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ASX Announcement
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FY26 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 2026 ("FY26"), following a significant strategic reset of the Company.

FY26 was a year of decisive action to simplify the portfolio, exit underperforming businesses, reduce debt and strengthen the foundations of the business.

The past has been addressed. The business has been restructured. The focus is now firmly on execution, sustainable earnings growth and shareholder value creation.

Key financial highlights (continuing operations) from the results:

- Revenue of $125.6m, up 6% on previous corresponding period ("pcp").
- Gross profit increased to $46.2m, up 25% on pcp.
- Gross profit margin increased to 36.8%, up from 31.1% in pcp.
- EBITDA of $12.4m, an increase of 34.2% on pcp.
- Adjusted NPATA of $1.4m, increased from a loss of $5.4m in pcp.
- Net debt of $38.1m, down $15.3m or 29% vs pcp, post asset divestment.
- Post-year-end debt reduction: following settlement of the convertible notes, net debt reduced to $18.3m, a $19.8m or 52% reduction

The Business – Reset and Repositioned

During FY26, the Company took decisive action to reshape its portfolio and focus resources on businesses with stronger underlying economics.

The sale of ISP Tek Services for US$10 million, together with existing cash reserves, enabled approximately US$16 million of debt to be repaid in FY26.

The exit and write-down of divested and discontinued businesses resulted in a $105.1 million loss, completing a significant portfolio reset and leaving the Company smaller, more focused and focussing on its higher-margin businesses.

The Packaging Division was the standout performer, delivering 16% revenue growth and 48% EBITDA growth, supported by strong performance in South Africa, increased share of wallet from existing customers and new tier-one customers.

The Resource Recovery Division recorded revenue of $55.4 million and an EBITDA loss of $2.8 million, reflecting the underperformance of the division due to the restructure of the plastic recycling businesses and the deliberate exit of lower-margin volume processes. Following the ISP Tek Services sale, the division is now focused on rebuilding margins from a smaller and more focused base.

CLOSE THE LOOP

From Reset to Rebuild

The turnaround was not the destination for FY26, it was the foundation for what comes next.

Management acknowledges the challenges of the past and takes responsibility for addressing the issues within its control. The Company has acted decisively to simplify the business, strengthen accountability, reduce costs and improve capital discipline.

The result is a simpler, more disciplined and more focused business, with management attention increasingly directed towards the areas with the strongest underlying economics.

The priority for FY27 for the Company is no longer the reset, it is execution.

The Group is focused on:

- **Growing the quality businesses** – expanding Packaging sales, increasing share of wallet and leveraging the Company's international footprint.
- **Improving profitability** – driving margin, productivity and cost efficiency, including the progressive adoption of AI, automation and technology-enabled processes across the Company.
- **Improving cash conversion** – reducing working capital and strengthening cash generation.
- **Expanding OEM relationships** – increasing volumes and product penetration within existing accounts and pursuing new global original equipment manufacturer ("OEM") opportunities.
- **Reducing debt** – refinancing existing facilities on improved terms and using internally generated cash flow to continue reducing debt.

AI, Automation and Operational Efficiency

The Company is also undertaking a broader review of its operations with a focus on AI, automation and technology-enabled productivity improvements.

Over the next 18 months, management expects to progressively roll out initiatives across the business designed to streamline processes, improve productivity, reduce operating costs and enhance scalability.

These initiatives are expected to provide meaningful cost savings over time and further strengthen the Group's margin and earnings profile.

The plastics recycling business has also been consolidated from three sites to one profitable site, providing additional capacity and a stronger platform for FY27.

Financial Position and Outlook

Major Post-Year-End Reduction in Net Debt

The Group has materially strengthened its balance sheet since 30 June 2026. Net debt was reduced to $38.1 million at 30 June 2026, a reduction of $15.3 million, or 29%, during FY26, following asset disposals, disciplined capital management and debt reduction. Since year end, the balance sheet has strengthened further following the settlement of the convertible notes.

Net Debt has reduced from $38.1m at 30 June 2026 to $18.3m at 31 July 2026, which is a $19.8m reduction. This represents a further 52% reduction in net debt since year end.

The reduction in net debt from $38.1 million at 30 June 2026 to $18.3 million following the settlement of the convertible notes is a significant achievement and materially strengthens the Company's financial position.

The sale of ISP Tek Services for US$10 million, together with existing cash reserves, enabled approximately US$16 million of debt to be repaid during FY26.

The substantially lower debt balance provides Close the Loop with a stronger financial platform from which to execute its FY27 strategy, invest selectively in growth and improve cash generation.

The Company is in advanced discussions with potential financiers to refinance its remaining debt facilities. A lower debt balance, together with a restructured funding position, is expected to deliver significant interest savings and improve financial flexibility.

The Company has reconfirmed FY27 EBITDA guidance of $14 million to $16 million, representing growth of approximately 13% to 30% on FY26 EBITDA.

With the business reset substantially complete and the balance sheet materially strengthened, management's focus is now firmly on execution, sustainable earnings growth, stronger cash generation and long-term shareholder value creation.

CEO's Commentary

Close the Loop Chief Executive Officer ("CEO"), Kesh Nair, said: "FY26 was about making the difficult decisions required to reset Close the Loop and put the business on a stronger footing. We have completed that phase of the work, and our focus is now on execution.

"The significant reduction in debt since year end materially changes the financial position of the Group. It gives management greater flexibility and allows us to focus on improving the underlying performance of the businesses we have retained.

"Our priority for FY27 is straightforward: grow the businesses with the strongest economics, improve margins, convert earnings into cash and continue to reduce debt. We will be disciplined about where we invest capital and remain focused on delivering against the opportunities already within the Group rather than making large promises about the future.

"We also see meaningful opportunities to improve productivity through technology, automation and AI, and we expect these initiatives to increasingly contribute to a more efficient and scalable business over the next 18 months.

"We have a much stronger platform today than we had at the beginning of FY26. The next phase is about demonstrating that the reset can translate into consistent earnings, stronger cash generation and sustainable value creation for shareholders."

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About Close the Loop

With locations across Australia, Europe, South Africa and the United States, Close the Loop creates innovative products and sustainable packaging, as well as collecting, sorting, reclaiming and reusing resources that would otherwise go to landfill.

The Group is focused on sustainability, the circular economy and developing innovative solutions that turn waste into valuable resources.

Further information: www.closetheloop.com