

CLOSE THE LOOP

1H26 Results Presentation | February 2026

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Investor Presentation

1H26 Results Schedule

Agenda

- 4. **Business Overview**
- 9. **Financial Statements**
- 14. **Outlook**
- 16. **Investor enquiries**

Presenters



**Kesh
Nair**

**Executive Director
& CEO Australia
and South Africa**

Kesh is the Executive Director of Close the Loop and has worked with CLG for 17 years. Throughout his tenure, Kesh has led numerous strategic initiatives, including product development & sales/marketing.



**Marc
Lichtenstein**

**Group Chief
Financial Officer**

Marc is Group CFO and has been with the group since 2017. Marc is an accomplished and purpose driven senior executive with deep cross functional experience spanning finance, strategy, M&A, governance and risk management.

Business Overview

Stabilising and Reset for Growth

Business Overview

Divisional Summary

01

Resource Recovery and Recycling

- Information Technology Asset Disposition (ITAD) includes the refurbishment of laptops, printers, computing, gaming accessories for resale in addition to the refurbishment and recycling of print consumables
- Customers are primarily global Original Equipment Manufacturers (OEMs) of consumer electronics
- Key geographical locations in Australia, US, Europe & Asia
- Hardware supply agreements with key OEMs allow returned goods to be refurbished, repaired and re-sold through established sales channels.
- Zero waste to landfill — recovering a wide range of end-of-life materials, including electronics, print consumables, cosmetics and plastics, and repurposing outputs such as reclaimed toner and post-consumer soft plastics into products like asphalt additives.
- Globally, 1.3bn inkjet cartridges are sold per annum, with 15%-20% recycled. Cartridge network of 260k collection points in US, Australia, and Europe, processing c.50m cartridges p.a.

02

Packaging

- Made to order reusable (environmentally friendly) packaging flexibles, & pouches
- Key clients include major Fast-Moving Consumer Goods (FMCG) manufacturers, with product ranges spanning across consumer goods, confectionary, bulk bags, seafood, pet foods, and snacks
- Growing demand for eco-friendly packaging solutions is driving positive momentum within the packaging division
- Focused on cross-sell opportunities within existing customer base, a key management initiative to increase average revenue per customer
- Solution provides a '*one-stop-shop*'. It enables a holistic outsourced packaging solution from design to end-product
- Future initiatives include expanding growth via product diversification into different categories including health and beauty
- Expanding R&D program toward a smart packaging design solution

1H26 Snapshot

Strategic realignment underway

Key Points

- Revenue was higher in 1H26, (\$92.3m +2%) despite a product mix shift in Resource Recovery and continued growth in the Packaging division
- The Group incurred a loss after tax of \$26.9M, including a write down of \$23.2M in intangible assets. Excluding the write down and one-off costs, the Group delivered 1H26 Underlying NPATA of \$2.5M vs \$5.7M in 1H25
- Management continued its strategic review of underperforming business units. This resulted in exiting Alliance Paper & O F Flexo within the Packaging division
- Packaging delivered strong organic growth, capitalising on growing sustainable packaging demand
- The Group complied with banking covenants throughout 1H26, with loans reclassified as non-current as at the 31st of December 2025



Segment Overview

Resource Recovery

Key Points

- Resource Recovery increased processing volumes in 1H26, introducing new collection programs complementing the traditional imaging/consumables business
- In North America, the Mexicali facility continues to ramp effectively, with improved throughput, expanding capacity, and increasing labour efficiency
- The European business continued to grow its pan-European multi-vendor collection program, which resulted in growing interest from all major print original equipment manufacturers
 - Europe experienced continued momentum, winning new contracts and programs in 1H26
- Increase in Australian business driven by organic growth during the period, driven by new cosmetics customers and expanding relationships with existing clients



Segment Overview

Packaging

Key Points

- Packaging achieved organic revenue growth of ~18% compared to pcp, a strong performance. NPAT performance also improved as the division achieved operating leverage due to a fixed cost base
- Sales growth was attributable to the South African & Australian businesses due to increasing demand for premium/innovative flexible and carton packaging
- Moderate pricing pressure was experienced during 1H26, to enable the division to grow the client base
- Growing demand for eco-friendly packaging solutions is driving positive momentum within the division
- Sustainable packaging continues to be an increasing trend, with this division benefitting from secular industry tailwinds



Financial Statements

Turnaround Underway

1H26 Performance

Financial highlights

1H26
Revenue

\$92.3m

+2% on pcp

1H26
Gross Profit

\$32.2m

+10% on pcp

1H26
Gross Margin

34.9%

Vs 32.4% in pcp

1H26
EBITDA

\$9.3m

(23%) on pcp

1H26
EBITDA Margin

10.1%

Vs 13.4% in pcp

1H26
NPBT

(\$28.6m)

Vs (\$1.3M) in pcp

Income Statement

EBITDA lower due to higher opex

Key Points

- Revenue increased due to the higher performance from the Packaging division, which was offset by a decline in Resource Recovery contribution
- Gross Profit increased to \$32.2m vs \$29.4m pcp, due to improved margins across the Group
- EBITDA reduced to \$9.3m vs \$12.1m pcp, as the rise in Gross Margin didn't offset the increase in opex during 1H FY26. This was reflected in a reduced EBITDA margin, which declined to 10.1% vs 13.4% pcp
- Net finance costs increased to \$5.0m vs \$3.8m pcp, attributable to increased interest payments during the reporting period
- Adjusted NPATA (excluding one-off items) reduced to \$2.5M vs \$6.3m pcp

A\$m	1H26	1H25	\$ Change
Revenue	92.3	90.7	1.6
(-) Cost of Goods Sold	(60.1)	(61.3)	1.2
Gross Profit	32.2	29.4	2.8
<i>Gross Margin (%)</i>	34.9	32.4	+250 bps
(+) Other Income	-	1.1	(1.1)
(-) Selling and Distribution Expense	(4.8)	(1.7)	(3.1)
(-) Administration Expense	(4.8)	(4.9)	0.1
(-) Employee Benefits	(9.5)	(9.6)	0.1
(-) Occupancy Costs	(3.6)	(2.2)	(1.4)
(-) Other Expenses	(0.2)	-	(0.2)
EBITDA	9.3	12.1	(2.8)
<i>EBITDA Margin (%)</i>	10.1	13.4	-330ps
(-) Depreciation & Amortisation	(32.9)	(9.7)	(23.2)
EBIT	(23.6)	2.4	(26.0)
(-) Net Finance Costs	(5.0)	(3.8)	(1.2)
Net Profit Before Tax	(28.6)	(1.4)	(27.2)
(-) Tax Expense	1.7	1.3	0.4
Net Profit After Tax	(26.9)	(0.1)	(26.8)
Adjusted NPATA	2.5	6.3	(3.8)

Balance Sheet

Write-down reduces intangible assets

Key Points

- Intangibles decreased in 1H26, reflecting the impairment of assets associated with Close the Loop Renewed Solutions (ISP) and the sale of Alliance Paper & O F Flexo
- Bank debt has been reclassified as non-current in 1H26, with the Company adhering to renewed banking covenants
- Ongoing support of the bank facility, which expires in 2029
- Receivables balance was higher as at Dec '25, correlating with increasing revenue in 1H26
- Inventories decreased due to better processing in the ITAD business and the sale of Alliance Paper
- Right of Use Assets and Lease Liabilities reduced, due to the sale of non-core business operations
- Net debt increased to \$57.0m vs \$53.5m Jun '25, primarily due to costs associated with divested businesses and increased finance costs

A\$m	Dec 25	Jun 25	\$ Change
Cash	24.2	32.3	(8.1)
Receivables	29.3	28.8	0.5
Inventory	23.6	24.1	(0.5)
Other	7.8	5.3	2.5
Total Current Assets	84.9	90.5	(5.6)
Investments	0.2	0.2	0.0
Property, plant and equipment	22.5	24.8	(2.3)
Right of Use Assets	23.4	28.5	(5.1)
Intangible Assets	92.6	124.7	(32.1)
Other	11.7	8.1	3.6
Total Non-Current Assets	150.4	186.3	(35.9)
Trade and Other Payables	15.4	15.9	0.5
Borrowings	30.4	85.4	55.0
Lease Liabilities	4.0	4.3	0.3
Income Tax Payable	2.5	0.3	(2.2)
Provisions	2.4	2.4	0.0
Deferred Revenue	0.2	0.4	0.2
Other Current Liabilities	1.4	2.5	1.1
Total Current Liabilities	56.3	111.2	54.9
Borrowings	50.8	0.4	(50.4)
Lease Liabilities	23.7	26.3	2.6
Provisions	0.3	0.1	(0.2)
Deferred Tax Liability	14.9	17.3	2.4
Total Non-Current Liabilities	89.7	44.1	(45.6)
Net Assets	89.3	121.5	(32.2)
Net Debt	57.0	53.5	(3.5)

Cashflow Statement

One-off costs impact cashflow

Key Points

- Operating cashflow lower due to overall financial performance and costs incurred to divest non continuing assets
- Capex was primarily to fund the investment in the Mexicali plant, with no significant future capex anticipated going forward
- Lease payments reduced on pcp, attributable to the cessation of discontinued operations

Capital Management

- Debt reduction remains a key priority for management
- Management continue to assess non-core businesses within the group, seeking divestment opportunities
- Significant cash balance as at 31st December 2025, with ending cash balance of \$24.2m
- Long-term support of the Group's financiers remains

A\$m	1H26	1H25	\$ Change
(+) Cash Receipts	92.0	107.9	(15.9)
(-) Cash Paid to Suppliers	(93.4)	(102.7)	9.3
(+) Other Revenue	0.2	1.3	(1.1)
(-) Interest Paid	(3.6)	(1.7)	(1.9)
(-) Tax Paid	(0.1)	(2.2)	2.1
Operating Cashflow	(4.9)	2.6	(7.5)
(-) Capex	(0.6)	(2.0)	1.4
(-) Acquisitions	0.0	(0.2)	0.2
Investing Cashflow	(0.6)	(2.2)	1.6
(-) Lease Payments	(0.8)	(3.1)	2.3
(-) Net Proceeds from Borrowings	(1.9)	(0.3)	(1.6)
Financing Cashflow	(2.7)	(3.4)	0.7
Starting Cash	32.3	40.6	(8.3)
Net Cash flow	(8.2)	(3.0)	(5.2)
FX Impact	0.1	0.2	(0.1)
Ending Cash	24.2	37.8	(13.6)

Outlook

Focusing on key priorities

Outlook Statement

2H26 key business focus

EXPANDING OEM RELATIONSHIPS GLOBALLY

The company continues to strengthen relationships with key OEM partners by expanding into new jurisdictions and introducing additional product lines.

Management is leveraging established infrastructure to drive material volume growth, and in doing so, creating long-term value for shareholders.

STRATEGIC REVIEW UNDERWAY

The company has identified potential divestment opportunities for non-core business units for share and or asset sales for the businesses that are no longer considered complementary to the Group. This remains a key priority for management.

TARGETING GROWTH INITIATIVES

Targeting growth initiatives to expand market presence and strengthen CLG's competitive position.

By pursuing strategic opportunities, broadening the customer base, and enhancing service capabilities, CLG aims to accelerate expansion while delivering sustainable value across our business.

MANAGEMENT EXPERTISE

Recent key management appointments will bring extensive industry expertise and leadership, with a clear mandate to sharpen operational focus and expand globally.

Combined regional knowledge and operational capabilities are expected to strengthen execution, improve efficiencies, and capture growth opportunities in their respective markets.

BUILDING REVERSE SUPPLY CHAIN LOGISTICS

CLG is building reverse supply chain logistics for the circular economy. This includes refurbishment, repair, recycling and an end-to-end reverse supply chain to support OEMs anywhere in the world.

By becoming one encompassing solution for its clients, CLG will win more market share.



collecting today.

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