

Quarterly Activities Report and Appendix 4C

For the Quarter Ended 30 June 2025

Pro-Pac Packaging Limited (ASX:PPG, “the Company”) provides the following update on its activities for the quarter ended 30 June 2025.

Summary

- Revenue was \$62.8 million, an increase of \$0.3 million compared with the previous quarter (\$62.5 million).
- During the quarter ended 30 June 2025, the Company received \$3.5 million (plus GST) proceeds from Government Grants.
- As at 30 June 2025 the Company had cash on hand of \$3.8 million and unused facilities of \$6.1 million (refer to Item 7.5).
- On 31 July 2025 the Company entered into a short-term financing facility of up to \$3.0 million with its major shareholder Bennamon Pty Ltd (Bennamon).
- Cash flows from operating activities for the quarter represented an inflow of \$0.9 million, which included \$3.0 million of monies received from a long-standing customer for sales made prior to December 2024.

Quarterly Activities

There were no material changes to the principal activities of the Company and its subsidiaries (“Group”) for the quarter ended 30 June 2025.

Revenue performance from continuing operations

The Group’s revenue of \$62.8 million for the 3 months ending 30 June 2025 is set out below:

Revenue by operating segment	Q4 FY25 \$m	%	FY25 YTD \$m	%
Flexibles	47.9	76.3	203.8	76.3
Specialty packaging	14.9	23.7	63.4	23.7
Total	62.8	100.0	267.2	100.0

The Group’s revenue for the 3 months to 30 June 2025 was an increase of \$0.3 million from the previous quarter (Q3 FY25: \$62.5 million).

Additional short-term Finance Facility

On 31 July 2025 the Company entered into a new loan facility with Bennamon its major shareholder for an amount of up to \$3.0 million.

The loan is available to be drawn at any time up to the termination date of 30 September 2026. The termination date may be extended by agreement between the parties. The loan has an interest rate of 10.0% and there are no fees for any unused commitment. The loan is a secured loan however the security is limited to \$2.279 million. Any additional security over and above this amount will require shareholder approval.

As with prior loans, existing financiers have provided in principle consents under their finance agreements, conditional upon approval of proposed repayments to Bennamon in certain circumstances. A priority deed governs priorities between financiers.

Government grant proceeds

During the quarter ended 30 June 2025, the Company received the final \$3.5 million (plus GST) instalment of proceeds from a Government Grant.

The grant was received through the Federal Government's Modern Manufacturing Initiative for the establishment of a soft plastic film recycling plant.

There are delays including regulatory and local council approvals. The completion date of project is not expected to be in line with the original government grant agreement.

Appendix 4C: Item 6 – Payments to related parties

Payments to related parties, and their associates for the quarter ending 30 June 2025 totalled \$2,922,842 comprising:

- Remuneration of \$391,316 paid to key management personnel, in their capacity as Directors and Executives;
- Payment of \$2,531,526 for goods and services received from Visy Industries Pty Ltd, on arm's length terms. There were nil payments to Pact Group Holdings Limited during the current quarter.

Appendix 4C: Item 7.6 – Details of Financing Facilities

As at 30 June 2025 the Company's financing facilities comprised:

- \$35.0 million debtor finance facility (of which \$29.2 million was available based on approved invoices and bank guarantee support provided by Bennamon to ScotPac);
- \$3.9 million asset finance facility;
- \$13.0 million short term financing facility provided by Bennamon;
- \$2.8 million bank overdraft; and
- standby credit arrangements totalling A\$2.2 million.

As at 30 June 2025, the Company had drawn down A\$45.0 million (undrawn A\$6.1 million).

As at 30 June 2025, the Group had access to the following lines of credit:

								Statement of Financial position as at 30 June 2025			
Facilities	Facility currency	Maturity date	Interest rate	Total Facility limit ⁽¹⁾	Total facility available as at 30 June 2025	Facility drawn as at 30 June 2025	Undrawn facility as at 30 June 2025	Principal outstanding	Capitalised interest (not part of facility limit)	Total borrowings outstanding	Repayments due within 1 year
				A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	
<u>7.1 Loan facilities</u>											
ScotPac debtor financing	AUD	2/12/2025	8.66%	32,352	27,411	22,546	4,865	22,546	0	22,546	Note A
ScotPac debtor financing	NZD	2/12/2025	8.33%	2,648	1,811	1,122	689	1,122	0	1,122	Note A
ScotPac Asset financing	AUD	30/10/2027	12.99%	3,916	3,916	3,916	0	3,916	0	3,916	Note B
Bennamon short-term financing facility	AUD	1/03/2026	10.00%	12,200	12,200	12,200	0	12,200	530	12,730	Note C
Bennamon short-term financing facility	NZD	1/03/2026	10.00%	822	822	822	0	822	41	863	Note C
<u>7.2 Credit Standby arrangements</u>											
ANZ Interchangeable letters of credit and bank guarantees	AUD	Various	n/a	2,200	2,200	2,070	130	n/a	n/a	n/a	
<u>7.3 Other</u>											
ANZ bank overdraft	AUD	Ongoing	9.30%	2,750	2,750	2,358	392	2,358	0	2,358	Note D
				56,888	51,109	45,034	6,076	42,964	571	43,535	

⁽¹⁾ The total facility limit represents the maximum contractual principal available under the Company's loan and credit arrangements.

Note A

The secured debtor finance facility has a committed limit to December 2025. The drawings made under the committed facility limit are however revolving in nature and accordingly, the debt of \$23.7 million outstanding under the facility at 30 June 2025 will be disclosed as a current liability. This facility will continue to be available to be redrawn, subject to eligible sale invoices being presented against the facility until December 2025. As at 30 June 2025, \$29.2 million (including the benefit of the Bennamon bank guarantees provided to ScotPac as discussed below) (30 June 2024: \$23.2 million) of eligible sales invoices had been presented against the facility. For further information refer to the Company's 30 June 2024 Annual Report.

During April 2025, ScotPac increased the limit of the debtor finance facility from \$30.0 million to \$35.0 million. The increased limit remains in place, subject to ongoing review.

Drawdown availability of the debtor finance facility is subject to the seasonal movements of debtors at any particular point in time (\$26.5 million was available at 30 June 2025)

A\$5 million guarantee provided by Bennamon to ScotPac (subject to certain conditions agreed between Bennamon and ScotPac) resulted in a commensurate \$5.0 million of funds being available to be drawn within the \$35.0 million limit of the facility (in effect adding to the eligible debtors under the facility).

Interest on the facility is calculated daily, and for those days which the drawn amount exceeds the eligible debtors under the facility an additional 4.0% interest charge on total facilities drawn is applied.

Note B

The secured 3-year asset financing facility is subject to monthly principal and interest repayments, with a prevailing interest rate of 12.99%. The facility limit applies only to the principal loan amount. As at 30 June 2025, the principal was fully drawn.

Note C

On the 12 December Bennamon signed Loan Agreements with the Company which provides for funds of up to A\$13.0 million covering both Australia and New Zealand. These loans are subject to the Company issuing drawdown notices to Bennamon. The termination date is 31 March 2026, unless otherwise agreed to be amended by both parties.

The facility limit applies only to the principal loan amount. As at 30 June 2025, the principal was fully drawn. Under the terms of the agreement, interest accrued on drawn amounts is able to and has been capitalised to the principal balance and payable on termination of the facility. As at 30 June 2025, the Company had recognised capitalised interest of \$0.6 million which is not included in the facility limit but is recorded as part of the total borrowings balance outstanding at this date (\$13.6 million).

The Bennamon loan is unsecured. Priority is governed by specific Deeds with existing lenders and the Corporations Act (or Companies Act in NZ). Lender consent is required for proposed repayments in certain circumstances.

The Company has also received additional financial support from Bennamon to finance the engagement of Leaders on Demand for an initial period of 6 months to assist with the implementation of the strategic review. For the quarter ended 30 June 2025, the Company has recognised total expenses of \$0.47 million in relation to these consulting fees. These amounts are disclosed as trade and other payables in the statement of financial position at this date and are not included in borrowings outstanding.

The financing of the Leaders on Demand invoices have been captured in the loan entered into by the parties on 31 July 2025.

Note D

ANZ facilities are subject to annual review on 30 September 2025, unless otherwise agreed between the parties.

Full year results release

Our full year results and Annual Report for the year ended 30 June 2025 are scheduled to be released by 31 August 2025.

FY2025 EBITDA (pre-AASB 16 and before significant items) was approximately a \$19.5 million loss.

As previously reported, the company has initiated a strategic review, focussed on improved profitability, reviewing capital allocation and assessing short term and medium term funding arrangements.

The Company has appointed advisors to assist with the strategic review, which may lead to the sale of certain assets. The Company is in the early stages of this review and there is no certainty it will elect to proceed with any transaction. The Company will update the market as necessary in line with its continuous disclosure obligations.

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

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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 (12 months) \$A'000
1	Cash flows from operating activities		
1	Receipts from customers	64,580	275,054
1	Payments for		
	(a) research and development	(25)	(135)
	(b) product manufacturing and operating costs	(37,140)	(167,241)
	(c) advertising and marketing	0	0
	(d) leased assets	(176)	(439)
	(e) staff costs	(16,555)	(74,600)
	(f) administration and corporate costs	(8,329)	(36,238)
1	Dividends received (see note 3)	0	0
1	Interest received	94	99
2	Interest and other costs of finance paid	(1,581)	(7,039)
2	Income taxes paid/received	91	91
2	Government grants and tax incentives	0	0
2	Other (provide details if material)	0	0
2	Net cash from / (used in) operating activities	959	(10,448)
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	(536)	(958)
	(d) investments	0	0
	(e) intellectual property	(54)	(1,124)
	(f) other non-current assets	0	
2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	98	289
	(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	3,487	3,487
3	Net cash from / (used in) investing activities	2,995	1,694
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	71,726	305,609
4	Repayment of borrowings	(69,634)	(283,667)
3.70	Transaction costs related to loans and borrowings	(1)	(357)
3.80	Dividends paid	0	0
3.90	Other (repayment of Lease Liability)	(2,795)	(10,169)
3.10	Net cash from / (used in) financing activities	(704)	11,416

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4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	486	1,081
4.2	Net cash from / (used in) operating activities (item 1.9 above)	959	(10,448)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,995	1,694
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(704)	11,416
4.5	Effect of movement in exchange rates on cash held	21	14
4.6	Cash and cash equivalents at end of period	3,757	3,757

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*	3,757	3,757
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)	3,757	3,757

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	2,923
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	Total available facility amount at quarter end
	<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>	\$A'000	\$A'000
7.1	Loan facilities		
	Debtor Financing Facility - Scotpac Business Financing	35,000	29,222
	Asset Financing Facility - Scotpac Business Financing	3,916	3,916
	Short term Financing Facility - Bennamon Pty Ltd (related entity)	13,022	13,022
7.2	Credit standby arrangements		
	Interchangeable Letters of Credit and Bank Guarantees - ANZ	2,200	2,200
7.3	Other (ANZ bank overdraft)	2,750	2,750
7.4	Total financing facilities	56,888	51,109
7.5	Unused financing facilities available at quarter end		
	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)	959
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,757
8.3 Unused finance facilities available at quarter end (item 7.5)	6,076
8.4 Total available funding (item 8.2 + item 8.3)	9,833

Estimated quarters of funding available (item 8.4 divided by item 8.1)**n/a**

8.5 *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.*

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

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?

n/a

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?

n/a

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?

n/a

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.

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: 31 July 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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