Employee benefits provisions	5.1	6,278	5,279
Other provisions	2.4	12,339	12,261
Interest-bearing loans and bank borrowings	4.1	560,281	484,081
Lease liabilities	2.5, 4.1	457,803	431,041
Deferred tax liabilities	1.3	8,905	7,778
TOTAL NON-CURRENT LIABILITIES		1,048,649	940,440
TOTAL LIABILITIES		1,532,643	1,477,992
NET ASSETS		506,800	474,184
EQUITY			
Contributed equity	4.2	1,751,706	1,751,706
Reserves	4.2	(894,979)	(904,050)
Retained earnings		(349,927)	(373,472)
TOTAL EQUITY		506,800	474,184

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

FINANCIAL REPORT

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Attributable to equity holders of the parent entity						
\$'000	Contributed equity	Common control reserve	Cash flow hedge reserve	Foreign currency translation reserve	Share-based payments reserve	Retained Earnings	Total equity
Year ended 30 June 2025							
As at 1 July 2024	1,751,706	(928,385)	990	17,855	5,490	(373,472)	474,184
Profit for the year	-	-	-	-	-	23,598	23,598
Other comprehensive (loss)/profit	-	-	(871)	9,814	-	(53)	8,890
Total comprehensive income	-	-	(871)	9,814	-	23,545	32,488
Share-based payments	-	-	-	-	128	-	128
Transactions with owners in their capacity as owners	-	-	-	-	128	-	128
Balance as at 30 June 2025	1,751,706	(928,385)	119	27,669	5,618	(349,927)	506,800
Year ended 30 June 2024							
As at 1 July 2023	1,751,706	(928,385)	4,881	23,519	5,282	(448,312)	408,691
Profit for the year	-	-	-	-	-	74,873	74,873
Other comprehensive loss	-	-	(3,891)	(5,664)	-	(33)	(9,588)
Total comprehensive income	-	-	(3,891)	(5,664)	-	74,840	65,285
Dividends paid	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	208	-	208
Transactions with owners in their capacity as owners	-	-	-	-	208	-	208
Balance as at 30 June 2024	1,751,706	(928,385)	990	17,855	5,490	(373,472)	474,184

The above *Consolidated Statement of Changes in Equity* should be read in conjunction with the accompanying notes.

FINANCIAL REPORT

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

\$'000	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		834,885	854,207
Receipts from securitisation programs		1,235,277	1,225,965
Payments to suppliers and employees		(1,870,112)	(1,848,972)
Income tax paid		(35,789)	(21,132)
Interest received		764	881
(Payments)/proceeds from securitisation of trade debtors		(178)	208
Borrowing, trade debtor securitisation and other finance costs paid		(98,449)	(93,401)
Net cash flows provided by operating activities	4.1	66,398	117,756
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(119,386)	(116,263)
Payments for investments in joint ventures		(122)	(5,833)
Proceeds from sale of businesses, net of transaction costs	3.1	21,762	225,473
Proceeds from sale of property, plant and equipment		23	45
Proceeds from Government grants		5,902	-
Payments for joint venture loans		(5,668)	(1,841)
Dividends received and capital distribution from joint ventures		5,401	778
Net cash flows (used in)/provided by investing activities		(92,088)	102,359
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,356,797	519,389
Repayment of borrowings		(1,283,242)	(701,185)
Repayment of lease liability principal		(48,901)	(50,006)
Net cash flows provided by/(used in) financing activities		24,654	(231,802)
Net decrease in cash and cash equivalents		(1,036)	(11,687)
Cash and cash equivalents at the beginning of the year		65,177	78,040
Effect of exchange rate changes on cash and cash equivalents		803	(1,176)
Cash and cash equivalents at the end of the year	4.1	64,944	65,177

The *Consolidated Statement of Cash Flows* should be read in conjunction with the accompanying notes.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

SECTION 1 – OUR PERFORMANCE

A key element of Pact's strategy is to maximise long-term shareholder value. This section highlights the results and performance of the Group for the year ended 30 June 2025.

1.1 GROUP RESULTS FROM CONTINUING OPERATIONS

Operating unit results from continuing operations

\$'000	Packaging & Sustainability	Materials Handling & Pooling	Contract Manufacturing	Eliminations	Consolidated continuing operations
Year ended 30 June 2025					
Revenue	1,243,065	257,098	371,594	(50,028)	1,821,729
Depreciation and amortisation	(80,800)	(16,612)	(13,147)	-	(110,559)
Underlying EBIT ⁽¹⁾	96,789	37,252	4,461	-	138,502

\$'000	Packaging & Sustainability	Materials Handling & Pooling	Contract Manufacturing	Eliminations	Consolidated continuing operations
Year ended 30 June 2024					
Revenue	1,247,794	240,758	355,532	(40,397)	1,803,687
Depreciation and amortisation	(79,043)	(17,307)	(12,261)	-	(108,611)
Underlying EBIT ⁽¹⁾	104,625	23,212	8,616	-	136,453

⁽¹⁾ Underlying EBIT – Earnings before underlying adjustments, finance costs and loss on de-recognition of financial assets, net of interest income, tax. Underlying EBIT is a non-IFRS measure.

Pact's chief operating decision maker is the Managing Director and Group Chief Executive Officer (**CEO**), who is focused on the financial measures reported in the table above.

The CEO monitors results by reviewing the reportable operating units based on a product perspective as outlined in the table below. The resource allocation to each operating unit and the aggregation of reportable operating units is based on that product portfolio.

Operating units	Products/services	Countries of Operation	
Packaging & Sustainability	- Manufacture and supply of rigid plastic and metal packaging and associated services - Recycling and sustainability services	- Australia - New Zealand - China - Indonesia - Philippines - Singapore	- Thailand - Hong Kong - South Korea - Nepal - India
Materials Handling & Pooling	- Manufacture and supply of materials handling products and the provision of associated services - Pooling services⁽¹⁾	- Australia - New Zealand - China - Hong Kong - United States of America	- India - Bangladesh - United Kingdom - Sri Lanka
Contract Manufacturing	Contract manufacturing and packing services	Australia	

⁽¹⁾ Includes a 50% joint venture with Marquis Holdco Pty Ltd. Refer Note 3.3.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

1.1 GROUP RESULTS FROM CONTINUING OPERATIONS (CONTINUED)

Net profit after tax from continuing operations

The reconciliation of underlying EBIT shown above to the net profit from continuing operations disclosed in the *Consolidated Statement of Comprehensive Income* is as follows:

\$'000	Note	2025	2024
Underlying EBIT		138,502	136,452
Underlying adjustments from continuing operations ⁽¹⁾			
Gain on business divestment	3.1	13,639	-
Transaction costs ⁽²⁾		(6,460)	(5,186)
Costs arising from site fire ⁽³⁾		-	(177)
Insurance settlements for events in prior periods		-	1,568
Recognition of fair value adjustments in Marquis			
Contingent consideration ⁽⁴⁾	3.1	15,000	-
Share of loss from contingent consideration ⁽⁵⁾		(7,500)	-
Depreciation of tangible assets ⁽⁶⁾		(822)	-
Amortisation of intangible assets ⁽⁷⁾		(2,214)	-
Business restructuring programs			
Restructuring costs ⁽⁸⁾		(16,102)	(28,801)
Share of losses in CPA ⁽⁹⁾		(5,924)	-
Net lease exit costs ⁽¹⁰⁾	5.3	(3,442)	-
Underlying adjustments in other losses	6.2	(13,825)	(32,596)
Impairment expenses			
Tangible assets ⁽¹¹⁾		-	(3,858)
Total underlying adjustments from continuing operations		(13,825)	(36,454)
Reported EBIT from continuing operations		124,677	99,998
Net finance costs ⁽¹²⁾		(91,266)	(91,675)
Net profit/(loss) before tax		33,411	8,323
Income tax expense ⁽¹³⁾		(9,813)	(4,588)
Net profit/(loss) after tax from continuing operations		23,598	3,735

⁽¹⁾ Underlying adjustments from continuing operations include items that are individually material or do not relate to the operating business.

⁽²⁾ Excludes costs associated with the Crates transaction in the prior year and VRM during the period.

⁽³⁾ Related to prior period write off costs for stock held in the Materials Handling & Pooling operating unit.

⁽⁴⁾ Relates to contingent consideration due from meeting the requirements of the share sale agreement (SSA) with Morrison & Co. Refer Note 3.1 for details.

⁽⁵⁾ Marquis recorded an expense of \$15.0 million in recognition of the contingent consideration payable and the Group recognised its 50% share.

⁽⁶⁾ Relates to the Group's share of depreciation arising from the fair value adjustment of Marquis plant and equipment.

⁽⁷⁾ Relates to the Group's share of amortisation arising from the fair value adjustment of certain brands, supplier agreements and licenses in Marquis.

⁽⁸⁾ Relates to the optimisation of business functions and facilities across the Group.

⁽⁹⁾ Relates to the Groups share of losses in CPA as full operational status was not achieved until final product certification was approved in June 2025.

⁽¹⁰⁾ Relates to the exit of Kingsway lease. Refer Note 5.3 for details.

⁽¹¹⁾ Related to prior period impairment of the investment in a joint venture – Australian Recycled Plastic Pty Ltd.

⁽¹²⁾ Net finance costs include interest income of \$1,955,000 (2024: \$1,299,000).

⁽¹³⁾ Includes a tax expense on underlying adjustments of \$0.3 million (2024: tax benefit on underlying adjustments of \$8.9 million relating to business restructuring).

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

1.1 GROUP RESULTS FROM CONTINUING OPERATIONS (CONTINUED)

Consolidated – Basic and diluted earnings per share

	2025	2024
Earnings per share (EPS) (cents) – basic	6.9	21.7
Earnings per share (EPS) (cents) – diluted	6.8	21.6
Calculated using:		
• Net profit/(loss) attributable to ordinary equity holders (\$'000)	23,598	74,873
• Weighted average of ordinary shares (shares) – basic	344,290,053	344,290,053
• Weighted average of ordinary shares (shares) – diluted	345,503,249	346,162,287

Earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of Pact by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to include the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive shares. This includes items such as performance rights as disclosed in Note 5.2.

1.2 REVENUE FROM CONTRACTS WITH CUSTOMERS FROM CONTINUING OPERATIONS

Disaggregation of revenue from contracts with customers

\$'000	Packaging & Sustainability ⁽¹⁾	Materials Handling & Pooling	Contract Manufacturing ⁽²⁾	Eliminations	Consolidated continuing operations
Year ended 30 June 2025					
Australia	651,545	161,913	371,594	-	1,185,052
New Zealand	361,413	400	-	-	361,813
Asia and others	183,483	91,381	-	-	274,864
Revenue from contracts with customers	1,196,441	253,694	371,594	-	1,821,729
Inter-operating unit revenue	46,624	3,404	-	(50,028)	-
Revenue	1,243,065	257,098	371,594	(50,028)	1,821,729

⁽¹⁾ 0.2% of total revenue for Packaging & Sustainability is recognised over time.

⁽²⁾ 4.4% of total revenue for Contract Manufacturing is recognised over time.

\$'000	Packaging & Sustainability ⁽¹⁾	Materials Handling & Pooling	Contract Manufacturing ⁽²⁾	Eliminations	Consolidated continuing operations
Year ended 30 June 2024					
Australia	655,614	156,163	355,532	-	1,167,309
New Zealand	368,660	509	-	-	369,169
Asia and others	184,606	82,603	-	-	267,209
Revenue from contracts with customers	1,208,880	239,275	355,532	-	1,803,687
Inter-operating unit revenue	38,914	1,482	-	(40,396)	-
Revenue	1,247,794	240,757	355,532	(40,396)	1,803,687

⁽¹⁾ 0.2% of total revenue for Packaging & Sustainability is recognised over time.

⁽²⁾ 4.5% of total revenue for Contract Manufacturing is recognised over time.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

1.2 REVENUE FROM CONTRACTS WITH CUSTOMERS FROM CONTINUING OPERATIONS (CONTINUED)

Disaggregation of revenue from contracts with customers (continued)

How Pact accounts for revenue

The core principle of AASB 15: *Revenue from Contracts with Customers* is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled to in exchange for those goods and services. An assessment is made by management whether the goods or products manufactured have an alternate use to Pact, including whether these goods or products can be repurposed and sold without significant economic loss to the Group.

Pact recognises revenue on the following basis:

(a) **Delivery of goods or products**

Where the goods or products are not branded and can be sold to more than one specific customer, the performance obligation is the delivery of finished goods or product to the customer. The performance obligation is satisfied when control of the goods or products has transferred to the customer.

(b) **Manufacture of goods or products**

Where the goods or products are manufactured for a specific customer which have no alternate use and at all times throughout the contract Pact has the enforceable right to payment for performance completed to date, a performance obligation is the service of manufacturing the specific goods or products. This performance obligation is satisfied as the goods and products are manufactured. An output method has been adopted to recognise revenue for performance obligations satisfied over time. This method reflects Pact's short manufacturing period. In addition, Pact has obligations to store and deliver manufactured goods or products. These obligations are satisfied as the goods or products are stored (on an over time basis) and when and as delivery occurs.

Contract assets are recognised for the manufacture and storage of goods or products as the performance obligations are satisfied. Upon completion of delivery of the goods or products and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. Management has assessed that it generally takes 60 days between the satisfaction of performance obligations and customer payments.

The Group allocates the transaction price to each performance obligation on a stand-alone selling price basis. The stand-alone selling price of the products is based on list prices or a cost-plus margin approach, which is determined by the Group's expertise in the market and also taking into consideration the length and size of contracts. Some contracts for sale of goods have variable consideration including items such as volume rebates. Variable consideration is estimated at contract inception using the expected value method based on forecast volumes and is subject to the constraint on estimates. This estimate is reassessed at each reporting date.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

1.3 TAXATION

Reconciliation of tax expense from continuing operations

\$'000	2025	2024
Accounting profit before tax	33,411	8,323
Income tax calculated at 30% (2024: 30%)	10,023	2,497
Adjustments in respect of income tax of previous years	(2,303)	(574)
Research and development	(540)	(360)
Joint venture income	4,047	3,106
Net tax gain on sale of business and liquidation of foreign subsidiary	(651)	(1,184)
Tax on unremitted foreign income	3,059	3,562
Overseas tax rate differential	(4,011)	(2,594)
Sundry items	189	135
Income tax expense from continuing operations reported in the Consolidated Statement of Comprehensive Income⁽¹⁾	9,813	4,588
Comprising of:		
• Current year income tax expense/(benefit)	19,017	(7,194)
• Deferred income tax (benefit)/expense	(6,901)	12,356
• Adjustments in respect of income tax of previous years	(2,303)	(574)

⁽¹⁾ Includes a tax expense on underlying adjustments of \$0.3 million (2024: tax benefit on underlying adjustments of \$8.9 million relating to business restructuring).

Recognised current and deferred tax assets and liabilities

	2025		2024	
\$'000	Current income tax asset/(liability)	Deferred income tax asset/(liability)	Current income tax asset/(liability)	Deferred income tax asset/(liability)
Opening balance	(32,795)	35,749	(11,096)	37,800
Charged to income	(19,017)	6,901	(7,356)	2,195
Adjustments in respect of income tax of previous years	2,303	-	(477)	1,051
Tax benefit recognised	(93)	93	(236)	236
Charged to other comprehensive income	-	379	-	1,560
Net payments	35,789	-	21,132	-
Prior year tax benefit utilised/recognised	-	-	14,551	(14,551)
Foreign exchange translation movement	(141)	(140)	317	(96)
Discontinued operations	-	-	(49,630)	7,554
Sale of business	-	(739)	-	-
Other	538	-	-	-
Closing balance	(13,416)	42,243	(32,795)	35,749
Comprises of:				
• Deferred tax assets				
Employee entitlements provision		15,106		16,738
Provisions		10,229		9,453
Unutilised tax losses		336		236
Lease liability		153,284		143,197
Deferred expenses		7,719		-
Other		11,903		13,346
		198,577		182,970
Offset with deferred tax liability		(147,429)		(139,443)
Net deferred tax asset		51,148		43,527
• Deferred tax liabilities				
Property, plant and equipment		(156,119)		(146,510)
Intangibles		(119)		(126)
Other		(96)		(585)
		(156,334)		(147,221)
Offset with deferred tax asset		147,429		139,443
Net deferred tax liability		(8,905)		(7,778)

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

1.3 TAXATION (CONTINUED)

The Group operates in jurisdictions where new legislation to implement the global minimum top-up tax has been enacted. For the year ended 30 June 2025, there has been an immaterial tax liability recognised in respect of Pillar Two obligations. This is on the basis that the transitional safe harbour thresholds are expected to be met for jurisdictions in which the Group operates, except for Hong Kong and Bangladesh which, management has determined, results in a minor top-up tax liability. The Group has applied the mandatory temporary exception in AASB 112: *Income Taxes* not to recognise or disclose information about deferred tax assets and liabilities that could arise from OECD Pillar Two model rules.



Key Estimates and Judgements – Taxation

Pact is subject to income tax in Australia and foreign jurisdictions. The calculation of the Group's tax charge requires management to determine whether it is probable that there will be sufficient future taxable profits to recoup deferred tax assets. AASB Interpretation 23: *Uncertainty over Income Tax Treatment* addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of the recognition and measurement criteria in AASB 112: *Income Taxes*. Judgements and assumptions are subject to risk and uncertainty, hence if final tax determinations or future actual results do not align with current judgements, this may have an impact on the carrying value of deferred tax balances and corresponding credits or charges to the *Consolidated Statement of Comprehensive Income* and *Consolidated Statement of Financial Position*.

How Pact accounts for taxation

Income tax charges:

- Comprise of current and deferred income tax charges and represent the amounts expected to be paid to and recovered from the taxation authorities in the jurisdictions that Pact operates.
- Are recorded in equity when the underlying transaction that the tax is attributable to is recorded within other comprehensive income.

Pact uses the tax laws in place or those that have been substantively enacted at reporting date to calculate income tax. For deferred income tax, Pact also considers whether these tax laws are expected to be in place when the related asset is realised or liability is settled. Management periodically re-evaluates its tax position assessments, in particular where they relate to specific interpretations of applicable tax regulation. Deferred tax assets and liabilities are recognised on all assets and liabilities that have different carrying values for tax and accounting, including those arising from a single transaction, except for:

- initial recognition of goodwill; and
- any undistributed profits of Pact's subsidiaries or joint ventures where either the distribution of those profits would not give rise to a tax liability or the Directors consider they have the ability to control the timing of the reversal of the temporary differences.

Specifically, for deferred tax assets:

- They are recognised only to the extent that it is probable that there are sufficient future taxable amounts to be utilised against. This assessment is reviewed at each reporting date.
- They are offset against deferred tax liabilities in the same tax jurisdiction, when there is a legally enforceable right to do so.
- If acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in the *Consolidated Statement of Comprehensive Income*.

Unrecognised deferred tax assets and liabilities

Deferred tax liabilities have not been recognised in respect of temporary differences arising as a result of the translation of the financial statements of the Group's investments in subsidiaries. The deferred tax liability will only arise in the event of disposal of the subsidiary, and no such disposal is expected in the foreseeable future. Unremitted earnings of the Group's international operations are considered to be reinvested indefinitely and relate to the ongoing operations. Upon distribution of any earnings in the form of dividends or otherwise, the Group may be subject to withholding taxes payable to various foreign countries; however, such amounts are not considered to be significant. As the Group controls when the deferred tax liability will be incurred and is satisfied that it will not be incurred in the foreseeable future, the deferred tax liability has not been recognised. There are no unrecognised deferred tax assets.

Australian tax consolidated group

Pact Group Holdings Ltd (the head entity) and its wholly owned Australian subsidiaries formed a tax consolidated group (Australian tax consolidated group), effective January 2014. The Australian tax consolidated group continues to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current and deferred taxes to allocate to members of the tax consolidated group. The head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. A tax funding agreement is in place such that Pact Group Holdings Ltd pays/receives any taxes owed by/owed to the Group to/from the Australian Tax Office. Assets or liabilities arising under this tax funding agreement are recognised as amounts receivable from or payable to the head entity. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

1.4 DIVIDENDS

No dividends were paid during the financial period (2024: Nil).

The Directors have determined not to pay a final dividend in relation to the year ended 30 June 2025 (2024: Nil).

Franking credit balance⁽¹⁾

\$'000	2025	2024
Franking account balance as at the end of the financial year at 30% (2024: 30%)	23,916	1,797
Franking credits that will arise from the payment of income tax payable	666	26,081
Total franking credit available for the subsequent financial year	24,582	27,878

⁽¹⁾ Nil franking credits have been used in the financial year (2024: Nil).

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

SECTION 2 – OUR OPERATING ASSETS

This section highlights the primary operating assets used and liabilities incurred to support the Group's operating activities.

Liabilities relating to the Group's financing activities are disclosed in Note 4.1 *Net Debt*, deferred tax assets and liabilities are disclosed in Note 1.3 *Taxation* and employee benefits provisions are disclosed in Note 5.1 *Employee Benefits Expenses and Provisions*.

2.1 WORKING CAPITAL

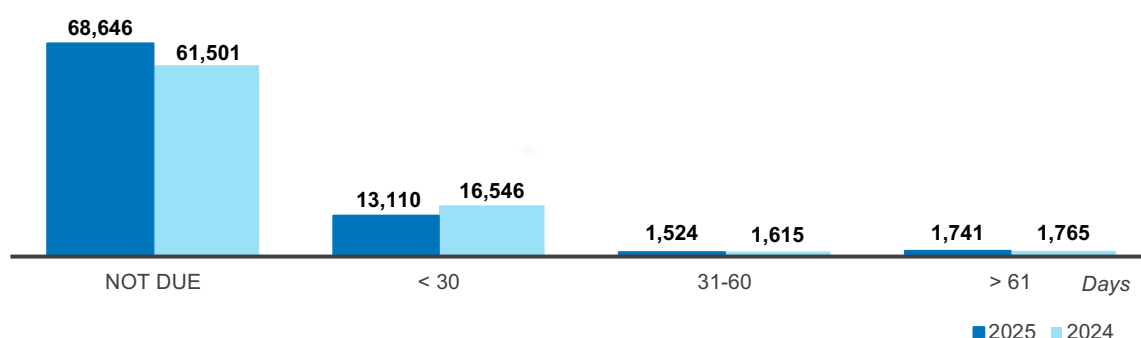
Trade and other receivables

Trade and other receivables at 30 June comprise of:

\$'000	2025	2024
Trade receivables ⁽¹⁾	85,131	81,585
Allowance for expected credit losses ⁽¹⁾	(110)	(158)
Other receivables ⁽²⁾⁽³⁾	74,028	56,558
Total current trade and other receivables	159,049	137,985
Other receivables ⁽³⁾	888	-
Total trade and other receivables	159,937	-

⁽¹⁾ Below is a breakdown of the ageing of trade receivables:

Ageing of trade receivables as at 30 June (\$'000)



⁽²⁾ At 30 June 2025 \$32.4 million (2024: \$39.4 million) has been recognised as part of other receivables representing the Group's participation in a securitisation program. The program requires the Group (or an entity other than the bank) to be a participant. Given the short-term nature of this financial asset, the carrying value of the associated receivable approximates its fair value and represents the Group's maximum exposure to the receivables derecognised as part of the program. The remaining balance of other receivables represents amounts receivable from joint ventures, insurance receivable and others.

At 30 June 2025, the Group had expected credit losses of \$0.1 million (2024: \$0.2 million). The Group has a number of mechanisms in place which assist in minimising financial losses due to customer non-payment. These include:

- All customers who wish to trade on credit terms are subject to strict credit verification procedures, which may include an assessment of their independent credit rating, financial position, past experience and industry reputation.
- Individual risk limits, which are regularly monitored in line with set parameters.
- Monitoring receivable balances on an ongoing basis.
- Debtor securitisation programs which allow Pact to sell receivables, at a discount to a third party on a non-recourse basis. The securitisation program has a committed facility limit of \$130.0 million (2024: \$130.0 million) and an uncommitted limit of \$50.0 million (2024: \$50.0 million).

⁽³⁾ The Group sub-leased two properties during the year. Included within the other receivables was the current portion from the sub-leases of \$0.5 million (2024: Nil) and non-current portion of the sub-leases of \$0.9 million (2024: Nil).

Expected credit loss model

Information about the credit risk exposure on the Group's trade receivables using a provision matrix has not been disclosed due to the immaterial amount of expected credit losses as at 30 June 2025.

In assessing expected credit losses, the Group has considered current economic conditions. Management considers the credit risks to be sufficiently mitigated due to the diversity and credit standing of the Group's customers. Accordingly, the Group has not experienced a significant increase in expected credit losses.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

2.1 WORKING CAPITAL (CONTINUED)

Trade and other receivables (continued)

How Pact accounts for trade and other receivables

Pact's trade receivables are non-interest bearing, are recorded at the amount on the sales invoice and include goods and services tax (GST). Trade receivables generally have 30-day terms from the end of the month.

For lease receivables, trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Under the Group's securitisation programs:

- The Group transfers substantially all the risks and rewards of receivables within the programs to a third party.
- Receivables are sold at a discount and at the date of sale the receivable is derecognised and the discount is included as part of the loss on derecognition of financial assets in the *Consolidated Statement of Comprehensive Income*. The costs associated with establishing the program are also recognised on a pro rata basis within the same account (refer Note 4.1).
- The Group may act as a servicer to the programs to facilitate the collection of receivables. Income received for being a servicer is recorded as an offset to the loss on derecognition of receivables.
- At balance date, a liability is recognised if received collections have not been paid to other participants of the programs.

Inventories

Inventories at 30 June comprise of:

\$'000	2025	2024
Raw materials and stores	120,239	125,915
Work in progress	27,251	26,619
Finished goods	100,174	92,329
Total inventories	247,664	244,863

How Pact accounts for inventories

Inventories are recorded at cost, which for Pact includes:

- Raw materials: the invoice price of the product, net of any discount, rebates, duties and taxes, as well as the cost of internal freight.
- Work in Progress and Finished Goods: cost of raw materials, direct labour and a proportion of manufacturing overheads based on a normal level of operating capacity, but excluding costs that relate to general administration, finance, marketing, selling and distribution.

In determining the net realisable value of inventories, the Group has assessed in particular what costs are necessary to sell inventories under AASB 102: *Inventories*.

Trade and other payables

Current trade and other payables at 30 June comprise of:

\$'000	2025	2024
CURRENT		
Trade payables	299,852	309,416
Other payables ⁽¹⁾	39,599	66,670
Total current trade and other payables	339,451	376,086
NON-CURRENT		
Other payables ⁽¹⁾	3,043	-
Total non-current trade and other payables	3,043	-

⁽¹⁾ Includes amounts recognised for settlement claim payable to Centralbridge Two Pty Ltd (a related party) in respect of lease termination for the property at Kingsway Moorabbin. Refer Note 5.3.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

2.1 WORKING CAPITAL (CONTINUED)

Trade and other payables (continued)

How Pact accounts for trade and other payables

Trade payables are carried at their principal amounts, are not discounted and include GST. They represent amounts owed for goods and services provided to the Group prior to, but were not paid for, at the end of the financial year. The amounts are generally unsecured and are usually paid within 30 to 90 days of recognition.

Other payables are accounted similar to trade payables, except in instances where the payables are due over 12 months in which case the Group uses a discount rate that reflects current market assessments of the time value of money and classifies it accordingly. The interest unwind is recognised in the *Consolidated Statement of Comprehensive Income*.

2.2 NON-CURRENT ASSETS

The below outlines the geographical location of Pact's property, plant and equipment, intangible assets and goodwill:

\$'000	2025	2024
Australia	750,895	678,539
New Zealand	356,702	358,621
Asia and others	252,780	246,842
TOTAL	1,360,377	1,284,002

Property, plant and equipment

The key movements in property, plant and equipment over the year were:

\$'000	Buildings ⁽¹⁾	Plant and equipment	Assets for hire	Right of use asset ⁽²⁾	Capital work in progress	Total
Estimated useful life	Buildings: 40–50 years Leasehold improvements: 10–15 years	3–20 years	10 years	3–20 years	n/a	
Year ended 30 June 2025						
At 1 July 2024 net of accumulated depreciation	26,158	403,904	-	405,986	133,357	969,405
Additions and transfers	6,492	117,138	-	51,802	(16,090)	159,342
Disposals	(43)	(4,597)	-	(3,726)	-	(8,366)
Reassessment of leases	-	-	-	32,495	-	32,495
Foreign exchange translation movement	378	2,762	-	2,619	758	6,517
Depreciation charge for the year	(2,832)	(51,651)	-	(56,047)	-	(110,530)
At 30 June 2025 net of accumulated depreciation	30,153	467,556	-	433,129	118,025	1,048,863
Represented by:						
• At cost	57,239	1,312,405	-	693,464	118,025	2,181,133
• Accumulated depreciation	(27,086)	(844,849)	-	(260,335)	-	(1,132,270)
Year ended 30 June 2024						
At 1 July 2023 net of accumulated depreciation	27,510	441,978	44,114	431,187	103,428	1,048,217
Additions and transfers	2,073	61,336	-	19,046	44,702	127,157
Disposals	(15)	(362)	(9)	-	-	(386)
Disposals through discontinued operations	(335)	(48,280)	(42,976)	(18,804)	(14,013)	(124,408)
Reassessment of leases	-	-	-	32,945	-	32,945
Foreign exchange translation movement	(294)	(1,496)	141	(890)	(760)	(3,299)
Depreciation charge for the year	(2,781)	(49,272)	(1,270)	(57,498)	-	(110,821)
At 30 June 2024 net of accumulated depreciation	26,158	403,904	-	405,986	133,357	969,405
Represented by:						
• At cost	50,622	1,239,896	-	610,273	133,357	2,034,148
• Accumulated depreciation	(24,464)	(835,992)	-	(204,287)	-	(1,064,743)

⁽¹⁾ Buildings consists of the following: buildings of \$18.8 million (2024: \$18.3 million) and accumulated depreciation of \$7.1 million (2024: \$6.1 million) and Leasehold improvements of \$38.4 million (2024: \$32.4 million) and accumulated depreciation of \$20.0 million (2024: \$18.3 million).

⁽²⁾ Included within the right of use asset is \$11.1 million in relation to the leasehold land held by the Group. The value of this right of use leasehold land is not included within Note 2.5.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

2.2 NON-CURRENT ASSETS (CONTINUED)

Property, plant and equipment (continued)



Key Estimates and Judgements – Estimation of useful lives of assets

The estimation of the useful lives of assets, excluding the right of use (ROU) assets, is based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary. The estimation of the useful lives of ROU assets is based on the non-cancellable period of the lease plus renewal options when the exercise of the option is considered to be reasonably certain.



Key Estimates and Judgements – Recoverability of property, plant and equipment

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, social, economic and political environments and future product expectations. If an impairment trigger exists, the recoverable amount of the asset is determined to assess if any impairment is required.

How Pact accounts for property plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the item and subsequent costs incurred to replace parts that are eligible for capitalisation. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Where assets are in the course of construction at the reporting date they are classified as capital works in progress. Upon completion, capital works in progress are reclassified to plant and equipment and are depreciated from this date. Where a grant is received for the upgrade of plant and equipment, the amount received is offset against the cost of the plant and equipment. If a grant is received for plant and equipment where the Group has yet to commission, the amount received is recognised as deferred income and included as part of trade and other payables.

At each reporting date the Group assesses whether there is an indication that an asset at a geographic operating unit level may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset generates cash inflows that are largely dependent on those from other assets or groups of assets and the asset's value in use cannot be estimated to approximate its fair value. In such cases the asset is tested for impairment as part of the geographic operating unit to which it belongs. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the *Consolidated Statement of Comprehensive Income*.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amounts are estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Annual Property, plant and equipment impairment testing

Impairment testing is undertaken as at 30 April each year. Modelling assumptions were consistent with the goodwill impairment testing except in the Packaging Australia and Packaging China businesses where FVLCO was used. The calculation of VIU and FVLCO for the businesses are sensitive to the following assumptions:

- **Gross margins and raw material price movement** – Gross margins reflect current gross margins adjusted for any expected (and likely) efficiency improvements or price changes.
- **Cash flows** – For VIU cash flows are forecast for a period of five years. Cash flows beyond the one-year period are extrapolated using growth rates which are a combination of expected volume growth and price growth. Rates are based on industry research and economic forecasts. For FVLCO cash flows are based on the EBIT growth over the forecast period based on past experience, expectations of general market conditions and a program of business improvement strategies. Long-term rates are based on industry research and economic forecasts. Cost of disposal is calculated based on 2% of the recoverable value.
- **Discount rates** – For both VIU and FVLCO the discount rates are based on an assessment of the Group's pre-tax weighted average cost of capital in conjunction with risk factors specific to the businesses.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

2.2 NON-CURRENT ASSETS (CONTINUED)

Goodwill and other intangibles

Intangible assets are comprised of the following:

\$'000	Other intangibles ⁽¹⁾	Goodwill	Total
Year ended 30 June 2025			
At 1 July 2024 net of accumulated amortisation and impairment	496	314,101	314,597
Reallocation of goodwill from the sale of business	-	(5,323)	(5,323)
Write off expenses	(6)	-	(6)
Foreign exchange translation movements	-	2,274	2,274
Amortisation	(28)	-	(28)
At 30 June 2025 net of accumulated amortisation and impairment	462	311,052	311,514
Represented by:			
• At cost	2,098	561,453	563,551
• Accumulated amortisation and impairment	(1,636)	(250,401)	(252,037)
Year ended 30 June 2024			
At 1 July 2023 net of accumulated amortisation and impairment	535	427,968	428,503
Disposals through discontinued operations	-	(113,473)	(113,473)
Write off expenses	(7)	-	(7)
Foreign exchange translation movements	-	(394)	(394)
Amortisation	(32)	-	(32)
At 30 June 2024 net of accumulated amortisation and impairment	496	314,101	314,597
Represented by:			
• At cost	2,098	564,502	566,600
• Accumulated amortisation and impairment	(1,602)	(250,401)	(252,003)

⁽¹⁾ Other intangibles includes trademarks and patents recognised at cost and amortised on a straight-line basis between 20–25 years.

\$'000	2025	2024
Goodwill allocated to the following group of CGUs⁽¹⁾:		
Packaging & Sustainability	264,027	261,753
Materials Handling & Pooling	47,025	52,348
	311,052	314,101

⁽¹⁾ This is the lowest level where goodwill is monitored.

How Pact accounts for goodwill

Goodwill is:

- initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities;
- subsequently measured at cost less any accumulated impairment losses; and
- reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the Cash Generating Unit (CGU) or group of CGUs, to which the goodwill relates. When the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a CGU (or group of CGUs) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the CGU (or group of CGUs) retained.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

2.2 NON-CURRENT ASSETS (CONTINUED)

Goodwill and other intangibles (continued)



Key Estimate and Judgement – Impairment of goodwill and other intangibles

Value in use (VIU) for Packaging & Sustainability and Materials Handling & Pooling

The recoverable amount of each CGU has been determined based on VIU calculations using cash flow projections contained within next year's financial budget approved by management and other forward projections up to a period of five years. Management has used its current expectations and what is considered reasonably achievable when assigning values to key assumptions in VIU calculations.

Fair value less cost of disposal (FVLCOD) for Contract Manufacturing

In determining FVLCOD, a five year discounted cash flow model is used based on a methodology consistent with that applied by the Group in determining the value of business strategies and maximising the use of market observed inputs. These calculations, classified as Level 3 on the fair value hierarchy, are compared to valuation multiples, or other fair value indicators where available, to ensure reasonableness.

Annual impairment testing

Impairment testing is undertaken as at 30 April each year. The discount rates and terminal growth rates applied to cash flow projections are detailed below. The calculation of VIU and FVLCOD for the related operating units below are sensitive to the following assumptions:

- **Gross margins and raw material price movement** – Gross margins reflect current gross margins adjusted for any expected (and likely) efficiency improvements or price changes.
- **Cash flows** – For VIU cash flows are forecast for a period of five years. Cash flows beyond the one-year period are extrapolated using growth rates which are a combination of expected volume growth and price growth. Rates are based on industry research and economic forecasts. For FVLCOD cash flows are based on the EBIT growth over the forecast period based on past experience, expectations of general market conditions and a program of business improvement strategies. Long-term rates are based on industry research and economic forecasts. Cost of disposal is calculated based on 2% of the recoverable value.
- **Discount rates** – For both VIU and FVLCOD the discount rates are based on an assessment of the Group's pre-tax weighted average cost of capital in conjunction with risk factors specific to the CGUs within the operating unit.

	Packaging & Sustainability	Materials Handling & Pooling	Contract Manufacturing
2025			
Discount rate (pre-tax) ⁽¹⁾	10.1%–16.7%	14.0%	14.7%
Terminal growth rate ⁽¹⁾	2.0%–6.1%	2.1%–2.3%	2.0%
2024			
Discount rate (pre-tax) ⁽¹⁾	10.1%–16.7%	14.0%	14.7%
Terminal growth rate ⁽¹⁾	2.0%–6.1%	2.0%	2.0%

⁽¹⁾ The % range of the discount rate and terminal growth rate is representative of the different countries in each CGU.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

2.2 NON-CURRENT ASSETS (CONTINUED)

Annual impairment testing (continued)

The table below shows the carrying amount and headroom analysis across the operating units:

	Packaging & Sustainability	Materials Handling & Pooling	Contract Manufacturing
2025			
Carrying amount (at 30 April) (\$'000)	1,254,684	194,611	189,559
Headroom (times)	1.08	1.87	1.02
Breakeven analysis ⁽¹⁾			
Terminal growth rate; and	↓ 1.4%	↓ 1.8%	↓ 0.3%
Discount rate	↑ 0.2%	↑ 8.1%	↑ 0.2%

	Packaging & Sustainability	Materials Handling & Pooling	Contract Manufacturing
2024			
Carrying amount (at 30 April) (\$'000)	1,165,342	191,447	188,089
Headroom (times)	1.22	1.58	1.04
Breakeven analysis ⁽¹⁾			
Terminal growth rate; and	↓ 0.5%	↓ 1.0%	0.0%
Discount rate	↑ 1.5%	↑ 5.0%	↑ 0.5%

⁽¹⁾ This is the level at which the recoverable amount would be equal to the carrying amount.

2.3 CAPITAL EXPENDITURE COMMITMENTS, CONTINGENCIES AND OTHER LIABILITIES

Capital expenditure commitments

Capital expenditure commitments contracted for at reporting date, but not provided for are:

\$'000	2025	2024
Payable within one year	25,830	35,778
Payable after one year but not more than five years	-	374
Total	25,830	36,152

Contingent consideration dispute

During the 2020 financial year the Group reversed a contingent consideration obligation of \$30.0 million relating to the acquisition of TIC Retail Accessories, as specific financial hurdles required for payment were determined not to have been achieved.

In 2021 the Company received dispute notices in relation to this contingent consideration obligation. A number of the Company's related bodies corporate (**Pact Claim Group**) commenced legal proceedings against TIC Group Pty Ltd and various related parties (**TIC**) in the Commercial Court of the Supreme Court of Victoria challenging the validity of the dispute notice, and TIC has brought a counterclaim seeking payment of \$30.0 million plus interests and costs. The Pact Claim Group is vigorously defending the counterclaim. The matter has been listed for trial in December 2025.

Contingencies

Other than the matter aforementioned, the Group is not party to any other legal proceedings that are expected, individually or in the aggregate, to have a material adverse effect on its business, financial position, or operating results.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

Other commitments and guarantees

At 30 June 2025, the Group had bank guarantees and other trade finance arrangements totalling \$28.6 million (2024: \$28.4 million) in respect of various property leases, material purchases and other contractual obligations.

Modern Manufacturing Initiative

During the financial year, the Group received \$5.0 million (2024: Nil) of grant funding in relation to the Federal Government's Modern Manufacturing Initiative for the upgrade of plant and equipment. On receipt, the grant is recognised as deferred income and then offset against the cost of the plant and equipment when capitalised. The Group has completed the projects and there will be no further grant funding available under this initiative.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

2.4 OTHER PROVISIONS

Total other provisions at 30 June comprise of:

\$'000	2025	2024
CURRENT		
Business restructuring	1,127	127
Total current provisions	1,127	127
NON-CURRENT		
Make good on leased premises	12,339	12,261
Total non-current provisions	12,339	12,261

Movement in provisions

Year ended 30 June 2025

	Business restructuring ⁽¹⁾	Make good on leased premises ⁽²⁾	Total
At 1 July 2024	127	12,261	12,388
Provided for during the year	16,102	1,077	17,179
Utilised	(15,103)	(1,068)	(16,171)
Foreign exchange translation movement	1	69	70
At 30 June 2025	1,127	12,339	13,466

Year ended 30 June 2024

At 1 July 2023	2,464	12,903	15,367
Provided for during the year	28,801	981	29,782
Transfer to discontinued operations	-	(1,173)	(1,173)
Other transfers	-	(61)	(61)
Utilised	(31,125)	(367)	(31,492)
Foreign exchange translation movement	(13)	(22)	(35)
At 30 June 2024	127	12,261	12,388

⁽¹⁾ Business restructuring relates to the optimisation of business functions and facilities across the Group.

⁽²⁾ In accordance with the form of lease agreements, the Group may be required to restore leased premises to their original condition at the end of the lease term and upon exiting the site. The provision is based on the costs which are expected to be incurred using historical costs as a guide. This liability is expected to be settled as the Group exits leased premises.



Key Estimates and Judgements – Business restructuring

Business restructuring provisions are only recognised when a detailed plan has been approved and the business restructuring has either commenced or been publicly announced, or contracts relating to the business restructuring have been entered into. Costs related to ongoing activities are not provided for.

How Pact accounts for other provisions

Provisions are recognised when the following three criteria are met:

- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financing cost.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

2.5 LEASES

Impacts on financial statements

The carrying amounts of the Group's right of use assets and lease liabilities and the movements during the period are as below:

\$'000	Right of use asset			Lease liabilities
	Property	Plant and equipment	Total	Total
Balance as at 1 July 2024	385,967	9,206	395,173	509,297
Additions	47,156	4,646	51,802	51,366
Depreciation expense	(51,327)	(4,720)	(56,047)	-
Disposals	(3,606)	(120)	(3,726)	(5,754)
Reassessment of leases	30,807	1,688	32,495	32,055
Interest expense	-	-	-	36,765
Payments ⁽¹⁾	-	-	-	(85,666)
Foreign exchange translation movement	2,302	37	2,339	2,792
Balance as at 30 June 2025	411,299	10,737	422,036	540,855

Balance as at 1 July 2023	412,321	7,884	420,205	532,361
Additions	12,543	6,502	19,045	18,789
Depreciation expense	(52,898)	(4,599)	(57,497)	-
Transfer to discontinued operations	(17,660)	(1,144)	(18,804)	(24,499)
Reassessment of leases	32,370	575	32,945	33,530
Interest expense	-	-	-	34,887
Payments ⁽¹⁾	-	-	-	(84,893)
Foreign exchange translation movement	(709)	(12)	(721)	(878)
Balance as at 30 June 2024	385,967	9,206	395,173	509,297

⁽¹⁾ During the year, total lease payments included \$1.5 million (2024: \$1.8 million) towards properties no longer occupied.

In addition to the expenses detailed above, the *Consolidated Statement of Comprehensive Income* also includes the following lease related expenses:

\$'000	2025	2024
Expenses relating to short-term leases	2,296	1,506
Expenses relating to low-value leases	547	537
Variable lease payments	271	294
Property outgoings ⁽¹⁾	22,461	20,820

⁽¹⁾ Includes council rates, taxes, insurance and other lease related payments. Outgoings are 28.0% of the Group's property lease payments in the financial year (2024: 26.6%).

The lease liabilities included in the *Consolidated Statement of Financial Position* are:

\$'000	2025	2024
Current	83,052	78,256
Non-current	457,803	431,041

The maturity analysis of contractual undiscounted cash flows for lease liabilities are:

\$'000	2025	2024
Less than one year	85,872	80,650
One to five years	278,254	271,773
More than five years	583,506	437,832
Total undiscounted liabilities	947,632	790,255

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

2.5 LEASES (CONTINUED)

Impacts on financial statements (continued)

The amounts recognised in the statement of cash flows are:

\$'000	2025	2024
Repayment of lease liability principal ⁽¹⁾	48,901	50,006
Interest payments ⁽¹⁾	36,765	34,887
Expenses relating to short-term leases	2,296	1,506
Expenses relating to low-value leases	547	537
Variable lease payments	271	294
Property outgoings	22,242	19,720

⁽¹⁾ Of the total lease payments, 4.1% (2024: 8.3%) relate to property leases that exclude renewal options in the assessment of the lease term. This includes warehouses, offices and shopfronts where the exercise of the option is not reasonably certain.



Key Estimate and Judgement – Incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (**IBR**) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available.



Key Estimate and Judgement – Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

SECTION 3 – GROUP STRUCTURE

This section provides details of acquisitions and/or divestments which the Group has made in the financial year, as well as details of controlled entities and interests in joint ventures.

3.1 BUSINESS DIVESTMENT

Sale of Viscount Rotational Mouldings Pty Limited

On 6 September 2024, the Group signed a sale share agreement to sell all the shares of its wholly owned subsidiary Viscount Rotational Mouldings Pty Limited (**VRM**) to CRH Infrastructure Products Australia Pty Ltd. Net cash consideration received from the sale was \$21.8 million with \$7.7 million of net assets disposed (including \$5.3 million of goodwill reallocated). Total transaction costs of \$0.5 million were incurred as part of the sale, thereby resulting in gain on sale of business (before tax) of \$13.6 million. This gain has been included within Other gains in the *Consolidated Statement of Comprehensive Income*. The VRM business was not a major line of business for the Group and, as such, it has not been disclosed as a discontinued operation. The disposed business was part of the Materials Handling & Pooling operating unit. The completion date of sale was 31 December 2024.

Contingent consideration

In the prior year, the Group reported a gain on the Crates transaction of \$103.2 million. As part of the share sale agreement (**SSA**) with Morrison & Co in the prior year, a contingent consideration would be payable to the Group on occurrence of an eligible arrangement, that is, if the Group successfully executed a contractually binding agreement for at least 5 years with a new customer for crate management requirements within 24 months from 16 August 2023 (signing date of SSA). During the year, the Group achieved this outcome and recognised a receivable of \$15.0 million relating to the contingent consideration with a corresponding gain included within Other gains in the *Consolidated Statement of Comprehensive Income*. As Pact retained a 50% share in the Crates Business, the economic benefit of this transaction is \$7.5 million to the Group. In the financial statements, the Group has reflected the 100% contingent consideration of the Crates Business offset by Pact's share of 50% of the contingent cost reflected in the Marquis joint venture as part of the share of (losses)/profits in joint ventures. These two transactions are disclosed as underlying adjustments.

3.2 CONTROLLED ENTITIES

During the year, the Group sold Viscount Rotational Mouldings Pty Limited.

Australian incorporated entities that are party to the Deed of Cross Guarantee and tax consolidated Group at 30 June 2025:⁽¹⁾

• Pact Group Industries (ANZ) Pty Ltd	• MTWO Pty Ltd
• Pact Group Holdings (Australia) Pty Ltd	• Pact Retail Accessories (Australia) Pty Ltd
• Pact Group Finance (Australia) Pty Ltd	• Pascoe's Pty Ltd
• Pact Group Industries (Asia) Pty Ltd	• Plaspak Closures Pty Limited
• Alto Manufacturing Pty Ltd	• Plaspak Management Pty Limited
• Alto Packaging Australia Pty Ltd	• Plaspak Pty Limited
• Astron Plastics Pty Limited	• Power Plastics Pty. Limited
• Australian Pharmaceutical Manufacturers Pty Ltd	• Ruffgar Holdings Pty Limited
• Baroda Manufacturing Pty Ltd	• Salient Asia Pacific Pty Ltd
• Brickwood (Dandenong) Pty Ltd	• Skyson Pty. Ltd.
• Brickwood (NSW) Pty Ltd	• Snopak Manufacturing Pty Ltd
• Brickwood (QLD) Pty Ltd	• Steri-Plas Pty Ltd
• Brickwood (VIC) Pty Ltd	• Sulo MGB Australia Pty Ltd
• Cinqplast Plastop Australia Pty Limited	• Summit Manufacturing Pty Ltd
• Davmar Investments Pty Ltd	• Sunrise Plastics Pty. Ltd.
• Inpact Innovation Pty. Ltd.	• Synergy Packaging Pty Ltd
• Jalco Australia Pty. Limited	• VIP Drum Reconditioners Pty. Ltd.
• Jalco Automotive Pty. Limited	• VIP Plastic Packaging Pty Ltd
• Jalco Care Products Pty Limited	• VIP Steel Packaging Pty Ltd
• Jalco Cosmetics Pty. Limited	• Viscount Logistics Services Pty Ltd
• Jalco Group Pty. Limited	• Viscount Plastics (Australia) Pty Ltd
• Jalco Plastics Pty. Ltd.	• Viscount Plastics (China) Pty Ltd
• Jalco Powders Pty Limited	• Vmax Returnable Packaging Systems Pty Ltd
• Jalco Promotional Packaging Pty. Limited	• Packaging Employees Pty Limited

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NOTES TO THE FINANCIAL STATEMENTS

3.2 CONTROLLED ENTITIES (CONTINUED)

Entities that are not party to the Deed of Cross Guarantee, incorporated in the following jurisdictions:⁽¹⁾

NEW ZEALAND

- Pact Group Holdings (NZ) Limited⁽¹³⁾
- Pact Group Finance (NZ) Limited⁽³⁾
- Pact Group (NZ) Limited⁽³⁾
- VIP Steel Packaging (NZ) Limited⁽¹⁴⁾
- VIP Plastic Packaging (NZ) Limited⁽¹⁴⁾
- Alto Packaging Limited⁽¹⁵⁾
- Auckland Drum Sustainability Services Limited⁽¹⁴⁾
- Tecpak Industries Limited⁽¹⁴⁾
- Astron Plastics Limited⁽¹⁴⁾
- Pacific BBA Plastics (NZ) Limited⁽¹⁴⁾
- Viscount Plastics (NZ) Limited⁽¹⁶⁾
- Stowers Containment Solutions Limited⁽¹⁴⁾
- Sulo (N.Z.) Limited⁽²⁾
- Pact Retail Accessories (New Zealand) Limited⁽³⁾

CHINA

- Pact Group Closure Systems (Guangzhou) Co., Ltd⁽⁴⁾
- Pact Group Closure Systems (Tianjin) Co., Ltd⁽⁴⁾
- Pact Group Packaging Systems (Guangzhou) Co., Ltd⁽⁶⁾
- Dongguan Top Rise Trading Co. Ltd⁽⁷⁾
- Dongguan Regent Plastic Products Co., Ltd⁽⁵⁾
- Ningbo Xunxing Trade Co. Ltd⁽⁸⁾

BANGLADESH

- TIC Industries (Bangladesh) Pty Ltd.⁽⁸⁾⁽⁹⁾
- TIC Trading (Bangladesh) Limited⁽⁸⁾⁽⁹⁾⁽¹⁸⁾
- TIC Manufacturing (Bangladesh) Limited⁽⁸⁾⁽⁹⁾

INDIA

- Pact Closure Systems (India) Private Limited⁽⁴⁾⁽⁹⁾
- AMRS Business Services Private Limited⁽¹⁰⁾⁽¹⁷⁾

HONG KONG

- Pact Group Holdings (Hong Kong) Limited⁽⁹⁾
- Roots Investment Holding Private Limited⁽⁴⁾
- Pact Retail Accessories (Hong Kong) Limited⁽¹⁰⁾
- Pact Retail Accessories (Asia) Limited⁽¹⁰⁾
- Talent Group Development Limited⁽¹⁰⁾
- Fast Star International Holdings Limited⁽¹⁰⁾

INDONESIA

- PT Plastop Asia Indonesia⁽¹¹⁾⁽⁹⁾
- PT Plastop Indonesia Manufacturing⁽¹¹⁾⁽⁹⁾

SOUTH KOREA

- Pact Group Closure Systems Korea Ltd⁽⁴⁾

NEPAL

- Pact Group Closure Systems Nepal Private Limited⁽⁹⁾

PHILIPPINES

- Plastop Asia, Inc.⁽¹²⁾
- Pact Packaging Philippines Inc.⁽⁹⁾
- Pact Closure Systems (Philippines) Inc.⁽⁹⁾

SINGAPORE

- Asia Peak Pte. Ltd.⁽⁹⁾

UNITED STATES OF AMERICA

- Pact Retail Accessories (USA) LLC⁽¹⁰⁾

UNITED KINGDOM

- Pact Retail Accessories (UK) Limited⁽¹³⁾

⁽¹⁾ All entities are wholly owned

⁽²⁾ Owned by Sulo MGB Australia Pty Ltd

⁽³⁾ Owned by Pact Group Holdings (NZ) Limited

⁽⁴⁾ Owned by Pact Group Holdings (Hong Kong) Limited

⁽⁵⁾ Owned by Talent Group Development Limited

⁽⁶⁾ Owned by Roots Investment Holding Private Limited

⁽⁷⁾ Owned by Pact Retail Accessories (Asia) Limited

⁽⁸⁾ Owned by Fast Star International Holdings Limited

⁽⁹⁾ Owned by Pact Group Industries (Asia) Pty Ltd

⁽¹⁰⁾ Owned by Davmar Investments Pty Ltd

⁽¹¹⁾ Owned by Asia Peak Pte. Ltd.

⁽¹²⁾ Owned by Ruffgar Holdings Pty Limited

⁽¹³⁾ Owned by Pact Group Industries (ANZ) Pty Ltd

⁽¹⁴⁾ Owned by Pact Group (NZ) Limited

⁽¹⁵⁾ Owned by VIP Plastic Packaging (NZ) Limited

⁽¹⁶⁾ Owned by Pacific BBA Plastics (NZ) Limited

⁽¹⁷⁾ Owned by Pact Closure Systems (India) Private Limited

⁽¹⁸⁾ In voluntary liquidation

The Group has 100% ownership interest in the Cell Pact within White Rock Insurance Company PCC Limited (a protected cell captive (PCC)).

How Pact accounts for controlled entities

Controlled entities are consolidated when the Group obtains control and cease to be consolidated when control is transferred out of the Group. The Group controls an entity when it:

- has power over the investee;
- is exposed, or has the rights, to variable returns from its involvement with the investee; and
- has the ability to affect those returns through its power over the entity, for example has the ability to direct the relevant activities of the entity, which could affect the level of profit the entity makes.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

3.3 JOINT VENTURES

Pact has entered into a number of strategic partnering arrangements with third parties and jointly controlled entities. The following are entities that Pact has joint control with:

Entity	Principal place of operation	About	Pact's ownership interest ⁽¹⁾	Carrying value	
\$'000				2025	2024
Spraypac Products (NZ) Limited	New Zealand	Is a joint venture distributing plastic bottles and related spray products.	50%	690	683
Weener Plastop Asia, Inc.	Philippines	A joint venture with Weener Plastik Beteiligungs GmbH which has ceased operations.	50%	112	1,203
Gempack Asia Limited (Gempack)	Thailand	A joint venture with Weener Plastik Beteiligungs GmbH which manufactures plastic jars and bottles for the Personal Care, Food & Beverage and Home Care markets.	50%	16,390	16,097
PT Weener Plastop Indonesia Inc	Indonesia	A joint venture with Weener Plastik Beteiligungs GmbH which manufactures closures and roll-on balls for the Personal Care and Home Care markets.	50%	5,659	3,788
Circular Plastics Australia (PET) Holdings Pty Ltd (CPAP) ⁽²⁾	Australia	The holding company of Circular Plastics Australia (PET) Pty Ltd and Circular Plastics Australia (PET) Vic Pty Ltd.	33.33%	6,812	10,212
Circular Plastics Australia Pty Ltd (CPA) ⁽³⁾	Australia	The holding company of Circular Plastics Australia (PE) Pty Ltd which processes post-consumer HDPE and PP into various forms of plastic resins and flakes for use as raw materials in the production of finished plastic products.	50%	6,435	12,359
Circular Plastics Australia (LDPE) Pty Ltd ⁽⁴⁾	Australia	A joint venture established to develop and operate LDPE plastics recycling facility in Australia.	33.33%	-	-
Marquis Holdco Pty Ltd ⁽⁵⁾ (Marquis)	Australia	The holding company of Earl Finco Pty Ltd and the operating entities of the crate pooling and crate manufacturing businesses.	50%	86,542	99,061
				122,640	143,403

⁽¹⁾ Ownership interest at 30 June 2025 and 30 June 2024, unless otherwise stated.

⁽²⁾ A joint venture with Cleanaway Pty Ltd (33.33%), Asahi Holdings (Australia) Pty Ltd (16.67%) and Coca-Cola Europacific Partners Australia Pty Limited (16.67%).

⁽³⁾ A joint venture with Cleanaway Pty Ltd.

⁽⁴⁾ Prior to deregistration on 3 November 2024, the Group's ownership interest in Circular Plastics Australia (LDPE) Pty Ltd was 33.33%.

⁽⁵⁾ A joint venture with Morrison & Co.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

3.3 JOINT VENTURES (CONTINUED)

In accordance with AASB 12: *Disclosure of Interests in Other Entities*, given the material carrying value of the Group's investment in Gempack, Marquis, CPAP and CPA, the table below shows summarised financial information of the Group's investment:

\$'000	Gempack	Marquis	CPAP	CPA	Other	Total
Year ended 30 June 2025						
Summarised Statement of financial position						
Cash and cash equivalents	3,875	9,861	1,576	210	4,946	20,468
Other current assets	10,764	35,649	17,790	3,550	3,865	71,618
Non-current assets	26,884	417,207	132,174	66,684	6,226	649,175
Current liabilities	(4,799)	(67,632)	(26,032)	(9,581)	(2,236)	(110,280)
Non-current liabilities	(3,944)	(219,951)	(105,069)	(47,993)	(621)	(377,578)
Net assets	32,780	175,134	20,439	12,870	12,180	253,403
Carrying amount of the Group's investment	16,390	86,542	6,812	6,435	6,461	122,640

Year ended 30 June 2024						
Summarised Statement of financial position						
Cash and Cash equivalents	5,229	18,720	3,064	2,003	3,709	32,725
Other current assets	10,247	45,020	12,408	2,784	4,398	74,857
Non-current assets	25,837	378,256	131,123	62,522	6,280	604,018
Current liabilities	(5,123)	(42,801)	(23,179)	(7,173)	(2,893)	(81,169)
Non-current liabilities	(3,997)	(191,772)	(92,778)	(35,419)	(878)	(324,844)
Net assets	32,193	207,423	30,638	24,717	10,616	305,587
Carrying amount of the Group's investment	16,097	99,061	10,212	12,359	5,674	143,403

\$'000	Gempack	Marquis	CPAP	CPA	Other	Total
Year ended 30 June 2025						
Summarised Statement of financial performance						
Revenue	32,204	142,068	66,977	7,986	12,126	261,361
Interest and other income	236	609	144	253	222	1,464
Finance costs	755	16,150	7,839	3,035	87	27,866
Depreciation and amortisation	3,226	28,527	7,846	4,418	847	44,864
Income tax expense/(benefit)	1,373	(412)	(4,360)	(5,078)	918	(7,559)
Net profit/(loss) for the year	5,404	(16,796)	(10,199)	(11,847)	3,582	(29,856)
Other comprehensive gain for the year	2,849	(720)	-	-	278	2,407
Total comprehensive income/(loss) for the year	8,253	(17,516)	(10,199)	(11,847)	3,860	(27,449)
Group's share of loss for the year	2,716	(8,398)	(3,399)	(5,924)	1,792	(13,213)

Year ended 30 June 2024						
Summarised Statement of financial performance						
Revenue	28,055	80,040	38,403	-	14,643	161,141
Interest and other income	9	341	123	-	-	473
Finance costs	938	9,681	4,794	-	175	15,588
Depreciation and amortisation	2,974	11,940	5,560	-	1,010	21,484
Income tax expense/(benefit)	1,226	1,699	(4,943)	(288)	1,145	(1,161)
Net profit/(loss) for the year	4,694	607	(12,012)	(671)	3,567	(3,815)
Other comprehensive loss for the year	(636)	(133)	-	-	(761)	(1,530)
Total comprehensive income/(loss) for the year	4,058	474	(12,012)	(671)	2,806	(5,345)
Group's share of profit for the year	2,347	303	(4,002)	(336)	1,781	93

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NOTES TO THE FINANCIAL STATEMENTS

3.3 JOINT VENTURES (CONTINUED)

Summary of joint venture financial information at 30 June (continued)

Dividends received from joint ventures during the year was \$4.7 million (2024: \$0.8 million), contributed by Marquis \$4.3 million (2024: Nil), Spraypac \$0.1 million (2024: \$0.1 million) and Weener Plastop Asia, Inc. \$0.3 million (2024: \$0.7 million). During the year, return on capital was received from Weener Plastop Asia, Inc. \$0.7 million (2024: Nil). Total loans and borrowings including shareholder loans provided to the joint ventures was \$22.4 million (2024: \$16.8 million). Guarantees and other securities provided to the joint ventures at 30 June 2025 was Nil (2024: \$4.3 million).

The joint ventures had capital commitments at 30 June 2025 of \$2.3 million (2024: \$2.9 million), out of which the Group's share of capital commitments was \$1.1 million (2024: \$1.4 million). No contingent liabilities were noted at 30 June 2025 (2024: Nil).

Related party transactions with joint ventures

The following table provides the total amount of transactions with related parties – joint ventures for the year ended 30 June 2025:

\$'000	Year	Sales	Purchases	Net other (income)	Net amounts receivable
Related parties – joint ventures	2025	27,192 ⁽¹⁾	17,412 ⁽¹⁾⁽²⁾	(7,025) ⁽¹⁾	4,127 ⁽¹⁾
	2024	15,084 ⁽¹⁾	17,328 ⁽¹⁾⁽²⁾	(4,333) ⁽¹⁾	8,060 ⁽¹⁾

⁽¹⁾ Includes sales to Marquis of \$26.0 million (2024: \$14.1 million), purchases from Marquis was Nil (2024: \$0.6 million), net other income of \$2.9 million (2024: \$1.5 million) and net amounts receivable of \$3.7 million (2024: \$8.0 million) from Marquis.

⁽²⁾ Includes purchases from CPAP of \$10.2 million (2024: \$7.1 million).

How Pact accounts for investment in joint ventures and jointly controlled entities

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group uses the equity method to account for its investments in joint ventures.

Under the equity method:

- Investments are carried at cost plus post-acquisition changes in the Group's share of net assets.
- Goodwill relating to a joint venture is included in the carrying amount of the investment and is not tested for impairment separately.
- The Group's share of its joint venture post-acquisition profits or losses is recognised in the *Consolidated Statement of Comprehensive Income*, and its share of post-acquisition movements in reserves is recognised in reserves.
- When the Group's share of losses in its joint venture equals or exceeds its interest in the joint venture, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within share of profit in joint ventures in the *Consolidated Statement of Comprehensive Income*.

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NOTES TO THE FINANCIAL STATEMENTS

SECTION 4 – OUR CAPITAL STRUCTURE

This section details specifics of the Group's capital structure. When managing capital, management's objective is to ensure that the entity continues as a going concern as well as to provide optimal returns to shareholders and other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Primary responsibility for identification and control of capital and financial risks rests with the Treasury Risk Management Committee.

4.1 NET DEBT

Debt profile

Pact has the following interest-bearing loans and bank borrowings as at 30 June 2025:

CURRENT

\$'000	Notes	2025	2024
Bank overdraft		793	3,052
Lease liabilities	2.5	83,052	78,256
Total current interest-bearing loans and bank borrowings		83,845	81,308

NON-CURRENT

\$'000	Notes	2025	2024
Syndicated facility agreements ⁽²⁾		490,262	408,103
Subordinated debt facility ⁽²⁾⁽⁴⁾		75,000	78,526
Capitalised borrowing costs		(4,981)	(2,548)
Total bank borrowings (including capitalised borrowing costs)		560,281	484,081
Lease liabilities	2.5	457,803	431,041
Total non-current interest-bearing loans and bank borrowings		1,018,084	915,122

\$'000	Notes	2025	2024
Total bank borrowings (including capitalised borrowing costs)		560,281	484,081
Bank overdraft		793	3,052
Cash and cash equivalents		(65,737)	(68,229)
Net debt before lease liabilities		495,337	418,904
Lease liabilities	2.5	540,855	509,297
Net debt⁽¹⁾		1,036,192	928,201

⁽¹⁾ Net debt is a non-IFRS measure.

⁽²⁾ The syndicated facility agreements did not include any sustainability linked loans (2024: \$251.8 million).

In June 2025, the Group refinanced \$702.9 million of senior debt with three tranches for a tenure ranging from 3 to 5 years. The subordinated debt facility of \$75.0 million has also been refinanced for a period of 5.5 years. Details of the Group syndicated facilities are as follows:

Debt facilities

Facility	Maturity date	Total facilities \$'000
Working capital facility	Revolving with an annual review	23,028
Loan facility	June 2028	360,000
Loan facility	June 2028	92,848
Loan facility	June 2030	250,000
Subordinated Debt facility	December 2030	75,000
Total facilities		800,876
Facilities utilised		565,518
Facilities unutilised		235,358

During the year, the Group used interest rate swaps to manage interest rate risk.

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NOTES TO THE FINANCIAL STATEMENTS

4.1 NET DEBT (CONTINUED)

Fair values

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The computation of the fair value of borrowings is derived using significant observable inputs (fair value hierarchy Level 2). The carrying amount and fair value of the Group's non-current borrowings are as follows:

	2025 \$'000		2024 \$'000	
	Carrying Value	Fair Value ⁽¹⁾	Carrying Value	Fair Value
Syndicated facility agreements	490,262	490,262	408,103	408,103
Subordinated debt facility	75,000	75,000	78,526	78,526
Total bank borrowings	565,262	565,262	486,629	486,629

⁽¹⁾ The fair value measurement of the Group's non-current borrowings represent Level 2 of the fair value hierarchy. Fair value is equivalent to carrying value as the bank borrowings are at market interest rates. Market interest rates have been used as key inputs.

Defaults and breaches

During the year, there were no defaults or breaches on any of the loan terms and conditions.

Finance costs and loss on de-recognition of financial assets – continuing operations

Pact has incurred the following finance costs during the year ending 30 June:

\$'000	2025	2024
Interest expense on bank loans and borrowings	43,789	45,988
Borrowing costs amortisation	2,929	2,937
Amortisation of securitisation program costs	303	179
Sundry items	122	122
Total interest expense on borrowings	47,143	49,226
Interest expense on unwinding of provisions	563	572
Interest expense on lease liabilities	36,765	34,887
Total finance costs	84,471	84,685
Loss on de-recognition of financial assets	8,750	8,879
Total finance costs and loss on de-recognition of financial assets	93,221	93,564
Less: net finance costs – discontinued operations	-	(590)
Total finance costs and loss on de-recognition of financial assets – continuing operations	93,221	92,974

How Pact accounts for loans and borrowings

All loans and borrowings are:

- Initially recognised at the fair value of the consideration received less directly attributable transaction costs.
- Subsequently measured at amortised cost using the effective interest method, which is calculated based on the principal borrowing amount less directly attributable transaction costs.
- Are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fair value of the Group's interest-bearing loans and bank borrowings are determined by using a discounted cash flow method, applying a discount rate that reflects the issuer's borrowing rate at the end of the reporting period. As the underlying debt has a floating interest rate (excluding the impact of the separate interest rate swaps), the Group's own performance risk at 30 June 2025 was assessed to be insignificant.

The carrying amount of the Group's current and non-current borrowings materially approximates fair value. The computation of the fair value of borrowings is derived using significant observable inputs (fair value hierarchy Level 2).

Finance costs are recognised as an expense when incurred. Finance costs which are directly attributable to the acquisition of, or production of, a qualifying asset are capitalised as part of the cost of that asset using the weighted average cost of borrowings.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

4.1 NET DEBT (CONTINUED)

Reconciliation of net profit after tax to net cash flows from operations

\$'000	2025	2024
Net profit for the period	23,598	74,873
Non cash flows in net profit:		
Depreciation and amortisation	110,559	110,850
Loss on sale of property, plant and equipment	385	340
Share of net loss/(profit) in joint venture	13,213	(93)
Share-based payments expense	128	321
Gain on sale of business	(13,639)	-
Contingent consideration	(15,000)	-
Gain from discontinued operations	-	(103,229)
Impairment and write off expenses	-	3,858
Other	31	140
Changes in assets and liabilities:		
Increase in trade and other receivables	(12,558)	(13,368)
(Increase)/decrease in inventory	(4,891)	2,653
(Increase)/decrease in net deferred tax assets and liabilities	(7,415)	2,241
Decrease in trade and other payables	(12,629)	(2,387)
Increase in employee entitlement provisions	2,603	36
Increase in other provisions	1,392	12,216
(Decrease)/increase in current tax liabilities	(19,379)	29,305
Net cash flow provided by operating activities	66,398	117,756

Reconciliation to cash at the end of the year

The cash and cash equivalents balance in the *Consolidated Statement of Financial Position* is reconciled to cash as shown in the *Consolidated Statement of Cash Flows* at the end of the financial year as follows:

\$'000	2025	2024
Cash and cash equivalents	65,737	68,229
Bank overdraft	(793)	(3,052)
Balance per Consolidated Statement of Cash Flows	64,944	65,177

How Pact accounts for cash and cash equivalents

Cash and cash equivalents in the *Consolidated Statement of Financial Position* comprise cash at bank and on hand and short-term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. During the year, the Group did not have any short-term deposits.

For the purposes of the *Consolidated Statement of Cash Flows*, cash and cash equivalents consist of cash and cash equivalents as defined above, net of bank overdraft balances. Bank overdrafts are included in current liabilities on the *Consolidated Statement of Financial Position*. Cash flows are included in the *Consolidated Statement of Cash Flows* on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

4.2 CONTRIBUTED EQUITY AND RESERVES

Terms, conditions and movements of contributed equity

Ordinary shares are classified as equity. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

	2025		2024	
	Number of shares	\$'000	Number of shares	\$'000
Movements in contributed equity				
Ordinary shares:				
Beginning of the year	344,290,053	1,751,706	344,290,053	1,751,706
End of the year	344,290,053	1,751,706	344,290,053	1,751,706

How Pact accounts for contributed equity

Issued and paid up capital is classified as contributed equity and recognised at the fair value of the consideration received by the entity. Incremental costs directly attributable to the issue of new shares or options are shown in contributed equity as a deduction, net of tax, from the proceeds.

Reserves

\$'000	2025	2024
Foreign currency translation reserve ⁽¹⁾	27,669	17,855
Cash flow hedge reserve ⁽²⁾	119	990
Common control transaction reserve ⁽³⁾	(928,385)	(928,385)
Share-based payments reserve ⁽⁴⁾	5,618	5,490
Total reserves	(894,979)	(904,050)

⁽¹⁾ The foreign currency translation reserve is used to record foreign exchange fluctuations arising from the translation of the financial statements of foreign subsidiaries.

⁽²⁾ This reserve records the portion of the gain or loss on a hedging instrument and the related transaction in a cash flow hedge that are determined to have an effective relationship.

⁽³⁾ The common control reserve of \$928.4 million includes a balance of \$942.0 million that arose through a Group restructure in the financial year ended 30 June 2011, less \$13.6 million in relation to the acquisition of Viscount Plastics (China) Pty Ltd and Asia Peak Pte. Ltd. in the year ended 30 June 2014.

⁽⁴⁾ The share-based payments reserve records items recognised as expenses representing the fair value of employee share rights.

4.3 MANAGING OUR FINANCIAL RISKS

There are a number of financial risks the Group is exposed to that could adversely affect the achievement of future business performance. The Group's risk management program seeks to mitigate risks and reduce volatility in the Group's financial performance. Financial risk management is managed centrally by the Treasury Risk Management Committee.

The Group's principal financial risks are:

- Interest rate risk;
- Foreign currency risk;
- Liquidity risk;
- Credit risk; and
- Commodity price risk.

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4.3 MANAGING OUR FINANCIAL RISKS (CONTINUED)

Managing interest rate risk

Pact seeks to manage its finance costs by assessing and, where appropriate, utilising a mix of fixed and variable rate debt. When variable debt is utilised, it exposes the Group to interest rate risk.

What is the risk?	How does Pact manage this risk?	Impact at 30 June 2025 ⁽¹⁾
Pact has variable interest rate debt, and therefore if interest rates increase, the amount of interest Pact is required to pay would also increase.	- Utilises interest rate swaps to lock in the amount of interest that Pact will be required to pay. - Considers alternative financing and a mix of fixed and variable debt, as appropriate.	At 30 June 2025, the Group did not have any interest rate swaps. In the prior year, the Group hedge cover was 12% of its variable debt facilities drawn excluding the Group's exposure to the sale of receivables under securitisation facilities. Based on average debt in FY25, a sensitivity analysis performed by the Group showed that a +1% movement in AUD interest rates would reduce net profit after tax in FY25 by \$4.2 million and reduce equity by \$4.2 million (2024: \$3.8 million reduction in net profit after tax and reduce equity by \$3.7 million), including the impact on discount on sale of receivables. Based on average debt in FY25, a sensitivity analysis performed by the Group showed that a +1% movement in NZD interest rates would reduce net profit after tax by \$1.0 million and reduce equity by \$1.0 million (2024: \$1.2 million reduction in net profit after tax and reduce equity by \$1.2 million), including the impact on the discount on sale of receivables. Sensitivity analysis performed by the Group showed that a +1% movement in USD interest rates would reduce net profit after tax and equity by \$0.4 million (2024: \$0.4 million). The total impact on net profit after tax from a +1% movement in interest rates is a reduction of \$5.5 million and reduction of \$5.5 million in equity (2024: \$5.5 million reduction in net profit after tax and reduce equity by \$5.4 million).

⁽¹⁾ The impact of a +/- 1% movement in interest rates was determined using historical average debt balances and rates and takes into account the Group's mix of debt and forecast debt.

Managing foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates to the Group's (i) operating activities which are denominated in a different currency from the entity's functional currency, (ii) financing activities, and (iii) net investments in foreign subsidiaries.

The Group currently operates in the following countries outside of Australia, with the following functional currencies:⁽¹⁾

Country of domicile	Functional currency
New Zealand	NZD
Thailand	THB
Singapore	USD
China	RMB
Philippines	PHP
Indonesia	IDR
Hong Kong	HKD/USD
Nepal	NPR
India	INR
South Korea	KRW
Bangladesh	BDT/USD
United Kingdom	GBP
United States of America	USD

⁽¹⁾ Pact Retail Accessories (Australia) Pty Ltd is incorporated in Australia and has USD as its functional currency.

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NOTES TO THE FINANCIAL STATEMENTS

4.3 MANAGING OUR FINANCIAL RISKS (CONTINUED)

Managing foreign currency risk (continued)

As Pact has an Australian dollar (AUD) presentation currency, which is also the functional currency of its Australian entities, this exposes Pact to foreign exchange rate risk.

What is the risk?	How does Pact manage this risk?	Impact at 30 June 2025
If transactions are denominated in currencies other than the functional currency of the operating entity, there is a risk of an unfavourable financial impact to earnings if there is an adverse currency movement.	Utilises forward foreign currency contracts to eliminate or reduce currency exposures of the net Group exposure once the Group has entered into a firm commitment for a purchase.	The Group has significant exposure to the USD against the AUD and NZD from USD purchase commitments, while the Group's exposure to sales denominated in currencies other than the functional currency of the operating entity is less than 1%. At 30 June 2025, the Group has the majority of its foreign currency committed purchase orders hedged. Sensitivity analysis of the foreign currency net transactional exposures (including hedges) was performed to movements in AUD against the relevant foreign currencies, with all other variables held constant, taking into account all underlying exposures and related hedges. This analysis showed that a 10% movement in its major trading currencies would not materially impact net profit after tax and would have the following impact on equity for the largest hedging position AUD/USD (\$1.4) million to \$1.7 million.
As Pact has entities that do not have an Australian dollar functional currency, if currency rates move adversely compared to the AUD, then the amount of AUD-equivalent profit would decrease, and the balance sheet net investment value would decline.	Pact utilises borrowing in the functional currency of the overseas entity to naturally hedge offshore entities where considered appropriate. The foreign currency debt provides a balance sheet hedge of the asset, while the foreign currency interest cost provides a natural hedge of the offshore profit.	Sensitivity analysis performed by management showed that a 10% +/- movement in the Group's major translational currencies as at 30 June 2025 would have the following impact on equity: - AUD/NZD (\$18.0) million to \$22.0 million - AUD/CNY (\$12.1) million to \$14.8 million - AUD/USD (\$3.7) million to \$4.5 million - AUD/PHP (\$2.4) million to \$3.0 million Sensitivity analysis performed by management showed that a 10% +/- movement in the Group's major translational currencies during the year, would have the following impact on net profit after tax: - AUD/NZD (\$2.5) million to \$3.1 million - AUD/USD (\$1.4) million to \$1.7 million - AUD/CNY (\$0.4) million to \$0.5 million

Managing liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's ability to meet its obligations to repay these financial liabilities as and when they fall due. Pact has a range of liabilities at 30 June that will be required to be settled at some future date.

What is the risk?	How does Pact manage this risk?	Impact at 30 June 2025
Pact cannot meet its obligations to repay its financial liabilities as and when they fall due.	- Having access to an adequate amount of committed credit facilities. - Maintains a balance between continuity of funding and flexibility through the use of bank overdrafts, loans and debtor securitisation.	The Directors have assessed that due to the Group's access to undrawn facilities and forecast positive cash flows into the future the Group will be able to pay its debts as and when they fall due, and therefore it is appropriate that the financial statements are prepared on a going concern basis.

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NOTES TO THE FINANCIAL STATEMENTS

4.3 MANAGING OUR FINANCIAL RISKS (CONTINUED)

The maturity profile of the Group's assets and liabilities based on contractual undiscounted receipt/payments terms is as follows:

\$'000	≤ 6 months	7–12 months	1–5 years	> 5 years	Total
Year ended 30 June 2025					
Financial assets⁽¹⁾					
Cash and cash equivalents	65,737	-	-	-	65,737
Trade and other receivables	158,789	260	888	-	159,937
Interest rate swaps	-	-	-	-	-
Foreign exchange forward contracts ⁽³⁾	64,542	5,775	-	-	70,317
Total inflows	289,068	6,035	888	-	295,991
Financial liabilities⁽¹⁾					
Trade and other payables ⁽²⁾	(337,930)	(1,522)	(3,043)	-	(342,495)
Foreign exchange forward contracts ⁽³⁾	(65,436)	(5,418)	-	-	(70,854)
Interest-bearing loans and bank borrowings ⁽⁴⁾⁽⁵⁾	(793)	-	(490,262)	(75,000)	(566,055)
Total outflows	(404,159)	(6,940)	(493,305)	(75,000)	(979,404)
Net outflow	(115,091)	(905)	(492,417)	(75,000)	(683,413)
Year ended 30 June 2024					
Financial assets⁽¹⁾					
Cash and cash equivalents	68,229	-	-	-	68,229
Trade and other receivables	137,985	-	-	-	137,985
Interest rate swaps	796	-	-	-	796
Foreign exchange forward contracts ⁽³⁾	110,271	3,787	234	-	114,292
Total inflows	317,281	3,787	234	-	321,302
Financial liabilities⁽¹⁾					
Trade and other payables	(376,086)	-	-	-	(376,086)
Foreign exchange forward contracts ⁽³⁾	(110,627)	(3,795)	(234)	-	(114,656)
Interest-bearing loans and bank borrowings ⁽⁴⁾⁽⁵⁾	(19,688)	(19,367)	(533,111)	(3,052)	(575,218)
Total outflows	(506,401)	(23,162)	(533,345)	(3,052)	(1,065,960)
Net outflow	(189,120)	(19,375)	(533,111)	(3,052)	(744,658)

(1) The Group's principal financial instruments comprise cash, receivables, payables, bank loans, bank overdrafts, finance leases and derivative instruments.

(2) When the Group is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the Group is required to pay. These payables include discounted trade payables under contractually binding agreement over the settlement period.

(3) Foreign exchange forward contracts are recognised at fair value on a net balance in the *Consolidated Statement of Financial Position*, where in this table the contractual maturities are the gross undiscounted cash flows.

(4) When the Group is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the Group is required to pay.

(5) Refer Note 2.5 for details on lease maturity analysis.

The following table represents the changes in financial liabilities arising from financing activities:

\$'000	1 July 2024	Cash (inflow) / outflow	Non-cash changes	Foreign exchange movement	30 June 2025
Lease liabilities	(509,297)	48,901	(77,667)	(2,792)	(540,855)
Non-current interest-bearing loans and bank borrowings	(484,081)	(73,555)	(832)	(1,813)	(560,281)
Total liabilities from financing activities	(993,378)	(24,654)	(78,499)	(4,605)	(1,101,136)

Managing credit risk

Credit risk represents the loss that would be recognised if counterparties failed to meet their obligations under a contract or arrangement. The Group is exposed to credit risk arising from its operating activities (primarily from customer receivables) and financing activities. The Group manages this risk through the following measures:

- Operating activities: The Group has a number of mechanisms in place to manage its exposure to customer credit risk, discussed in Note 2.1, including debtor's securitisation programs where substantially all the risks and rewards of the receivables within the program are transferred to a third party.
- Financial activities: Restricting dealings to counterparties with low credit ratings and limiting concentration of credit risk.

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NOTES TO THE FINANCIAL STATEMENTS

4.3 MANAGING OUR FINANCIAL RISKS (CONTINUED)

Managing credit risk (continued)

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount as presented in the *Consolidated Statement of Financial Position*.

Commodity price risk

The Group is exposed to commodity price risk from a number of commodities, including resin. The Group manages these risks through customer pricing, including contractual rise and fall adjustments. The Group did not enter into any resin forward contracts during the year. The exposure to resin will be partially mitigated through use of recycled content, however pricing for recycled content will still be exposed to market indices.

4.4 FINANCIAL INSTRUMENTS

Utilising hedging contracts to manage risk

As discussed above, the Group utilises interest rate swaps and foreign exchange forward contracts to hedge its risks associated with fluctuations in interest rates and foreign currency. All of Pact's hedging instruments are designated in cash flow hedging relationships, providing increased certainty over future cash flows associated with foreign currency purchases or interest payments on variable interest rate debt facilities.

How Pact accounts for derivative financial instruments in a cash flow hedge relationship

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes:

- identification of the hedging instruments;
- the hedged items or transactions;
- the nature of the risks being hedged; and
- how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have actually been highly effective throughout the financial reporting period for which they were designated.

Derivative financial instruments are:

- Recorded at fair value at inception and every subsequent reporting date.
- Classified as assets when their fair value is positive and as liabilities when their fair value is negative.

The fair value of:

- Forward currency contracts are calculated by using valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs, which are not considered to be significant (fair value hierarchy Level 2).
- Cross currency interest rate swaps and interest rate swap contracts is determined by reference to market values for similar instruments (fair value hierarchy Level 2).

The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the *Consolidated Statement of Comprehensive Income*.

Amounts taken to equity are transferred to the *Consolidated Statement of Comprehensive Income* when the hedge transaction affects the *Consolidated Statement of Comprehensive Income*, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the *Consolidated Statement of Comprehensive Income*. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction to which the hedging instrument relates is not expected to occur, the amount is taken to the *Consolidated Statement of Comprehensive Income*.

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4.4 FINANCIAL INSTRUMENTS (CONTINUED)

Effect on financial position and performance – hedging instruments

The impact of each hedging instrument and hedged item on the *Consolidated Statement of Financial Position* of the Group is as follows:

\$'000	Hedged item	Notional amount	Carrying amount asset/ (liability)	Change in fair value ⁽³⁾	Cash flow hedge reserve	Effective proportion reclassified to profit or loss
Year ended 30 June 2025						
Foreign exchange forward contracts ⁽⁴⁾⁽⁷⁾	Committed purchases	70,854	570 ⁽¹⁾ (1,106) ⁽²⁾	(171)	(226)	(858) ⁽⁷⁾
Cross currency swaps ⁽⁵⁾	FX component of debt	-	-(5)	2,136	-	149
Interest rate swaps ⁽⁶⁾	Floating component of debt	-	-(6)	(752)	878 ⁽⁸⁾	(878) ⁽⁹⁾
Year ended 30 June 2024						
Foreign exchange forward contracts	Committed purchases & FX component of debt	114,657	376 (741)	(2,940)	(38)	(310)
Cross currency swaps	FX component of debt	80,654	(2,136)	(3,343)	(5)	(2,128)
Interest rate swaps	Floating component of debt	50,000	752	(3,623)	1,404	(1,367)

⁽¹⁾ The carrying amount represents other current financial assets in the *Consolidated Statement of Financial Position*.

⁽²⁾ The carrying amounts represents other current financial liabilities in the *Consolidated Statement of Financial Position*.

⁽³⁾ The change in fair value represents the difference between the current and previous period carrying amount of net hedge assets and hedge liabilities.

⁽⁴⁾ The fair value measurement of the hedging instruments represents Level 2 of the fair value hierarchy.

⁽⁵⁾ As at 30 June 2025, the Group had no cross-currency swaps. In the prior year, the carrying amount (\$2.1 million unfavourable) was included in other current financial liabilities in the *Consolidated Statement of Financial Position*. The carrying amount recognised was the fair value of the cross-currency swaps, which were used to hedge the USD loan.

⁽⁶⁾ As at 30 June 2025, the Group had no interest rate swaps. In the prior year, the carrying amount (\$0.8 million favourable) was included in other current financial assets in the *Consolidated Statement of Financial Position*. The carrying amount recognised was the fair value of the interest rate swaps, which were used to hedge the floating component of the debt.

⁽⁷⁾ A loss of \$0.9 million (2024: \$0.3 million gain) is included in other (losses)/gains in the *Consolidated Statement of Comprehensive Income*, as it is taken to profit and loss to match the underlying committed purchases. The ineffective proportion taken to *Consolidated Statement of Comprehensive Income* was immaterial, less than \$10,000.

⁽⁸⁾ Relates to the net amortisation of the remaining hedge reserve which originated from the closure of the interest rate swap in 2023 into deferred tax liabilities and interest recognition.

⁽⁹⁾ Relates to interest recognition from amortisation of the remaining hedge reserve which originated from the closure of the interest rate swap in 2023.

The impact of hedging on cash flow hedge reserve contained within other comprehensive income/(loss) is as follows:

\$'000	2025	2024
Opening balance of cash flow hedge reserve	990	4,881
Effective portion of changes in fair value arising from:		
- Foreign exchange forward contracts	376	(771)
- FX debt forwards/cross currency swaps	8	(16)
- Interest rate swaps	(1,634)	(4,411)
FX impact	-	(253)
Tax effect	379	1,560
Closing balance of cash flow hedge reserve	119	990

How Pact accounts for foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency of the individual entity by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at reporting date.

Non-monetary items that are measured at:

- Historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.
- Fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of the controlled entities with non-Australian dollar functional currencies are translated into the presentation currency of Pact at the rate of exchange at the reporting date and their statements of comprehensive income are translated at the weighted average exchange rate for the year (where appropriate).

The exchange rate differences arising on the translation to presentation currency are taken directly to the foreign currency translation reserve in equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the *Consolidated Statement of Comprehensive Income*.

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SECTION 5 – REMUNERATING OUR PEOPLE

This section provides financial insight into employee reward and recognition designed to attract, retain, reward and motivate high performing individuals so as to achieve Pact's objectives, in alignment with the interests of the Group and its Shareholders.

This section should be read in conjunction with the *Remuneration Report*, contained within the *Directors' Report*, which provides specific details on the setting of remuneration for KMP.

5.1 EMPLOYEE BENEFITS EXPENSES AND PROVISIONS

The Group's employee benefits expenses for the year ended 30 June were as follows:

\$'000	2025	2024
Wages and salaries	411,872	415,699
Defined contribution superannuation expense	25,290	24,109
Other employee benefits expense	27,782	27,582
Share-based payments expense	128	321
Total employee benefits expense	465,072	467,711

The current employee benefits provisions as at 30 June comprise of the following:

Annual leave	23,874	22,943
Long service leave	21,175	21,417
Total current provisions	45,049	44,360

The Group's non-current employee benefits provisions of \$6.3 million relate to long service leave entitlements of \$4.2 million (2024: \$3.8 million), and a defined benefit net liability of \$2.1 million (2024: \$1.5 million). The defined benefit net liability resides in six foreign jurisdictions.

How Pact accounts for employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Benefits vested within 12 months of the reporting date are classified as current and are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Under this method consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds (except for Australia where high-quality corporate bond rates are used in accordance with the standards) with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

5.2 SHARE-BASED PAYMENTS

The Executive KMP remuneration framework comprises of fixed annual remuneration and cash incentives. The Board determined that no long-term incentive grant of performance rights would be awarded to Executive KMP for the year ended 30 June 2025. These revisions to Executive KMP remuneration are due to the Board requiring management to focus on short-term initiatives to accelerate improvement in the financial performance of the Company.

Total share-based payments expense recognised in the current period was \$0.1 million (2024: \$0.3 million).

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5.3 KEY MANAGEMENT PERSONNEL

Compensation of Group KMP

The amounts disclosed in the table below are the amounts recognised as an expense during the year relating to Group KMP compensation:

\$'000	2025	2024
Short-term employee benefits	3,202	4,098
Post-employment benefits	58	47
Other long-term benefits	48	136
Share-based payments expense	72	191
Total compensation	3,380	4,472

Related party transactions with KMP

The following table provides the total amount of transactions with related parties for the year ended 30 June 2025:

\$'000	Year	Sales	Purchases	Other expenses	Net amounts payable
Related parties – Director's interests⁽¹⁾	2025	6,611	24,207	7,053	(11,463)
	2024	13,496	21,990	6,908	(2,212)

⁽¹⁾ Related parties – Director's interests include the following entities: Kin Group Pty Ltd; Visy Industries Pty Ltd; Pro-Pac Packaging Limited; Centralbridge Pty Ltd (as trustee for the Centralbridge Unit Trust); Centralbridge Two Pty Ltd; Centralbridge (NZ) Limited; Albury Property Holdings Pty Ltd; Green's General Foods Pty Ltd; Remedy Kombucha Pty Ltd; The Reject Shop Limited, Propax Pty Ltd; Gem-Care Products Pty Ltd; The Hive (Australia) Pty Ltd; BG Wellness Holdings Pty Ltd; and Brimful Beverages Pty Ltd.

Sales to related parties

The Group had sales of \$6.6 million (2024: \$13.5 million) to related parties including: Green's General Foods Pty Ltd; Visy Industries Pty Ltd; The Reject Shop Limited; Remedy Kombucha Pty Ltd; Propax Pty Ltd; Gem-Care Products Pty Ltd; The Hive (Australia) Pty Ltd; BG Wellness Holdings Pty Ltd; and Brimful Beverages Pty Ltd. Sales are for Packaging & Sustainability and Contract Manufacturing.

Pro-Pac Packaging Limited (Pro-Pac)

Pro-Pac, an entity in which Raphael Geminder owns 50.1% (2024: 65.75%) is an exclusive supplier of certain raw materials such as flexible film packaging, flexible plastic bags and tapes to Pact. The Group's supply agreement with Pro-Pac expired on 31 December 2021 and is now continuing on a month-on-month basis. The total value of this arrangement is approximately \$3.8 million (2024: \$4.1 million). The agreement is on commercial terms which the Board has determined are at arm's length in accordance with section 210 of the Act.

Property leases with related parties

The Group leased 9 properties (seven in Australia and two in New Zealand) from Centralbridge Pty Ltd (as trustee for the Centralbridge Unit Trust), Centralbridge Two Pty Ltd, Centralbridge (NZ) Limited and Albury Property Holdings Pty Ltd, which are each controlled by entities associated with Raphael Geminder and are therefore related parties of the Group (**Centralbridge Leases**). The aggregate annual rent payable by Pact under the Centralbridge Leases for the period ended 30 June 2025 was \$6.8 million (2024: \$6.8 million). The rent payable under the Centralbridge Leases was determined based on independent valuations and market conditions at the time the leases were commercially agreed. As at 30 June 2025, the total lease liabilities owing to Centralbridge Leases is \$31.8 million (2024: \$38.1 million). The leases are on commercial terms which the Board has determined are at arm's length in accordance with section 210 of the Act.

On 24 January 2025, Centralbridge Pty Limited (as landlord) (**Centralbridge**) issued a Notice to Remedy Default (**Default Notice**) to VIP Plastic Packaging Pty Ltd (as tenant) in respect of the lease for the property at Kingsway Moorabbin, Victoria (**Premises**). The Default Notice required the tenant to remedy specified breaches of the tenant's repair and maintenance obligations under the lease within 14 days of the Default Notice, in accordance with the terms of the lease. As at the date of receipt of the Default Notice, the tenant had already substantively vacated the Premises. On 30 January 2025, Centralbridge Two Pty Ltd (**Centralbridge Two**) succeeded Centralbridge as the registered proprietor of the Premises. As the tenant did not remedy the breaches within 14 days of the Default Notice, Centralbridge Two issued a notice of termination of lease on 10 February 2025. In March 2025, the tenant received a notice from Centralbridge Two setting out various claims for loss and damage in connection with the termination and breaches of the lease. The Group recognised net \$3.4 million in Other losses in the *Consolidated Statement of Comprehensive Income* from the extinguishment of the lease and recognition of the settlement claim. The parties have agreed to settle the claims over a period of 24 months (commencing 1 July 2025) in equal monthly instalments.

Visy Industries Pty Ltd

Visy Industries Pty Ltd (**Visy**) is a supplier to, and customer of, the Group. A close family member of Raphael Geminder is a key management personnel of Visy and is therefore regarded as a related party of Pact. The Group purchases products such as industrial packaging, printing and carton packaging from Visy and sells recycled resins to Visy. During the year, the Group had purchases of \$20.4 million (2024: \$17.8 million) and sales of \$0.4 million (2024: \$5.6 million) with Visy.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

SECTION 6 – OTHER DISCLOSURES

This section includes additional financial information that is required by the accounting standards and the *Act*.

6.1 BASIS OF PREPARATION

Basis of preparation and compliance

This *Report*:

- Comprises the financial statements of Pact Group Holdings Ltd, being the parent entity, and its controlled entities as specified in Note 3.2.
- Is a general purpose financial report.
- Has been prepared in accordance and complies with the requirements of the *Act*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**).
- Complies with International Financial Reporting Standards (**IFRS**) and Interpretations as issued by the International Accounting Standards Board.
- Has been prepared on an historical cost basis except for derivative financial instruments, which are measured at fair value.
- Has revenues, expenses and assets recognised net of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case GST is recognised as part of the acquisition of the asset or as part of the expense item to which it relates. The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the *Consolidated Statement of Financial Position*.
- Is presented in Australian dollars with all values rounded to the nearest \$1,000, unless otherwise stated, in accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.
- Has all intercompany balances, transactions, income and expenses and profit and losses resulting from intra-group transactions eliminated in full.

The Group is in a net current asset position at the balance date. The Group has refinanced its debt facilities as detailed at Note 4.1. The Directors have assessed that due to the Group's access to undrawn facilities and forecast positive cash flows into the future, the Group will be able to pay its debts as and when they fall due.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The Group will adopt the new and amended standards and interpretations that are issued, but not yet effective, at the date they become effective. The Group's results and disclosures will not be materially impacted by these standards.

Comparatives

Comparative figures can be adjusted to conform to changes in presentation for the current financial period where required by accounting standards or as a result of changes in accounting policy.

Where necessary, comparatives have been reclassified and repositioned for consistency with current period disclosure. No material reclassifications have been made to prior period disclosures.

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6.2 OTHER GAINS/(LOSSES)

The below is a reconciliation of other gains/(losses) before tax as disclosed in the Consolidated Statement of Comprehensive Income for continuing operations:

\$'000	Note	2025	2024
Underlying adjustments in other losses	1.1	(13,825)	(32,596)
Other gains			
Unrealised (losses)/gains on revaluation of foreign exchange forward contracts		(7)	(698)
Loss on sale of property, plant and equipment		(385)	(27)
Realised net foreign exchange losses		(1,472)	(704)
Share of underlying losses in joint ventures ⁽¹⁾		16,460	-
Share of costs of incorporation of Marquis		-	1,632
Total other gains		14,596	203
Total other gains/(losses)		771	(32,393)

(1) Underlying adjustments included in share of (losses)/profits in joint ventures.

6.3 PACT GROUP HOLDINGS LTD – PARENT ENTITY FINANCIAL STATEMENTS SUMMARY

\$'000	2025	2024
Current assets	72,121	75,086
Non-current assets	1,486,080	1,486,041
Total assets	1,558,201	1,561,127
Current liabilities	39	3,093
Total liabilities	39	3,093
Net assets	1,558,162	1,558,034
Issued capital	1,571,706	1,571,706
Reserves	5,614	5,486
Retained earnings	(185,812)	(185,812)
Profit reserve	166,654	166,654
Total equity	1,558,162	1,558,034

The above is a summary of the individual financial statements for Pact Group Holdings Ltd at 30 June. Pact Group Holdings Ltd:

- is the parent of the Group;
- is a for-profit company limited by shares;
- is incorporated and domiciled in Australia;
- has its registered office at Level 5, Building 1, 658 Church Street, Cremorne, Victoria, 3121 Australia; and
- is listed on the Australian Securities Exchange (**ASX**) and its shares are publicly traded.

Ultimate parent entity

The Group's ultimate parent entity is Kin Group Pty Ltd. The share ownership of Kin Group Pty Ltd and its associates in Pact is 88.13% as at 30 June 2025 (2024: 88.04%).

How Pact accounted for information within parent entity financial statements

The financial information for the Company has been prepared on the same basis as the consolidated financial statements, except as set out below:

- Investments in subsidiaries are accounted for at cost in the financial statements of the Company.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

6.4 DEED OF CROSS GUARANTEE

\$'000	2025	2024
Closed group consolidated income statement		
(Loss)/Profit before income tax	(36,811)	49,659
Income tax benefit/(expense)	5,836	(38,666)
Net (loss)/profit for the year	(30,975)	10,993
Retained earnings at beginning of the year	(248,209)	(266,370)
Net (loss)/profit for the year	(30,975)	10,993
Dividends received	22,068	7,168
Retained earnings at end of the year	(257,116)	(248,209)
Closed group consolidated balance sheet		
CURRENT ASSETS		
Cash and cash equivalents	9,871	12,628
Trade and other receivables	95,704	74,012
Inventories	126,066	134,914
Contract assets	17,198	17,101
Loans to related parties	43,545	58,104
Other current financial assets	494	996
Prepayments	8,849	6,184
TOTAL CURRENT ASSETS	301,727	303,939
NON-CURRENT ASSETS		
Prepayments	1,229	408
Property, plant and equipment	664,610	586,973
Investments in subsidiaries	494,226	488,594
Investments in joint ventures	116,292	138,931
Intangible assets and goodwill	98,981	104,329
Deferred tax assets	43,835	40,085
TOTAL NON-CURRENT ASSETS	1,419,173	1,359,320
TOTAL ASSETS	1,720,900	1,663,259
CURRENT LIABILITIES		
Trade and other payables	241,916	235,862
Loans from related parties	59,946	94,007
Current tax liability	734	26,082
Employee benefits provisions	38,428	38,273
Other provisions	1,095	-
Lease liabilities	55,291	51,484
Other current financial liabilities	894	2,773
TOTAL CURRENT LIABILITIES	398,304	448,481
NON-CURRENT LIABILITIES		
Trade and other payables	3,042	-
Employee benefits provisions	3,694	3,290
Other provisions	8,213	8,389
Interest-bearing loans and bank borrowings	473,369	392,226
Lease liabilities	312,935	280,967
TOTAL NON-CURRENT LIABILITIES	801,253	684,872
TOTAL LIABILITIES	1,199,557	1,133,353
NET ASSETS	521,343	529,906
EQUITY		
Contributed equity	1,751,706	1,751,706
Reserves	(973,247)	(973,591)
Retained earnings	(257,116)	(248,209)
TOTAL EQUITY	521,343	529,906

Pact has a number of Australian entities that are party to a Deed of Cross Guarantee (**Deed**), representing the 'Closed Group', entered into in accordance with ASIC Class Order 98/1418. This Deed grants these entities relief from preparing and lodging audited financial statements under the *Act*.

The Closed Group is in a net current liability position at balance date; however, the Directors have assessed that due to the Group's access to undrawn facilities and forecast positive cash flows into the future the Group will be able to pay its debts as and when they fall due (refer to Managing our liquidity risk at Note 4.3).

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

6.5 AUDITOR'S REMUNERATION

During the year, the following fees were paid or payable for services provided by the Company's external auditor Ernst & Young:

\$	2025	2024
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities	1,454,239	1,570,102
Fees for other assurance and agreed upon procedure services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	10,000	39,000
Fees for other services:		
Tax compliance	85,466	99,500
Tax advisory – Crates transaction	-	420,609
Tax advisory – Other	176,650	120,640
Remuneration services	12,000	10,000
Total fees to Ernst & Young (Australia)	1,738,355	2,259,851
Fees to other overseas member firms of Ernst & Young (Australia)		
Fees for auditing the financial report of any controlled entities	916,329	858,605
Fees for other services:		
Tax compliance	54,999	30,272
Tax advisory	304,478	61,061
Total fees to other overseas member firms of Ernst & Young	1,275,806	949,938
Total auditor's remuneration	3,014,161	3,209,789

6.6 OPERATING UNIT ASSETS AND OPERATING UNIT LIABILITIES

Operating unit assets

\$'000	2025	2024
Packaging & Sustainability	1,647,461	1,558,243
Materials Handling & Pooling	234,940	252,973
Contract Manufacturing	245,262	237,474
Total operating unit assets	2,127,663	2,048,690
Reconciliation to total assets⁽¹⁾:		
Receivables included in securitisation programs	(136,842)	(137,610)
Deferred tax assets	51,148	43,527
Inter-operating unit eliminations	(2,526)	(2,431)
TOTAL ASSETS	2,039,443	1,952,176

Operating unit liabilities

\$'000	2025	2024
Packaging & Sustainability	700,523	687,342
Materials Handling & Pooling	103,327	124,435
Contract Manufacturing	147,924	143,992
Total operating unit liabilities	951,774	955,769
Reconciliation to total liabilities⁽¹⁾:		
Interest-bearing liabilities	561,074	484,081
Income tax payable	13,416	32,795
Deferred tax liabilities	8,905	7,778
Inter-operating unit eliminations	(2,526)	(2,431)
TOTAL LIABILITIES	1,532,643	1,477,992

⁽¹⁾ These reconciling items are managed centrally and not allocated to reportable operating units.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

6.7 GEOGRAPHIC REVENUE

The table below shows revenue recognised in each geographic region that the Group operates in for its continuing operations.

\$'000	2025	2024
Australia	1,213,325	1,194,387
New Zealand	336,368	342,814
Asia and others	272,036	266,486
Total	1,821,729	1,803,687

6.8 SUBSEQUENT EVENTS

On 14 July 2025, PGH shares were suspended from trading on ASX at the close of trade and the delisting was effective on 16 July 2025. Following this date, Pact Group Holdings Ltd is an unlisted public company.

Performance conditions for the 2023 performance rights granted to certain employees (as part of the previous Long-Term Incentive Plan) were not met and consequently all 2023 performance rights lapsed in full on 20 August 2025. There are no performance rights remaining in the Company.

In the opinion of the Directors, other than the matters aforementioned, there have been no other material matters or circumstances which have arisen between 30 June 2025 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

The Consolidated Entity Disclosure Statement has been prepared in accordance with the Act and incorporates certain information for each entity that was part of the consolidated entity at the end of the financial year:

Entity name	Entity type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence ⁽¹⁰⁾
Pact Group Holdings Ltd	Body corporate	Australia		Australia
Pact Group Industries (ANZ) Pty Ltd	Body corporate	Australia	100	Australia
Pact Group Holdings (Australia) Pty Ltd ⁽¹⁾	Body corporate	Australia	100	Australia
Pact Group Finance (Australia) Pty Ltd	Body corporate	Australia	100	Australia
Pact Group Industries (Asia) Pty Ltd	Body corporate	Australia	100	Australia
Alto Manufacturing Pty Ltd	Body corporate	Australia	100	Australia
Alto Packaging Australia Pty Ltd	Body corporate	Australia	100	Australia
Astron Plastics Pty Limited ⁽²⁾	Body corporate	Australia	100	Australia
Australian Pharmaceutical Manufacturers Pty Ltd	Body corporate	Australia	100	Australia
Baroda Manufacturing Pty Ltd	Body corporate	Australia	100	Australia
Brickwood (Dandenong) Pty Ltd	Body corporate	Australia	100	Australia
Brickwood (NSW) Pty Ltd ⁽³⁾	Body corporate	Australia	100	Australia
Brickwood (QLD) Pty Ltd	Body corporate	Australia	100	Australia
Brickwood (VIC) Pty Ltd	Body corporate	Australia	100	Australia
Cinqplast Plastop Australia Pty Limited	Body corporate	Australia	100	Australia
Davmar Investments Pty Ltd	Body corporate	Australia	100	Australia
Inpact Innovation Pty. Ltd.	Body corporate	Australia	100	Australia
Jalco Australia Pty. Limited	Body corporate	Australia	100	Australia
Jalco Automotive Pty. Limited	Body corporate	Australia	100	Australia
Jalco Care Products Pty Limited	Body corporate	Australia	100	Australia
Jalco Cosmetics Pty. Limited	Body corporate	Australia	100	Australia
Jalco Group Pty. Limited	Body corporate	Australia	100	Australia
Jalco Plastics Pty. Ltd.	Body corporate	Australia	100	Australia
Jalco Powders Pty Limited	Body corporate	Australia	100	Australia
Jalco Promotional Packaging Pty. Limited	Body corporate	Australia	100	Australia
MTWO Pty Ltd	Body corporate	Australia	100	Australia
Packaging Employees Pty Limited	Body corporate	Australia	100	Australia
Pact Retail Accessories (Australia) Pty Ltd	Body corporate	Australia	100	Australia
Pascoe's Pty Ltd	Body corporate	Australia	100	Australia
Plaspak Closures Pty Limited	Body corporate	Australia	100	Australia
Plaspak Management Pty Limited	Body corporate	Australia	100	Australia
Plaspak Pty Limited	Body corporate	Australia	100	Australia
Power Plastics Pty. Limited	Body corporate	Australia	100	Australia
Ruffgar Holdings Pty Limited ⁽⁴⁾	Body corporate	Australia	100	Australia
Salient Asia Pacific Pty Ltd	Body corporate	Australia	100	Australia
Skyson Pty. Ltd. ⁽⁵⁾	Body corporate	Australia	100	Australia
Snopak Manufacturing Pty Ltd	Body corporate	Australia	100	Australia
Steri-Plas Pty Ltd	Body corporate	Australia	100	Australia
Sulo MGB Australia Pty Ltd	Body corporate	Australia	100	Australia
Summit Manufacturing Pty Ltd	Body corporate	Australia	100	Australia
Sunrise Plastics Pty. Ltd.	Body corporate	Australia	100	Australia
Synergy Packaging Pty Ltd	Body corporate	Australia	100	Australia
VIP Drum Reconditioners Pty. Ltd.	Body corporate	Australia	100	Australia
VIP Plastic Packaging Pty Ltd	Body corporate	Australia	100	Australia
VIP Steel Packaging Pty Ltd	Body corporate	Australia	100	Australia
Viscount Logistics Services Pty Ltd	Body corporate	Australia	100	Australia
Viscount Plastics (Australia) Pty Ltd	Body corporate	Australia	100	Australia
Viscount Plastics (China) Pty Ltd	Body corporate	Australia	100	Australia
Vmax Returnable Packaging Systems Pty Ltd	Body corporate	Australia	100	Australia
Pact Group Holdings (NZ) Limited	Body corporate	New Zealand	100	New Zealand
Pact Group Finance (NZ) Limited	Body corporate	New Zealand	100	New Zealand
Pact Group (NZ) Limited ⁽⁶⁾	Body corporate	New Zealand	100	New Zealand
VIP Steel Packaging (NZ) Limited	Body corporate	New Zealand	100	New Zealand
VIP Plastic Packaging (NZ) Limited	Body corporate	New Zealand	100	New Zealand
Alto Packaging Limited	Body corporate	New Zealand	100	New Zealand

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity name	Entity type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence ⁽¹⁰⁾
Auckland Drum Sustainability Services Limited	Body corporate	New Zealand	100	New Zealand
Tecpak Industries Limited	Body corporate	New Zealand	100	New Zealand
Astron Plastics Limited	Body corporate	New Zealand	100	New Zealand
Pacific BBA Plastics (NZ) Limited	Body corporate	New Zealand	100	New Zealand
Viscount Plastics (NZ) Limited	Body corporate	New Zealand	100	New Zealand
Stowers Containment Solutions Limited	Body corporate	New Zealand	100	New Zealand
Sulo (N.Z.) Limited	Body corporate	New Zealand	100	New Zealand
Pact Retail Accessories (New Zealand) Limited	Body corporate	New Zealand	100	New Zealand
Pact Group Closure Systems (Guangzhou) Co., Ltd	Body corporate	China	100	China
Pact Group Closure Systems (Tianjin) Co., Ltd	Body corporate	China	100	China
Pact Group Packaging Systems (Guangzhou) Co., Ltd	Body corporate	China	100	China
Dongguan Top Rise Trading Co. Ltd	Body corporate	China	100	China
Dongguan Regent Plastic Products Co. Ltd	Body corporate	China	100	China
Ningbo Xunxing Trade Co. Ltd	Body corporate	China	100	China
TIC Manufacturing (Bangladesh) Limited	Body corporate	Bangladesh	100	Bangladesh
TIC Industries (Bangladesh) Pty Ltd.	Body corporate	Bangladesh	100	Bangladesh
TIC Trading (Bangladesh) Limited ⁽⁷⁾	Body corporate	Bangladesh	100	Bangladesh
Pact Closure Systems (India) Private Limited	Body corporate	India	100	India
AMRS Business Services Private Limited	Body corporate	India	100	India
Pact Group Holdings (Hong Kong) Limited	Body corporate	Hong Kong	100	Hong Kong
Roots Investment Holding Private Limited	Body corporate	Hong Kong	100	Hong Kong
Pact Retail Accessories (Hong Kong) Limited	Body corporate	Hong Kong	100	Hong Kong
Pact Retail Accessories (Asia) Limited	Body corporate	Hong Kong	100	Hong Kong
Talent Group Development Limited	Body corporate	Hong Kong	100	Hong Kong
Fast Star International Holdings Limited	Body corporate	Hong Kong	100	Hong Kong
PT Plastop Asia Indonesia	Body corporate	Indonesia	100	Indonesia
PT Plastop Indonesia Manufacturing ⁽⁸⁾	Body corporate	Indonesia	100	Indonesia
Pact Group Closure Systems Korea Ltd	Body corporate	Korea	100	Korea
Pact Group Closure Systems Nepal Private Limited	Body corporate	Nepal	100	Nepal
Plastop Asia, Inc.	Body corporate	Philippines	100	Philippines
Pact Packaging Philippines Inc.	Body corporate	Philippines	100	Philippines
Pact Closure Systems (Philippines) Inc.	Body corporate	Philippines	100	Philippines
Asia Peak Pte. Ltd.	Body corporate	Singapore	100	Singapore
Pact Retail Accessories (USA) LLC	Body corporate	United States of America	100	United States of America
Pact Retail Accessories (UK) Limited	Body corporate	United Kingdom	100	United Kingdom
Full View Plastics Unit Trust	Trust	N/A	N/A	N/A
White Rock Insurance Company PCC Limited (Cell Pact)	PCC	Guernsey	-(9)	Guernsey
Spraypac Products (NZ) Limited	Body corporate	New Zealand	50	New Zealand
Weener Plastop Asia, Inc.	Body corporate	Philippines	50	Philippines
Gempack Asia Limited	Body corporate	Thailand	50	Thailand
PT Weener Plastop Indonesia	Body corporate	Indonesia	50	Indonesia
Circular Plastics Australia (PET) Holdings Pty Ltd	Body corporate	Australia	33.33	Australia
Circular Plastics Australia Pty Ltd	Body corporate	Australia	50	Australia
Marquis Holdco Pty Ltd	Body corporate	Australia	50	Australia

⁽¹⁾ Participant in the Gempack Asia Limited joint venture and the Marquis Holdco Pty Ltd joint venture.

⁽²⁾ Participant in the Circular Plastics Australia Pty Ltd joint venture and the Circular Plastics Australia (PET) Holdings Pty Ltd joint venture.

⁽³⁾ The trustee of the Full View Plastics Unit Trust, a trust in the consolidated entity.

⁽⁴⁾ Participant in the Weener Plastop Asia, Inc. joint venture.

⁽⁵⁾ Participant in the Gempack Asia Limited joint venture.

⁽⁶⁾ Participant in the Spraypac Products (NZ) Limited joint venture.

⁽⁷⁾ In voluntary liquidation.

⁽⁸⁾ Participant in the PT Weener Plastop Indonesia joint venture.

⁽⁹⁾ The Group has an "equity interest" in the Cell Pact within White Rock Insurance Company PCC Limited. This entity is made up of the Cell Pact (in which the Group has 100% "ownership interest") and many other cells in which the Group does not have an ownership interest. The Group does not have any ownership interest in White Rock Insurance Company PCC Limited.

⁽¹⁰⁾ No entity within the Group has a dual residency for tax purposes.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. The consolidated financial statements and notes, and the *Remuneration Report* included in the *Directors' Report*, are in accordance with the *Corporations Act 2001* (Cth) including:
 - (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date;
 - (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (c) complying with International Financial Reporting Standards as disclosed in Note 6.1;
2. The consolidated entity disclosure statement required by section 295(3A) of the *Act* is true and correct;
3. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
4. As at the date of this Declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 6.4 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee described in Note 6.4.

This Declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and Group Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2025.

This Declaration is made in accordance with a resolution of the Directors.



Raphael Geminder
Executive Chair



Sanjay Dayal
**Managing Director and Group Chief
Executive Officer**

21 August 2025

Independent auditor's report to the members of Pact Group Holdings Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Pact Group Holdings Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the audit of the Remuneration Report

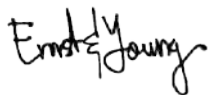
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Pact Group Holdings Ltd for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Wilfred Liew
Partner
Melbourne
21 August 2025

