

ASX - For immediate release

18 July 2022

Pro-Pac Packaging Limited Management Changes (ASX: PPG)

Pro-Pac Packaging Limited ("Pro-Pac or Company") announces the appointment of Jonathan Ling as Executive Chairman effective immediately. Jonathan has been Non-Executive Chairman of the Company since 2019 and is a former Chief Executive Officer and Managing Director of GUD Limited and Fletcher Building Limited. Details of his remuneration whilst in this role are set out in Annexure 1. Tim Welsh has stepped down as Chief Executive Officer and Managing Director effective today. The Board will commence a formal search process for a new Chief Executive Officer.

To support the Executive Chairman, David Berry has joined as General Manager of the Flexibles Business Unit on a contract basis from 25 July 2022. David is a former Executive General Manager of Orora Ltd's Packaging & Distribution Business and prior to that General Manager of Southcorp's Film and Flexibles business. Darren Brown will continue as Interim Chief Financial Officer.

Following the sale of the Company's Rigid Plastics business, and use of the sale proceeds to pay down bank debt, net bank debt at 30 June 2022 was \$21 million (net bank debt was \$82 million at 31 December 2021). The Company's bank facilities are being restructured and, while these negotiations are underway, the existing bank facilities have been extended to 31 July 2023. As at 30 June 2022, the Company's unaudited net assets were approximately \$145 million, representing a net asset backing of approximately \$1.80 per share.

The Executive Chairman, Jonathan Ling, said:

"The Company remains committed to its long term strategy and, following the sale of the Rigid Plastics business, the Board and leadership team are laser focussed on further reducing corporate overheads, optimising working capital and restoring the profitability of the Flexibles business back towards its underlying potential."

The Company's 2022 Full Year Results are expected to be announced on 24 August 2022 at which time an update on further progress made in net debt reduction, overhead cost reduction and profitability improvement will be provided.

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

For further information, please 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

Forward-Looking Statements:

Some of the statements in this document constitute “forward-looking statements”. These forward-looking statements reflect Pro-Pac’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside Pro-Pac’s control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from Pro-Pac’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this document with caution.

ANNEXURE 1

Summary of Key contract terms. Current Directors Fees continue unchanged.

Jonathan Ling

Commencement Date:	18 July 2022
Term:	Until appointment of new CEO
Higher duties Remuneration:	\$2,500 per day
Termination:	NES minimum , currently 1 week

Darren Brown

Commencement Date:	9 May 2022
Term:	3 months or until appointment of new CFO
Remuneration:	\$2,450 per day
Termination:	NES minimum, currently 1 week