

ASX Announcement

25 August 2025

FY25 Results Update

Close the Loop Limited ("Close the Loop" or the "Company") (ASX: CLG), the circular economy industry leader, has today released its results for the full year ended 30th June 2025. Key Financial Highlights:

- Revenue of \$195.1m, down 7% from pcp
- Underlying EBITDA of \$18.4m, down 59% from pcp
- Underlying NPATA of \$7.8m, down 70% from pcp
- Quick Operating Cash Flow \$11.8m, down 63% from pcp
- Net debt of \$53.4m up 26% from pcp

Key Highlights:

- **Recycling** – Revenue and EBITDA were impacted by a product mix shift, primarily attributable to Information Technology Asset Disposition (ITAD) operations in North America.
- **Packaging** – Revenue increased, and EBITDA declined as demand from key domestic and international customers remained resilient, underpinned by a strong South African performance.
- **Net Debt** – Increased during the period due to lower operating cash flow. The debt facility was classified as a current liability due to an accounting reclassification (maturity in 2029).
- **Management** – Several new management appointments were made including Kesh Nair as Executive Director and CEO of Australia and Matthew Zimmer as CEO of the USA.
- **Strategy** – The FY26 strategy has been formulated by management to improve group financial performance.

Commenting on the company's performance, Kesh Nair, CEO of Australia said: "Overall, the group experienced resilient demand in FY25; however earnings were lower due to an unfavourable shift in product mix in ITAD, which led to lower FY25 EBITDA performance. The management team is committed to returning to positive performance in the medium term. Whilst challenging for our team, the opportunity to build a significant recycling business in the circular economy remains unchanged, and the team are committed to achieving this objective.

To achieve this goal, the management team has established five strategic pillars to rebase and improve earnings. These pillars form the basis upon which the team will strive to accomplish its FY26 objectives. With the right people on board, we remain confident that our long-term aim to improve the financial performance of the company will be achieved.

FY25 Financial Performance**• Resource Recovery**

During the year, feedstock volume from 30-day customer returns in ITAD has proven to be reliable but less predictable than prior periods. In response to the challenges experienced in the North American refurbishment and ITAD segment, the Company has identified and appointed a new Chief Executive Officer, Matthew Zimmer, for its North American operations. This leadership change is aimed at stabilising performance and driving growth in what remains a strategically important geography for the business.

Additionally, the group accelerated discussions around its new ITAD programs from its existing OEM clients, which are anticipated to enhance volume growth in FY26. This, combined with approval received from the Manufacturing, Maquiladora, and Export Services Industry Program (IMMEX) to recycle computer hardware at the Mexicali plant, is anticipated to result in improved operating performance in FY26.

• Packaging

The Company's core packaging businesses performed reasonably well and delivered single-digit revenue growth for the year. These businesses continue to demonstrate solid operational execution. EBITDA performance was weaker than expected due to one-off costs associated with its non-core Australian packaging businesses.

Additionally, the group continued to invest in its human capital capabilities, as well as its processes and procedures, to ensure that it remains at the forefront of the packaging sectors in which it actively participates. The group is well positioned to deliver stable operational performance in FY26.

Key Strategic Initiatives in FY26:

Management has identified five key strategic objectives to improve financial performance. They are imperative to achieving the board's underlying aims and objectives.

• Improving cash conversion

- Negotiating faster payment terms, reducing inventory holding through quicker product listings, operational efficiency, and employing a dynamic pricing model.
- Leveraging credit lines to shorten the cash conversion cycle, reducing working capital, and stabilising cash flow.

• Maintain packaging performance

- Source and sell high-quality products to build and maintain brand equity.
- Expansion of our sales team, increasing share of wallet from loyal customers, and introducing incentives to capture new business.
- Leverage Close the Loop's international footprint across Australia and South Africa, where we will unlock revenue opportunities through cross-selling and resource sharing to drive economies of scale and R&D investment.



- **Increase ITAD volumes**

- Expand globally by leveraging our partner network and collective selling power across the USA, Europe, and Asia-Pacific.
- Capitalise on existing global contracts and customer relationships.
- Differentiate by combining certified data security, transparent reporting, and streamlined logistics to maximise asset value and support clients' compliance and sustainability goals.

- **OEM expansion**

- Dedicate account management growth within the existing customer base by servicing more volume in existing products and additional product lines
- Focus new sales on OEM customer acquisition and multi-vendor collection programs continued to expand across Europe.
- Bundling of services globally to increase value accretion within existing accounts.

- **Improve cost efficiencies**

- A shift in ITAD product volumes to the new Mexicali, Mexico facility will increase the company's operational cost efficiency.
- Product refurbishment lines in the new facility have been established, with employees in place and ready to scale for greater volumes processed.
- Management is seeking to reduce operational inefficiencies that have been identified in recent management review. Cost-out initiatives are anticipated to generate benefits from 2H26 forward.

- ENDS -

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About Close the Loop

With locations across the United States, Australia, South Africa, and Europe, Close the Loop collects and refurbishes products such as laptops, printers, teleconferencing equipment, and gaming devices; and provides sustainable packaging, which allows for greater recoverability and recyclability. The Company is a global leader in the fast-growing circular economy with a focus on global expansion and sustainability.

Further information: www.closeheloop.com

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