

ASX - For immediate release

10 February 2025

**PRO-PAC PACKAGING LIMITED
UPDATED APPENDIX 4C**

Attached is a revised version of the Appendix 4C released on 31 January 2025, with additional information included in section 8.6.

Release of the revised Appendix 4C has been authorised and approved by the board of directors.

For more information contact:

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About Pro-Pac:

Pro-Pac Packaging Limited (ASX: PPG) is an innovative Flexibles and Industrial Specialty Packaging company with a diversified distribution and manufacturing network throughout Australia and New Zealand. Headquartered in Melbourne, Pro-Pac delivers bespoke packaging solutions for a broad group of blue-chip and SME clients in the industrial, food and beverage, health, agriculture and manufacturing sectors. For further information, please visit www.ppgaust.com.au

Appendix 4C
Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1	Cash flows from operating activities		
1	Receipts from customers	65,784	136,875
1	Payments for		
	(a) research and development	(47)	(95)
	(b) product manufacturing and operating costs	(42,608)	(84,381)
	(c) advertising and marketing	0	0
	(d) leased assets	(131)	(131)
	(e) staff costs	(18,119)	(38,460)
	(f) administration and corporate costs	(8,984)	(17,297)
1	Dividends received (see note 3)	0	0
1	Interest received	0	0
2	Interest and other costs of finance paid	(1,927)	(3,628)
2	Income taxes paid/received	0	0
2	Government grants and tax incentives	0	0
2	Other (provide details if material)	0	0
2	Net cash from / (used in) operating activities	(6,032)	(7,117)
2	Cash flows from investing activities		
2	Payments to acquire or for:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	(191)	(396)
	(d) investments	0	0
	(e) intellectual property	(429)	(949)
	(f) other non-current assets	0	0
2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	60	179
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2	Cash flows from loans to other entities	0	0
2	Dividends received (see note 3)	0	0
3	Government grants received	0	0
3	Net cash from / (used in) investing activities	(560)	(1,166)
3	Cash flows from financing activities		
3	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3	Proceeds from issue of convertible debt securities	0	0
3	Proceeds from exercise of options	0	0
3	Transaction costs related to issues of equity securities or convertible debt securities	0	0
4	Proceeds from borrowings	77,919	155,490
4	Repayment of borrowings	(69,215)	(142,621)
3.70	Transaction costs related to loans and borrowings	(104)	(152)
3.80	Dividends paid	0	0
3.90	Other (repayment of Lease Liability)	(2,466)	(4,876)
3.10	Net cash from / (used in) financing activities	6,134	7,841

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,101	1,081
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,032)	(7,117)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(560)	(1,166)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,134	7,841
4.5	Effect of movement in exchange rates on cash held	(14)	(10)
4.6	Cash and cash equivalents at end of period	629	629

5	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances*	629	629
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	629	629

6	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	3,329
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7	Financing facilities	Total facility amount at quarter end \$A'000	Total available facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>				
7.1	Loan facilities			
	Debtor Financing Facility - Scotpac Business Financing	32,527	25,387	23,995
	Asset Financing Facility - Scotpac Business Financing	4,650	4,650	4,650
	Short term Financing Facility - Bennamon Pty Ltd (related entity)	13,000	9,250	3,123
7.2	Credit standby arrangements			
	Interchangeable Letters of Credit and Bank Guarantees - ANZ	2,200	2,200	2,167
7.3	Other (ANZ bank overdraft)	3,160	3,160	2,666
7.4	Total financing facilities	55,537	44,647	36,601
7.5	Unused financing facilities available at quarter end			8,046
Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.				
7.6	Details included in the Quarterly Activity Report.			

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(6,032)
8.2 Cash and cash equivalents at quarter end (item 4.6)	629
8.3 Unused finance facilities available at quarter end (item 7.5)	8,046
8.4 Total available funding (item 8.2 + item 8.3)	8,675
Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.44
<p>8.5 <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>	
<p>8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p>	
<p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p>	
<p>Answer: No.</p> <p>We expect improved operating performance in the second half of the financial year and for the remainder of the calendar year through margin enhancement initiatives, including headcount reduction, procurement improvement activities, price increases, and targeted revenue opportunities.</p> <p>In addition, within our total facilities there is \$3.7 million of funding which is at the discretion of Bennamon Pty Ltd, which is not included in the calculation of estimated quarters of funding available. Should this be included, the calculated quarters of funding available would be over 2 quarters.</p>	
<p>8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p>	
<p>Answer: Yes.</p> <p>The Company is currently working with advisors to explore and execute on plans for longer term funding arrangements and assist with a strategic review of its businesses. As all funding options are being considered (including both debt and equity), we would expect an appropriate longer term funding structure to be executed.</p> <p>If required, the Company may request to draw down on additional funding from Bennamon Pty Ltd as referenced above.</p>	
<p>8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?</p>	
<p>Answer: Yes.</p> <p>We have an established business within Australia and New Zealand which we are continuing to look to improve the performance through profit enhancement initiatives, including headcount reduction, procurement improvement activities, price increases, and targeted revenue opportunities.</p> <p>Execution of planned capital projects are subject to the Company's longer term funding arrangements and business performance at the time.</p>	
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 10 February 2025



Authorised by:
John Cerni – Executive Chairman

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
 2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
 3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
 4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
 5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
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