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Close the Loop Ltd

ABN: 91 095 718 317

Report for the half year ended 31 December 2025

APPENDIX 4D

1.1 Company details

Name of entity:	Close the Loop Limited
ABN:	91 095 718 317
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

1.2 Results for announcement to the market

					\$'000
Revenues from ordinary activities	Up/ Down	1.8%	to		92,306
Profit/(Loss) from ordinary activities after tax attributable to the members of Close the Loop Ltd	Up/ Down	13,427%	to		(27,054)
Net Profit/(Loss) for the half year attributable to the members of Close the Loop Ltd	Up/ Down	4,190%	to		(32,822)

Dividends

Close the Loop Limited has not paid any dividends in the half year ended 31 December 2025 nor does it propose to pay any dividends.

Close the Loop Limited does not have a dividend reinvestment plan in place.

Comments

Please refer to the Review of Operations in the Directors' Report for an explanation of the results.

This Appendix 4D should be read in conjunction with the Consolidated Interim Financial Report of Close the Loop Limited for the half year ended 31 December 2025 that has been reviewed by Nexia Melbourne Audit Pty Ltd. This report should be read in conjunction with the ASX announcement on 23 February 2026. This report should also be read in conjunction with any public announcements made by Close the Loop Limited in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX listing rules.

The loss for the half year ended 31 December 2025 has been impacted by the amortisation of intangible assets of \$6,169,000 that occurs as a result of the consolidated group recognising customer relationships, brand names and internal generated software upon the business combinations accounting standard and that is required to be amortised over their useful lives. At 31 December 2025 the company recognised an impairment of intangible assets of \$23,177,000 that related to the acquisition of ISP Tek Services in April 2023. If the amortisation related to business combinations and impairment of intangible assets were reversed, the net profit after tax attributable to the members of Close the Loop from continuing operations for the half year is \$2,292,000.

The information provided in this report contains all the information required by ASX Listing Rule 4.2A.

1.3 Net tangible assets

	31 December 2025	31 December 2024
Net tangible assets per ordinary security	(0.63) cents	0.31 cents

1.4 Control gained over entities

There was no control gained over any entities during the reporting period.

1.5 Loss of Control over entities

During the half year reporting period ended 31 December 2025 all of the shares in the wholly owned subsidiary O F Flexo Pty Ltd were sold with effect from 31 July 2025. The business assets of Alliance Paper Pty Ltd were disposed of with effect from 27 October 2025.

There was no other loss of control over any entity during the current or previous reporting periods.

1.6 Details of associated and joint venture entities

Close the Loop Limited does not have any interest in joint venture or associated entities.

1.7 Audit review

The half-year report has been reviewed by the auditors and the unmodified review report is attached as part of the Interim Report.

All foreign entities in the Close the Loop Limited group have used International Financial Reporting Standards as the accounting standards by which they have reported and been included in the Interim Report for the period ended 31 December 2025.

1.8 Attachments

The Interim Report of Close the Loop Limited for the half-year ended 31 December 2025 is attached.

1.9 Signed



Signed:

Grant Carman
Director

Date: 23 February 2026

CLOSE THE LOOP

**Report for the half year
ended 31 December 2025**

Close the Loop Ltd

ABN: 91 095 718 317

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Close the Loop Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

Directors

The following persons were directors of Close the Loop Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Grant Carman
- Sammy Saloum
- Lawrence Jaffe (resigned 16 July 2025)
- John Chambers (resigned 20 November 2025)
- Kesh Nair (appointed 16 July 2025)
- Brendan Yee (appointed 5 December 2025)
- Joseph Foster (appointed 1 September 2025, resigned 20 November 2025)

Principal Activities

The principal activity of the consolidated group during the financial year was the creation of innovative products and packaging solutions as well as recovering a wide range of electronic products, print consumables, eyewear, cosmetics, plastics and any other activity incidental thereto, through to the reusing of toner and post-consumer soft plastics for an asphalt additive, TonerPlas. The Company is focused on the future, sustainability and the circular economy.

The consolidated entity also provides premium and innovative flexible and carton packaging, flexographic print packaging, seafood packaging and bulk storage solutions. The consolidated entity was also a leading supplier of thermal paper and associated paper products and services in Australia during the reporting period.

There were no significant changes in the nature of the activities of the Group during the half year.

Review of Operations

With locations across Australia, United States, Europe and South Africa, Close the Loop collects waste products through takeback programs across its resource recovery businesses for recovery and reuse; and provides packaging products through its packaging businesses which allow for recovery and recyclability. The Company's overall premise is zero waste to landfill. From recovering a wide range of electronic products, print consumables, eyewear, cosmetics, plastics and any other activity incidental thereto, through to the reusing of toner and post-consumer soft plastics for an asphalt additive, the Group is a global circular economy leader with a focus on the future, sustainability and the circular economy.

	31 December 2025	31 December 2024
	\$'000	\$'000
Revenue from continuing operations	92,306	90,697
Gross Margin %	34.9%	32.4%
EBITDA	9,316	12,112
Net Profit before tax from continuing operations	(28,576)	(1,319)
Net Profit after tax from continuing operations	(26,878)	(58)
Amortisation of intangible assets	6,169	6,360
Impairment of intangibles	23,177	-
Underlying Net Profit	2,468	6,302
Current Assets	84,888	104,626
Current Liabilities	56,279	46,995
Current Ratio	1.51	2.23
Total Assets	235,288	303,989
Equity	89,288	145,013

The profit before interest, tax, depreciation, and amortisation charges ("EBITDA") from continuing operations attributable to the members of the parent entity for the half year ended 31 December 2025 is \$9,316,000 (31 December 2024: \$12,112,000) which is a 23% decrease compared to the previous corresponding reporting period. The decrease in the financial results for the period ended 31 December 2025 are a due to several

factors. These factors include an unfavourable shift in the consumer electronics business mix in the resource recovery division and the ramp up of the full operating capacity of the Mexicali facility. The company is actively addressing these short-term challenges and expects resolution in the coming months.

The loss of the consolidated group after providing for income tax from continuing operations amounted to a loss of \$26,878,000 (2024: \$58,000 loss). The loss for the half year ended 31 December 2025 has been impacted by the amortisation of intangible assets of \$6,169,000 (2024: \$6,360,000) that occurs as a result of the consolidated group recognising customer relationships, brand names and internally generated software upon the business combinations accounting standard and that is required to be amortised over their useful lives.

At each reporting date the company is required to test its intangible assets for impairment. At 31 December 2025 the impairment testing identified that the carrying value of the intangible assets associated with the acquisition of the ISP Tek Services business were overstated. Accordingly, an additional amount of intangible assets of \$23,177,000 have been written off at 31 December 2025. If the amortisation and impairment of the intangible assets was reversed, the net profit after tax attributable to the members of Close the Loop from continuing operations and adding back the amortisation related to business combinations for the half year is a profit of \$2,292,000.

Net debt which is calculated as total borrowings less cash on hand at 31 December 2025 has increased by \$3,542,000 to \$56,983,000 since the last reporting date, 30 June 2025. The movement in the net debt is predominantly due to the decrease in the cash and cash equivalents during the reporting period which has been used to fund discontinued operations, working capital and interest repayments. The company's loans are provided in USD by a USA based lender and are required to be restated into AUD at each reporting date with an adjustment made to the foreign currency translation reserve. Excess cash within the organisation is held by the holding company in AUD in Australian banks. During the reporting period the principal debt reduced in USD.

At 30 June 2025, the Group's bank covenants were reset due to the company breaching its covenants during the year ended 30 June 2025. The Group has complied with its covenants throughout the current reporting period. The reset of the covenants was finalised post the 2025 financial year end and based on the current accounting standards the bank loan was classified as current at 30 June 2025. This bank loan has been reclassified as non-current in the 2026 financial year and as at 31 December 2025.

The Close the Loop recycling division increased its processing volumes during the period, introducing several new collection programs, complementing its traditional imaging consumables business.

The Mexicali facility continues to ramp effectively, with improved throughout, expanding capacity, and increasing labour efficiency. The transition of key product lines to the Mexicali facility is largely complete, positioning the facility for improved operating leverage as volumes grow.

The core recycling operations in Australia, United States and Europe have continued to grow and provide services across the respective geographies.

The European business has continued to grow its pan-European multi-vendor collection program, which resulted in significant interest from all the major print original equipment manufacturers ("OEMs"). The program was launched on 1 November 2023 in Benelux, Germany and the United Kingdom. During the reporting period the multi-vendor collection program continued to be expanded into new strategically important territories across Europe, whilst non-performing regions that were not economically viable to run the collection program had the program scaled back or were exited altogether. The European business has continued to gain momentum winning new contracts and programs during the period. Regulatory tailwinds and sustainability goals are driving the new business opportunities in Europe. The full financial impact of the expanded collection program and new contract wins are expected to be reflected in the 2027 financial year.

The Close the Loop packaging businesses have achieved 18% organic sales growth compared to the previous corresponding period. The growth in sales is due to the improved performance of the South African and core Australian packaging businesses. The packaging division has had significant growth in the profit after income tax expense from continuing operations compared to the previous corresponding period. The packaging businesses were able to drive the increased sales with the same cost base as these are volume-based trading businesses that do not require major capital investment to drive sales growth. Some of the businesses in this division have experienced some margin pressure to win new customers and or retain the existing customer base. The Packaging business continues to have strong demand for its specialised range of sustainable packaging. The future forecasts see ongoing growth of this division. The South African operations have continued to perform exceptionally during the period.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated group during the reporting period.

Events Subsequent to Reporting Date

Since 31 December 2025, the company has identified some 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 current service offerings of the Group. At the time of this report no binding agreements have been entered into with any of these potential buyers.

Other than the matters discussed above, there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Signed:

Grant Carman
Director

Date: 23 February 2026
Melbourne

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF
CLOSE THE LOOP LTD**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2025 there has been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b. no contraventions of any applicable code of professional conduct in relation to the review.



**Nexia Melbourne Audit Pty Ltd
Melbourne**



**Benjamin Bester
Director**

Dated this 23rd day of February 2026

Advisory. Tax. Audit.

Registered Audit Company 291969

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General Information

The financial statements cover Close the Loop Limited as a consolidated entity consisting of Close the Loop Limited and the entities it controlled at the end of, or during, the half year. The financial statements are presented in Australian dollars, which is Close the Loop Limited's functional and presentation currency.

Close the Loop Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business are:

Principal registered office

43-47 Cleeland Road
Oakleigh South VIC 3167
Australia

Principal place of business

43-47 Cleeland Road
Oakleigh South VIC 3167
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

All amounts in the Consolidated Interim Financial Report have been rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 to the nearest one thousand dollars unless otherwise stated.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 February 2026.

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Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000 Restated*
Revenue from continuing operations			
Revenue	3	92,306	90,697
Cost of sales		(60,074)	(61,306)
Gross profit		<u>32,232</u>	<u>29,391</u>
Expenses			
Other Income	4	431	1,791
Selling and distribution expenses		(4,808)	(1,726)
Administration expenses		(4,826)	(4,871)
Employee benefits		(9,511)	(9,592)
Occupancy costs		(3,591)	(2,173)
Depreciation and amortisation	5	(32,962)	(9,658)
Other expenses		(140)	(12)
Operating profit		<u>(23,175)</u>	<u>3,150</u>
Finance costs	5	(5,401)	(4,469)
Profit / (Loss) before income tax expense from continuing operations		<u>(28,576)</u>	<u>(1,319)</u>
Income tax benefit / (expense)		1,698	1,261
Profit / (Loss) after income tax expense from continuing operations		<u>(26,878)</u>	<u>(58)</u>
Discontinued Operation			
Profit / (Loss) from discontinued operation net of tax	16	(5,768)	(565)
Profit / (Loss) after income tax expense for the half year		(32,646)	(623)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		763	3,750
Other comprehensive income for the half-year, net of tax		763	3,750
Total comprehensive income for the half year		<u>(31,883)</u>	<u>3,127</u>
Profit / (Loss) for the year is attributable to:			
Non-controlling interest		176	142
Owners of Close the Loop Limited		(32,822)	(765)
		<u>(32,646)</u>	<u>(623)</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		(32,059)	2,985
Non-controlling interest		176	142
Continuing operations		<u>(31,883)</u>	<u>3,127</u>

		Cents	Cents
Earnings per share for profit attributable to the owners of Close the Loop Limited - continuing operations			
Basic earnings per share	15	(5.09)	(0.14)
Diluted earnings per share	15	(4.95)	(0.14)
Earnings per share for profit attributable to the owners of Close the Loop Limited – continuing operations and discontinued operations			
Basic earnings per share	15	(6.17)	(0.04)
Diluted earnings per share	15	(6.00)	(0.04)

The above Statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

**The comparative information has been restated due to the discontinued operations. See Note 1.*

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Statement of Financial Position
As at 31 December 2025

	Note	Consolidated	
		31 Dec 2025 \$'000	30 Jun 2025 \$'000
Assets			
Current assets			
Cash and cash equivalents		24,193	32,341
Trade and other receivables		29,318	28,804
Inventories		23,606	24,105
Other		7,771	5,322
Total current assets		84,888	90,572
Non-current assets			
Investments		211	208
Property, plant, and equipment		22,541	24,790
Right-of-use assets		23,409	28,525
Intangibles	13	92,639	124,728
Deferred tax		7,766	5,630
Other		3,834	2,373
Total non-current assets		150,400	186,254
Total assets		235,288	276,826
Liabilities			
Current liabilities			
Trade and other payables		15,449	15,906
Borrowings	14	30,365	85,401
Lease liabilities		3,958	4,261
Income tax		2,548	282
Provisions		2,410	2,384
Deferred revenue		161	442
Other		1,388	2,533
Total current liabilities		56,279	111,209
Non-current liabilities			
Borrowings	14	50,811	381
Lease liabilities		23,733	26,374
Provisions		282	74
Deferred tax liabilities		14,895	17,305
Total non-current liabilities		89,721	44,134
Total liabilities		146,000	155,343
Net assets		89,288	121,483
Equity			
Issued capital	6	106,308	105,852
Reserves		1,858	1,863
Retained profits / (losses)		(19,734)	12,981
Non-controlling interest		856	787
Total equity		89,288	121,483

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the half-year ended 31 December 2025

	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Non- controlling interest \$'000	Total equity \$'000
Consolidated					
Balance at 1 July 2024	105,852	(110)	35,167	628	141,537
Profit after income tax expense for the year, net of tax	-	-	(765)	142	(623)
Foreign exchange movement	-	3,750	-	-	3,750
Total comprehensive income for the year	-	3,750	(765)	142	3,127
Transactions with owners in their capacity as owners: Movements in provisions	-	349	-	-	349
Balance at 31 December 2024	<u>105,852</u>	<u>3,989</u>	<u>34,402</u>	<u>770</u>	<u>145,013</u>

	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Non- controlling interest \$'000	Total equity \$'000
Consolidated					
Balance at 1 July 2025	105,852	1,863	12,981	787	121,483
Profit after income tax expense for the year, net of tax	-	-	(32,822)	176	(32,646)
Foreign exchange movement	-	763	-	-	763
Total comprehensive income for the year	-	763	(32,822)	176	(31,883)
Transactions with owners in their capacity as owners: Movements in provisions	456	(768)	-	-	(312)
	-	-	107	(107)	-
Balance at 31 December 2025	<u>106,308</u>	<u>1,858</u>	<u>(19,734)</u>	<u>856</u>	<u>89,288</u>

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

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Statement of Cash Flows
For the half-year ended 31 December 2025

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	91,972	107,862
Payments to suppliers and employees (inclusive of GST)	(93,442)	(102,724)
	<u>(1,470)</u>	<u>5,138</u>
Other revenue	190	1,264
Interest and other finance costs paid	(3,565)	(1,701)
Income taxes paid	(75)	(2,153)
	<u>(4,920)</u>	<u>2,548</u>
Net cash from operating activities		
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	-	(185)
Payments for property, plant, and equipment	(612)	(1,953)
Acquisition of subsidiary	-	-
	<u>(612)</u>	<u>(2,138)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from share issue net of issue costs	-	-
Net proceeds / (Repayment) of borrowings	(1,879)	(373)
Repayment of lease liabilities	(830)	(3,086)
	<u>(2,709)</u>	<u>(3,459)</u>
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	(8,241)	(3,049)
Cash and cash equivalents at the beginning of the financial year	32,341	40,644
Effects of exchange rate changes on cash and cash equivalents	93	200
	<u>24,193</u>	<u>37,795</u>
Cash and cash equivalents at the end of the financial year		
Cash and cash equivalents in the Statement of Financial Position		
Bank balances	24,193	37,795
Bank overdrafts repayable on demand and used for cash management purposes	-	-
	<u>24,193</u>	<u>37,795</u>
Cash and cash equivalents in the statement of cash flows		
Cashflows from discontinued operating activities	1,326	508
Cashflows from discontinued investing activities	7	-
Cashflows from discontinued financing activities	(96)	(384)
Total cash inflows/(outflows) from discontinued operations	<u>1,237</u>	<u>124</u>

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

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MATERIAL ACCOUNTING POLICY INFORMATION

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2025 annual financial report for the financial year ended 30 June 2025 except as discussed in the adoption of new and revised Australian Accounting Standards. The accounting policies are consistent with Australian Accounting Standards and with IFRS Accounting Standards.

The comparative half-year results have been re-presented to classify the results of Alliance Paper Pty Ltd's thermal paper and rolls business and O F Flexo Pty Ltd's flexible packaging manufacturing and supply business as discontinued operations in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations. This re-presentation has no impact on total profit after tax for the comparative period.

Statements of Financial Position

The Statement of Financial Position as at 30 June 2025 represents Close the Loop Group. The Statement of Financial Position for 31 December 2025 reflects the consolidated position of Close the Loop Group.

Statement of Profit and Loss and Other Comprehensive Income

The Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period 1 July 2025 to 31 December 2025 represent the results of Close the Loop Group.

Statement of Changes in Equity

The Consolidated Statement of Changes in Equity for the period 1 July 2025 to 31 December 2025 comprises Close the Loop Group.

Statement of Cash Flows

The Statement of Cash Flows represents cash flows of Close the Loop Group for the period 1 July 2025 to 31 December 2025.

Critical accounting estimates and assumptions

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting are retrospective, where applicable, to the period the combination appeared and may have an impact on the assets and liabilities, depreciation and amortisation reported.

NOTE 2. OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity is organised into two operating segments based on differences in products and services provided: resource recovery and packaging. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation, and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is monthly.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Packaging	Provides premium and innovative flexible and carton packaging as well as bulk storage packaging solutions and thermal paper supply.
Resource recovery	The takeback, recovery and reuse of complex waste streams including imaging consumables, cosmetics, plastics, paper and cartons and products associated there with as well as refurbishing consumer and enterprise electronic equipment.

Intersegment transactions

An internally determined transfer price is set for all intersegment sales. This price is reset and is based on what would be realised in the event the sale was made to an external party at arm's length. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables, and loans

Intersegment loans are initially recognised at the consideration received, net of transaction costs. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Two operations being the flexible packaging manufacturing and thermal paper and rolls businesses were discontinued with effect from 31 July 2025 and 27 October 2025 respectively. The segment information reported on the next pages does not include any amounts for these discontinued operations (see note 16).

Operating segment information

Consolidated 31 December 2025	Resource Recovery \$'000	Packaging \$'000	Total \$'000
Revenue			
Sales to external customers	58,127	34,179	92,306
Intersegment sales	-	-	-
Total sales revenue	58,127	34,179	92,306
Other revenue	(411)	842	431
Total segment revenue	57,716	35,021	92,737
Intersegment eliminations			-
Unallocated revenue			-
Total revenue			92,737

Notes to the Financial Statements
 31 December 2025

Consolidated 31 December 2025	Resource Recovery \$'000	Packaging \$'000	Total \$'000
EBITDA	3,024	6,292	9,316
Depreciation and amortisation	(32,546)	(416)	(32,962)
Net finance costs	(4,921)	(9)	(4,930)
Profit before income tax expense	(34,443)	5,867	(28,576)
Income tax expenses / benefit	2,807	(1,109)	1,698
Profit after income tax expense	(31,636)	4,758	(26,878)
Profit after income tax expense from discontinuing operations	(3,164)	(2,604)	(5,768)
Profit/(Loss) for the half-year	(34,800)	2,154	(32,646)
Assets			
Segment assets	216,268	27,086	243,354
Intersegment eliminations			(8,066)
Unallocated assets			-
Total assets			235,288
Liabilities			
Segment liabilities	141,586	12,480	154,066
Intersegment eliminations			(8,066)
Unallocated liabilities:			-
Total liabilities			146,000
Consolidated 31 December 2024	Resource Recovery \$'000	Packaging \$'000	Total \$'000
Revenue			
Sales to external customers	61,824	28,873	90,697
Intersegment sales	-	-	-
Total sales revenue	61,824	28,873	90,697
Other revenue	885	906	1,791
Total segment revenue	62,709	29,979	92,488
Intersegment eliminations			-
Unallocated revenue			-
Total revenue			92,488
EBITDA	7,162	4,950	12,112
Depreciation and amortisation	(9,216)	(442)	(9,658)
Net finance costs	(3,916)	144	(3,772)
Profit before income tax expense	(5,970)	4,652	(1,318)
Income tax expenses	2,227	(967)	1,260
Profit after income tax expense from continuing operations	(3,743)	3,685	(58)
Profit after income tax expense from discontinuing operations	-	(565)	(565)
Profit/(Loss) for the half-year	(3,743)	3,120	(623)

Notes to the Financial Statements
31 December 2025

Consolidated 31 December 2024	Resource Recovery \$'000	Packaging \$'000	Total \$'000
Assets			
Segment assets	279,138	30,611	309,749
Intersegment eliminations			(5,760)
Unallocated assets			-
Total assets			303,989
Liabilities			
Segment liabilities	147,272	17,464	164,736
Intersegment eliminations			(5,760)
Unallocated liabilities:			-
Total liabilities			158,976

Geographical segment information

Consolidated 31 December 2025	Australia \$'000	USA \$'000	Europe \$'000	South Africa \$'000	Total \$'000
Revenue					
Sales to external customers	29,356	45,835	6,162	10,953	92,306
Intersegment sales	-	-	-	-	-
Total sales revenue	29,356	45,835	6,162	10,953	92,306
Other revenue	229	(38)	3	237	431
Total segment revenue	29,585	45,797	6,165	11,190	92,737
Intersegment eliminations					-
Unallocated revenue					-
Total revenue					92,737
EBITDA					
EBITDA	2,614	3,845	392	2,465	9,316
Depreciation and amortisation	(1,315)	(31,095)	(538)	(14)	(32,962)
Net finance costs	(779)	(4,044)	(107)	-	(4,930)
Profit before income tax expense	520	(31,294)	(253)	2,451	(28,576)
Income tax expenses	(445)	2,967	-	(824)	1,698
Profit after income tax expense	75	(28,327)	(253)	1,627	(26,878)
Profit after income tax expense from discontinuing operations	(5,768)	-	-	-	(5,768)
Profit/(Loss) for the half-year	(5,693)	(28,327)	(253)	1,627	(32,646)
Assets					
Segment assets	152,774	126,572	10,425	15,272	305,043
Intersegment eliminations					(69,755)
Unallocated assets					-
Total assets					235,288

Notes to the Financial Statements
31 December 2025

Consolidated 31 December 2025	Australia \$'000	USA \$'000	Europe \$'000	South Africa \$'000	Total \$'000
Liabilities					
Segment liabilities	42,462	146,582	19,984	6,727	215,755
Intersegment eliminations					(69,755)
Unallocated liabilities					-
Total liabilities					146,000

Consolidated 31 December 2024	Australia \$'000	USA \$'000	Europe \$'000	South Africa \$'000	Total \$'000
Revenue					
Sales to external customers	23,267	51,228	6,581	9,621	90,697
Intersegment sales	-	-	-	-	-
Total sales revenue	23,267	51,228	6,581	9,621	90,697
Other revenue	1,552	33	63	143	1,791
Total segment revenue	24,819	51,261	6,644	9,764	92,488
Intersegment eliminations					-
Unallocated revenue					-
Total revenue					92,488

EBITDA	145	9,988	(10)	1,989	12,112
Depreciation and amortisation	(1,563)	(7,922)	(143)	(30)	(9,658)
Finance costs	(115)	(3,788)	9	122	(3,772)
Profit before income tax expense	(1,533)	(1,722)	(144)	2,081	(1,318)
Income tax expenses	895	776	(1)	(410)	1,260
Profit after income tax expense	(638)	(946)	(145)	1,671	(58)
Profit after income tax expense from discontinuing operations	(565)	-	-	-	(565)
Profit/(Loss) for the half- year	(1,203)	(946)	(145)	1,671	(623)

Assets					
Segment assets	169,292	175,987	4,915	9,686	359,880
Intersegment eliminations					(55,891)
Unallocated assets					-
Total assets					303,989

Liabilities					
Segment liabilities	45,476	151,574	14,286	3,531	214,867
Intersegment eliminations					(55,891)
Unallocated liabilities					-
Total liabilities					158,976

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NOTE 3. REVENUE

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
From continuing operating activities		
<i>Revenue from contracts with customers</i>		
Sale of goods	72,762	65,650
Collection revenue	19,544	25,047
	<u>92,306</u>	<u>90,697</u>
Shown in the segment note as follows:		
Continuing operations	92,306	90,697
Discontinuing operations	2,479	8,490
	<u>94,785</u>	<u>99,187</u>

NOTE 4. OTHER INCOME

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Interest Income	471	696
Government Grants	30	220
Foreign Exchange Gains / (Loss)	(432)	659
Other Income	362	216
Other income	<u>431</u>	<u>1,791</u>

NOTE 5. EXPENSES

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Profit before income tax from continuing operations includes the following expenses:		
Depreciation and Amortisation		
Depreciation of property, plant and equipment	1,412	1,415
Amortisation of right-of-use assets	2,204	1,883
Total depreciation	<u>3,616</u>	<u>3,298</u>
Impairment loss on remeasurement of the non-financial assets	23,177	-
Amortisation of non-current assets	6,169	6,360
Total depreciation and amortisation	<u>32,962</u>	<u>9,658</u>
Finance costs		
Interest and finance charges paid/payable on borrowings	4,671	3,811
Interest and finance charges paid/payable on lease liabilities	730	658
Finance costs expensed	<u>5,401</u>	<u>4,469</u>

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NOTE 6. EQUITY – ISSUED CAPITAL

	31 Dec 2025 Shares	30 Jun 2025 Shares	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Ordinary shares – fully paid	<u>533,049,866</u>	<u>531,849,866</u>	<u>106,308</u>	<u>105,852</u>

Movements in ordinary share capital

	Date	Shares	Issue price	\$'000
Balance at the beginning of the year	1 Jul 2024	531,849,866		105,852
Balance	30 Jun 2025	<u>531,849,866</u>		<u>105,852</u>
	Date	Shares	Issue price	\$'000
Balance at the beginning of the half year	1 Jul 2025	531,849,866		105,852
Shares issued upon the conversion of Close the Loop performance rights	23 Dec 2025	<u>1,200,000</u>	\$0.38	<u>456</u>
Balance at the end of the period	31 Dec 2025	<u>533,049,866</u>		<u>106,308</u>

NOTE 7. SHARE BASED PAYMENTS

Close the Loop's approach to remuneration is to ensure that employee remuneration is closely linked to the Consolidated Entity's performance and the returns generated for shareholders. Performance-linked compensation, as outlined in the Consolidated Entity's Employee Incentive Plan ('EIP'), includes both short-term and long-term incentives, and is designed to incentivise and reward employees for meeting or exceeding Company-wide and individual objectives. The short-term incentive ('STI') is an "at risk" bonus provided in the form of cash and/or shares, while the long-term incentive ('LTI') is provided as options and performance rights over ordinary shares of the Company. Performance rights are granted pursuant to the Company's Performance Rights Plan Rules which were approved by shareholders on 20 November 2025.

Performance rights are granted at the discretion of the Board to key executives by way of issue at nil cost both at the time of grant and vesting. Vesting is contingent on the Company meeting or exceeding performance hurdles over the performance period and upon each key executive's ongoing employment by the Company. The performance hurdles involve an assessment of the Company's total shareholder returns in absolute terms.

There were no movements in the options or options granted in the half years ended 31 December 2025 or 31 December 2024.

Set out below are summaries of performance rights granted as at 31 December 2025. No performance rights were issued in the half year ended 31 December 2024. The valuation of the performance rights has been split into 4 Tranches at each issue date.

For the performance rights granted during the current financial period, a Binomial Option Valuation model was used to value the performance rights for Tranche 1. A probability adjustment for market vesting conditions is then attached to the value of the performance rights. Each performance right, once vested, entitles the performance right holder to receive one fully paid ordinary share in the Company for zero consideration.

The Tranche 2, Tranche 3 and Tranche 4 Performance Rights are effectively plain vanilla options with nil exercise price and vesting conditions that include a price target. The values of Tranche 2, Tranche 3 and Tranche 4 are assessed using a binomial option pricing model, adjusted to take account of the price target. This model allows for the potential exercise of the Performance Rights between vesting and expiry.

A risk-free rate of 3% was used in the valuation model as this yield on Commonwealth bonds is assumed to match the life of the Performance Rights. The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant Date	Expiry date	Exercise Price	Balance at the start of the financial half year	Granted	Exercised	Expired/ Forfeited/ Other	Balance at the end of the financial half year
20 Dec 2022	19 Dec 2027	\$0.00	5,750,000	-	1,200,000	3,450,000	1,100,000
15 Dec 2023	14 Dec 2028	\$0.00	8,150,000	-	-	-	8,150,000
18 Dec 2025	18 Dec 2030	\$0.00	-	7,000,000	-	-	7,000,000

Tranche	Share price at grant date	Volatility	Dividend Yield	Number of Performance Rights	Fair value at grant date
Tranche 1	\$0.38	60%	\$nil	2,300,000	\$0.38
Tranche 2	\$0.38	60%	\$nil	1,150,000	\$0.29
Tranche 3	\$0.38	60%	\$nil	1,150,000	\$0.262
Tranche 4	\$0.38	60%	\$nil	1,150,000	\$0.246
Tranche 5	\$0.335	60%	\$nil	3,260,000	\$0.335
Tranche 6	\$0.335	60%	\$nil	1,630,000	\$0.256
Tranche 7	\$0.335	60%	\$nil	1,630,000	\$0.231
Tranche 8	\$0.335	60%	\$nil	1,630,000	\$0.219
Tranche 9	\$0.035	60%	\$nil	2,800,000	\$0.035
Tranche 10	\$0.035	60%	\$nil	1,400,000	\$0.025
Tranche 11	\$0.035	60%	\$nil	1,400,000	\$0.017
Tranche 12	\$0.035	60%	\$nil	1,400,000	\$0.012

The 2022 performance rights associated with Tranches 2, 3 and 4, in the table above, required various share price targets to be met during the 3 year period from the issue date of 20 December 2022 for the performance rights to vest. The vesting conditions were not met during the 3 year term and therefore these performances rights have lapsed and were cancelled during the half year ended 31 December 2025.

NOTE 8. EQUITY – DIVIDENDS

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$'000	\$'000
No dividend paid for the half year ended 31 December 2025	-	-

NOTE 9. CONTINGENT LIABILITIES

The company is currently involved in a legal dispute with its previous landlord in relation to the June 2022 fire at its Somerton recycling facility. The outcome of the legal proceedings are uncertain at the reporting date.

The Directors are not aware of any other material contingent liabilities as at 31 December 2025.

NOTE 10. RELATED PARTY TRANSACTIONS

The group's only material related party transaction during the period is the receipt of a licence fee from Foster International Packaging Pty Ltd of 7% of revenue per annum which generated intercompany licence fees of \$1,172,000 (2024: \$602,000).

With effect from 1 October 2022 Close the Loop Limited acquired all of the shares in The Pouch Shop Proprietary Limited, a director related company domiciled in South Africa. Joseph Foster was a 70% shareholder of this company. The final instalment payment became due and payable to Joe Foster on 1 October 2024.

On 1 December 2023, the Australian based directors, at that time, entered into loan agreements with the company to exercise the 30 cent options that expired on that date. The key terms of the loans are that 80% of the value of the aggregate issue price of the shares were provided as the loan amount in the form of an interest-bearing loan. The loan is for 3 years, which can be extended for a further term of 3 years and interest is charged at 4% per annum. On 1 December each year, 10% of the loan amount and interest accrued for the year to 1 December is required to be paid to the company. During the half year ended 31 December 2025, no principal or interest repayments were made as the company has elected to place a hold on the loan repayment and interest obligations. At 31 December 2025 the total balance outstanding of director loans was \$1,464,000.

NOTE 11. BUSINESS COMBINATIONS

No new business combinations took place during the half years ended 31 December 2025 or 31 December 2024.

NOTE 12. EVENTS AFTER THE REPORTING PERIOD

Since 31 December 2025, the company has identified some 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 current service offerings of the Group. At the time of this report no binding agreements have been entered into with any of these potential buyers.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

NOTE 13. INTANGIBLES

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Non-Current Assets		
Goodwill	39,823	41,901
Less: Impairment	(20,308)	-
	19,515	41,901
Customer Relationships	101,880	109,087
Less: Accumulated amortisation	(31,105)	(19,278)
Less: Impairment	(6,051)	-
	64,724	89,809
Patents and trademarks - at cost	1,517	1,404
Less: Accumulated amortisation	(1,098)	(973)
	419	431

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Brand Names - at cost	5,351	5,381
Less: Accumulated amortisation	(1,205)	(668)
	<u>4,146</u>	<u>4,713</u>
Software created – at cost	10,581	10,995
Less: Accumulated amortisation	(6,384)	(4,502)
Less: Impairment	(362)	-
	<u>3,835</u>	<u>6,493</u>
	<u>92,639</u>	<u>143,347</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial periods are set out below:

	Goodwill \$'000	Customer relationships \$'000	Patents and Trademarks \$'000	Brand Names \$'000	Software created \$'000	Total \$'000
Consolidated						
Balance at 1 July 2024	40,783	89,792	439	4,806	6,992	142,812
Additions	-	-	43	-	168	211
Movement in foreign exchange rate	1,118	5,148	-	22	371	6,659
Amortisation expense	-	(5,131)	(52)	(115)	(1,037)	(6,335)
Balance at 31 December 2024	<u>41,901</u>	<u>89,809</u>	<u>430</u>	<u>4,713</u>	<u>6,494</u>	<u>143,347</u>
Balance at 1 July 2025	37,348	77,493	452	4,246	5,189	124,728
Additions	-	-	14	-	143	157
Movement in foreign exchange rate	(1,208)	(1,708)	-	14	(136)	(3,038)
Impairment	(16,625)	(6,051)	-	-	(362)	(23,038)
Amortisation expense	-	(5,010)	(47)	(114)	(999)	(6,170)
Balance at 31 December 2025	<u>19,515</u>	<u>64,724</u>	<u>419</u>	<u>4,146</u>	<u>3,835</u>	<u>92,639</u>

NOTE 14. BORROWINGS

On 26 April 2023 the Group entered into a Multi-Currency Revolving Credit Facility ("Revolver") of US\$7,500,000 with PGIM Inc., the global investment management business of Prudential Financial Inc. This facility is part of the Senior Secured Term Loan facility taken out on the same date. The facility was not used at 30 June 2025 or at any time during the half year ended 31 December 2025 and had a maturity date of 26 December 2029. The facility incurs interest at a rate of 35% of the margin of the lender on the unused facility, with interest required to be paid quarterly at the end of March, June, September and December. Security over the Revolver is provided by way of a first lien over all assets of the business via a floating charge. During August 2025 the Revolver was cancelled as it was no longer considered a necessary requirement for the Group.

Notes to the Financial Statements
31 December 2025

On 26 April 2023 the Group entered into a Senior Secured Term Loan of US\$40,000,000 with PGIM Inc., the global investment management business of Prudential Financial Inc. The facility was fully drawn on 26 April 2023 and unpaid principal balance as of 31 December 2025 was US\$37,000,000 (30 June 2025: \$38,000,000). The facility matures on 26 October 2029 and incurs interest at a variable rate of 11.32194% paid quarterly at the end of March, June, September and December. Security over the Senior Secured Term Loan is provided by way of a first lien over all assets of the businesses via a floating charge. At the end of each quarter 0.625% of the principal is required to be repaid in years 1 and 2. Thereafter 1.25% of the principal is required to be repaid each quarter, although this increases to 1.875% from 31 December 2025 onwards. The initial drawdown was used to finance the ISP Tek Services acquisition and provide working capital for this business post-acquisition.

As part of the Senior Secured Term Loan, US\$5,000,000 had been committed as a Delayed Draw Term Loan Facility. The facility was not used at 30 June 2024 and has expired during the half year ended or 31 December 2024.

The PGIM Inc. facilities contain financial covenants which the Company was not in compliance with throughout the year ended 30 June 2025. The fixed interest cover ratio and leverage threshold were not complied with throughout the 30 June 2025 reporting period. PGIM Inc. had provided covenant waivers prior to 30 June 2025 and reset the covenants to assist the company in ensuring that it does not breach any of the covenants in the next 12 months. At 30 June 2025, the covenants were reset and were no longer exceeded and the Group complied with the covenants. The reset of the covenants was finalised post year end and based on the current accounting standards the loan was classified as current at 30 June 2025. This loan has been reclassified as non-current in the 2026 financial year and as at 31 December 2025.

The Group has complied with all banking covenants throughout the reporting period and as at 31 December 2025.

On 28 April 2023 Close the Loop Limited promised to issue to the order of the vendors of ISP Tek Services, 7,500,000 convertible notes ("Notes"), each having a face value of US\$1.00 and the principal sum of US\$7,500,000 in the aggregate, together with interest thereon from the date of issuance of the convertible at maturity notes. Interest will accrue at a simple rate of 4% per annum on these notes. The principal and accrued interest of the Notes issued will be due and payable by Close the Loop on 28 April 2026. The Notes will be convertible into Close the Loop's ordinary shares at the discretion of the company at a set price of A\$0.74 cents per share converted at the rate published by the Reserve Bank of Australia as at the trading day immediately preceding the date of conversion.

A second note was issued on 28 April 2023 by Close the Loop Limited which promised to issue to the order of the vendors of ISP Tek Services, 7,500,000 convertible notes ("Notes"), each having a face value of US\$1.00 and the principal sum of US\$7,500,000 in the aggregate, together with interest thereon from the date of issuance of the convertible on demand notes. Interest will accrue at a simple rate of 4% per annum on these notes. Unless earlier repaid in cash or converted into shares at Close the Loop's election, the principal and accrued interest of the Notes issued will be due and payable by Close the Loop on 28 April 2026. The Notes will be convertible into Close the Loop's ordinary shares at the discretion of the company at a set price of A\$0.74 cents per share converted at the rate published by the Reserve Bank of Australia as at the trading day immediately preceding the date of conversion. This note is classified as a current liability as it can be converted any time at the Company's discretion prior to the maturity date.

There were no other changes to the Group's borrowings as reported in the 30 June 2025 financial report.

NOTE 15. EARNINGS PER SHARE

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Earnings per share for profit / (loss) from continuing operations		
Profit / (Loss) after income tax	(26,878)	(58)
Non-controlling interest	<u>(176)</u>	<u>(142)</u>
Profit / (Loss) after income tax attributable to the owners of Close the Loop Limited	<u><u>(27,054)</u></u>	<u><u>(200)</u></u>
Basic earnings per share (cents)	(5.09)	(0.04)
Diluted earnings per share (cents)	(4.95)	(0.04)

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	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Earnings per share for profit / (loss) from discontinuing operations		
Profit / (Loss) after income tax	(5,768)	(565)
Profit / (Loss) after income tax attributable to the owners of Close the Loop Limited	(32,822)	(765)
Basic earnings per share (cents)	(6.17)	(0.14)
Diluted earnings per share (cents)	(6.00)	(0.14)
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	531,908,562	531,849,866
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	1,000,000	1,000,000
Performance Rights	14,148,913	13,900,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	547,057,475	546,749,866

NOTE 16. DISCONTINUED OPERATION

Disposal of Alliance Paper Pty Ltd

As part of a strategic review Alliance Paper Pty Ltd ("Alliance Paper") was identified as a non-core business unit. In September 2025 management committed to a plan to exit the Alliance Paper thermal paper and rolls business. The Group received an offer for the purchase of the assets of the business and accepted the divestment opportunity as the business was no longer considered complementary to the current service offerings of the Group. The sale of the business assets was completed on 27 October 2025.

The thermal paper and rolls business was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations.

A. Result of discontinued operation

	Note	2025 \$'000	2024 \$'000
Revenue		2,132	4,525
Elimination of inter-segment revenue		-	-
External revenue		2,132	4,525
Expenses		(3,181)	(4,557)
Elimination of expenses related to inter-segment sales		-	-
External expenses		(3,181)	(4,557)
Results from operating activities		(1,049)	(32)
Income tax benefit		176	(61)
Results from operating activities, net of tax		(873)	(93)
Profit / (loss) from discontinued operations, net of tax		(873)	(93)
Basic earnings (loss) per share	15	(0.16)	(0.02)
Diluted earnings (loss) per share	15	(0.16)	(0.02)

The loss from the discontinued operation of \$873,000 (2024: loss of \$93,000) is attributable entirely to the owners of the Company. The loss from the Alliance Paper discontinued operation has been impacted by the right-of-use asset being written off whilst the right-of-use liability has not been written off at 31 December 2025. At the reporting date the company still had the use of its Crestmead, Queensland facility,

Notes to the Financial Statements
31 December 2025

although minimal income is being generated through the access to the lease. Once the lease for this facility is terminated, the right of use liability will be written off. This is expected to occur prior to 30 June 2026. There were no inter-segment sales made by the discontinued operation in the 2024 or 2025 financial years.

B. Cash flows from (used in) discontinued operation

	2025 \$'000	2024 \$'000
Net cash used in operating activities	(38)	1,113
Net cash from/ (used in) investing activities	-	-
Net cash from/ (used in) financing activities	(77)	(336)
Net cash flows for the year	(115)	777

C. Effect of disposal on the financial position of the Group

	2025 \$'000
Inventories	956
Property plant and equipment	1,190
Right-of-Use Assets	1,997
Intangibles	7
Other current assets	148
Net Assets and liabilities	4,298
Net loss for the year	873
Proceeds on sale of assets	(544)
Net loss on sale of assets	4,627

Disposal of O F Flexo Pty Ltd

As part of a strategic review O F Flexo Pty Ltd ("O F Flexo") was identified as a non-core business unit. On 18 November 2025 management committed to a plan to sell the shares of its flexible packaging manufacturing and supply business. The Group received an offer from the existing business unit management team for the purchase of the shares of the subsidiary company and accepted the divestment opportunity as the manufacturing business was no longer considered complementary to the current service offerings of the Group. The sale of the shares was completed with effect from 31 July 2025.

The flexible packaging manufacturing business was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations.

A Result of discontinued operation

	Note	2025 \$'000	2024 \$'000
Revenue		347	3,965
Elimination of inter-segment revenue		-	-
External revenue		<u>347</u>	<u>3,965</u>
Expenses		(437)	(4,423)
Elimination of expenses related to inter-segment sales		-	-
External expenses		<u>(437)</u>	<u>(4,423)</u>
Results from operating activities		(90)	(458)
Income tax benefit / (expense)		<u>37</u>	<u>(12)</u>
Results from operating activities, net of tax			
Profit / (loss) from discontinued operations, net of tax		<u>(53)</u>	<u>(470)</u>
Basic earnings (loss) per share	15	(0.01)	(0.09)
Diluted earnings (loss) per share	15	(0.01)	(0.09)

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The loss from the discontinued operation of \$53,000 (2024: loss of \$470,000) is attributable entirely to the owners of the Company. There were no inter-segment sales made by the discontinued operation in the 2024 or 2025 financial years.

B Cash flows from (used in) discontinued operation

	2025	2024
	\$'000	\$'000
Net cash from / (used in) operating activities	1,364	(605)
Net cash from/ (used in) investing activities	7	-
Net cash from/ (used in) financing activities	(19)	(49)
Net cash flows for the year	<u>1,352</u>	<u>(654)</u>

C Effect of disposal on the financial position of the Group

	2025
	\$'000
Cash and cash equivalents	115
Trade and other receivables	802
Inventories	1,095
Property plant and equipment	774
Right-of-Use Assets	337
Intangibles	779
Other current assets	109
Trade and other payables	(951)
Borrowings	(29)
Lease liabilities	(373)
Deferred tax liabilities	(8)
Provisions	(31)
Net Assets and liabilities	<u>2,619</u>
Net loss for the year	53
Proceeds on sale of assets	<u>(1,531)</u>
Net loss on sale of assets	<u>1,141</u>

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DIRECTORS DECLARATION

In the opinion of the directors of Close the Loop Limited:

- The attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 "Interim Financial Reporting", the Corporations Regulations 2001 and other mandatory professional reporting requirements:
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Signed:

Grant Carman
Director

Date: 23 February 2026
Melbourne

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CLOSE THE LOOP LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Close the Loop Ltd and its subsidiaries (the Group), which comprises the Consolidated Statement of Financial Position as at 31 December 2025, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Close the Loop Ltd does not comply with the *Corporations Act 2001* including:

- i) giving a true and fair view of Close the Loop Ltd's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be on the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Advisory. Tax. Audit.

Registered Audit Company 291969

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Nexia Melbourne Audit Pty Ltd
Melbourne**



**Benjamin Bester
Director**

Dated this 23rd day of February 2026

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